

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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To the Chief Officer South Australian Country Fire Service

Opinion

I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Officer and the Business Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Country Fire Service. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Officer for the financial report

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

In preparing the financial report, the Chief Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 100(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2026.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Country Fire Service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Officer

- conclude on the appropriateness of the Chief Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read 'Daniel O'Donohue', followed by a long horizontal flourish.

Daniel O'Donohue
Deputy Auditor-General

18 September 2026

South Australian Country Fire Service

Financial Statements

For the year ended 30 June 2026

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South Australian Country Fire Service
Certification of the Financial Statements
for the year ended 30 June 2026

We certify that the:

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



Brett Loughlin
Chief Officer
South Australian Country Fire Service
14 September 2026



Gabriel Tudini
Business Manager
South Australian Country Fire Service
14 September 2026

South Australian Country Fire Service
Statement of Comprehensive Income
for the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Income			
Contributions from the Community Emergency Services Fund	3.1	106 417	106 146
Grants and subsidies	3.2	7 234	6 943
Intra-government transfers	3.3	59 137	27 165
Fees and charges	3.4	2 016	1 783
Interest		83	166
Net gain from disposal of property plant and equipment	3.5	-	445
Other income	3.6	1 185	802
Total income		176 072	143 450
Expenses			
Employee related expenses	4.1	36 232	30 981
Supplies and services	4.2	95 959	99 395
Depreciation and amortisation	5.5, 5.8	15 446	13 863
Grants and subsidies		410	553
Borrowing costs		149	193
Net loss from disposal of property plant and equipment	3.5	3 076	-
Other expenses	4.3	-	571
Total expenses		151 272	145 556
Net result		24 800	(2 106)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes to asset revaluation surplus		-	47 470
Total other comprehensive income		-	47 470
Total comprehensive result		24 800	45 364

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 Country Fire Service
Statement of Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	5.2	19 559	10 157
Receivables	5.3	7 811	1 929
Other financial assets	5.4	3 983	3 311
Total current assets		31 353	15 397
Non-current assets			
Property, plant and equipment	5.5	230 300	226 315
Intangible assets	5.8	34	58
Capital works in progress	5.9	47 918	42 185
Total non-current assets		278 252	268 558
Total assets		309 605	283 955
Current liabilities			
Payables	6.2	4 297	7 789
Other financial liabilities	6.3	1 270	1 696
Employee related liabilities	6.4	4 222	3 947
Provisions	6.5	2 756	1 886
Total current liabilities		12 545	15 318
Non-current liabilities			
Other financial liabilities	6.3	7 226	6 899
Employee related liabilities	6.4	4 469	3 600
Provisions	6.5	10 573	8 146
Total non-current liabilities		22 268	18 645
Total liabilities		34 813	33 963
Net assets		274 792	249 992
Equity			
Asset revaluation surplus	7.1	114 986	114 986
Retained earnings	7.1	159 806	135 006
Total equity		274 792	249 992

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

South Australian Country Fire Service
Statement of Changes in Equity
for the year ended 30 June 2026

		Asset revaluation surplus	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance at 1 July 2024		67 516	137 112	204 628
Net result for 2024-25		-	(214)	(214)
Gain on revaluation of land during 2024-25	5.5	7 565		7 565
Gain on revaluation of buildings during 2024-25		34 724	-	34 724
Gain on revaluation of vehicles during 2024-25		4 758	-	4 758
Gain on revaluation of plant and equipment during 2024-25		423	-	423
Total comprehensive result for 2024-25		47 470	(214)	47 256
Original Balance at 30 June 2025		114 986	136 898	251 884
Prior period error	1.5	-	(1 892)	(1 892)
Restated Balance at 30 June 2025		114 986	135 006	249 992
Net result for 2025-26		-	24 800	24 800
Total comprehensive result for 2025-26		-	24 800	24 800
Balance at 30 June 2026	7.1	114 986	159 806	274 792

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

South Australian Country Fire Service
Statement of Cash Flows
For the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Contributions from the Community Emergency Services Fund		106 417	106 146
Intra-government transfers		53 218	26 744
Receipts from fees and charges		2 256	2 151
Grants and funding		7 763	7 382
Investment and interest received		83	166
GST recovered		11 041	10 483
Other receipts		1 171	844
		181 949	153 916
Cash outflows			
Employee related payments		(31 808)	(30 423)
Payments for supplies and services		(110 218)	(105 177)
Payments of grants and subsidies		(410)	(553)
Interest paid		(149)	(193)
		(142 585)	(136 346)
Net cash from operating activities	7.2	39 364	17 570
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		371	577
		371	577
Cash outflows			
Purchase of property, plant and equipment		(28 466)	(17 038)
Payments for disposal of property		(3)	(16)
Payments for financial assets held-to maturity		(672)	(17)
		(29 141)	(17 071)
		(28 770)	(16 494)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(1 192)	(1 780)
		(1 192)	(1 780)
Net increase / (decrease) in cash and cash equivalents		9 402	(704)
Cash and cash equivalents at the beginning of the reporting period		10 157	10 861
Cash and cash equivalents at the end of the reporting period	5.2	19 559	10 157

The accompanying notes form part of these financial statements.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1. About the South Australian Country Fire Service

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

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

1.1 Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with:

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

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

Assets that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the department has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

Material accounting policy information is set out in the notes of the financial statements.

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

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

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

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2 Objectives and programs

Objectives

The CFS is volunteer based and is responsible under the Act for the following functions:

- to provide frontline services with the aim of preventing the outbreak of fires, reducing the impact of fires and preparing communities through comprehensive community engagement programs
- to provide efficient and responsive frontline services for the purpose of fighting fires, dealing with other emergencies or undertaking any rescue
- to protect life, property and environmental assets from fire and other emergencies
- to develop and maintain plans to cope with the effects of fires and other emergencies
- to provide services or support to assist with recovery in the event of a fire or other emergency.

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

Funds generated by Groups and Brigades through fundraising activities are held by the respective Group/Brigade for expenditure on the CFS's activities in the local community. These funds are recognised in the CFS's financial statements.

Programs

In achieving its objectives, the CFS provides services within two areas of activity: frontline service delivery and frontline service delivery support. These services are classified under one program titled 'Country Fire Service'. These services are predominantly delivered by volunteers.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.3 Budget performance

The budget performance table compares the CFS's outcomes against budget information presented to Parliament (2025-26 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Contribution from the Community Emergency Services				
Fund		106 747	106 417	(330)
Grants and subsidies		2 390	7 234	4 844
Intra-government transfers	(a)	-	59 137	59 137
Fees and charges		1 180	2 016	836
Interest		122	83	(39)
Other income		1 888	1 185	(703)
Total Income		112 327	176 072	63 745
Expenses				
Employee related expenses	(b)	24 068	36 232	12 164
Supplies and services	(c)	66 558	95 959	29 401
Depreciation and amortisation		13 032	15 446	2 414
Grants and subsidies		474	410	(64)
Borrowing costs		237	149	(88)
Net loss from the disposal of property, plant and equipment and intangible assets		-	3 076	3 076
Other expenses		3 288	-	(3 288)
Total Expenses		107 657	151 272	43 615
Net result		4 670	24 800	20 130
Total comprehensive result		4 670	24 800	20 130

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

- Primarily relates to funding received for Out of Scale events for 2025-26 across a number of incidents, including Deep Creek, Mambray Creek, Katarapko as well as extensions to firefighting aircraft availability to cover the extended period of bushfire risk. In addition, cash injections were provided by DTF to fund carryovers.
- Primarily due to Workers Compensation and overtime relating to out of scale events.
- Primarily due to aircraft operating and extension expenses, property related expenses, vehicle repairs and maintenance, leased vehicle costs and communication and travel expenses.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.3. Budget performance (continued)

	Note	Original budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Investing expenditure summary				
Total existing projects	(d)	4 508	473	(4 035)
Total Annual Programs		29 369	27 018	(2 351)
Total investing expenditure		33 877	27 491	(6 386)

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

- d. Due to preconstruction delays of the Maitland CFS/SES joint facility.

1.4 Significant transactions with government related entities

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

- Contributions from the Fund of \$106.417 million (refer note 3.1)
- Payment to the Attorney-General's Department for the government radio network of \$15.032 million (refer note 4.2).

1.5 Prior period error

During 2025-26 the CFS identified capital work-in-progress (CWIP) transactions that had been incorrectly capitalised in 2024-25.

Consequently, the CFS has recognised a prior period error correction that has been reflected in these financial statements through a restatement of some comparative balances.

The impact of the restatement on these financial statements is summarised below:

	Note	Original balance 2025 \$'000	Restated balance 2025 \$'000	Change \$'000
Statement of Comprehensive Income				
Supplies and services	4.2	97 503	99 395	1 892
Capital WIP	5.9	44 077	42 185	(1 892)
		141 580	141 580	-

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

2. Board, and committees

2.1 Key management personnel

Key management personnel of the CFS include the Minister, the Chief Officer, the Deputy Chief Officer, Senior Director and Executive Directors of the CFS, who have responsibility for the strategic direction and management of the CFS.

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

Transactions with key management personnel and other related parties

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

	2026	2025
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	1 290	938
Post-employment benefits	161	107
Termination benefits	-	21
Total compensation	1 451	1 066

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

2.2 Remuneration of board and committee members

Members of boards and committees during 2026 were:

State Bushfire Coordination Committee

K M Egan	B A Loughlin*
R A Cadd	A May*
F J Gill*	J R Fischer
M J Blason	J D Lindner
M J Garrod*	K Lee-Jones*
P Yeomans	E G Petrenas*
M Henderson	H J Hopton
J D Ferguson	M W Pearson
S L Elding*	H L Greaves
S Maddocks	A R Vaughan
P Button*	J W Sewart*
V Dzeladini	B J Browne
B A Swaffer	A Walsh
S A Allison*	J S Crocker
M J Shotton*	B W Hastie*
D Boddington*	A P Harvey*
P L Newitt*	B M Bartel*
P D Merry*	W J Durack*

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

Board and committee remuneration

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

The total remuneration received or receivable by members was \$5 029 (2025: \$9 200). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

	2026	2025
\$0	29	36
\$1 - \$19 999	7	8
Total number of members	36	44

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

3. Income

3.1 Contributions from the Community Emergency Services Fund

Contributions from the Fund amount to \$106.417 million (2025: \$106.146 million) and are recognised as revenues when the CFS obtains control over the funding. Control over contributions is normally obtained upon receipt.

3.2 Grants and subsidies

	2026 \$'000	2025 \$'000
Commonwealth-sourced grants		
Commonwealth Government	172	50
Total Commonwealth-sourced grants	172	50
SA Government grants and subsidies		
Intra agency grants	946	1 729
Embed BOM Meteorologist	-	83
Total SA Government grants and subsidies	946	1 812
Private industry and local government	6 116	5 081
Total grants and subsidies	7 234	6 943

Grants and subsidies are recognised as an asset and income when the CFS obtains control of the grants and subsidies or obtains the right to receive the grant and subsidies and the income recognition criteria are met; this is generally on receipt.

Commonwealth Government revenue includes once-off project grants which are subject to specific funding agreements.

3.3 Intra-government transfers

	2026 \$'000	2025 \$'000
Intra government transfers	58 578	27 148
Contingency funding provided by the Department of Treasury and Finance	559	17
Total intra-government and transfers	59 137	27 165

Intra-government transfers revenue are recognised under *AASB 1058 Income of Not-for-Profit Entities*.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

3.4 Fees and charges

	2026	2025
	\$'000	\$'000
Fire alarm attendance fees	679	292
Fire alarm monitoring fees	339	314
Fire safety fees	295	324
Facilities hire fees	273	178
Incident cost recoveries	430	675
Total fees and charges	2 016	1 783

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

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

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

Fire alarm attendance and fire safety fees

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

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

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

Fire alarm monitoring fees

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

Facilities hire fees

The CFS receives revenue from the short term hire of the State Training Centre facilities at Brukunga from government and non-government customers. The terms of hire are outlined in a hire agreement that stipulate obligations regarding facilities, accommodation and catering to be provided. Customers are invoiced and payment is received in arrears once all performance obligations have been met.

Incident cost recoveries

The CFS provides support to other jurisdictions that request it when an emergency incident occurs. The terms of deployment are managed in accordance with the Arrangement for Interstate Assistance Framework by the National Resource Sharing Centre under the Australian and New Zealand National Council for Fire and Emergency Services.

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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

	2026	2025
	\$'000	\$'000
Vehicles		
Proceeds from disposal	350	577
Costs of disposal	(3)	(16)
Less net book value of assets disposed	(397)	(169)
Net gain / (loss) from disposal of vehicles	(50)	392
 Plant and equipment		
Proceeds from disposal	21	-
Less net book value of assets disposed	(3 047)	-
Net gain / (loss) from disposal of plant and equipment	(3 026)	-
 Total assets:		
Proceeds from disposal of non-current assets	371	577
Costs of disposal	(3)	(16)
Less net book value of assets disposed	(3 444)	(169)
Net gain / (loss) on disposal of owned assets	(3 076)	392
 Gain on modification of right-of-use assets	-	53
 Net gain from disposal of non-current assets	-	445

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2026

3.6 Other income

Recoveries include employee benefits recoveries (i.e. where employees are seconded to other agencies or Commonwealth programs and the CFS continues to provide the ongoing salary for the employees) and goods and services (that is, where the CFS incurs expenditure on goods and services and later recovers the expenditure).

Although not recognised in the CFS's financial statements, the CFS receives volunteer services from numerous volunteers who provide frontline emergency response services to the community and in other support roles.

	2026	2025
	\$'000	\$'000
Insurance recoveries	282	13
Sundry revenues	183	25
Other recoveries	33	-
Salary recoveries	18	3
Property income	106	37
Donations	3	478
Group/Brigade fundraising	482	231
Resources received free of charge	21	-
Other	57	15
Total other income	1 185	802

South Australian Country Fire Service
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For the year ended 30 June 2026

4. Expenses

4.1 Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	22 940	20 567
Workers compensation	6 152	4 328
Superannuation	2 839	2 438
Annual leave	2 175	1 863
Payroll tax	1 409	1 246
Long service leave	805	203
Other employment related expenses	49	170
Additional compensation	(244)	95
Skills and experience retention leave	104	61
Board and committee fees	3	10
Total employee related expenses	36 232	30 981

The CFS's staff are employed under Part 4 of the *South Australian Fire and Emergency Services Act 2005*.

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

Employee remuneration

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

	Employees	
	2026	2025
	Number	Number
\$171 001 to \$177 000 *	N/a	2
\$177 001 to \$197 000	9	7
\$197 001 to \$217 000	4	3
\$217 001 to \$237 000	1	-
\$237 001 to \$257 000	1	-
\$257 001 to \$277 000	1	-
\$277 001 to \$297 000	1	-
\$337 001 to \$357 000	1	1
Total	18	13

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2024-25.

The total remuneration received by these employees for the year was \$3.85 million (2025: \$2.59 million).

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

South Australian Country Fire Service
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4.2 Supplies and services

	Note	2026	2025
		\$'000	\$'000
Aerial support costs		30 757	35 651
Government radio network		15 032	14 666
Vehicles		11 254	10 046
Operational costs		6 796	8 779
Property costs		5 427	4 029
Communications		4 908	3 875
Computing costs		3 892	3 397
Contractors		3 692	2 920
Uniforms and protective clothing		3 359	4 453
Travel and training		3 144	2 586
Accommodation		2 501	2 175
Insurance premiums		730	697
Consultancy		658	364
Legal fees		333	126
Postage and freight		226	187
Shared Services SA fees		44	41
Short term leases		129	455
CWIP write off- prior period error	1.5	-	1 892
Other expenses		3 077	3 056
Total supplies and services		95 959	99 395

Accommodation

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

Other

Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$55 300 (2025: \$52 000). No other services were provided by the Audit Office of South Australia.

Leases

The CFS recognises lease payments associated with short-term leases (12 months or less) and low value leases (less than \$15 000) as an expense on a straight-line basis over the lease term. Lease commitments for short term leases are similar to short term lease expenses disclosed.

South Australian Country Fire Service
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4.3 Other expenses

	2026	2025
	\$'000	\$'000
Derecognition of assets	-	422
Other	-	149
Total other expenses	-	571

5. Assets

5.1 Financial assets

	2026	2025
	\$'000	\$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	19 559	10 157
Receivables	6 819	956
Other financial assets	3 983	3 311
Total financial assets	30 361	14 424

All financial assets are measured at amortised cost.

5.2 Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Deposits with the Treasurer	13 053	3 461
Cash at bank - Groups/Brigades	4 702	5 220
Short-term deposits - Groups/Brigades	1 793	1 465
Cash at bank	8	8
Cash on hand	3	3
Total cash and cash equivalents in the Statement of Financial Position	19 559	10 157
Total cash and cash equivalents in the Statement of Cash Flows	19 559	10 157

Cash is measured at nominal amounts.

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

One operating account held with the Treasurer is interest bearing.

Cash at bank – Groups/Brigades

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

Short term deposits – Groups/Brigades

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.

South Australian Country Fire Service
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5.3 Receivables

	2026	2025
Current	\$'000	\$'000
Receivables	6 856	974
Less impairment loss on receivables	(37)	(18)
GST input tax recoverable	587	637
Accrued Revenue	19	81
Prepayments	386	255
Total current receivables	7 811	1 929
Total receivables	7 811	1 929

All receivables are non-interest bearing. They are held with the objective of collecting the contractual cash flow.

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.

Other than as recognised in the allowance for impairment loss on contractual receivables, 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.

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

Refer to note 9.2 for further information on risk management.

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

Allowance for impairment loss on contractual receivables

	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	18	6
Increase/(decrease) in the allowance	19	12
Carrying amount at the end of the period	37	18

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government.

Refer to note 9.2 for details regarding credit risk and the methodology for determining impairment.

5.4 Other financial assets

Medium-term deposits of \$3.983 million (2025: \$3.311 million) are held by the CFS for varying periods of between three months and twelve months. Because of their maturity dates exceeding three months, these funds are not reported within Cash and Cash Equivalents or the Statement of Cash Flows. The deposits are lodged with various financial institutions at their respective medium-term deposit rates. Other financial assets are measured at amortised cost.

South Australian Country Fire Service
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5.5 Property, plant and equipment

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

Reconciliation of property, plant and equipment during 2025-26

	Land	Buildings	Vehicles	Plant & equipment	ROU Land	ROU Buildings	ROU Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2025	22 695	74 258	115 548	3 364	2 185	2 155	6 110	226 315
Acquisitions	-	-	-	-	-	908	-	908
Transfers from capital WIP ⁽¹⁾	-	828	19 709	1 221	-	-	-	21 758
Transfers between asset classes	338	(338)	-	-	-	-	-	-
Disposals	-	-	(397)	(3 047)	-	-	-	(3 444)
Remeasurement	-	-	-	-	-	93	152	245
Assets written off	-	-	(3)	(54)	-	(4)	1	(60)
Subtotal:	23 033	74 748	134 857	1 484	2 185	3 152	6 263	245 722
Gains/(losses) for the period recognised in net result:								
Depreciation	-	(4 807)	(8 858)	(372)	(113)	(651)	(621)	(15 422)
Subtotal:	-	(4 807)	(8 858)	(372)	(113)	(651)	(621)	(15 422)
Carrying amount at the end of the period	23 033	69 941	125 999	1 112	2 072	2 501	5 642	230 300
Gross carrying amount								
Gross carrying amount	23 033	74 812	135 433	1 217	3 281	5 584	9 018	252 378
Accumulated depreciation	-	(4 871)	(9 434)	(105)	(1 209)	(3 083)	(3 376)	(22 078)
Carrying amount at the end of the period	23 033	69 941	125 999	1 112	2 072	2 501	5 642	230 300

*All owned property, plant and equipment are classified in the level 2 and level 3 fair value hierarchy. Refer Note 9.1 for more details. This excludes right of use assets and refer to note 6.3 for additional details. For more information regarding the revaluation refer Note 9.1.

⁽¹⁾ Refer to note 5.9.

South Australian Country Fire Service
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5.5 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2024-25

	Land	Buildings	Vehicles	Plant & equipment	ROU Land	ROU Buildings	ROU Vehicles	ROU Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	15 181	40 500	108 047	1 764	2 297	737	1 624	6 438	176 588
Acquisitions	1	-	115	111	-	1 903	1 886	-	4 016
Transfers from capital WIP ⁽¹⁾	-	1 491	12 122	1 581	-	-	-	-	15 194
Disposals	-	-	(169)	-	-	-	-	-	(169)
Derecognition of assets	(52)	-	(134)	(236)	-	-	(2 809)	-	(3 231)
Remeasurement	-	-	-	-	-	8	-	278	286
Revaluation increment	7 565	34 724	4 758	423	-	-	-	-	47 470
Subtotal:	22 695	76 715	124 739	3 643	2 297	2 648	701	6 716	240 154

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

Depreciation	-	(2 457)	(9 191)	(279)	(112)	(493)	(701)	(606)	(13 839)
Subtotal:	-	(2 457)	(9 191)	(279)	(112)	(493)	(701)	(606)	(13 839)
Carrying amount at the end of the period	22 695	74 258	115 548	3 364	2 185	2 155	-	6 110	226 315

Gross carrying amount

Gross carrying amount	22 695	74 322	116 191	3 427	3 281	4 586	-	8 865	233 367
Accumulated depreciation	-	(64)	(643)	(63)	(1 096)	(2 431)	-	(2 755)	(7 052)
Carrying amount at the end of the period	22 695	74 258	115 548	3 364	2 185	2 155	-	6 110	226 315

* All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$882 000. Refer to note 6.3 for details about the lease liability for right-of-use assets. For more details regarding revaluation refer Note 9.1.⁽¹⁾ Refer to note 5.9.

South Australian Country Fire Service
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5.5 Property, plant and equipment (continued)

Depreciation

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

Useful life

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

Class of asset	Useful life (years)
Buildings	1-40
Vehicles	1-30
Plant and equipment	1-25
ROU Land	1-77
ROU Buildings	2-77
ROU Plant and equipment	15

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.

Depreciation and amortisation expenses are presented in the reconciliation tables in note 5.5 and note 5.8.

5.6 Property, plant and equipment owned by the CFS

Property, plant and equipment owned by the CFS with a value equal to or in excess of \$15 000 is capitalised.

Property, plant and equipment owned by CFS is recorded at fair value. Detail about the CFS's approach to fair value is set out in note 9.1.

Impairment of property, plant and equipment

Property, plant and equipment non-cash generating assets, that are specialised in nature and held for continual use of their service capacity. These assets are not tested for impairment as they are regularly revalued to fair value.

South Australian Country Fire Service
Notes to and forming part of the financial statements
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5.7 Property, plant and equipment leased by the CFS

Right-of-use property, plant and equipment leased by the CFS is measured at cost and there was no indication of impairment of right-of-use assets.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2.

The CFS has a limited number of leases:

- 11 commercial leases for land and buildings used for the purpose of CFS brigade and group operational and administrative activities.
- 1 commercial lease over plant used for per-and polyfluoroalkyl substances (PFAS) remediation purposes.

The lease liabilities and interest expense related to the ROU assets are disclosed in note 6.3. The CFS's maturity analysis of lease liabilities is disclosed in note 6.3. Cash outflows related to ROU assets are disclosed in note 7.2. The CFS has not committed to any lease arrangements that have not commenced from 1 July.

Concessionary (peppercorn) leases

The CFS has a number of leases over land with significantly below market terms. These leases are entered into with the principal aim of enabling the CFS to further its objectives and are all of a similar nature. The lease terms vary from 1 to 99 years with annual rental of \$0 or \$1.

South Australian Country Fire Service
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5.8 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting period. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the CFS's computer software is calculated on a straight line basis over the estimated useful of 5-10 years.

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

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$15 000.

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

Computer software	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	58	82
Gains/(losses) for the period recognised in net result:		
Amortisation	(24)	(24)
Subtotal:	(24)	(24)
Carrying amount at the end of the period	34	58
Gross carrying amount		
Gross carrying amount	373	373
Accumulated amortisation	(339)	(315)
Carrying amount at the end of the period	34	58

South Australian Country Fire Service
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5.9 Capital works in progress

	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	42 185	43 101
Acquisitions	27 491	16 320
Transfers to property, plant and equipment	(21 758)	(15 194)
CWIP write off	-	(150)
CWIP write off- prior period error	-	(1 892)
Carrying amount at the end of the period	47 918	42 185

Capital works in progress are recognised as the cumulative costs of capital projects to balance date. Projects completed during the year have been recognised as property, plant and equipment (refer note 5.5) or intangible assets (refer note 5.8) and are valued at cost.

South Australian Country Fire Service
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6. Liabilities

6.1 Financial liabilities

	2026	2025
	\$'000	\$'000
Financial liabilities measured at amortised cost		
Payables	301	1 841
Lease liabilities	8 496	8 595
Total financial liabilities	8 797	10 436

All financial liabilities are measured at amortised cost excluding lease liabilities which are measured at the present value of expected future cash payments.

6.2 Payables

	2026	2025
	\$'000	\$'000
Current		
Creditors	301	1 841
Contractual Payables	3 996	5 948
Total current payables	4 297	7 789
Total payables	4 297	7 789

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 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.

South Australian Country Fire Service
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6.3 Other financial liabilities

Lease liabilities have been measured via discounting future lease payments using either the interest rate implicit in the lease or DTF's incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2025-26 was \$149 000 (2025: \$193 000). The CFS does not capitalise borrowing costs.

	2026 \$'000	2025 \$'000
Current		
Lease liabilities	1 270	1 696
Total current financial liabilities	1 270	1 696
Non-current		
Lease liabilities	7 226	6 899
Total non-current financial liabilities	7 226	6 899
Total other financial liabilities	8 496	8 595

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

	2026 \$'000	2025 \$'000
Lease liabilities		
within 1 year	3 581	2 022
1 to 5 years	5 004	5 274
More than 5 years	6 988	4 632
Total lease liabilities (undiscounted)	15 573	11 928

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
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6.4 Employee related liabilities

	2026	2025
Current	\$'000	\$'000
Annual leave	2 929	2 556
Accrued salaries and wages	221	205
Skills and experience retention leave	135	103
Long service leave	238	453
Employment on-costs	699	630
Total current employee related liabilities	4 222	3 947
Non-current		
Long service leave	4 042	3 255
Employment on-costs	427	345
Total non-current employee related liabilities	4 469	3 600
Total employee related liabilities	8 691	7 547

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Apart from long service leave liability, employee related liabilities are measured at nominal amounts.

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

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

The annual leave liability and the SERL liability are expected to be paid within 12 months and is measured at the undiscounted amount expected to be paid. The salary inflation rate applied to the annual leave and SERL liabilities changed to 3.5% in 2026 from 3.2% in 2025.

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 for sick leave.

Long service leave

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

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

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are 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.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased in 2026 to 5.0% (4.5% in 2025). This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an overall decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee benefits expense of \$169 906. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

South Australian Country Fire Service
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6.4. Employee related liabilities (continued)

The actuarial assessment performed by DTF maintained the salary inflation rate at 3.5% (2025: 3.5%) for the long service leave liability. Consequently, there was no net financial effect.

The current portion of long service liabilities reflects the amounts expected to be taken (approved or paid out of termination) to eligible employees within 2026-27.

Employment on-costs

Employment on-costs liabilities include payroll tax, Fringe benefits Tax, Pay As You Go Withholding, ReturnToWorkSA levies and superannuation contributions. They are settled when the respective employee benefits that they relate to is discharged. These on-costs liabilities primarily relate to the balance of leave owing to employees. The estimated proportion of long service leave to be taken as leave, rather than to be paid on termination, affects the amount of on-costs liabilities recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken is 44% in 2026. The average factor for the calculation of employer superannuation on-costs has remained unchanged in 2026 at 12% from 2025. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

South Australian Country Fire Service
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6.5 Provisions

	2026	2025
	\$'000	\$'000
Current		
Provision for workers compensation	2 726	1 841
Additional compensation	30	45
Total current provisions	2 756	1 886
Non-current		
Provision for workers compensation	10 239	7 576
Additional compensation	334	570
Total non-current provisions	10 573	8 146
Total provisions	13 329	10 032
Movement in provisions	2026	2025
	\$'000	\$'000
Workers compensation:		
Carrying amount at the beginning of the period	9 417	8 667
Reduction arising from payments	(2 414)	(2 365)
Changes from remeasurement	3 343	714
New accident liability	2 619	2 401
Carrying amount at the end of the period	12 965	9 417
Additional compensation:		
Carrying amount at the beginning of the period	615	1 205
Reduction resulting from payments	(7)	(694)
Changes from remeasurement	(264)	84
New accident liability	20	20
Carrying amount at the end of the period	364	615

Workers compensation provision (statutory and additional compensation schemes)

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

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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6.5 Provisions (continued)

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

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

The significant movement in workers compensation provisions in 2025-26 is due to the impact of legislative change that relate to the scope of Firefighter Cancer presumptive cover.

7 Other disclosures

7.1 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.

7.2 Cash flow reconciliation

	2026 \$'000	2025 \$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash (used in) / provided by operating activities	39 364	17 570
Add / (less) non-cash items		
Depreciation and amortisation	(15 446)	(13 863)
Resources received free of charge	21	-
Net loss from disposal of non-current assets	(3 076)	392
Net loss from disposal of intangible assets	-	-
CWIP write-off	-	(2 042)
Derecognition of assets	-	(422)
Capital accruals	(976)	(491)
Movement in assets and liabilities		
Increase / (decrease) in receivables	5 882	(347)
(Increase) / decrease in payables	3 472	(2 235)
(Increase) / decrease in employee benefits	(1 144)	(508)
(Increase) / decrease in provisions	(3 297)	(160)
Net result	24 800	(2 106)

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8 Outlook

8.1 Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant and equipment

	2026	2025
	\$'000	\$'000
Within one year	5 487	1 362
Later than one year but not later than five years	17 004	-
Later than five years	177	-
Total contractual commitments to acquire property, plant and equipment	22 668	1 362

These contractual commitments to acquire property, plant and equipment are the provision of new vehicles, as well as building and equipment projects.

Other contractual commitments

Other contractual commitments are for accommodation, maintenance contracts, personal protective clothing and information technology.

	2026	2025
	\$'000	\$'000
No later than one year	6 166	6 411
Later than one year but not later than five years	35 133	9 702
Later than five years	1 430	13 868
Total other contractual commitments	42 729	29 981

8.2 Contingent assets and liabilities

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

The CFS is not aware of any contingent assets at the reporting date.

PFAS contamination was previously identified at Brukunga, Naracoorte and Cherry Gardens CFS sites which are subject to s83a Notices of Site Contamination under the Environment Protection Act 1993. In addition, recent testing has identified site contamination from PFAS at the following CFS Stations:

- Hamley Bridge (divested site)
- Geranium
- Millicent
- Peterborough
- Willalooka.

GHD has recently been engaged to consider the level of risk of site contamination associated with historical PFAS storage and/or use at 465 CFS sites. The outcome of this work will be the ranking of each site to inform assessment prioritisation (if assessment is needed) and future budget requirements.

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8.3 Impact of standards not yet implemented

The CFS assessed *Australian Accounting Standards* and *Interpretations* that first applied in 2025-26 and determined that they did not have a material impact on its financial statements. No new *Australian Accounting Standards* or *Interpretations* have been early adopted.

8.4 Events after the reporting period

No events have occurred after the reporting date that require adjustment to, or disclosure in, these financial statements.

9 Measurement and risk

9.1 Fair value

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

Initial recognition

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

Revaluation

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

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

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. As at 30 June 2026 management's assessment did not identify any material variance between the reported carrying amount of the CFS's assets and their estimated fair value as at reporting date.

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

Fair value hierarchy

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

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

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

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

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9.1 Fair value (continued)

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

During 2025 and 2026, the CFS had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Land, buildings and vehicles

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

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

The next independent valuation of land, vehicles and buildings will occur in 2030-31.

Plant and equipment

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

The next independent valuation of land, vehicles and buildings will occur in 2030-31.

Fair value classification - non-financial assets at 30 June 2026

	Note	Level 2	Level 3	Total
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	5.5	14 713	8 320	23 033
Buildings	5.5	-	69 941	69 941
Vehicles	5.5	112 325	13 674	125 999
Plant and equipment	5.5	161	951	1 112
Intangible	5.6	-	34	34
Total recurring fair value measurements		127 199	92 886	220 085
Total fair value measurements		127 199	92 886	220 085

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9.2 Financial instruments

Financial risk management

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

The exposure of the agencies 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

The CFS is funded principally from the Fund. The CFS works with the Fund to determine the cash flows associated with its Government approved program of work and to ensure funding meets the expected cash flows.

Refer to notes 1.2 and 3.1 for further information.

Credit risk

The CFS has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. No collateral is held as security and no credit enhancements relate to financial assets held by the CFS.

Cash

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

Impairment of financial assets

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

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

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

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

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

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9.2. Financial instruments (continued)

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

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

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

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed. Impairment losses on the CFS's receivables were \$37 000 (2025: \$18 000). No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2026			
Current (not past due)	6 304	0.32%	20
1 - 30 days past due	24	1.00%	-
31 - 60 days past due	9	1.73%	-
61 - 90 days past due	12	2.83%	1
More than 90 days past due	307	5.34%	16
Loss allowance	6 656		37

Debt instruments

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

Market risk

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

Exposure to interest rate risk may arise through its interest-bearing liabilities, including borrowings. The CFS's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

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

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9.2. Financial instruments (continued)

Classification of financial instruments

The CFS measures all financial instruments at amortised cost other than lease liabilities which are measured at the present value of expected future cash payments. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2026 and are expected to be settled within one year excluding lease liabilities. Maturity analysis for financial liabilities is presented in note 6.3.