

Financial statements

Queensland Fire and Emergency Services
Financial statements
For the year ended 30 June 2018

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Statement of comprehensive income

Queensland Fire and Emergency Services
Statement of comprehensive income
For the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Income from continuing operations			
Appropriation revenue	3	87,635	81,214
User charges and fees	4	53,685	54,655
Emergency management levies	5	511,924	484,392
Grants and other contributions	6	29,405	21,944
Other revenue		2,861	3,907
Total revenue		685,510	646,112
Total income from continuing operations			
		685,510	646,112
Expenses from continuing operations			
Employee expenses	7	381,624	377,371
Supplies and services	9	116,252	122,048
Grants and subsidies	10	162,551	118,264
Depreciation and amortisation	13,14	4,982	4,980
Impairment losses		162	471
Other expenses	11	16,666	14,146
Total expenses from continuing operations		682,237	637,280
Operating result from continuing operations			
		3,273	8,832

The accompanying notes form part of these statements.

Statement of financial position

Queensland Fire and Emergency Services
Statement of financial position
As at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents*		53,521	20,442
Receivables	12	50,545	60,211
Inventories		5,227	1,940
Prepayments		975	2,227
Total current assets		110,268	84,820
Non-current assets			
Intangible assets	13	7,404	8,816
Property, plant and equipment	14	17,378	17,534
Total non-current assets		24,782	26,350
Total assets		135,050	111,170
Liabilities			
Current liabilities			
Payables*	15	44,166	22,939
Accrued employee benefits	16	14,792	19,787
Other current liabilities	17	4,935	560
Total current liabilities		63,893	43,285
Total liabilities		63,893	43,285
Net assets		71,157	67,885
Equity			
Contributed equity		36,272	36,272
Accumulated surplus		34,616	31,343
Asset revaluation surplus		269	269
Total equity		71,157	67,885

* Cash has increased compared to the prior year as a result of the timing for payables as at 30 June 2018.

The accompanying notes form part of these statements.

Statement of changes in equity

Queensland Fire and Emergency Services
Statement of changes in equity
For the year ended 30 June 2018

	2018 \$'000	2017 \$'000
Contributed equity		
Opening balance	36,272	40,845
Transactions with owners as owners:		
Net transfers from/(to) other departments - non current assets	-	(4,573)
Closing balance	<u>36,272</u>	<u>36,272</u>
Accumulated surplus/(deficit)		
Opening balance	31,343	22,511
Operating result	3,273	8,832
Closing balance	<u>34,616</u>	<u>31,343</u>
Asset revaluation surplus		
Opening balance	269	269
Closing balance	<u>269</u>	<u>269</u>
Total equity	<u><u>71,157</u></u>	<u><u>67,885</u></u>

Statement of cash flows

Queensland Fire and Emergency Services
Statement of cash flows
For the year ended 30 June 2018

	2018 \$'000	2017 \$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Service appropriation receipts	93,985	79,184
User charges and fees	63,074	46,579
Emergency management levies	509,827	482,895
Grants and other contributions	19,106	9,608
GST input tax credits from ATO	13,441	14,481
GST collected from customers	3,853	3,316
Other	2,861	3,855
<i>Outflows:</i>		
Employee expenses	(385,834)	(370,920)
Supplies and services	(97,909)	(124,699)
Grants and subsidies	(162,551)	(118,264)
GST paid to suppliers	(13,476)	(14,108)
GST remitted to ATO	(3,853)	(3,316)
Other	(5,977)	(6,184)
Net cash provided by/(used in) operating activities	36,547	2,428
Cash flows from investing activities		
<i>Inflows:</i>		
Sales of property, plant and equipment	-	3
<i>Outflows:</i>		
Payments for property, plant and equipment	(3,468)	(3,617)
Net cash provided by/(used in) investing activities	(3,468)	(3,614)
Net increase/(decrease) in cash	33,079	(1,185)
Cash at beginning of financial year	20,442	21,627
Cash at end of financial year	53,521	20,442

Notes to the statement of cash flows

Queensland Fire and Emergency Services
Notes to the statement of cash flows
For the year ended 30 June 2018

	2018 \$'000	2017 \$'000
Reconciliation of operating result to net cash from operating activities		
Operating result	3,273	8,832
Non-cash items included in operating result:		
Depreciation and amortisation expense	4,982	4,980
Assets written on	-	(7)
Net (gains)/losses on disposal of property, plant and equipment	53	423
Change in assets and liabilities:		
(Increase)/decrease in emergency management levies	(2,097)	(1,497)
(Increase)/decrease in trade debtors	(1,830)	1,837
(Increase)/decrease in net GST receivable	(35)	373
(Increase)/decrease in annual leave receivables	24	(527)
(Increase)/decrease in long service leave receivables	119	(262)
(Increase)/decrease in departmental services revenue receivables	2,030	(2,030)
(Increase)/decrease in accrued debtors	10,021	(7,306)
(Increase)/decrease in other receivables	1,433	(1,509)
(Increase)/decrease in inventories	(3,286)	456
(Increase)/decrease in other current assets	1,252	2,298
Increase/(decrease) in payables	21,227	(10,026)
Increase/(decrease) in accrued employee benefits	(4,995)	6,629
Increase/(decrease) in other liabilities	4,375	(238)
Net cash from operating activities	36,547	2,428

Accounting Policy - Cash and cash equivalents

Cash assets include cash on hand, and all cash and cheques received but not banked as at 30 June.

The department has authorisation to operate in overdraft within a specified limit in accordance with the *Financial Accountability Act 2009*. The approved overdraft limit is \$110m.

Notes to and forming part of the financial statements 2017–18

Queensland Fire and Emergency Services **Notes to and forming part of the financial statements 2017–18**

1 Basis of financial statement preparation

(a) General information

The Queensland Fire and Emergency Services is a Queensland Government public sector department established on 1 November 2013 under the *Public Service Act 2008*.

The Queensland Fire and Emergency Services is a not-for-profit entity and has no controlled entities.

(b) Statement of compliance

The department has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and are prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year beginning on or after 1 July 2017 and other authoritative pronouncements.

(c) Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936 (Cwth)* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

(d) Basis of measurement

The historical cost convention is used unless fair value is stated as the measurement basis.

(e) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential effect on the financial statements are outlined in the following financial statement notes:

- Depreciation and Amortisation - Note 13 and Note 14
- Services received below fair value - Note 6 and Note 11.

(f) Other presentation matters

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparative information has been restated where necessary to be consistent with disclosures in the current year reporting period. Where such restatements have occurred they are not material to the financial statements.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services **Notes to and forming part of the financial statements 2017–18 (continued)**

1 Basis of financial statement preparation (continued)

(g) Future impact of accounting standards not yet effective

The department did not voluntarily change any of its accounting policies during 2017-18. As at the date of authorisation of the financial report, the expected impacts of the following accounting standards and interpretations issued but with future effective dates are set out below:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), effective 1 January 2018.

This standard will become effective from reporting periods beginning on or after 1 January 2018 and addresses recognition, classification, measurement and de-recognition of financial assets and financial liabilities and impairment of financial assets. AASB 9 will also apply to statutory receivables, with guidance available in AASB 2016-8.

The department has reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact (or ranges of estimates) of AASB 9 with regards to the categorisation and valuation of the amounts reported in Note 20:

- There will be no change to either the classification or valuation of the cash and cash equivalent item.
- Trade receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The department has assessed the impact of changes in the provision for impairment of trade debtors by applying the new methodology to 30 June 2018 trade debtor category balances. The assessment results indicate that the revised provision would not be sufficient to reflect management's future planned actions in relation to bad debt assessments and write-offs.
- All financial liabilities listed in Note 20 will continue to be measured at amortised cost.

Management has determined that the existing methodology of calculating the impairment of receivables is more appropriate as at 30 June 2018. This will be assessed on a continual basis and the new methodology will be applied *AASB 15 Revenue for Contracts with Customers*, effective 1 January 2019.

This Standard will become effective from reporting periods beginning on or after 1 January 2019 and contains detailed requirements for the accounting for certain types of revenue from customers.

The department has not identified any revenue contracts with a material impact for the period after 1 July 2018. The department will monitor the impact of any contracts subsequently entered into before the new standard takes effect.

AASB 1058 Income of Not-for-Profit Entities, effective 1 January 2019.

This Standard will become effective from reporting periods beginning on or after 1 January 2019 and the standard contains detailed requirements for the accounting for Income of Not-for-profit entities.

AASB 1058 amends AASB 16 Leases so that the right-of-use assets arising from 'peppercorn leases' are measured at fair value (instead of cost under AASB 16 paragraphs 23-24). This amendment applies to all leases with significantly below-market terms and conditions principally to enable the lessee entity to further its objectives. The department is currently reviewing any contracts with a material impact for the period after 1 July 2018. The department is currently reviewing any contracts with a material impact for the period after 1 July 2018. Fair value of the right-of-use asset will need to be established on initial recognition or transition but will not need to be measured on an ongoing basis. The department will monitor the impact of any contracts subsequently entered into before the new standard takes effect.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services **Notes to and forming part of the financial statements 2017–18 (continued)**

1 Basis of financial statement preparation (continued)

(g) Future impact of accounting standards not yet effective (continued)

AASB 16 Leases, effective 1 January 2019.

This standard will become effective from reporting periods beginning on or after 1 January 2019.

Under this standard, lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The accounting treatment for operating leases that meet the definition of AASB 16 will change from being recognised as an expense to recognising a right-of-use asset and associated liability, interest and depreciation expense, resulting in a financial reporting impact on the financial statements from 2019-20.

Fair value of the right-of-use asset will need to be established on initial recognition or transition but will not need to be measured on an ongoing basis.

The department has analysed its existing operating lease commitments by type of lessor and type of lease to estimate the expected impacts on transition based on information available at 30 June 2018.

In effect, approximately 48% of operating leases currently disclosed in Note 19 relate to Queensland Government Office Accommodation. The impact of AASB 16 on these leases is yet to be determined and the department is awaiting decisions still to be made around internal-to-government leases. Additional impacts of the standard are currently being assessed, including the discount rates to be used.

Other Standards and Interpretations

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the department or have no material impact.

(h) Accounting standards applied for the first time

Australian Accounting Standards that became effective for the first time in 2017-18 are considered not applicable to the department or have no material impact.

2 Objectives and principal activities of the department

Queensland Fire and Emergency Services (QFES) is the primary provider of fire and rescue and emergency management programs and services throughout Queensland. QFES encompasses fire and rescue services, disaster management services, the Rural Fire Service (RFS), the State Emergency Service (SES) and also supports other volunteer groups that provide emergency response to Queenslanders.

QFES protects persons, property and the environment through the provision of effective prevention, preparedness, response and recovery activities across a range of fire and emergency events including natural and human induced disasters.

QFES' objectives, as outlined in the 2017-2021 strategic plan are:

- build community capability to prevent incidents occurring and ensure that they are adequately prepared for and able to mitigate the impacts and consequences of fire and emergency events
- contribute to the provision of a timely, coordinated and appropriate response to minimise the effects of fire and emergency events
- provide appropriate relief and support during and after responses to fire and emergency events until a managed transition occurs
- enhance strategic capability and agility
- provide business-enabling services that enhance, integrate and support the department's service delivery and that are compliant, authorised and fit-for-purpose

QFES supports the Queensland Government's objectives by delivering quality frontline services, and building safe, caring and connected communities.

QFES are currently assessing the complex legal status of rural fire brigades to develop solutions that will support a modern RFS into the future. As at the date of this report, the financial, administrative and human resource implications for RFS, if any, are yet to be determined. It is anticipated that this review will be completed in 2019 to inform QFES for future planning.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

	2018 \$'000	2017 \$'000
3 Appropriation revenue		
Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income		
Budgeted appropriation revenue	81,068	80,272
Transfers from/(to) other departments	-	299
Lapsed appropriation revenue	-	(1,387)
Unforeseen expenditure	8,597	-
Total appropriation receipts (cash)	89,665	79,184
Less: opening balance of appropriation revenue receivable	(2,030)	-
Plus: closing balance of appropriation receivable	-	2,030
Less: closing balance of deferred appropriation payable to Consolidated Fund	(4,320)	-
Net appropriation revenue	83,315	81,214
Plus: deferred appropriation payable to Consolidated Fund (expense)	4,320	-
Appropriation revenue recognised in Statement of comprehensive income	87,635	81,214

Accounting Policy - Appropriation revenue

Appropriations provided under the *Appropriations Act 2017* are recognised as revenue when received or receivable. Where appropriation revenue has been approved but not yet received, it is recorded as Departmental services revenue receivable at the end of the reporting period.

4 User charges and fees

Alarm maintenance and monitoring	20,244	19,423
Attendance charges	11,949	12,323
Building and infrastructure fire safety	15,152	16,041
Sale of goods and services	6,340	6,868
Total	53,685	54,655

Accounting Policy - User charges and fees

User charges and fees are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty.

5 Emergency management levies

Gross emergency management levies	521,353	493,616
Less: pensioner discount	(9,429)	(9,223)
Total	511,924	484,392

Accounting Policy - Emergency management levies

Emergency management levies are recognised at the amounts due as advised by each local government authority in their annual returns in accordance with the *Fire and Emergency Services Act 1990*.

6 Grants and other contributions

Commonwealth contributions	1,368	1,191
Grants from Queensland Government departments *	14,192	4,974
Motor Accident Insurance Commission	2,790	2,934
Services received below fair value **	10,299	12,336
Other	756	508
Total	29,405	21,944

* Includes Natural Disaster Relief and Recovery Arrangements Assistance of \$5.730m and Commonwealth Games Operation Grants of \$7.382m

** 2017-18 services received below fair value represents an estimate of the Government Wireless Network (GWN) managed by the Department of Science, Information Technology and Innovation (DSITI) (to 12 December 2017) and Department of Housing and Public Works (from 12 December 2017).

Accounting Policy - Grants and other contributions

Grants, contributions and donations that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements as it is earned.

Accounting Policy - Services received free of charge below fair value or for nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their value can be measured reliably. Where this is the case, an equal amount is recognised as a revenue and an expense in the Statement of comprehensive income.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

	2018 \$'000	2017 \$'000
7 Employee expenses		
Employee benefits		
Wages and salaries	287,053	277,087
Employer superannuation contributions	35,250	33,046
Long service leave levy	6,846	6,595
Annual leave levy	36,637	35,135
Employee related expenses		
Workers' compensation premiums	10,433	12,522
Fringe benefits tax expense	664	1,096
Training expenses	4,062	3,488
Other employee related expenses *	679	8,403
Total	381,624	377,371

*Other employee related expenses include expenditure for staff uniforms in 2016-17, which were transferred to inventory and reported in the Statement of financial position in 2017-18.

Full-Time equivalent employees (number)	3,234	3,233
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Accounting Policy - Employee expenses

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of financial position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months of the reporting date, the liabilities are recognised at their undiscounted values.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave and long service leave

The department is a member of the Queensland Government's Annual Leave and Long Service Leave Central Schemes. A levy is payable to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees at rates determined by the Treasurer on the advice of the State Actuary for the defined benefit plan, and at rates per the Enterprise bargaining agreement or conditions of employment for the defined contribution plan. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefits and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*. Amounts payable to superannuation funds are recognised in the Statement of financial position.

Workers compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not included in an employee's total remuneration package.

8 Key Management Personnel disclosures

(a) Details of Key management personnel (KMP)

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of *AASB 124 Related Party Disclosures*. These Ministers include the Minister for Police, Fire and Emergency Services and Minister for Corrective Services until 12 December 2017, and the Minister Fire and Emergency Services from that date onwards.

The other non-Ministerial KMP personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

8 Key Management Personnel disclosures (continued)

(b) Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch with the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the KMP are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

- Short term employee expenses include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a key management person;
 - non-monetary benefits - may include provision of a motor vehicle and fringe benefits tax applicable to the benefit.
- Long term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- Post employment benefits include amounts expensed in respect of employer superannuation obligations.
- No KMP remuneration packages provide for performance or bonus payments.

(c) Remuneration Expenses

1 July 2017 – 30 June 2018

Position	• Contract classification • Appointment authority • Date appointed to position • Date exited from position	Short Term	Long Term	Post-	Total
		Employee	Employee	Employment	Expenses
		Expenses	Expenses	Expenses	Expenses
		\$'000	\$'000	\$'000	\$'000
Commissioner	CEO Contract (CEO) <i>Fire and Emergency Services Act 1990</i> Appointed 01/08/2015	371	7	41	419
Deputy Commissioner - Readiness and Response Services*	SES 4 equivalent <i>Public Service Act 2008</i> Appointed 24/08/2015	252	5	29	286
Deputy Commissioner - Emergency Management, Volunteerism & Community Resilience*	SES 4 equivalent <i>Fire and Emergency Services Act 1990</i> Appointed 21/09/2015	254	5	28	287
Deputy Commissioner - Strategy & Corporate Services*	SES 4 equivalent <i>Public Service Act 2008</i> Appointed 24/08/2015	247	5	26	278
Deputy Commissioner - Emergency Management, Volunteerism & Community Resilience (Acting)*	SES 4 equivalent <i>Fire and Emergency Services Act 1990</i> Acting 11/08/2017 - 29/09/2017	28	1	3	32
Chief Operating Officer (PSBA)	SES 4 <i>Public Service Act 2008</i> Appointed 18/04/2017	Remuneration is reported by the Public Safety Business Agency (PSBA).			

* Position titles and reclassifications occurred from 1 July 2017 under QFES' new organisational structure.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services
Notes to and forming part of the financial statements 2017–18 (continued)

8 Key Management Personnel disclosures (continued)

(c) Remuneration Expenses (continued)

1 July 2016 – 30 June 2017

Position	<ul style="list-style-type: none"> • Contract classification • Appointment authority • Date appointed to position • Date exited from position 	Short Term	Long Term	Post-	Total
		Employee	Employee	Employment	Expenses
		Expenses	Expenses	Expenses	Expenses
		\$'000	\$'000	\$'000	\$'000
Commissioner	CEO Contract (CEO) <i>Fire and Emergency Services Act 1990</i> Appointed 01/08/2015	329	7	40	376
Deputy Commissioner (Operations & Emergency Management)	SES 3 equivalent <i>Fire and Emergency Services Act 1990</i> Appointed 24/08/2015	192	4	25	221
Deputy Commissioner (Emergency Services Volunteers)	SES 3 equivalent <i>Fire and Emergency Services Act 1990</i> Appointed 21/09/2015	204	4	25	233
Deputy Commissioner (Operational Capability & Performance)	SES 3 equivalent <i>Public Service Act 2008</i> Appointed 24/08/2015	219	5	23	247
Chief Operating Officer (PSBA)	SES 4 <i>Public Service Act 2008</i> Appointed 18/04/2017	Remuneration is reported by the Public Safety Business Agency (PSBA).			

(d) Related party transactions with people/entities related to KMP

There were no material related party transactions associated with the department's KMP during 2017-18 (2016-17:nil).

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services

Notes to and forming part of the financial statements 2017–18 (continued)

	2018 \$'000	2017 \$'000
9 Supplies and services		
Aircraft related costs	2,619	6,253
Cleaning and laundering	970	1,852
Communications	19,845	18,338
Computer expenses	5,731	4,865
Contractors	8,238	9,976
Emergency management levy administration fees	6,787	6,575
Marketing expenses	2,293	2,287
Minor equipment purchases	8,691	9,046
Motor vehicle expenses	17,822	16,888
Operating leases	4,986	5,144
Property expenses	5,367	4,773
Repairs and maintenance	12,402	13,416
Rural fire brigade operating costs	2,414	2,853
Travel and accommodation	8,567	9,260
Other	9,520	10,521
Total	116,252	122,048

Accounting Policy - Operating leases rentals

Operating lease payments are representative of the pattern of benefits derived for leased assets and are expensed in the periods in which they are incurred. Material incentives received on entering into an operating lease are recognised as liabilities.

10 Grants and subsidies

Air sea rescue, coast guard and life saving organisations	8,854	8,660
Local authorities	3,248	3,272
Public Safety Business Agency (PSBA)-operating grant *	110,077	100,713
Public Safety Business Agency (PSBA)-capital grant **	35,657	-
State emergency services	2,594	3,275
Volunteer rural fire brigades	753	1,096
Other	1,368	1,246
Total	162,551	118,264

* Operating grant represents the financial contribution to PSBA to support the delivery of corporate services provided by the PSBA to the department. This contribution provides for information and communication services, financial services, procurement services, fleet, property and facilities management, Queensland Government air services, human resource services and other corporate services. The operating grant also includes a contribution for depreciation and amortisation of property, plant and equipment and intangible assets controlled by the PSBA but used by QFES to deliver fire and rescue and emergency management programs and services throughout Queensland. Refer to Note 14 for further details.

** Capital grant paid to PSBA represents funding to deliver the increased capital program including new, replacement and upgraded facilities, vehicles and information and communication technology.

11 Other expenses

Audit fees *	369	181
Insurance premiums-QGIF	1,071	1,090
Insurance premiums-other	7	28
Loss on disposal of non-current assets	53	423
Services received below fair value	10,299	12,336
Special payments **	101	73
Deferred appropriation payable to Consolidated Funds	4,320	-
Other	446	15
Total	16,666	14,146

* Total audit fees quoted by Queensland Audit Office for the 2017-18 financial statements are \$235,750 (2016-17: \$230,000). The balance of the fees for the 2016-17 audit were incurred and paid in 2017-18.

** Special payments made in 2017-18 include the following payments:

- The department made an ex-gratia payment for fire damage to private property.
- The department made 2 ex-gratia payments relating to industrial legislation amendments.

Accounting Policy - Services received free of charge below fair value or for nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their value can be measured reliably. Where this is the case, an equal amount is recognised as a revenue and an expense in the Statement of comprehensive income.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

11 Other Expenses (continued)

Accounting Policy - Insurance

The majority of the department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), with premiums being paid on a risk assessment basis.

For litigation purposes, under the QGIF policy, the department is able to claim back, less a \$10,000 deductible, the amount paid to successful litigants.

	2018 \$'000	2017 \$'000
12 Receivables		
Emergency management levies	26,014	23,917
Trade debtors	9,524	7,435
Less: Allowance for impairment loss	(952)	(790)
	<u>34,586</u>	<u>30,562</u>
GST receivable	1,547	1,574
GST payable	(189)	(251)
	<u>1,358</u>	<u>1,323</u>
Accrued debtors	3,202	13,320
Annual leave reimbursements	9,580	9,604
Departmental services revenue receivable	-	2,030
Long service leave reimbursements	1,454	1,573
Other	365	1,798
	<u>14,601</u>	<u>28,326</u>
Total	<u>50,545</u>	<u>60,211</u>

Accounting Policy - Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery, that is, the agreed purchase or contract price. The department's standard settlement terms is 30 days from the invoice date.

Emergency management levies are recognised at the amounts due as advised by each local government authority in their annual returns in accordance with the *Fire and Emergency Services Act 1990*.

Other receivables generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Settlement terms depend on the nature of the receivable. No interest is charged (other than for overdue emergency management levies) and no security is obtained.

Accounting Policy - Impairment of receivables

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department, according to the due date (normally terms of 30 days). Economic changes impacting the department's debtors, and relevant industry data, also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the department determines that an amount owing by such a debtor does become uncollectible (after an appropriate range of debt recovery actions), that amount is recognised as bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written off directly against receivables.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

13 Intangible assets

	Software internally generated	Software work in progress	Total
	2018 \$'000	2018 \$'000	2018 \$'000
Gross value	23,081	917	23,998
Less: Accumulated amortisation	(16,594)	-	(16,594)
	6,487	917	7,404
Reconciliation			
Opening balance	8,816	-	8,816
Acquisitions	-	917	917
Amortisation	(2,329)	-	(2,329)
Closing balance	6,487	917	7,404
	Software internally generated	Software work in progress	Total
	2017 \$'000	2017 \$'000	2017 \$'000
Gross value	23,081	-	23,081
Less: Accumulated amortisation	(14,265)	-	(14,265)
	8,816	-	8,816
Reconciliation			
Opening balance	11,145	-	11,145
Amortisation	(2,329)	-	(2,329)
Closing balance	8,816	-	8,816

Accounting Policy - Recognition thresholds for intangible assets

Intangible assets with a cost or other value equal to or in excess of \$100,000 are capitalised for financial reporting purposes in the year of acquisition. Items purchased or acquired for a lesser value are expensed in the year of acquisition.

Accounting Policy - Amortisation of intangible assets

All intangible assets are amortised on a straight line basis over the asset's estimated useful life against a 10% amortisation rate.

Accounting Policy - Impairment of intangible assets

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services

Notes to and forming part of the financial statements 2017–18 (continued)

14 Property, plant and equipment

	Land	Buildings	Plant and equipment	Work in progress	Total
	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value	514	4,679	36,992	289	42,474
Less: Accumulated depreciation	-	(4,223)	(20,873)	-	(25,096)
	<u>514</u>	<u>456</u>	<u>16,119</u>	<u>289</u>	<u>17,378</u>

Reconciliation

Opening balance	514	468	16,397	155	17,534
Acquisitions	-	-	2,426	134	2,560
Disposals	-	-	(63)	-	(63)
Depreciation	-	(12)	(2,641)	-	(2,653)
Closing balance	<u>514</u>	<u>456</u>	<u>16,119</u>	<u>289</u>	<u>17,378</u>

	Land	Buildings	Plant and equipment	Work in progress	Total
	2017	2017	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value	514	4,678	35,214	155	40,562
Less: Accumulated depreciation	-	(4,211)	(18,817)	-	(23,028)
	<u>514</u>	<u>468</u>	<u>16,397</u>	<u>155</u>	<u>17,534</u>

Reconciliation

Opening balance	316	5,247	15,185	812	21,560
Acquisitions	198	-	2,942	486	3,626
Assets written on	-	-	(7)	-	(7)
Transfers from/(to) other agencies	-	(4,739)	168	-	(4,571)
Transfers between classes	-	-	1,143	(1,143)	-
Disposals	-	-	(426)	-	(426)
Depreciation	-	(41)	(2,610)	-	(2,651)
Closing balance	<u>514</u>	<u>468</u>	<u>16,397</u>	<u>155</u>	<u>17,534</u>

Accounting Policy - Ownership and acquisitions of assets

Section 7 of the *Public Safety Business Agency Act 2014* requires the PSBA to hold and maintain infrastructure, fleet and communication technology assets for public safety entities. As a result, land, buildings, fleet and the majority of information and communication technology non-current assets utilised by QFES to deliver fire and rescue and emergency management programs and services throughout Queensland are recognised and reported in the financial statements of the PSBA.

The Net Book Value (NBV) of property, plant and equipment and intangible assets reported by PSBA but utilised by QFES are as follows:

Class	NBV (\$'000)
Infrastructure	17
Land	196,583
Buildings	327,702
Heritage and cultural assets	184
Major plant and equipment	43,537
Plant and equipment	178,339
Software - Internally generated	5,670
Software - purchased	240

Historical cost is used for the initial recording of all intangibles and property, plant and equipment acquisitions. Historical cost is determined as the value provided as consideration plus costs incidental to the acquisition and costs incurred in getting the asset ready for use.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the accounts of the transferor immediately prior to the transfer together with any accumulated depreciation.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

14 Property, plant and equipment (continued)

Accounting Policy - Recognition thresholds for property, plant and equipment

Basis of capitalisation and recognition thresholds

Property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land	\$1
Buildings	\$10,000
Plant and equipment	\$5,000

Items purchased or acquired for a lesser value are expensed in the year of acquisition.

Accounting Policy - Depreciation of property, plant and equipment

Land is not depreciated as it has an unlimited useful life.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant asset classes within property, plant and equipment.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

For each class of depreciable asset the following depreciation rates are used:

Class	Rate (%)
Buildings	1% to 5%
Plant and equipment	1% to 33.3%

Accounting Policy - Revaluations of property, plant and equipment

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. Land is reported at revalued amounts, being fair value at the date of valuation. This is undertaken on a rolling basis over a five year period with relevant indices applied during the intervening years as provided by the State Valuation Service.

All other plant and equipment are measured at historical cost in accordance with the Non-Current Asset Policies.

Revaluation methodology

Fair value was determined using a current replacement cost approach for buildings and market value for land. The current replacement cost was based on a combination of internal records of the original cost of the specialised fit outs, adjusted for more contemporary design and construction approaches, and published construction rates for various standard components of buildings.

15 Payables

	2018 \$'000	2017 \$'000
Trade creditors	18,294	13,590
Accrued creditors*	25,361	9,015
Tax liabilities	151	181
Other	360	153
Total	44,166	22,939

* Accrued creditors have increased for 2017-18 as a result of the timing of a payable to the PSBA for \$12.45m.

Accounting Policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services

Notes to and forming part of the financial statements 2017–18 (continued)

	2018 \$'000	2017 \$'000
16 Accrued employee benefits		
Annual leave levy payable	10,175	10,735
Long service leave levy payable	1,754	1,832
Salaries and wages outstanding	2,480	6,554
Other	383	666
Total	14,792	19,787

Accounting Policy - Employee benefits

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

17 Other current liabilities

Unearned revenue	477	389
Deferred appropriation payable to Treasury	4,320	-
Other	138	171
Total	4,935	560

18 Related party transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue and equity injections, both which are provided in cash via Queensland Treasury. Refer Note 3 and the Statement of changes in equity.

Below fair value goods and services are received below fair value by the department as disclosed in Note 6 and Note 11.

19 Commitments

(a) Non-cancellable operating lease commitments

Operating lease commitments inclusive of non-recoverable GST input tax credits at the reporting date are payable as follows:

Not later than one year	5,592	5,613
Later than one year and not later than five years	15,494	16,754
Later than five years	2,294	4,718
Total	23,380	27,085

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. The department has entered into significant leasing arrangements for training facilities and office accommodation at Howard Smith Drive, Whyte Island, Brisbane.

(b) Capital expenditure commitments

Material classes of capital expenditure commitments inclusive of non-recoverable GST input tax credits at the reporting date are payable as follows:

Class of asset		
Plant and equipment	361	416
Total	361	416
Not later than one year	361	416
Total	361	416

(c) Other expense commitments

Other operating expense commitments inclusive of non-recoverable GST input tax credits at reporting date are payable:

Not later than one year	8,729	8,230
Total	8,729	8,230

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

20 Financial instruments

Financial instruments categories

The department has the following categories of financial assets and financial liabilities:

	Note	2018 \$'000	2017 \$'000
Financial assets			
Cash and cash equivalents		53,521	20,442
Financial assets measured at amortised cost:			
Receivables	12	50,545	60,211
Total financial assets		104,067	80,653
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	15	44,166	22,939
Total financial liabilities at amortised cost		44,166	22,939

No financial assets and financial liabilities have been offset and presented net in the Statement of financial position.

Accounting Policy - Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of financial position when the department becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value
- Receivables - held at amortised cost
- Payables - held at amortised cost

Apart from cash and cash equivalents, the department holds no financial assets classified at fair value.

(a) Financial risk management

Financial risk management is implemented pursuant to Government and departmental policies. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under policies approved by the department.

The department activities expose it to a variety of financial risks as set out in the following table:

Risk exposure	Definition	Exposure
Credit risk	Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables (Note 12).
Liquidity risk	Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to credit risk in respect of its payables (Note 15).
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

20 Financial instruments (continued)

(b) Risk Measurement and Management Strategies

Risk exposure	Measurement Method	Risk Management Strategies
Credit risk	Ageing analysis, earnings at risk	The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

(c) Credit risk

Certain contractual obligations expose the department to credit risk in excess of the carrying amount of any asset or liability recognised from entering the transaction.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provision for impairment (refer Note 12).

(d) Liquidity risk

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of financial position that are based on discounted cash flows.

Financial liabilities	Note	2018 Payable in			
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	Total \$'000
Payables	15	44,166	-	-	44,166

Financial liabilities	Note	2017 Payable in			
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	Total \$'000
Payables	15	22,939	-	-	22,939

21 Administered items

The department manages the collection of fines imposed in relation to breaches of the fire safety legislation on behalf of the Queensland government.

Total administered receipts from fines for transfer to Queensland government was \$0.032m (2017: \$0.009m).

22 Trust transactions and balances

Queensland Fire and Emergency Services can appoint four of the seven trustees and provides administrative support to manage transactions and balances for the Queensland Volunteer Rural Fire Brigades Donations Fund. The Fund was formed on 1 January 2013 for the charitable purpose of supporting the volunteer based emergency service activities of the rural fire brigades.

Hanrick Curran Audit Pty Ltd are the auditors for the Queensland Volunteer Rural Fire Brigades Donations Fund.

Donations received for payment to brigades totalled \$0.060m (2017: \$0.059m).

Total cash at bank at reporting date was \$0.006m (2017: \$0.006m), total donations payable to brigades was \$0.006m (2017: \$0.006m).

Accounting Policy - Trust transactions and balances

The department undertakes certain trustee transactions and maintains related balances on behalf of various parties and also performs certain agency transactions.

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the department's financial statements.

23 Events occurring after balance date

There were no events occurring after the balance date that management considers would have a material impact on the information disclosed in these financial statements.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services

Notes to and forming part of the financial statements 2017–18 (continued)

24 Budgetary reporting

Statement of comprehensive income	Variance Note	Original budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Income from continuing operations				
Appropriation revenue	24(a)	81,068	87,635	6,567
User charges and fees	24(b)	51,129	53,685	2,556
Emergency management levies		508,129	511,924	3,795
Grants and other contributions	24(c)	21,257	29,405	8,148
Other revenue		2,219	2,861	642
Total revenue		663,802	685,510	21,708
Total income from continuing operations		663,802	685,510	21,708
Expenses from continuing operations				
Employee expenses	24(d)	385,765	381,624	(4,141)
Supplies and services		116,736	116,252	(484)
Grants and subsidies	24(e)	144,072	162,551	18,479
Depreciation and amortisation		4,971	4,983	12
Impairment losses		-	162	162
Other expenses		12,258	16,666	4,408
Total expenses from continuing operations		663,802	682,237	18,435
Operating result from continuing operations	24(f)	-	3,273	3,273

Explanation of major variances

- 24(a) Appropriation revenue variation is mainly due additional funding for Enterprise Bargaining arrangements (\$4.3m) and funding for the Flood Focussed Road Safety Campaign that was transferred from PSBA to QFES (\$1m).
- 24(b) User charges and fees variation is due to building and infrastructure fire safety fees, alarm maintenance and monitoring income, attendance charges and commercial income exceeding expectations.
- 24(c) Grants and other contributions variation is mainly due to the receipt of additional Natural Disaster Relief and Recovery Arrangements (NDRRA) revenues associated with Tropical Cyclone Debbie (\$5.7m), sponsorships and contributions for the State Emergency Service and Rural Fire Brigades (\$1.3m), additional Commonwealth Games related revenues (\$0.4m) and Commonwealth grants for international urban search and rescue capability (\$0.6m).
- 24(d) Employee expenses variation is mainly due to reduced expenditure on uniforms and personal protective equipment, and also inventory adjustments to write-on inventory stock (\$3.2m).
- 24(e) Grants and subsidies variation is mainly due to an increase in the contribution to PSBA for agreed additional activities/services and capital projects (\$19.1m).
- 24(f) Operating result from continuing operations is due to inventory adjustments to write-on inventory for operational uniforms and personal protective equipment (\$3.2m).

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

24 Budgetary reporting (continued)

Statement of financial position	Variance Note	Original budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Assets				
Current assets				
Cash and cash equivalents	24(g)	17,947	53,521	35,574
Receivables		45,697	50,545	4,848
Inventories	24(h)	2,396	5,227	2,831
Other current assets		8,162	975	(7,187)
Total current assets		74,202	110,268	36,066
Non-current assets				
Intangible assets		8,899	7,404	(1,495)
Property, plant and equipment		25,176	17,378	(7,798)
Total non-current assets	24(i)	34,075	24,782	(9,293)
Total assets		108,277	135,050	26,773
Liabilities				
Current liabilities				
Payables		39,851	44,166	4,315
Accrued employee benefits		13,158	14,792	1,634
Other current liabilities		(6,046)	4,935	10,981
Total current liabilities		46,963	63,893	16,930
Total liabilities		46,963	63,893	16,930
Net assets		61,314	71,157	9,843
Net assets / total equity		61,314	71,157	9,843

Explanation of major variances

- 24(g) Cash and cash equivalents variation is due to timing payables, capital expenditure in 2016-17 & 2017-18 being less than anticipated and an unexpected operating surplus in 2016-17.
- 24(h) Staff uniforms and other items (\$3.2m) were transferred to inventory and reported in the Statement of financial position in 2017-18.
- 24(i) Payments for non-current assets were below budget due to overprovision for capital plant and equipment and operational information systems projects in 2017-18. Incomplete capital projects commenced in 2017-18 are scheduled for completion in 2018-19.

Notes to and forming part of the financial statements 2017–18 (cont'd)

Queensland Fire and Emergency Services Notes to and forming part of the financial statements 2017–18 (continued)

24 Budgetary reporting (continued)

Statement of cash flows	Variance Note	Original budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Service appropriation receipts		81,068	93,985	12,917
User charges and fees		50,609	63,074	12,465
Emergency Management levies		508,129	509,827	1,698
Grants and other contributions		10,944	19,106	8,162
GST input tax credits from ATO		-	13,441	13,441
GST collected from customers		-	3,853	3,853
Other		2,219	2,861	642
<i>Outflows:</i>				
Employee expenses		(385,765)	(385,834)	(69)
Supplies and services		(116,736)	(97,909)	18,827
Grants and subsidies		(144,072)	(162,551)	(18,479)
GST paid to suppliers		-	(13,476)	(13,476)
GST remitted to ATO		-	(3,853)	(3,853)
Other		(1,425)	(5,977)	(4,552)
Net cash provided by/(used in) operating activities		4,971	36,547	31,575
Cash flows from investing activities				
<i>Outflows:</i>				
Payments for property, plant and equipment		(6,200)	(3,468)	2,732
Net cash provided by/(used in) investing activities		(6,200)	(3,468)	2,732
Cash flows from financing activities				
<i>Outflows:</i>				
Equity withdrawals		(2,312)	-	2,312
Net cash provided by/(used in) investing activities		(2,312)	-	2,312
Net increase/(decrease) in cash		(3,541)	33,079	36,620
Cash at beginning of financial year		21,488	20,442	(1,046)
Cash at end of financial year	24(j)	17,947	53,521	35,574

Explanation of major variances

24(j) Cash and cash equivalents variation is due to timing payables, capital expenditure in 2016-17 & 2017-18 being less than anticipated and an unexpected operating surplus in 2016-17.

Management Certificate

Queensland Fire and Emergency Services Management Certificate for the year ended 30 June 2018

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Finance and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Queensland Fire and Emergency Services for the year ending 30 June 2018 and of the financial position of the department at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

K. Carroll APM

Accountable Officer
Commissioner

24 August 2018

W. Brummer
B.Bus (Acctg), Grad Cert Prof Acctg
MIPA, GAICD

Chief Finance Officer

24 August 2018

Independent Auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Queensland Fire and Emergency Services

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Queensland Fire and Emergency Services.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the 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 department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Key audit matters

I have determined that there are no key audit matters to communicate in our report.

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Independent Auditor's report (cont'd)



The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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 the 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 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 the 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 expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department'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 department'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 my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department 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.

I communicate with the Accountable Officer regarding, 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 my audit.

Independent Auditor's report (cont'd)



In accordance with s.40 of the *Auditor-General Act 2009*, for the year 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

A handwritten signature in blue ink that reads "George".

28 August 2018

Nick George
as delegate of the Auditor-General

Queensland Audit Office
Brisbane