

## FINANCIAL STATEMENTS

CERTIFICATION OF  
FINANCIAL STATEMENTS

The accompanying financial statements of the Western Australia Police Service have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985*, from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2002 and the financial position as at 30 June 2002.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



B E MATTHEWS  
COMMISSIONER OF POLICE



R J BUTCHER  
A/DIRECTOR OF FINANCE  
(PRINCIPAL ACCOUNTING OFFICER)

14 AUGUST 2002



## Auditor General

To the Parliament of Western Australia

**POLICE SERVICE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002**

**Matters Relating to the Electronic Presentation of Audited  
Financial Statements**

This audit opinion relates to the financial statements of the Police Service for the year ended June 30, 2002 included on the Police Service's web site. The Commissioner of Police is responsible for the integrity of the Police Service's web site. I have not been engaged to report on the integrity of the Police Service's web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

**Scope**

I have audited the accounts and financial statements of the Police Service for the year ended June 30, 2002 under the provisions of the *Financial Administration and Audit Act 1985*. The Commissioner of Police is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Commissioner of Police.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Police Service to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Police Service's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.

**Audit Opinion**

In my opinion

- (i) the controls exercised by the Police Service provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Police Service at June 30, 2002 and its financial performance and its cash flows for the year then ended.



D D R Pearson  
AUDITOR GENERAL

September 5, 2002

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 \$'000	2001 \$'000
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	5	387,087	372,297
Capital user charge	6	19,292	–
Depreciation and amortisation expense	7	9,999	8,742
Borrowing costs	8	7	19
Net loss on disposal of non-current assets	12	–	44
Other expenses from ordinary activities	9	101,849	87,367
<b>Total cost of services</b>		<b>518,234</b>	<b>468,469</b>
<b>Revenue from ordinary activities</b>			
User charges and fees	10	7,790	6,108
Donations, sponsorships and grants	11	1,523	2,769
Net profit on disposal of non-current assets	12	6	–
Other revenue from ordinary activities	13	10,707	12,783
<b>Total revenues from ordinary activities</b>		<b>20,026</b>	<b>21,660</b>
<b>NET COST OF SERVICES</b>			
		<b>498,208</b>	<b>446,809</b>
<b>Revenues from Government</b>			
Output appropriations	14	494,842	471,685
Receipts paid into Consolidated Fund	15	(140)	(1,441)
Liabilities assumed by the Treasurer	16	2,440	31,307
Assets assumed/(transferred)	17	532	1,174
Resources received free of charge	18	965	1,256
<b>Total revenues from Government</b>		<b>498,639</b>	<b>503,981</b>
<b>CHANGE IN NET ASSETS BEFORE RESTRUCTURING</b>			
		<b>431</b>	<b>57,172</b>
Net revenues/(expenses) from restructuring	19	(446)	–
<b>CHANGE IN NET ASSETS AFTER RESTRUCTURING</b>			
		<b>(15)</b>	<b>57,172</b>
Net increase/(decrease) in asset revaluation reserve		(5,839)	4,008
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS</b>			
		<b>(5,854)</b>	<b>61,180</b>

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2002

	Notes	2002 \$'000	2001 \$'000
<b>Current Assets</b>			
Cash assets	20	4,354	1,451
Restricted cash assets	21 (a)	7,453	7,100
Receivables	22 (a)	3,437	1,693
Amounts receivable for outputs	23	3,650	–
Other current assets	24	3,334	2,644
<b>Total Current Assets</b>		<b>22,228</b>	<b>12,888</b>
<b>Non-Current Assets</b>			
Restricted cash assets	21 (b)	10,085	8,561
Receivables	22 (b)	–	40
Amounts receivable for outputs	23	5,667	–
Property, vehicles, plant and equipment	25 (a)	329,451	319,434
<b>Total Non-Current Assets</b>		<b>345,203</b>	<b>328,035</b>
<b>TOTAL ASSETS</b>		<b>367,431</b>	<b>340,923</b>
<b>Current Liabilities</b>			
Provisions	26 (a)	46,744	47,258
Payables	27	8,465	4,141
Interest-bearing liabilities	28	–	205
Other liabilities	29	12,323	12,328
<b>Total Current Liabilities</b>		<b>67,532</b>	<b>63,932</b>
<b>Non-Current Liabilities</b>			
Provisions	26 (b)	60,737	58,064
Interest-bearing liabilities	28	–	–
<b>Total Non-Current Liabilities</b>		<b>60,737</b>	<b>58,064</b>
<b>TOTAL LIABILITIES</b>		<b>128,269</b>	<b>121,996</b>
<b>Equity</b>			
Contributed equity	30	25,988	–
Reserves		162,039	167,878
Accumulated surplus/(deficiency)		51,135	51,050
<b>TOTAL EQUITY</b>		<b>239,162</b>	<b>218,928</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>367,431</b>	<b>340,924</b>

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 \$'000	2001 \$'000
<b>CASH FLOWS FROM GOVERNMENT</b>			
Output appropriations		485,525	397,566
Capital contributions		25,988	74,119
Holding account drawdowns		–	–
Receipts paid into Consolidated Fund		(140)	(1,441)
<b>Net Cash provided by Government</b>		<b>511,373</b>	<b>470,244</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments			
Employee costs		(382,165)	(334,300)
Capital user charge		(19,363)	–
Borrowing costs		(8)	(18)
GST payments on purchases		(12,019)	(14,226)
GST payments to taxation authority		–	–
Other payments		(93,187)	(84,936)
		<b>(506,742)</b>	<b>(433,480)</b>
Receipts			
User charges and fees		7,679	6,021
Donation, sponsorships and grants		743	1,242
GST receipts on purchases		9,919	12,621
GST receipts to taxation authority		1,073	1,002
Other receipts		9,187	10,291
		<b>28,601</b>	<b>31,177</b>
<b>Net Cash (used in)/provided by operating activities</b>	31 (c)	<b>(478,141)</b>	<b>(402,303)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(28,009)	(65,539)
Proceeds from sale of non-current physical assets		140	124
<b>Net Cash (used in)/provided by investing activities</b>		<b>(27,869)</b>	<b>(65,415)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		(137)	(209)
<b>Net Cash (used in)/provided by financing activities</b>		<b>(137)</b>	<b>(209)</b>
RESTRUCTURING ACTIVITIES		<b>(446)</b>	–
NET INCREASE/(DECREASE) IN CASH HELD		<b>4,780</b>	<b>2,317</b>
CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR		17,112	14,795
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	31 (a)	<b>21,892</b>	<b>17,112</b>

## SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES

FOR THE YEAR ENDED 30 JUNE 2002

	2002 Estimate \$'000	2002 Actual \$'000	2002 Variation \$'000	2002 Actual \$'000	2001 Actual \$'000	Variation \$'000
<b>PURCHASE OF OUTPUTS</b>						
Item 75 Net amount appropriated to purchase outputs	488,365	493,367	5,002	493,367	396,071	(97,296)
Amounts Authorised by Other Statutes						
<i>Salaries and Allowances Act 1975</i>	1,475	1,475	–	1,475	1,495	20
<b>Total appropriations provided to purchase outputs</b>	<b>489,840</b>	<b>494,842</b>	<b>5,002</b>	<b>494,842</b>	<b>397,566</b>	<b>(97,276)</b>
<b>Details of Expenditure by Outputs</b>						
Community Support, Crime Prevention and Public Order	161,624	169,912	8,288	169,912	148,731	(21,181)
Emergency Management and Co-ordination	8,719	6,521	(2,198)	6,521	6,459	(62)
Regulatory and Information Services	18,947	19,303	356	19,303	15,844	(3,459)
Traffic Management and Road Safety	83,100	87,501	4,401	87,501	81,334	(6,167)
Response to Offences	56,703	63,611	6,908	63,611	56,349	(7,262)
Investigation of Offences	123,702	119,580	(4,122)	119,580	109,479	(10,101)
Services to the Judicial Process	60,677	51,806	(8,871)	51,806	50,273	(1,533)
<b>Total Cost of Outputs</b>	<b>513,472</b>	<b>518,234</b>	<b>4,762</b>	<b>518,234</b>	<b>468,469</b>	<b>(49,765)</b>
Less Retained revenue	16,640	20,026	3,386	20,026	21,660	1,634
<b>Net Cost of Outputs</b>	<b>496,832</b>	<b>498,208</b>	<b>1,376</b>	<b>498,208</b>	<b>446,809</b>	<b>(51,399)</b>
Adjustment for movement in cash balances and other accrual items	(6,992)	(3,366)	3,626	(3,366)	(49,243)	(45,877)
<b>Total appropriations provided to purchase outputs</b>	<b>489,840</b>	<b>494,842</b>	<b>5,002</b>	<b>494,842</b>	<b>397,566</b>	<b>(97,276)</b>
<b>CAPITAL</b>						
Item 162 Capital contribution (2000-01 Amount provided for capital services)	<b>25,988</b>	<b>25,988</b>	<b>–</b>	<b>25,988</b>	<b>74,119</b>	<b>48,131</b>
<b>Capital contributions to meet equity needs</b>						
Total cost of capital works program	37,366	33,049	(4,317)	33,049	69,146	36,097
Working capital requirement–leave liability	370	370	–	370	–	(370)
	37,736	33,419	(4,317)	33,419	69,146	35,727
Less						
Adjustment for movement in cash balances and other funding sources	(11,748)	(7,431)	4,317	(7,431)	4,973	12,404
Holding account drawdowns	–	–	–	–	–	–
Asset Sales	–	–	–	–	–	–
<b>Total Capital Appropriations</b>	<b>25,988</b>	<b>25,988</b>	<b>–</b>	<b>25,988</b>	<b>74,119</b>	<b>48,131</b>
<b>GRAND TOTAL OF APPROPRIATIONS</b>	<b>515,828</b>	<b>520,830</b>	<b>5,002</b>	<b>520,830</b>	<b>471,685</b>	<b>(49,145)</b>
<b>DETAILS OF REVENUE ESTIMATES</b>						
Revenue disclosed as Administered Revenues	740	627	(113)	627	386	(241)
Revenues disclosed as Operating Revenues						
– Vehicle Sales	–	140	140	140	112	(28)
<b>Total Revenue Estimates</b>	<b>740</b>	<b>767</b>	<b>27</b>	<b>767</b>	<b>498</b>	<b>(269)</b>

## OUTPUT SCHEDULE OF EXPENSES AND REVENUES

FOR THE YEAR ENDED 30 JUNE 2002

	Community Support, Crime Prevention and Public Order		Emergency Management and Co-ordination		Regulatory and Information Services		Traffic Management and Road Safety	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
<b>COST OF SERVICES</b>								
<b>Expenses from ordinary activities</b>								
Employee expenses	128,544	118,900	4,589	4,650	13,729	11,931	63,983	63,902
Capital user charge	6,328	–	216	–	701	–	3,478	–
Depreciation and amortisation expense	3,314	2,980	230	251	407	303	1,999	1,809
Borrowing costs	4	1	–	–	–	–	–	–
Net loss on disposal of non-current assets	–	5	–	–	–	1	–	27
Other expenses from ordinary activities	31,722	26,845	1,486	1,558	4,466	3,609	18,041	15,596
<b>Total cost of services</b>	<b>169,912</b>	<b>148,731</b>	<b>6,521</b>	<b>6,459</b>	<b>19,303</b>	<b>15,844</b>	<b>87,501</b>	<b>81,334</b>
<b>Revenue from ordinary activities</b>								
User charges and fees	1,370	1,067	170	79	2,557	1,782	1,400	1,365
Donations, sponsorships and grants	528	884	23	38	61	100	253	453
Net profit on disposal of non-current assets	6	–	–	–	–	–	(5)	–
Other revenue from ordinary activities	2,998	2,966	111	125	334	367	4,019	4,825
<b>Total revenues from ordinary activities</b>	<b>(4,902)</b>	<b>(4,917)</b>	<b>(304)</b>	<b>(242)</b>	<b>(2,952)</b>	<b>(2,249)</b>	<b>(5,667)</b>	<b>(6,643)</b>
<b>NET COST OF SERVICES</b>	<b>165,010</b>	<b>143,814</b>	<b>6,217</b>	<b>6,217</b>	<b>16,351</b>	<b>13,595</b>	<b>81,834</b>	<b>74,691</b>
<b>Revenues from Government</b>								
Output appropriations	163,896	151,824	6,175	6,562	16,241	14,352	81,281	78,852
Receipts paid into Consolidated Fund	(47)	(466)	(2)	(20)	(4)	(43)	(23)	(240)
Liabilities assumed by the Treasurer	802	9,952	27	382	89	1,028	437	5,731
Assets assumed/(transferred)	209	377	4	17	4	35	98	196
Resources received free of charge	87	188	(5)	7	186	203	47	42
<b>Total revenues from Government</b>	<b>164,947</b>	<b>161,875</b>	<b>6,199</b>	<b>6,948</b>	<b>16,516</b>	<b>15,575</b>	<b>81,840</b>	<b>84,581</b>
<b>CHANGE IN NET ASSETS BEFORE RESTRUCTURING</b>								
	<b>(63)</b>	<b>18,061</b>	<b>(18)</b>	<b>731</b>	<b>165</b>	<b>1,980</b>	<b>6</b>	<b>9,890</b>
Net revenues/(expenses) from restructuring	(446)	–	–	–	–	–	–	–
<b>CHANGE IN NET ASSETS AFTER RESTRUCTURING</b>								
	<b>(509)</b>	<b>18,061</b>	<b>(18)</b>	<b>731</b>	<b>165</b>	<b>1,980</b>	<b>6</b>	<b>9,890</b>

## OUTPUT SCHEDULE OF EXPENSES AND REVENUES

FOR THE YEAR ENDED 30 JUNE 2002

	Response to Offences		Investigation to Offences		Services to the Judicial Process		TOTAL	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
<b>COST OF SERVICES</b>								
<b>Expenses from ordinary activities</b>								
Employee expenses	47,943	45,373	89,199	87,249	39,100	40,292	387,087	372,297
Capital user charge	2,337	–	4,409	–	1,823	–	19,292	–
Depreciation and amortisation expense	1,108	897	2,088	1,763	853	739	9,999	8,742
Borrowing costs	3	17	–	1	–	–	7	19
Net loss on disposal of non-current assets	–	–	–	8	–	3	–	44
Other expenses from ordinary activities	12,220	10,062	23,884	20,458	10,030	9,239	101,849	87,367
<b>Total cost of services</b>	<b>63,611</b>	<b>56,349</b>	<b>119,580</b>	<b>109,479</b>	<b>51,806</b>	<b>50,273</b>	<b>518,234</b>	<b>468,469</b>
<b>Revenue from ordinary activities</b>								
User charges and fees	479	149	1,287	1,236	527	430	7,790	6,108
Donations, sponsorships and grants	166	309	349	658	143	327	1,523	2,769
Net profit on disposal of non-current assets	2	–	2	–	1	–	6	–
Other revenue from ordinary activities	849	1,130	1,661	2,323	735	1,047	10,707	12,783
<b>Total revenues from ordinary activities</b>	<b>(1,496)</b>	<b>(1,588)</b>	<b>(3,299)</b>	<b>(4,217)</b>	<b>(1,406)</b>	<b>(1,804)</b>	<b>(20,026)</b>	<b>(21,660)</b>
<b>NET COST OF SERVICES</b>	<b>62,115</b>	<b>54,761</b>	<b>116,281</b>	<b>105,262</b>	<b>50,400</b>	<b>48,469</b>	<b>498,208</b>	<b>446,809</b>
<b>Revenues from Government</b>								
Output appropriations	61,695	57,809	115,495	111,119	50,059	51,167	494,842	471,685
Receipts paid into Consolidated Fund	(18)	(176)	(32)	(340)	(14)	(156)	(140)	(1,441)
Liabilities assumed by the Treasurer	300	3,725	555	7,262	230	3,227	2,440	31,307
Assets assumed/(transferred)	43	144	83	277	91	128	532	1,174
Resources received free of charge	308	300	204	280	138	236	965	1,256
<b>Total revenues from Government</b>	<b>62,328</b>	<b>61,802</b>	<b>116,305</b>	<b>118,598</b>	<b>50,504</b>	<b>54,602</b>	<b>498,639</b>	<b>503,981</b>
<b>CHANGE IN NET ASSETS BEFORE RESTRUCTURING</b>								
	<b>213</b>	<b>7,041</b>	<b>24</b>	<b>13,336</b>	<b>104</b>	<b>6,133</b>	<b>431</b>	<b>57,172</b>
Net revenues/(expenses) from restructuring	–	–	–	–	–	–	(446)	–
<b>CHANGE IN NET ASSETS AFTER RESTRUCTURING</b>								
	<b>213</b>	<b>7,041</b>	<b>24</b>	<b>13,336</b>	<b>104</b>	<b>6,133</b>	<b>(15)</b>	<b>57,172</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

### 1. MISSION AND FUNDING

The mission of the Western Australia Police Service (Police Service) and the outcome of its policing activities is *in partnership with the community, create a safer and more secure Western Australia by providing quality police services.*

The Police Service is predominantly funded by Parliamentary appropriations. It provides the following services on a fee-for-service basis: vehicle escorts, photographic reproductions, police clearance certificates, security services, private prosecution reports, freedom of information reports, conviction records and crash information. The fees charged are determined on a cost-recovery basis.

In the process of reporting on the Police Service as a single entity, all intra-entity transactions and balances have been eliminated.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated, these policies are consistent with those adopted in the previous year.

#### (a) GENERAL STATEMENT

The financial statements constitute a general purpose financial report which has been prepared in accordance with *Australian Accounting Standards* and *Urgent Issues Group (UIG) Consensus Views* as applied by the Treasurer's Instructions. Several of these are modified by the *Treasurer's Instructions* to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act 1985* and the *Treasurer's Instructions* are legislative provisions governing the preparation of financial statements and take precedence over *Australian Accounting Standards*, *Statements of Accounting Concepts* and other authoritative pronouncements of the Australian Accounting Standards Board, and *UIG Consensus Views*. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to these financial statements.

#### BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with *Australian Accounting Standards AAS 29*. The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the following exceptions:

- Certain non-current assets which subsequent to initial recognition, have been measured on the fair value basis in accordance with the option under AAS 38 (5.1) [refer note i];
- Inventories – refer note (m);
- Long service leave and leave liabilities – measured at the present value of expected future payments – refer note (p).

Administered Assets, Liabilities, Expenses and Revenues are not integral to the agency in carrying out its functions and are disclosed in notes to the financial statements, forming part of the general purpose financial report of the Police Service. The administered items are disclosed on the same basis as is described above for the financial statements of the agency. The Administered Assets, Liabilities, Expenses and Revenues are those which the Government requires the agency to administer on its behalf. The assets do not render any service potential or future economic benefits to the Police Service, the liabilities do not require the future sacrifice of service potential or future economic benefit of the Police Service, and the expenses and revenues are not attributable to the Police Service.

As the Administered Assets, Liabilities, Expenses and Revenues are not recognised in the principal financial statements of the Police Service, the disclosure requirements of *Australian Accounting Standards AAS 33*, "Presentation and Disclosure of Financial Instruments", are not applied to administered transactions.

#### (b) OUTPUT APPROPRIATIONS

Output appropriations are recognised as revenues in the period in which the Police Service gains control of the appropriated funds. The Police Service gains control of appropriated funds at the time those funds are deposited into the its bank account or credited to the holding account held at the Department of Treasury and Finance. Refer to Note 14 for further commentary on output appropriation.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

### (c) CONTRIBUTED EQUITY

Under *UIG 38* "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position. All other transfers have been recognised in the Statement of Financial Performance. Prior to the current reporting period, capital appropriations were recognised as revenue in the Statement of Financial Performance. Capital appropriations which are repayable to the Treasurer are recognised as liabilities. *Refer to Note 16 for further commentary on the application of UIG 38.*

### (d) NET APPROPRIATION DETERMINATION

Pursuant to section 23A of the *Financial Administration and Audit Act 1985*, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Police Service:

- Proceeds from fees and charges;
- Recoups of services provided;
- Commonwealth specific purpose grants;
- Sponsorships and donations; and
- One-off revenues with a value less than \$10,000 from the sale of property other than real property.

Retained revenues may only be applied to the outputs specified in the 2001-02 Budget Statements.

### (e) GRANTS AND OTHER CONTRIBUTIONS

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Police Service obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were un-discharged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes to the Financial Statements. *Refer Note 31.*

### (f) REVENUE RECOGNITION

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Police Service has passed control of the goods or other assets or delivery of the service to the customer.

### (g) ACQUISITION OF ASSETS

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost, or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition.

Land vested within the Police Service is capitalised irrespective of value. All other assets are capitalised when their cost or fair value is \$5,000 or more.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

### (h) DEPRECIATION OF NON-CURRENT ASSETS

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 future economic benefits.

Depreciation is provided for on either a straight-line basis net of residual values or on straight line as is the case for Software and Livestock. Depreciation rates are reviewed annually and the useful lives for each class of depreciable asset are:

CLASS OF ASSETS	2001-02
Buildings	50 years
Transportables	20 years
Vehicles	
– Motor Vehicles and Cycles	5 years
– All Other Vehicles	7 years
Aircraft and Vessels	
– Aircraft	20 years
– Vessels	10 to 15 years
Computing and Office Equipment	
– Computing Software and Hardware	4 to 8 years
– Office Equipment	7 years
– Furniture and Fittings	10 years
– Communication Equipment	7 years
Livestock	
– Livestock	8 to 20 years
Other Plant and Equipment	
– Radio Equipment	7 years
– Audio-visual Equipment	7 years
– Firearms Equipment	10 years
– Photographic Equipment	8 years
– Traffic Equipment	8 years
– Scientific Equipment	10 years
– Other Plant and Equipment	10 years

Artworks controlled by the Police Service have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

### (i) REVALUATION OF LAND, BUILDINGS, AIRCRAFT, VESSELS AND LIVESTOCK

The Police Service has a policy of valuing land, buildings, aircraft, vessels, livestock at fair value. As land and buildings can experience frequent and material movements in fair value, a revaluation is considered necessary each reporting period. Such frequent revaluations is considered unnecessary for aircraft, vessels and livestock as these asset classes have experienced only immaterial movements in fair value. For these asset types, a revaluation would be performed every two to three years, the previous independent revaluation was performed by the Valuer General's Office in July 2000.

The revaluation of freehold land and buildings was performed in July 2001 in accordance with an independent valuation by the Valuer General's Office. Fair value of land and buildings has been determined on the basis of current market buying values or non-market value. Non-market value is used for assets which are not normally sold in the real estate market such as police stations and represents the sites' land value added to the depreciated replacement cost of any improvements.

Assets acquired between revaluations are reported at cost.

### (j) LEASES

The Police Service's rights and obligations under finance leases, which are leases that effectively transfer to the Police Service substantially all of the risks and benefits incident to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as plant, equipment and vehicles under lease, and are amortised to the Statement of Financial Performance over the period during which the Police Service is expected to benefit from use of the leased assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

Finance lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

The Police Service has entered into a number of operating lease arrangements for buildings and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

### (k) CASH

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

Restricted cash assets are those cash assets, the uses of which are restricted, wholly or partly, by regulations or externally imposed requirements.

### (l) RECEIVABLES

Receivables are generally recognised at the time of invoice. The collection period for receivables is 28 days and is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is derived by analysing historical trends of receivables and bad debts.

### (m) INVENTORIES

Inventories have been valued at the lower of cost and net realisable value. Reported holdings have been confirmed through an annual stocktake.

### (n) PAYABLES

Payables, including accruals not yet billed, are recognised when the Police Service becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within the requirements of the Treasurer's Instructions.

The settlement period for payables is 30 days.

### (o) ACCRUED SALARIES

Accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of ten financial years to meet the additional cash outflow in each eleventh year when 27 pay-days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year's end. The Police Service considers the carrying amount of accrued salaries to be equivalent to the net fair value.

### (p) EMPLOYEE LEAVE ENTITLEMENTS

All vesting employee entitlements, including annual leave and long service leave, have been recognised as liabilities in the financial statements.

#### **Annual leave**

The provision for annual leave represents the present amount that the Police Service has an obligation to pay resulting from employees' services provided up to 30 June. This entitlement is recognised at current remuneration rates and does not include annual leave loading.

Annual leave loading is reported as accrued expenses as payment is made annually irrespective of whether leave is taken.

#### **Long service leave**

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels, including relevant on-costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

The provision is consistent with the requirements of *Australian Accounting Standard AAS 30, "Accounting for Employee Entitlements"*.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

### 38-hour leave liability

The provision for 38-hour leave liability represents a commitment by Cabinet in 1986 to honour an agreement to accrue additional hours worked between 1 January to 30 September 1986. This was after the Government of the day granted a 38-hour week to Police Officers, back-dated to 1 January 1986.

The hours accrued are only payable on retirement, resignation or termination at current remuneration rates.

### Special paid leave

The provision for special paid leave represents the negotiated leave entitlement to Sworn Officers who previously accrued long service leave on a ten-year basis prior to the accrual period changing to seven years.

### Other provisions

The settlement of long service leave liabilities gives rise to the payment of employment on-costs including Superannuation and WorkCover premiums. The liability for such on-costs is included here. The associated expense is included under Note 5, Employee expenses.

### Sick leave

No provision is made for non-vesting sick leave as the sick leave taken each reporting period is less than the entitlement accruing, and this is expected to recur in future reporting periods.

## (q) SUPERANNUATION

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the Police Service in the current year.

A revenue "Liabilities assumed by the Treasurer" equivalent to (i) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

From 1 July 2001 employer contributions were paid to the GESB in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. Prior to 1 July 2001, the unfunded liability in respect of these Schemes was assumed by the Treasurer. An amount equivalent to the employer contributions which would have been paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme if the Police Service had made concurrent employer contributions to those Schemes, was included in superannuation expense. This amount was also included in the revenue item "Liabilities assumed by the Treasurer".

## (r) RESOURCES RECEIVED FREE OF CHARGE OR FOR NOMINAL VALUE

Resources received free of charge or for nominal value, which can be reliably measured are recognised as revenues and expense as appropriate at fair value.

## (s) ADMINISTERED RESOURCES AND TRUSTS

The Police Service administers, but does not control certain resources on behalf of the Western Australian State Government. Administered revenues include Commonwealth Grants where the agency acts as a conduit for the transfer of funds, regulatory fines income collected on behalf of the State Government and the sale of lost and stolen property. Administered expenses include transfer payments made in accordance with criteria as determined by the State Government.

Although the Police Service is accountable for the transactions involving administered resources, it does not have the discretion to deploy such resources for the achievement of Police Service objectives. In the administration of these resources, the Police Service acts only on behalf of the State Government.

The accrual basis of accounting has been adopted in accounting for administered transactions.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

(t) **MONEYS HELD IN TRUST**

The Police Service receives money in a trustee capacity in the form of Found Money, Stolen Money and Proceeds From Crime. As the Police Service only performs a custodial role in respect of these moneys, and because the moneys cannot be used for achievement of the agency's objectives, they are not brought to account in the Financial Statements, but are reported within the notes to the Financial Statements.

(u) **NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

Monetary financial assets and liabilities not traded in an organised financial market are valued at an approximate net market value.

(v) **COMPARATIVE FIGURES**

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(w) **ROUNDING**

Amounts in the Financial Statements have been rounded to the nearest thousand dollars or in certain cases, to the nearest dollar.

### 3. DISCLOSURES REGARDING INFORMATION INCLUDED IN THE FINANCIAL STATEMENTS

The following matters should be noted when reviewing the Financial Statements:

(i) **Resources provided free of charge**

The Police Service provides a range of services free of charge to other government agencies. Information on resources provided free of charge has not been reported at balance date. Further progress will be made during 2002-03.

(ii) **Firearms Library**

The Police Service controls a firearms library for operational use. A valuation for this library was unavailable at 30 June and therefore not recognised in the Statement of Financial Position. As the capitalisation threshold for individual items is \$5,000, the value is considered to be immaterial.

### 4. OUTPUTS OF THE POLICE SERVICE

Information about the Police Service's outputs, and the expense and revenues which are reliably attributable to those outputs are set out in the Outputs Schedule. Information about expenses, revenues, assets and liabilities administered by the Police Service are given in the schedule of Administered Expenses and Revenues and the Schedule of Administered Assets and Liabilities.

The Police Service's outputs and their outcomes are:

- **Community Support, Crime Prevention and Public Order**

A level of public safety and security in which individuals are confident to go about their daily activities.

- **Emergency Management and Coordination**

A level of public safety and security in which individuals are confident to go about their daily activities.

- **Regulatory and Information Services**

A level of public safety and security in which individuals are confident to go about their daily activities.

- **Traffic Management and Road Safety**

Road-users behave safely.

- **Response to Offences**

Individuals committing offences are brought before the justice system.

- **Investigation of Offences**

Individuals committing offences are brought before the justice system.

- **Services to the Judicial Process**

Individuals committing offences are brought before the justice system.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>5. EMPLOYEE EXPENSES</b>		
Salaries and wages	286,389	273,259
Leave expenses	43,149	45,797
Superannuation	32,676	31,338
Employee housing	12,018	10,511
Relocation and relieving expenses	3,852	3,260
Fringe benefits tax	2,250	1,950
Uniforms and protective clothing	2,295	2,112
Medical expenses	1,991	1,955
Other	2,467	2,115
	<b>387,087</b>	<b>372,297</b>
<b>6. CAPITAL USER CHARGE</b>	<b>19,292</b>	-
A capital user charge rate of 8% has been set by the Government for 2001-02 and represents the opportunity cost of capital invested in the net assets of the Police Service used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.		
<b>7. DEPRECIATION AND AMORTISATION</b>		
Depreciation		
Buildings	3,438	2,972
Vehicles	642	594
Computing and office equipment	3,978	2,977
Aircraft and vessels	303	309
Livestock	164	164
Other plant and equipment	1,310	1,367
	9,835	8,383
Amortisation		
Leased equipment	53	77
Leasehold improvements	111	282
	164	359
	<b>9,999</b>	<b>8,742</b>
<b>8. BORROWING COSTS</b>		
Finance lease payments	7	19
	<b>7</b>	<b>19</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>9. OTHER EXPENSES FROM ORDINARY ACTIVITIES</b>		
Repairs and maintenance	16,361	12,106
Rental, leases and hire	15,722	15,181
Fuels, oils, insurances and licences	9,563	11,434
Other services and contracts	31,162	21,508
Communication costs	6,586	6,254
Electricity, water and rates	4,565	4,237
Travel and fares	3,833	3,820
Equipment acquisitions	3,490	2,594
Doubtful debts	210	137
Services received free of charge	965	1,256
Grants, subsidies and transfer payments	926	1,047
Consumables	4,047	4,480
Other expenses from ordinary activities	4,419	3,313
	<b>101,849</b>	<b>87,367</b>
<b>10. USER CHARGES AND FEES</b>		
Regulated fees		
Firearms	3,207	2,155
Security and related activities	410	563
Pawnbrokers and secondhand dealers	99	121
Vehicle escorts	922	999
Clearance certificates	788	760
Crash information	161	149
Other regulated fees	125	108
	5,712	4,855
Recoups of services provided		
Gold stealing	425	376
National Crime Authority	287	333
Family Law Court security	68	60
Search and rescue	153	105
Response to child abuse	45	64
Other	1,100	315
	2,078	1,253
	<b>7,790</b>	<b>6,108</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>11. DONATIONS, SPONSORSHIPS AND GRANTS</b>		
Grants from Government		
Grants from Commonwealth Government		
Police Recruit Traineeship Program	476	694
National Campaign Against Drug Abuse	146	146
National Community-based Approach to Drug Law Enforcement	–	3
Standing Action Committee for Protection Against Violence	24	80
Grants received in prior financial year but recognised this financial year	–	1,446
	<b>646</b>	<b>2,369</b>
Grants from State Government		
Roadwise Defensive Driving Program	4	6
	<b>4</b>	<b>6</b>
	<b>650</b>	<b>2,375</b>
Sponsorships and Donations		
Sponsorships	299	293
Cash donations	–	7
Non-cash donations	574	94
	<b>873</b>	<b>394</b>
	<b>1,523</b>	<b>2,769</b>
<b>12. NET PROFIT/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS</b>		
(a) NET PROFIT ON DISPOSAL OF NON-CURRENT ASSETS		
Cost of assets disposed	444	–
Less accumulated depreciation	(310)	–
	134	–
Proceeds from sale	140	–
Net Profit	<b>6</b>	<b>–</b>
(b) NET (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
Cost of assets disposed	–	515
Less accumulated depreciation	–	(347)
	–	168
Proceeds from sale of assets	–	124
Net Loss	<b>–</b>	<b>(44)</b>
<b>Net Profit/(Loss)</b>	<b>6</b>	<b>(44)</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>13. OTHER REVENUES FROM ORDINARY ACTIVITIES</b>		
Employee rental contributions	3,217	3,455
Executive vehicle contributions	91	92
Road Trauma Trust contributions	2,846	3,214
Community Policing Fund contributions	304	404
Other contributions	476	1,347
East Timor deployment	636	473
Other recoups	1,788	1,034
Proceeds from Sale of Equipment items	21	250
Other revenues from ordinary activities	1,328	2,514
	<b>10,707</b>	<b>12,783</b>
<b>14. OUTPUT APPROPRIATION</b>		
Net amount appropriated to purchase outputs	493,367	396,071
<i>Salaries and Allowances Act 1975</i>	1,475	1,495
Amount provided for capital services in 2001	–	74,119
	<b>494,842</b>	<b>471,685</b>
Output Appropriations received from 1 July 2001 reflect the full price paid for outputs purchased by the Government. The appropriation revenue comprises a cash component and a receivable asset. The receivable (holding account) asset comprises the depreciation expense for the year and any agreed increase in leave liability during the year.		
Capital appropriations in 2000-01 were classified as revenue. From 1 July 2001 capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.		
<b>15. RECEIPTS PAID INTO CONSOLIDATED FUND</b>		
Proceeds from sale of vehicles	(140)	(112)
Proceeds from sale of asset seeking retention	–	(262)
Contributions received on capital projects	–	(1,067)
	<b>(140)</b>	<b>(1,441)</b>
<b>16. LIABILITIES ASSUMED BY THE TREASURER</b>		
The following liabilities have been assumed by the Treasurer during the financial year:		
– Superannuation	2,440	31,307
	<b>2,440</b>	<b>31,307</b>

From 1 July 2001 the Treasurer is now only assuming the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that scheme to the Gold State Superannuation Scheme. In prior years, this also included Gold State Superannuation Scheme and West State Superannuation Scheme. The Police Service is now making these contribution payments directly to the Government Employer Superannuation Board.

To assist in comparative purposes, the Pension Scheme and Pre-Pension Transfer reported in 2000-01 amounted to \$2.951 million.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>17. ASSETS ASSUMED/TRANSFERRED</b>		
Assets assumed from Government	630	1,174
Assets transferred to the Department of Land Administration	(98)	-
	<b>532</b>	<b>1,174</b>
<b>18. RESOURCES RECEIVED FREE OF CHARGE</b>		
Resources received free of charge is determined by the following estimates provided by agencies:		
- Title searches and valuation services provided by the Department of Land Administration	613	848
- Collection of firearm licences provided by the Department of Planning and Infrastructure	113	274
- Audit services provided by the Office of the Auditor General	88	85
- Leased management services provided by the Department of Housing and Works	35	33
- Labour relation services provided by the Department of Consumer and Employment Protection	33	12
- Recruitment services provided by the Department of the Premier and Cabinet, Public Sector Management Division	1	1
- Medical board assessments and Anthrax precautions provided by the Department of Health	82	3
	<b>965</b>	<b>1,256</b>
<b>19. NET REVENUES/(EXPENSES) FROM RESTRUCTURING</b>		
Transfer of Community Policing Fund and State Crime Strategy grants to the Department of the Premier and Cabinet	(446)	-
	<b>(446)</b>	<b>-</b>
<b>20. CASH ASSETS</b>		
<b>Operating Account</b>		
Amounts appropriated and any revenues subject to net appropriation determinations are deposited into this account, all payments are made from this account.	4,102	1,224
<b>Advances</b>		
Advances include permanent and temporary advances allocated to areas within the Police Service.	252	227
	<b>4,354</b>	<b>1,451</b>
<b>21. RESTRICTED CASH ASSETS</b>		
Restricted cash assets are those cash assets, the uses of which are restricted, wholly or partly, by regulations or externally imposed requirement.		
- Current assets (a)	7,453	7,100
- Non-current assets (b)	10,085	8,561
	<b>17,538</b>	<b>15,661</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>21. RESTRICTED CASH ASSETS (continued)</b>		
(a) CURRENT ASSETS		
<b>Capital Contributions</b>		
Represents the available cash balance of capital contributions received.	6,169	4,927
<b>Police Recruit Traineeship Fund</b>		
To hold grant moneys received from the Commonwealth for the funding of the Recruit Traineeship Program.	910	1,532
<b>National Campaign Against Drug Abuse (NCADA)</b>		
To hold grant moneys received from the Commonwealth and the Police Service for the funding of law enforcement programs relating to alcohol and drug use.	213	202
<b>Receipts in Suspense</b>		
Receipts in suspense refer to moneys being retained pending the identification of their purpose. The funds may be cleared by refund to the payer, transfer to the correct account, payment to another government agency or transfer to Treasury.	89	240
<b>Police Youth Drug Strategy Project (GURD)</b>		
To hold unspent money received from Bunnings in relation to the Police Youth Drug Strategy Project.	55	42
<b>Moneys held for Rewards</b>		
To hold moneys received by the Police Service from the private sector for the purpose of issuing rewards.	12	12
<b>Extradition Fund</b>		
To hold moneys received by the Police Service from the private sector to extradite persons who the agency would not otherwise pursue.	5	5
<b>Standing Action Committee for Protection Against Violence (SACPAV)</b>		
To hold grant moneys received from the Commonwealth through the Department of Defence for the purpose of conducting the Standing Action Committee for the Protection Against Violence training exercises.	-	16
<b>Community Policing Fund</b>		
To hold moneys received from the Department of Transport being a 50 per cent share of the net profit from the sale of special series registration plates. During 2001-02 this was transferred to the Department of the Premier and Cabinet.	-	124
	<b>7,453</b>	<b>7,100</b>
(b) NON-CURRENT ASSETS		
<b>Accrued Salaries Suspense Account</b>		
Pursuant to section 27 (2) of the <i>Financial Administration and Audit Act 1985</i> , amounts are annually transferred to this Trust to provide for the payment of a 27th pay period occurring every eleven years.	10,085	8,561
	<b>10,085</b>	<b>8,561</b>
<b>22. RECEIVABLES</b>		
Current assets (a)	3,437	1,693
Non-current assets (b)	-	40
	<b>3,437</b>	<b>1,733</b>
(a) CURRENT RECEIVABLES		
Loan to Constable Care Child Safety Project	100	60
Trade Debtors	1,275	886
Provision for Doubtful Debts	(214)	(154)
GST Receivable	2,276	901
	<b>3,437</b>	<b>1,693</b>
(b) NON-CURRENT RECEIVABLES		
Loan – Constable Care Child Safety Project	-	40
	<b>-</b>	<b>40</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>23. AMOUNTS RECEIVABLE FOR OUTPUTS</b>		
Amounts receivable for outputs represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.		
– Current asset	3,650	–
– Non-current asset	5,667	–
	<b>9,317</b>	<b>–</b>
<b>24. OTHER ASSETS</b>		
Inventories *	1,507	1,213
Accrued Income	425	51
Prepayments	1,402	1,380
	<b>3,334</b>	<b>2,644</b>
* Inventories comprise items held by Electronics, Traffic, Air Support, Ballistics and Tactical Response Group.		
<b>25. PROPERTY, VEHICLES, PLANT AND EQUIPMENT</b>		
(a) PROPERTY, VEHICLES, PLANT AND EQUIPMENT COMPRISE THE FOLLOWING CLASSES:		
<b>Land</b>		
At fair value	88,373	94,883
	<b>88,373</b>	<b>94,883</b>
<b>Buildings</b>		
At fair value	169,365	119,497
Accumulated depreciation	(3,477)	(3,504)
	<b>165,888</b>	<b>115,993</b>
<b>Works in Progress</b>		
Buildings under construction – at cost	15,287	54,596
IT Project – at cost	23,116	16,047
	<b>38,403</b>	<b>70,643</b>
<b>Vehicles</b>		
At cost	5,542	4,996
Accumulated depreciation	(3,142)	(2,782)
	<b>2,400</b>	<b>2,214</b>
<b>Aircraft and Vessels</b>		
At fair value	3,962	3,962
Accumulated depreciation	(599)	(296)
	<b>3,363</b>	<b>3,666</b>
<b>Computing and Office Equipment</b>		
At cost	33,120	30,927
Accumulated depreciation	(10,469)	(6,675)
	<b>22,651</b>	<b>24,252</b>
<b>Livestock</b>		
At fair value	1,495	1,495
Accumulated depreciation	(328)	(164)
	<b>1,167</b>	<b>1,331</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>25. PROPERTY, VEHICLES, PLANT AND EQUIPMENT (continued)</b>		
<b>Other Plant and Equipment</b>		
At cost	18,705	17,028
Accumulated depreciation	(12,329)	(11,183)
	<b>6,376</b>	<b>5,845</b>
<b>Artwork</b>		
At cost	256	42
	<b>256</b>	<b>42</b>
<b>Leasehold Improvements</b>		
At cost	2,196	2,090
Accumulated amortisation	(1,728)	(1,842)
	<b>468</b>	<b>248</b>
<b>Leased Assets</b>		
At cost	531	713
Accumulated amortisation	(425)	(396)
	<b>106</b>	<b>317</b>
	<b>329,451</b>	<b>319,434</b>

(b) RECONCILIATIONS OF THE CARRYING AMOUNT OF PROPERTY, VEHICLES, PLANT AND EQUIPMENT AT THE BEGINNING AND END OF THE CURRENT FINANCIAL YEAR IS SET OUT BELOW:

	Carrying amount at start of year \$'000	Additions \$'000	Disposals \$'000	Write-offs \$'000	Transfers \$'000	Revaluation \$'000	Depreciation \$'000	Carrying amount at end of year \$'000
Land	94,883	746	–	(15)	180	(7,421)	–	88,373
Buildings	115,994	362	–	(551)	51,839	1,682	(3,438)	165,888
Works in Progress	70,643	24,644	–	(2,962)	(53,922)	–	–	38,403
Vehicles	2,214	938	(125)	(20)	35	–	(642)	2,400
Aircraft and Vessels	3,666	–	–	–	–	–	(303)	3,363
Computing and Office Equipment	24,252	986	(4)	(174)	1,569	–	(3,978)	22,651
Livestock	1,331	–	–	–	–	–	(164)	1,167
Other Plant and Equipment	5,845	2,052	(5)	(90)	(116)	–	(1,310)	6,376
Artwork	42	66	–	–	148	–	–	256
Leasehold Improvements	248	–	–	–	331	–	(111)	468
Leased Assets	317	–	–	(94)	(64)	–	(53)	106
	<b>319,435</b>	<b>29,794</b>	<b>(134)</b>	<b>(3,906)</b>	<b>–</b>	<b>(5,739)</b>	<b>(9,999)</b>	<b>329,451</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>26. PROVISIONS</b>		
Employee entitlements have been recognised in the Financial Statements as follows:		
– Current liabilities (a)	46,744	47,258
– Non-current liabilities (b)	60,737	58,064
	<b>107,481</b>	<b>105,322</b>
<b>(a) CURRENT LIABILITIES</b>		
– Annual leave	37,208	37,994
– Long service leave	7,992	7,708
– Time off In lieu/accrued time off	246	372
– Special paid leave	381	423
– 38-hour leave	113	–
– Other	804	761
	<b>46,744</b>	<b>47,258</b>
<b>(b) NON-CURRENT LIABILITIES</b>		
– Long service leave	52,174	49,687
– 38-hour leave	3,301	3,471
– Other	5,262	4,906
	<b>60,737</b>	<b>58,064</b>
<b>27. PAYABLES</b>		
Trade Payables	8,465	4,141
	<b>8,465</b>	<b>4,141</b>
<b>28. INTEREST-BEARING LIABILITIES</b>		
Computing equipment, software and PABX system finance leases		
– Current liabilities	–	205
– Non-current liabilities	–	–
	<b>–</b>	<b>205</b>
<b>29. OTHER CURRENT LIABILITIES</b>		
Sundry Accruals		
– Accrued salaries	7,556	7,485
– Accrued superannuation	734	–
– Leave loading expense	2,389	2,209
– Fringe benefit tax liability	487	540
– Other accruals	1,092	1,790
	12,258	12,024
	<b>12,323</b>	<b>12,328</b>
Income in Advance	65	304
	<b>12,323</b>	<b>12,328</b>

\* Accrued Salaries for six working days from 21 June to 28 June 2002

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>30. EQUITY</b>		
Equity represents the residual interest in the net assets of the Police Service. The government holds the equity interest in the Police Service on behalf of the community. The Asset Revaluation Reserve represents that portion of equity resulting from the revaluation of non-current assets.		
– Contributed equity	25,988	–
– Reserves (a)	162,039	167,878
– Accumulated surplus/(deficiency) (b)	51,135	51,050
	<b>239,162</b>	<b>218,928</b>
<b>(a) ASSET REVALUATION RESERVE</b>		
Balance as at 1 July 2001	167,878	163,870
Net revaluation increments/(decrements)		
– Land	(7,421)	563
– Buildings	1,682	973
– Aircraft and Vessels	–	1,506
– Livestock	–	1,101
	(5,739)	4,143
Transfer to accumulated surplus/(deficiency) on sale of previously revalued assets	(100)	(135)
<b>Balance at 30 June 2002</b>	<b>162,039</b>	<b>167,878</b>
<b>(b) ACCUMULATED SURPLUS/(DEFICIENCY)</b>		
Accumulated surplus/(deficiency) as at 1 July 2001	51,050	(6,257)
Change in net assets after restructuring	(15)	57,172
Transfer to accumulated surplus/(deficiency) on sale of previously revalued assets	100	135
<b>Accumulated surplus/(deficiency) at 30 June 2002</b>	<b>51,135</b>	<b>51,050</b>
<b>(c) TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>		
Change in net assets after restructuring	(15)	57,172
Net revaluation increments/(decrements) to asset revaluation reserve	(5,739)	4,143
Transfer to accumulated surplus/(deficiency) on sale of previously revalued assets	(100)	(135)
<b>Balance at 30 June 2002</b>	<b>(5,854)</b>	<b>61,180</b>
<b>31. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) RECONCILIATION OF CASH</b>		
For the purposes of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense and restricted cash. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
– Cash assets	4,354	1,451
– Restricted cash assets	17,538	15,661
<b>Closing Cash Balance</b>	<b>21,892</b>	<b>17,112</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>31. NOTES TO THE STATEMENT OF CASH FLOWS (continued)</b>		
<b>(b) NON-CASH FINANCING AND INVESTING ACTIVITIES</b>		
Information about transactions and other events which do not result in any cash flows during the reporting period but affect asset and liabilities have been recognised in the General Purpose Financial Statements where the transactions and other events:		
(a) involve external parties; and		
(b) relate to the financing, investing and other non-operating activities of the Police Service.		
During the financial year, the Police Service received donated assets from external parties to the value of \$58,000 compared to \$73,000 in 2000-01.		
During the financial year, the Police Service assumed a piece of land totalling \$630,000 from another government agency and transferred \$98,000 to Department of Land Administration not reflected in the Statement of Cash Flows. In 2000-01, there were \$1.174 million assets assumed.		
<b>(c) RECONCILIATION OF NET COST OF SERVICES TO NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>		
<b>Net cost of services</b>	<b>(498,208)</b>	<b>(446,809)</b>
Adjustment for non-cash items:		
Depreciation and amortisation expense	9,999	8,742
Resources received free of charge	965	1,256
Donated assets	58	73
Superannuation expense	2,440	31,307
Net loss/(profit) on sale of non-current assets	(6)	44
Doubtful and bad debts expense	210	137
Adjustment to carrying value of assets	2,521	764
(Increase)/decrease in assets		
Receivables	(328)	(104)
Prepayments	(22)	(427)
Accrued income	(374)	29
Inventories	(294)	(238)
Increase/(decrease) in liabilities		
Accounts payable	4,324	(543)
Sundry accruals	234	(706)
Provisions	2,159	6,669
Unearned revenue	(239)	(1,602)
Lease liability	(205)	(37)
Net change in GST		
Net GST receipts/(payments)	-	-
Change in GST (receivables)/payables	(1,375)	(858)
	<b>20,067</b>	<b>44,506</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>(478,141)</b>	<b>(402,303)</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>32. COMMITMENTS FOR EXPENDITURE</b>		
(a) CAPITAL EXPENDITURE COMMITMENTS		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:		
Within one year	35,862	32,440
Later than one year but not later than two years	49,708	9,510
Later than two years but not later than five years	99,818	39,078
	<b>185,388</b>	<b>81,028</b>
The capital commitments includes amounts for:		
Buildings	62,413	50,227
Computer infrastructure upgrades	106,876	14,801
Other asset acquisitions	16,099	16,000
	<b>185,388</b>	<b>81,028</b>
(b) FINANCE LEASE COMMITMENTS		
These commitments are payable as follows:		
Within one year	–	205
Later than one year but not later than two years	–	–
Later than two years but not later than five years	–	–
Later than five years	–	–
<b>Minimum lease payments</b>	<b>–</b>	<b>205</b>
Less: Future finance charges	–	(7)
	<b>–</b>	<b>198</b>
Lease liabilities recognised in the Statement of Financial Position:		
Current	–	205
Non-current	–	–
	<b>–</b>	<b>205</b>
(c) NON-CANCELLABLE OPERATING LEASE COMMITMENTS		
Operating lease commitments at the reporting date arising through non-cancellable agreements:		
Within one year	10,872	13,674
Later than one year but not later than two years	11,065	19,077
Later than two years but not later than five years	15,259	86,556
Later than five years	7,260	–
	<b>44,456</b>	<b>119,307</b>
These lease commitments represent		
Office accommodation leases	12,701	8,226
Computer hardware and software leases *	20,757	100,673
Motor vehicle leases	10,998	10,408
	<b>44,456</b>	<b>119,307</b>

\* The computer hardware and software leases includes a value for CADCOM. The CADCOM project included a three-phase system development totalling \$45 million. In July, the original contract for CADCOM has been amended to include the completion of the first two phases. As a result, the Police Service is currently in negotiation with the financier to amend the contractual arrangements on the operating lease obligations, which at balance date has not been finalised.

At balance date, it is estimated that the value of the new contract will be approximately \$20 million, which has been reported above for 2001-02. In addition, possible future penalties may be incurred due to the change in the contractual obligation with the financier. The likelihood and quantum of penalties, if any, cannot be determined at this time.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>32. COMMITMENTS FOR EXPENDITURE (continued)</b>		
(d) OTHER EXPENDITURE COMMITMENTS		
Other expenditure commitments at the reporting date arising through the placement of purchase orders or non-cancellable agreements and are payable as follows:		
Within one year	12,498	18,381
Later than one year but not later than two years	4,184	6,784
Later than two years but not later than five years	10,948	9,488
Later than five years	475	-
	<b>28,105</b>	<b>34,653</b>
Representing:		
Staff training	394	593
Computing costs	23,538	25,489
Communication costs	225	3,582
Other	3,948	4,989
	<b>28,105</b>	<b>34,653</b>
<b>33. CONTINGENT LIABILITIES</b>		
UNSETTLED LEGAL CLAIMS AND ACT OF GRACE PAYMENTS		
The value reported represents the maximum obligation potentially payable for the claims on hand at 30 June.	<b>2,155</b>	<b>1,675</b>
MEDICAL EXPENSES		
Under Police Regulations and the current Enterprise Bargaining and Workplace Agreement, the Police Service is obliged to reimburse sworn officers for their medical expenses. Work-related medical expenses are met in full by the Police Service. Non-work-related medical expenses are reimbursed to the amount not covered by Medicare and private health providers. The total liability in respect of work-related medical costs is not able to be reliably measured at 30 June.		
<b>34. REMUNERATION OF AUDITORS</b>		
The Police Service is not required to pay fees for services provided by the Office of the Auditor General. The notional value of these services has been recognised as a resource received free of charge.		
Audit Services	<b>88</b>	<b>85</b>

**35. REMUNERATION AND RETIREMENT BENEFITS OF SENIOR OFFICERS**

## DEFINITION OF A SENIOR OFFICER

A Senior Officer means a person, by whatever name called, who is concerned or takes part in the management of the agency. The agency's Senior Officers comprise uniformed members of the Police Service Command group.

## REMUNERATION BENEFITS

The number of Senior Officers whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands:

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

		2002 \$'000	2001 \$'000
<b>35. REMUNERATION AND RETIREMENT BENEFITS OF SENIOR OFFICERS (continued)</b>			
\$	2002	2001	
70,001 – 80,000	-	1	
100,001 – 110,000	3	1	
110,001 – 120,000	-	2	
120,001 – 130,000	2	1	
130,001 – 140,000	-	2	
140,001 – 150,000	3	-	
150,001 – 160,000	2	-	
160,001 – 170,000	-	1	
170,001 – 180,000	-	2	
180,001 – 190,000	-	1	
200,001 – 210,000	2	-	
250,001 – 260,000	1	1	
The total remuneration of senior officers is:		<b>1,983</b>	<b>1,756</b>

The amount reported in 2002 includes the superannuation expense incurred by the Police Service in respect of senior officers. No senior officers are members of the Pension Scheme.

The reported figure in 2001 does not include a value of notional superannuation assumed by the Treasurer. For comparative purposes, the 2002 reported value excluding superannuation expense totals \$1.757 million.

## 36. FINANCIAL INSTRUMENTS

### (a) INTEREST RATE RISK EXPOSURE

The following table details the Police Service's exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate %	Variable interest rate \$'000	Fixed interest rate maturities			Non-interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		
<b>2001-02</b>							
<b>Assets</b>							
Cash assets	-	-	-	-	-	4,354	4,354
Restricted cash assets	-	-	-	-	-	17,538	17,538
Receivables	-	-	-	-	-	3,437	3,437
Accrued income	-	-	-	-	-	425	425
Investments	-	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,754</b>	<b>25,754</b>
<b>Liabilities</b>							
Payables	-	-	-	-	-	8,465	8,465
Other accrued expenses	-	-	-	-	-	12,258	12,258
Lease liabilities	-	-	-	-	-	-	-
Employee entitlements	-	-	-	-	-	107,481	107,481
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,204</b>	<b>128,204</b>
<b>Net Financial Assets (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(102,450)</b>	<b>(102,450)</b>
<b>2000-01</b>							
Assets	-	-	-	-	-	18,857	18,857
Liabilities	-	-	205	-	-	121,487	121,692
<b>Net Financial Assets (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>(205)</b>	<b>-</b>	<b>-</b>	<b>(102,630)</b>	<b>(102,835)</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>36. FINANCIAL INSTRUMENTS (continued)</b>		
(b) CREDIT RISK EXPOSURE		
All financial assets are unsecured.		
Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets, the carrying amount represents the Police Service's maximum exposure to credit risk in relation to those assets.		
The following is an analysis of the amounts owing by other government agencies.		
Western Australian Government Agencies	167	185
<b>Total</b>	<b>167</b>	<b>185</b>
(c) NET FAIR VALUES		
The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 2(g) of the financial statements.		
<b>37. SUPPLEMENTARY FINANCIAL INFORMATION</b>		
(a) WRITE-OFFS		
Public and other property, revenue and debts due to the State was written-off in accordance with section 45 of the <i>Financial Administration and Audit Act 1985</i> under the authority of:		
The Accountable Officer	254	95
The Minister	24	
Executive Council	129	184
	<b>407</b>	<b>279</b>
Analysis of the write-off is as follows:		
Bad debts	149	69
Property damage	249	210
Stolen property	9	-
	<b>407</b>	<b>279</b>
(b) LOSSES OF PUBLIC MONEYS AND PUBLIC OR OTHER PROPERTY THROUGH THEFT OR DEFAULT		
Losses of public property through theft, default or otherwise	205	202
Losses of public money	-	-
Less: Amount recovered	-	-
	<b>205</b>	<b>202</b>
Note: The public property losses through theft, default or otherwise reported in 2000-01 was written-off in 2001-02. All other write-offs are written off in the same financial year.		
<b>38. AFFILIATED BODIES</b>		
An affiliated body of the Police Service is a body which receives more than half its funding and resources from the Police Service but is not subject to operational control by the Police Service.		
SAFER WA COMMITTEE'S EXECUTIVE		
Safer WA in conjunction with the Police Service, other State Government agencies, local government and the community to achieve a safer and more secure Western Australia. The Police Service provides staffing resources and an annual grant to assist the committee in meeting its objectives.		
Salaries	48	56
Other Recurrent	305	207
	<b>353</b>	<b>263</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>38. AFFILIATED BODIES (continued)</b>		
FEDERATION OF POLICE AND CITIZENS' YOUTH CLUB INCORPORATED		
The Federation of Police and Citizens' Youth Club works in conjunction with the Police Service to reduce juvenile crime. The Police Service provides staffing resources to assist the Federation in meeting its objectives. (In 2001-02 the level of support was less than 50% of the total funding and resources and therefore did not meet the criteria of an affiliated body.)		
Salaries	-	1,935
Other Recurrent	-	-
	-	<b>1,935</b>
BLUE LIGHT ASSOCIATION OF WESTERN AUSTRALIA INCORPORATED		
The Blue Light Association of Western Australia works in conjunction with the Police Service to establish positive relationships between police and the youth of the community. The Police Service provides staffing resources and administrative assistance to assist the Association in meeting its objectives. (In 2001-02 the level of support was less than 50% of the total funding and resources and therefore did not meet the criteria of an affiliated body.)		
Salaries	-	100
Other Recurrent	-	24
	-	<b>124</b>

### 39. EXPLANATORY STATEMENTS

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimated, the actual expenditures made and revenue estimates and payments into the Consolidated Fund, all on an accrual basis.

The following explanatory statements are provided in accordance with *Treasurer's Instructions 945*. Significant variations are considered to be those greater than 10%.

#### (a) SIGNIFICANT VARIANCES BETWEEN ESTIMATES AND ACTUAL

TOTAL APPROPRIATIONS TO PURCHASE OUTPUTS	2002 Estimate \$'000	2002 Actual \$'000	2002 Variation \$'000
<b>Appropriation to Fund Outputs</b>	488,365	493,367	5,002
The \$5.002 million authorisation to expend in advance of the appropriation covered increased costs, net of any offsets.			
The increased costs mainly comprised \$4.2 million for salary increases for police officers; \$925,000 for additional capital user charge payments; \$762,000 for increased vehicle lease costs; \$664,000 for Act of Grace payments; and \$400,000 for redundancies and \$85,000 for a government contribution to the Indigenous Skills Preparation and Recruitment Program.			
The above costs were primarily offset by an \$860,000 delay in introduction of the Criminal Investigation (Identifying People) Act 2002; Transfer of the Office of Crime Prevention functions to the Department of the Premier and Cabinet for \$548,000; and \$617,000 in additional recoups.			
<b>Retained Revenue</b>	16,640	20,026	3,386
The main contributing factors to the increase in retained revenue was the additional \$2.1 million increase in other recoups; \$750,000 in additional grants, sponsorship and donations; and a \$794,000 non-cash component for items previously not recognised. This was offset by a reduction in licences of \$280,000.			
<b>Output Expenditure</b>			
The variations are primarily due to redirection of resources to meet increased/(decreased) demand levels for each output and the distribution of the additional appropriations highlighted above.			
- Emergency Management and Co-ordination	8,719	6,521	(2,198)
- Response to Offences	56,703	63,611	6,908
- Services to the Judicial Process	60,677	51,806	(8,871)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

**39. EXPLANATORY STATEMENTS (continued)****(b) SIGNIFICANT VARIANCES BETWEEN ACTUAL AND PRIOR YEAR ACTUALS****(i) TOTAL APPROPRIATIONS TO PURCHASE OUTPUTS**

	<b>2002 Actual \$'000</b>	<b>2001 Actual \$'000</b>	<b>Variation \$'000</b>
<b>Appropriation to Fund Outputs</b>	493,367	396,071	(97,296)

The \$97,296 million increase was due to either the introduction of accrual appropriations or funding increases.

The accrual appropriation increases amounted to \$63.4 million of which \$9.317 million related to the depreciation appropriation; \$6.45 million for other non-cash accounting treatments such as expensing amounts for capital projects; \$29.2 million for superannuation payments; and \$18.44 million for capital user charge payments.

The remaining \$33.896 million increase in appropriation mainly related to \$8 million in the Boost Police Operations initiative; \$4.2 million for additional 250 police officers; \$8.8 million for salary and other CPI increases; \$8.9 million for information technology projects; \$1.24 million for DNA; and \$519,000 for additional Aboriginal Police Liaison Officers.

**Output Expenditure**

The variations are due to increased demand for the respective outputs and the allocation of additional funding increases highlighted above.

– Community Support, Crime Prevention and Public Order	169,912	148,731	21,181
– Regulatory and Information Services	19,303	15,844	3,459
– Response to Offences	63,611	56,349	7,262

**(ii) CAPITAL CONTRIBUTION**

	<b>2002 Actual \$'000</b>	<b>2001 Actual \$'000</b>	<b>Variation \$'000</b>
<b>Capital</b>	25,988	74,119	48,131

The higher expenditure in 2001 was mainly due to significant works being completed on capital projects including the construction of the Police Academy and Police Operation Support Facility and Release 2 of the Delta Communications and Information Technology Plan (DCAT).

**(iii) CONSOLIDATED FUND REVENUE ESTIMATES**

	<b>2002 Actual \$'000</b>	<b>2001 Actual \$'000</b>	<b>Variation \$'000</b>
<b>Revenue</b>	767	498	(269)

The increase was mainly attributable to the increase in the sale of lost, stolen and forfeited property totalling \$230,000; \$12,000 in infringement fines; and asset sales of \$28,000.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 \$'000	2001 \$'000
<b>40. SCHEDULE OF ADMINISTERED ITEMS</b>			
<b>(a) ADMINISTERED EXPENSES AND REVENUES</b>			
EXPENSES	(c) (i)		
Grants, subsidies and transfer payments		530	353
Other		101	40
Total administered expenses		<b>631</b>	<b>393</b>
REVENUES	(c) (ii)		
Commonwealth Government grants		2	7
Licences, fines and other		629	386
Total administered revenues		<b>631</b>	<b>393</b>
<b>(b) ADMINISTERED ASSETS AND LIABILITIES</b>			
ASSETS	(c) (iii)		
Current			
Restricted cash		343	344
Total administered assets		<b>343</b>	<b>344</b>
LIABILITIES	(c) (iv)		
Current			
Grants in advance		341	344
Accounts payable		2	–
Total administered liabilities		<b>343</b>	<b>344</b>
<b>(c) NOTES TO THE SCHEDULE OF ADMINISTERED ITEMS</b>			
<b>(i) ADMINISTERED EXPENSES</b>			
Grants, subsidies and transfer payments			
– Transfer to Department of Justice		39	15
– Transfer to Consolidated Fund		491	337
– Other transfers		–	1
		530	353
Other expenses		101	40
		<b>631</b>	<b>393</b>
<b>(ii) ADMINISTERED REVENUES</b>			
Commonwealth grants			
– Gun Buyback Scheme		2	7
		<b>2</b>	<b>7</b>
Licences, fines and other revenues			
The Police Service is responsible for the collection of certain fines and other revenue which is not classified as operating revenue and is credited to Consolidated Fund. Collections made during the year were:			
– Sale of lost, stolen and forfeited property		553	323
– Fines and infringements		75	63
– Other		1	–
		629	386
		<b>631</b>	<b>393</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>40. SCHEDULE OF ADMINISTERED ITEMS (continued)</b>		
(iii) ADMINISTERED ASSETS		
Restricted Cash		
– Gun Buyback Scheme Reimbursement	341	344
– Other	2	–
	<b>343</b>	<b>344</b>
(iv) ADMINISTERED LIABILITIES		
Income in advance		
– Gun Buyback Scheme Reimbursement Trust	341	344
	341	344
Accounts payable	2	–
	<b>343</b>	<b>344</b>
<b>41. OTHER FINANCIAL INFORMATION</b>		
Other financial information includes receipts of moneys to which the Police Service only performs a custodial role. As the moneys collected cannot be used for the achievement of the agency's objectives, they are not brought to account in the Statement of Financial Position. These include:		
– Proceeds of Crime receipts pending advice from the courts (a)		
– Found Money Trust Account (b)		
– Stolen Monies Trust Account (c)		
(a) PROCEEDS OF CRIME		
OPENING BALANCE AT 1 JULY	2,490	1,868
<b>RECEIPTS</b>		
Proceeds of Crime	2,785	1,536
	5,275	3,404
<b>PAYMENTS</b>		
Refunds	424	635
Transfer to the Department of Justice	784	259
Transfer to the Miscellaneous Revenue	–	20
	1,208	914
<b>CLOSING BALANCE AT 30 JUNE</b>	<b>4,067</b>	<b>2,490</b>

**Purpose**

To hold moneys received pending identification of their purpose pursuant to section 9(2)(c)(iv) of the *Financial Administration and Audit Act 1985*.

Moneys seized by police officers and believed to be proceeds of crime are held pending advice from the courts. The moneys are either refunded or transferred to the Department of Justice.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
<b>41. OTHER FINANCIAL INFORMATION (continued)</b>		
(b) FOUND MONEY TRUST ACCOUNT		
OPENING BALANCE AT 1 JULY	106	106
<b>RECEIPTS</b>		
Found Money	155	151
	261	257
<b>PAYMENTS</b>		
Refunds	121	96
Transfer to the Treasurer	5	55
	126	151
<b>CLOSING BALANCE AT 30 JUNE</b>	<b>135</b>	<b>106</b>
<b>Purpose</b>		
To hold moneys which have been found and surrendered to the Police Service, for which the lawful owner has not been ascertained within seven days of receipt of the money. Trust funds are held pending the occurrence of one of the following events:		
(i) refunds of moneys to persons establishing their legal ownership;		
(ii) where the moneys are unclaimed, paid to the finder lodging a formal claim not less than three months after the surrender of the money; or		
(iii) where the moneys are unclaimed after two years, transferred to the Treasurer.		
(c) STOLEN MONIES TRUST		
OPENING BALANCE AT 1 JULY	380	406
<b>RECEIPTS</b>		
Stolen Money	116	87
	496	493
<b>PAYMENTS</b>		
Refunds	35	109
Transfer to the Treasury	260	-
Transfer to the Miscellaneous Revenue	-	4
	295	113
<b>CLOSING BALANCE AT 30 JUNE</b>	<b>201</b>	<b>380</b>

**Purpose**

To hold moneys seized by the Western Australia Police Service believed to be stolen moneys pending prosecution.

Moneys seized by police officers and believed to be stolen are held pending identification of the rightful owner. In the event that the funds remain unclaimed, they are dealt with in accordance with the application of the *Unclaimed Money Act 1990*.

## TRUST STATEMENT NO. 23

<b>NAME</b>	An account called "Stolen Monies Trust" shall be maintained as a Private Trust Account at Treasury.
<b>PURPOSE</b>	To hold moneys seized by the Western Australia Police Service believed to be Stolen Monies pending prosecution.
<b>RECEIPTS</b>	Such moneys as are seized by the WA Police Service believed to be Stolen Monies shall be paid into and placed to the credit of the account.
<b>PAYMENTS</b>	The funds in the account shall:  (i) in the event of the funds remaining unclaimed, be dealt with in accordance with the application of the Unclaimed Money Act; or  (ii) be refunded to the rightful owner.
<b>ADMINISTRATION OF ACCOUNT</b>	The account shall be administered by the Commissioner of Police in accordance with the Financial Administration and Audit Act, Financial Administration Regulations and the Treasurer's Instructions.
<b>ACCOUNTING RECORDS</b>	There shall be maintained by the Commissioner of Police a detailed record of transactions processed through the account, together with such other accounting records and procedures as are detailed in the Accounting Manual.
<b>FINANCIAL STATEMENT</b>	The Commissioner of Police shall cause to be prepared a statement of cash receipts and payments and such other supplementary information in accordance with the requirements of Treasurer's Instructions.
<b>INVESTMENT OF MONEYS</b>	Moneys standing to the credit of the account may be invested in accordance with section 38 of the Financial Administration and Audit Act.

I have examined and agree to the provisions of this Trust Statement.

Approved



COMMISSIONER OF POLICE

30.01.2001

DATE APPROVED



ASSISTANT DIRECTOR  
ACCOUNTING POLICY AND LEGISLATION

30.01.2001

DATE APPROVED

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## PRINCIPAL OFFICES

### Local Police Stations

Police Attendance (08) 9222 1111  
 General Enquiries 131 444

### Crime Stoppers

Freecall 1800 333 000

### Police Headquarters

2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1997

### Metropolitan Regional Office

Police Headquarters  
 2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1464  
 Facsimile (08) 9222 1520

### Southern Regional Office

Police Headquarters  
 2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1651  
 Facsimile (08) 9222 1635

### North-eastern Regional Office

Police Headquarters  
 2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1649  
 Facsimile (08) 9222 1652

### Crime Investigation Support

Curtin House  
 60 Beaufort Street  
 Perth 6000  
 Telephone (08) 9223 3022  
 Facsimile (08) 9223 3664

### Traffic and Operations Support

2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1442  
 Facsimile (08) 9222 1736

### Professional Standards

565 Hay Street  
 Perth 6000  
 Telephone (08) 9268 7673  
 Facsimile (08) 9268 7671

### Strategic and Corporate Development

Police Headquarters  
 2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1287  
 Facsimile (08) 9222 1387

### Human Resources

573 Hay Street  
 Perth 6000  
 Telephone (08) 9268 7770  
 Facsimile (08) 9268 7888

### Police Academy

81 Lakeside Drive  
 Joondalup 6027  
 Telephone (08) 9301 9500  
 Facsimile (08) 9301 9555

### Asset Management

Police Headquarters  
 2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1754  
 Facsimile (08) 9222 1807

### Finance Division

Police Headquarters  
 2 Adelaide Terrace  
 East Perth 6004  
 Telephone (08) 9222 1324  
 Facsimile (08) 9222 1681

### Website

**Western Australia Police Service**  
[www.police.wa.gov.au](http://www.police.wa.gov.au)

### Associated Websites

**Crime Stoppers**  
[www.wa.crimestoppers.com.au](http://www.wa.crimestoppers.com.au)

### Safer WA

[www.saferwa.wa.gov.au](http://www.saferwa.wa.gov.au)

### Blue Light Association

[www.bluelight.com.au](http://www.bluelight.com.au)

**STATEMENT OF COMPLIANCE**

The Annual Report for 2001–2002 has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985* and the *Police Act 1892*.

At the time of signing, I am not aware of any circumstances that would render the particulars implied in this statement misleading or inaccurate.

**B E MATTHEWS**

COMMISSIONER OF POLICE

30 August 2002

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This report is available on the Western Australia Police Service website ([www.police.wa.gov.au](http://www.police.wa.gov.au)) and can be made available in alternative formats upon request.