

# INDEPENDENT AUDIT OPINION



Auditor General

## INDEPENDENT AUDITOR'S REPORT To the Parliament of Western Australia POLICE SERVICE

### Report on the Financial Statements

I have audited the accounts and financial statements of the Police Service.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

#### *Commissioner of Police's Responsibility for the Financial Statements*

The Commissioner of Police is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commissioner of Police determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Police Service's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commissioner of Police, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Police Service at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

#### Report on Controls

I have audited the controls exercised by the Police Service during the year ended 30 June 2012.

Controls exercised by the Police Service are those policies and procedures established by the Commissioner of Police to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

#### *Commissioner of Police's Responsibility for Controls*

The Commissioner of Police is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

# Independent Audit Opinion

## *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Police Service based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Police Service complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

## **Opinion**

In my opinion, the controls exercised by the Police Service are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

## **Report on the Key Performance Indicators**

I have audited the key performance indicators of the Police Service for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

## *Commissioner of Police's Responsibility for the Key Performance Indicators*

The Commissioner of Police is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commissioner of Police determines necessary to ensure that the key performance indicators fairly represent indicated performance.

## *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commissioner of Police's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

## **Opinion**

In my opinion, the key performance indicators of the Police Service are relevant and appropriate to assist users to assess the Police Service's performance and fairly represent indicated performance for the year ended 30 June 2012.

## **Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

## **Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Police Service for the year ended 30 June 2012 included on the Police Service's website. The Police Service's management are responsible for the integrity of the Police Service's website. This audit does not provide assurance on the integrity of the Police Service's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
11 September 2012



# FINANCIAL STATEMENTS

## Certification of Financial Statements

for the year ended 30 June 2012

The accompanying financial statements of the Police Service have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2012 and the financial position as at 30 June 2012.

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



Karl J O'Callaghan APM

**COMMISSIONER OF POLICE**



Mick de Mamiel

**DIRECTOR OF FINANCE (CHIEF FINANCE OFFICER)**

**5 September 2012**

# Statement of Comprehensive Income

for the year ended 30 June 2012

		2012	2011
	Note	\$'000	\$'000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee expenses	6	866,865	785,574
Supplies and services	7	256,095	239,511
Depreciation and amortisation expense	8	42,062	40,367
Grant payments	9	3,106	4,356
Loss on disposal of non-current assets	15 (b)	3	59
Other expenses	10	6,305	9,284
Total cost of services		1,174,436	1,079,151
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	11	35,310	33,625
Commonwealth grants	12	1,657	603
Contributions, sponsorships and donations	13	7,836	6,537
Other revenue	14	849	729
Total Revenue		45,652	41,494
<b>Gains</b>			
Gain on disposal of non-current assets	15 (a)	-	28
Gains on foreign exchange		445	-
Total Gains		445	28
Total Income other than Income from State Government		46,097	41,522
<b>NET COST OF SERVICES</b>		<b>1,128,339</b>	<b>1,037,629</b>
<b>Income from State Government</b>			
Service appropriation	16	1,121,807	1,007,575
State grants	17	10,227	4,403
Resources received free-of-charge	18	8,182	5,869
Royalties for Regions Fund	19	6,212	1,999
Total Income from State Government		1,146,428	1,019,846
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>18,089</b>	<b>(17,783)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus	31 (b)	(13,216)	51,612
Total other comprehensive income		(13,216)	51,612
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>4,873</b>	<b>33,829</b>

Refer to the 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

as at 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	20	38,609	121,222
Restricted cash and cash equivalents	21 (a)	18,930	10,330
Receivables	22	10,411	8,396
Amounts receivable for services	23	16,700	18,993
Non-current assets classified as held for sale	24	2,134	18,012
Inventories	25	870	1,194
Other current assets	26	6,571	6,862
<b>Total Current Assets</b>		<b>94,225</b>	<b>185,009</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	21 (b)	20,925	16,525
Amounts receivable for services	23	218,604	177,669
Property, plant and equipment	27	829,356	754,791
Intangible assets	28	63,504	58,775
<b>Total Non-Current Assets</b>		<b>1,132,389</b>	<b>1,007,760</b>
<b>TOTAL ASSETS</b>		<b>1,226,614</b>	<b>1,192,769</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Provisions	29	146,689	130,215
Payables		12,237	33,003
Other current liabilities	30	26,097	20,981
<b>Total Current Liabilities</b>		<b>185,023</b>	<b>184,199</b>
<b>Non-Current Liabilities</b>			
Provisions	29	54,575	49,417
<b>Total Non-Current Liabilities</b>		<b>54,575</b>	<b>49,417</b>
<b>TOTAL LIABILITIES</b>		<b>239,598</b>	<b>233,616</b>
<b>NET ASSETS</b>		<b>987,016</b>	<b>959,153</b>
<b>EQUITY</b>			
Contributed equity	31	492,699	469,709
Reserves		350,955	362,934
Accumulated surplus/(deficiency)		143,362	126,510
<b>TOTAL EQUITY</b>		<b>987,016</b>	<b>959,153</b>

Refer to the 'Schedule of Assets and Liabilities by Service'.

The Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

for the year ended 30 June 2012

		Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2010	31	386,217	316,049	139,566	841,832
Correction of prior period errors		-	-	-	-
Restated balance at 1 July 2010		386,217	316,049	139,566	841,832
Total comprehensive income for the year		-	51,612	(17,783)	33,829
Transfer to accumulated surplus/(deficit) of assets disposed		-	(4,727)	4,727	-
Transactions with owners in their capacity as owners:					
Capital appropriations		70,737	-	-	70,737
Other contributions by owners		15,970	-	-	15,970
Distributions to owners		(3,215)	-	-	(3,215)
Total		83,492	-	-	83,492
Balance at 30 June 2011		469,709	362,934	126,510	959,153
Balance at 1 July 2011		469,709	362,934	126,510	959,153
Correction of prior period errors		-	6,350	(6,350)	-
Restated balance at 1 July 2011		469,709	369,284	120,160	959,153
Total comprehensive income for the year		-	(13,216)	18,089	4,873
Transfer to accumulated surplus/(deficit) of assets disposed		-	(5,113)	5,113	-
Transactions with owners in their capacity as owners:					
Capital appropriations		2,976	-	-	2,976
Other contributions by owners		33,100	-	-	33,100
Distributions to owners		(13,086)	-	-	(13,086)
Total		22,990	-	-	22,990
Balance at 30 June 2012		492,699	350,955	143,362	987,016

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

for the year ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		1,064,172	959,710
Capital appropriations		2,976	70,737
Holding account drawdowns		18,993	14,216
Grants from State Government		9,486	4,489
Royalties for Regions Fund		39,312	8,699
Transfer of net assets from/(to) other agencies		(7,462)	-
Net cash provided by State Government		1,127,477	1,057,851
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments			
Employee payments		(839,651)	(767,414)
Supplies and services		(229,607)	(195,611)
Grant payments		(4,422)	(3,804)
GST payments on purchases		(40,833)	(30,728)
Other payments		(39,563)	(38,865)
		(1,154,076)	(1,036,422)
Receipts			
User charges and fees		32,204	30,429
Commonwealth grants		1,645	576
Contributions, sponsorships and donations		7,224	6,565
GST receipts on sales		2,694	2,277
GST receipts from taxation authority		35,181	27,793
Other receipts		1,833	523
		80,781	68,163
Net cash provided by/(used in) operating activities	32 (b)	(1,073,295)	(968,259)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments			
Purchase of non-current physical assets		(123,805)	(67,175)
Receipts			
Proceeds from sale of non-current physical assets		10	88
Net cash provided by/(used in) investing activities		(123,795)	(67,087)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(69,613)	22,505
Cash and cash equivalents at the beginning of period		148,077	125,572
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	32 (a)	78,464	148,077

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



# Summary of Consolidated Account Appropriations and Income Estimates

for the year ended 30 June 2012

	2012	2012	2012	2012	2011	
	Estimate	Actual	Variation	Actual	Actual	Variation
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DELIVERY OF SERVICES</b>						
Item 68 Net amount appropriated to deliver services	1,111,455	1,120,083	8,628	1,120,083	1,003,524	116,559
Section 25 transfer to Department of Indigenous Affairs	-	-	-	-	(500)	500
Section 25 transfer to Department of Agriculture and Food	-	(253)	(253)	(253)	-	(253)
Section 25 transfer to Department of Corrective Services	-	(1,500)	(1,500)	(1,500)	-	(1,500)
Section 25 transfer from Department of Treasury and Finance	-	-	-	-	1,226	(1,226)
Amounts Authorised by Other Statutes						
Salaries and Allowances Act 1975	3,477	3,477	-	3,477	3,325	152
Total appropriations provided to deliver services	1,114,932	1,121,807	6,875	1,121,807	1,007,575	114,232
<b>CAPITAL</b>						
Item 139 Capital Appropriation	65,593	2,976	(62,617)	2,976	70,737	(67,761)
<b>GRAND TOTAL OF APPROPRIATIONS</b>	<b>1,180,525</b>	<b>1,124,783</b>	<b>(55,742)</b>	<b>1,124,783</b>	<b>1,078,312</b>	<b>46,471</b>
<b>Details of Expenses by Service</b>						
Intelligence and protective services	151,103	161,664	10,561	161,664	120,312	41,352
Crime prevention and public order	71,122	95,848	24,726	95,848	72,613	23,235
Community support (non-offence incidents)	90,554	84,448	(6,106)	84,448	88,111	(3,663)
Emergency management and co-ordination	28,187	35,207	7,020	35,207	27,756	7,451
Response to and investigation of offences	463,981	474,277	10,296	474,277	451,152	23,125
Services to the judicial process	106,470	112,171	5,701	112,171	104,046	8,125
Traffic law enforcement and management	219,488	210,821	(8,667)	210,821	215,161	(4,340)
Total Cost of Services	1,130,905	1,174,436	43,531	1,174,436	1,079,151	95,285
Less Total income	(47,033)	(46,097)	936	(46,097)	(41,522)	(4,575)
Net Cost of Services	1,083,872	1,128,339	44,467	1,128,339	1,037,629	90,710
Adjustments	31,060	(6,532)	(37,592)	(6,532)	(30,054)	23,522
Total appropriations provided to deliver services	1,114,932	1,121,807	6,875	1,121,807	1,007,575	114,232
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	137,451	97,305	(40,146)	97,305	57,352	39,953
Adjustments for other funding sources	(71,858)	(94,329)	(22,471)	(94,329)	13,385	(107,714)
Capital Contribution (appropriation)	65,593	2,976	(62,617)	2,976	70,737	(67,761)
<b>DETAILS OF INCOME ESTIMATES</b>						
Income disclosed as Administered Incomes	650	770	120	770	537	233
Total Income Estimates	650	770	120	770	537	233

The Summary of Consolidated Account Appropriations and Income Estimates including variance to budget and actual should be read in conjunction with Note 41.

# Schedule of Income and Expenses by Service

for the year ended 30 June 2012

	Intelligence and protective services		Crime prevention and public order		Community support (non-offence incidents)		Emergency management and co-ordination		Response to and investigation of offences		Services to the judicial process		Traffic law enforcement and management		TOTAL	
COST OF SERVICES	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Expenses</b>																
Employee expenses	109,208	82,703	64,865	49,230	65,527	66,402	25,438	19,916	362,447	336,905	86,446	79,134	152,934	151,284	866,865	785,574
Supplies and services	46,399	32,115	23,935	16,631	15,202	17,069	6,987	6,123	93,006	93,253	21,536	20,414	49,030	53,906	256,095	239,511
Depreciation and amortisation expense	5,046	3,788	3,251	2,528	3,336	3,924	2,517	1,444	16,301	17,051	3,665	3,579	7,946	8,053	42,062	40,367
Grant payments	8	73	3,048	3,607	3	65	46	20	(3)	326	1	68	3	197	3,106	4,356
Loss on disposal of non-current assets	-	-	-	-	-	-	-	-	2	1	-	53	1	5	3	59
Other expenses	1,003	1,633	749	617	380	651	219	253	2,524	3,616	523	798	907	1,716	6,305	9,284
<b>Total cost of services</b>	<b>161,664</b>	<b>120,312</b>	<b>95,848</b>	<b>72,613</b>	<b>84,448</b>	<b>88,111</b>	<b>35,207</b>	<b>27,756</b>	<b>474,277</b>	<b>451,152</b>	<b>112,171</b>	<b>104,046</b>	<b>210,821</b>	<b>215,161</b>	<b>1,174,436</b>	<b>1,079,151</b>
<b>Income</b>																
<b>Revenue</b>																
User charges and fees	3,264	2,712	10,887	6,123	1,056	1,378	1,450	800	6,818	6,492	1,726	1,520	10,109	14,600	35,310	33,625
Commonwealth grants	(71)	36	313	22	9	42	1,328	250	43	161	14	28	21	64	1,657	603
Contributions, sponsorships and donations	506	360	1,852	1,524	643	545	345	232	2,547	2,174	890	835	1,053	867	7,836	6,537
Other revenue	142	77	75	37	65	46	33	37	285	345	66	41	183	146	849	729
<b>Total Revenue</b>	<b>3,841</b>	<b>3,185</b>	<b>13,127</b>	<b>7,706</b>	<b>1,773</b>	<b>2,011</b>	<b>3,156</b>	<b>1,319</b>	<b>9,693</b>	<b>9,172</b>	<b>2,696</b>	<b>2,424</b>	<b>11,366</b>	<b>15,677</b>	<b>45,652</b>	<b>41,494</b>
<b>Gains</b>																
Gain on disposal of non-current assets	-	4	-	2	-	3	-	-	-	12	-	5	-	2	-	28
Gains on foreign exchange	40	-	34	-	30	-	15	-	197	-	44	-	85	-	445	-
<b>Total Gains</b>	<b>40</b>	<b>4</b>	<b>34</b>	<b>2</b>	<b>30</b>	<b>3</b>	<b>15</b>	<b>-</b>	<b>197</b>	<b>12</b>	<b>44</b>	<b>5</b>	<b>85</b>	<b>2</b>	<b>445</b>	<b>28</b>
<b>Total Income other than Income from State Government</b>	<b>3,881</b>	<b>3,189</b>	<b>13,161</b>	<b>7,708</b>	<b>1,803</b>	<b>2,014</b>	<b>3,171</b>	<b>1,319</b>	<b>9,890</b>	<b>9,184</b>	<b>2,740</b>	<b>2,429</b>	<b>11,451</b>	<b>15,679</b>	<b>46,097</b>	<b>41,522</b>
<b>NET COST OF SERVICES</b>	<b>157,783</b>	<b>117,123</b>	<b>82,687</b>	<b>64,905</b>	<b>82,645</b>	<b>86,097</b>	<b>32,036</b>	<b>26,437</b>	<b>464,387</b>	<b>441,968</b>	<b>109,431</b>	<b>101,617</b>	<b>199,370</b>	<b>199,482</b>	<b>1,128,339</b>	<b>1,037,629</b>

# Schedule of Income and Expenses by Service (Cont.)

For the year ended 30 June 2012

	Intelligence and protective services		Crime prevention and public order		Community support (non-offence incidents)		Emergency management and co-ordination		Response to and investigation of offences		Services to the judicial process		Traffic law enforcement and management		TOTAL	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Income from State Government</b>																
Service appropriation	157,356	113,942	82,673	63,141	82,693	83,755	31,927	25,725	461,206	429,135	109,031	98,864	196,921	193,013	1,121,807	1,007,575
State grants	945	280	285	154	225	209	213	57	4,705	1,915	759	235	3,095	1,553	10,227	4,403
Resources received free-of-charge	944	629	692	408	576	470	238	137	3,430	2,479	784	579	1,518	1,167	8,182	5,869
Royalties for Regions Fund	556	127	505	70	450	95	191	26	2,640	869	610	107	1,260	705	6,212	1,999
<b>Total Income from State Government</b>	<b>159,801</b>	<b>114,978</b>	<b>84,155</b>	<b>63,773</b>	<b>83,944</b>	<b>84,529</b>	<b>32,569</b>	<b>25,945</b>	<b>471,981</b>	<b>434,398</b>	<b>111,184</b>	<b>99,785</b>	<b>202,794</b>	<b>196,438</b>	<b>1,146,428</b>	<b>1,019,846</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>2,018</b>	<b>(2,145)</b>	<b>1,468</b>	<b>(1,132)</b>	<b>1,299</b>	<b>(1,568)</b>	<b>533</b>	<b>(492)</b>	<b>7,594</b>	<b>(7,570)</b>	<b>1,753</b>	<b>(1,832)</b>	<b>3,424</b>	<b>(3,044)</b>	<b>18,089</b>	<b>(17,783)</b>

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

# Schedule of Assets and Liabilities by Service

As at 30 June 2012

	Intelligence and protective services		Crime prevention and public order		Community support (non-offence incidents)		Emergency management and co-ordination		Response to and investigation of offences	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
Current assets	-	-	-	-	-	-	-	-	-	-
Non-current assets	109,749	78,084	70,576	51,985	72,396	80,482	54,043	29,522	354,774	350,737
<b>Total Assets</b>	<b>109,749</b>	<b>78,084</b>	<b>70,576</b>	<b>51,985</b>	<b>72,396</b>	<b>80,482</b>	<b>54,043</b>	<b>29,522</b>	<b>354,774</b>	<b>350,737</b>
<b>LIABILITIES</b>										
Current liabilities	20,998	15,241	12,472	9,072	12,599	12,237	4,891	3,670	69,690	62,086
Non-current liabilities	6,875	5,202	4,084	3,097	4,125	4,177	1,601	1,253	22,818	21,193
<b>Total Liabilities</b>	<b>27,874</b>	<b>20,443</b>	<b>16,556</b>	<b>12,169</b>	<b>16,725</b>	<b>16,414</b>	<b>6,493</b>	<b>4,923</b>	<b>92,509</b>	<b>83,279</b>
<b>NET ASSETS</b>	<b>81,875</b>	<b>57,641</b>	<b>54,020</b>	<b>39,816</b>	<b>55,671</b>	<b>64,068</b>	<b>47,550</b>	<b>24,599</b>	<b>262,266</b>	<b>267,458</b>

	Services to the judicial process		Traffic law enforcement and management		Not reliably attributable to services		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>								
Current assets	-	-	-	-	94,225	185,009	94,225	185,009
Non-current assets	79,885	73,797	172,363	165,484	218,604	177,669	1,132,389	1,007,760
<b>Total Assets</b>	<b>79,885</b>	<b>73,797</b>	<b>172,363</b>	<b>165,484</b>	<b>312,829</b>	<b>362,678</b>	<b>1,226,614</b>	<b>1,192,769</b>
<b>LIABILITIES</b>								
Current liabilities	16,622	14,583	29,406	27,879	18,345	39,431	185,023	184,199
Non-current liabilities	5,442	4,978	9,628	9,517	-	-	54,575	49,417
<b>Total Liabilities</b>	<b>22,064</b>	<b>19,561</b>	<b>39,034</b>	<b>37,396</b>	<b>18,345</b>	<b>39,431</b>	<b>239,598</b>	<b>233,616</b>
<b>NET ASSETS</b>	<b>57,821</b>	<b>54,236</b>	<b>133,329</b>	<b>128,089</b>	<b>294,484</b>	<b>323,247</b>	<b>987,016</b>	<b>959,153</b>

The Schedule of Assets and Liabilities should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the year ending 30 June 2012

## 1. AUSTRALIAN ACCOUNTING STANDARDS

### General

The Police Service's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Police Service has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

### Early adoption of standards

The Police Service cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended but not yet operative have been early adopted by the Police Service for the annual reporting period ended 30 June 2012.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) General statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 and the TIs are legislative provisions governing the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value.

The accounting policies applied in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

The judgements that have been made in the process of applying the Police Service's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at Note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at Note 4 'Key sources of estimation uncertainty'.

### c) Reporting entity

The reporting entity comprises the Police Service. The Police Service is a not-for-profit reporting entity.

### Mission

The mission of the Police Service and the outcome of its policing activities are "to enhance the quality of life and wellbeing of all people in Western Australia by contributing to making our State a safe and secure place".

The Police Service is mainly funded by Parliamentary appropriations supplemented by fees charged on a cost-recovery basis including police clearance certificates, firearms licensing, vehicle escorts, security services, private prosecution reports, freedom of information reports, conviction records and crash information.

# Notes to the Financial Statements

For the year ending 30 June 2012

## Services

The Police Service provides the following services:

### **Service 1:** Intelligence and Protective Services

Incorporating a range of specialist criminal intelligence analysis techniques and partnerships to target offenders and crime hot spots in order to ensure safety in the community, prevent and reduce crime.

### **Service 2:** Crime Prevention and Public Order

Providing general support to the community including a visible police presence and crime prevention techniques.

### **Service 3:** Community Support (non-offence incidents)

Providing support to the community, which involves provision of general information over the telephone, counter or in person, responding to public enquiries, handling non-offence related matter and incidents.

### **Service 4:** Emergency Management and Co-ordination

Responding in timely and effective manner to a range of emergencies and disasters to increase public feelings of safety and security.

### **Service 5:** Response to and Investigation of Offences

Providing a timely response and effectively investigating offences to bring individuals who commit offences before the justice system.

### **Service 6:** Services to the Judicial Process

Providing effective services to the judicial process is essential in bringing offenders before the criminal justice system.

### **Service 7:** Traffic Law Enforcement and Management

Providing traffic management and road safety strategies contributes to the whole-of-government initiative of improving road user behaviour and minimizing road fatalities and injuries.

The Police Service administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to the function of, the Police Service. These administered balances and transactions are not recognised in the principal financial statements of the Police Service but schedules are prepared using the same basis as the financial statements and are presented in Note 42 'Schedule of administered items'.

## d) Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (owner) 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 appropriations have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See Note 31 'Equity'.

## e) Income

### Revenue Recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

### Sale of Goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

### Rendering of Services

Revenue is recognised upon the delivery of the service to the customer or by reference to the stage of completion of the transaction.

### Service Appropriations

Service Appropriations are recognised as revenues at fair value 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 Police Service's bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. See Note 16 'Service appropriation' for further detail.

# Notes to the Financial Statements

For the year ending 30 June 2012

## Net Appropriation Determination

The Treasurer may make a determination providing for prescribed revenues to be retained for services under the control of the Police Service. In accordance with the determination specified in the 2011-12 Budget Statements, the Police Service retained \$46.097 million in 2011-12 (\$41.522 million in 2010-11) from the following:

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

## Grants and Other Contributions

Revenue is recognised at fair value when the Police Service obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners 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.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Police Service gains control over the funds. The Police Service gains control of funds at the time the funds are deposited into the Police Service's bank account.

## Gains

Realised or unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

## f) Property, plant and equipment

### Capitalisation/Expensing of assets

Land vested within the Police Service is capitalised irrespective of value.

All other items of property, plant and equipment costing \$5,000 or more are recognised as assets. The cost of utilising these assets is expensed (depreciation) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed directly to the Statement of Comprehensive Income.

### Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal consideration, cost is their fair value at the date of acquisition.

### Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at the fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

The carrying amount of land and buildings at 30 June 2012 was fair value less accumulated depreciation on buildings.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

# Notes to the Financial Statements

For the year ending 30 June 2012

Independent valuations of land and buildings is provided on an annual basis by the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

## Derecognition

Upon disposal or derecognition of an item of land and building, any revaluation surplus relating to that asset is transferred to Accumulated surplus.

## Depreciation

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

Land is not depreciated. Depreciation is provided for on either a straight-line basis net of residual values as is the case for vehicle, aircraft and vessels or on a straight line for all other plant and equipment. Depreciation rates are reviewed annually and the useful lives for each class of depreciable asset are:

Class of Assets	Years
<b>Buildings</b>	
- Buildings	50
- Transportables	20
<b>Vehicles</b>	
- Motor Vehicles and Cycles	5
- All Other Vehicles	7
<b>Aircraft and Vessels</b>	
- Aircraft	20
- Vessels	10 to 15
<b>Computing and Office Equipment</b>	
- Computing Software and Hardware	4 to 7 (2011: 4 to 6 years)
- Office Equipment	7
- Furniture and Fittings	10
- Communication Equipment	7
<b>Livestock</b>	
- Dogs and Horses	8 to 20

## Other Plant and Equipment

- Audio-Visual Equipment	7
- Photographic and Traffic Equipment	8
- Firearms and Scientific Equipment	10
- Radio Network and Equipment	7 to 25 (2011: 10 years)
- Other Plant and Equipment	10

Leasehold Improvements	3 to 10
------------------------	---------

Works of Art controlled by the Police Service are classified as property, plant and equipment. They are anticipated to 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.

## g) Intangible assets

### Capitalisation/expensing of assets

Acquisitions of intangible assets (being software licences) costing \$5,000 or more and other internally developed intangible assets costing \$50,000 or more are capitalised. The costs of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are expensed directly to the Statement of Comprehensive Income.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

### Amortisation

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight-line basis using rates which are reviewed annually. All intangible assets controlled by the Police Service have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Licences - 4 years

Software and related system developments - 8 years.



# Notes to the Financial Statements

For the year ending 30 June 2012

## Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

## System developments

For system developments, research costs are expensed as incurred. Development costs incurred on an individual project are carried forward when their future recoverability can reasonably be regarded as assured and that the total project costs are likely to exceed \$50,000. Other development expenditures are expensed as incurred.

## Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

In some cases, base software is purchased and then re-configured to the needs of the Police Service. These are treated in accordance with system development policies.

## h) Impairment of assets

Property, plant and equipment, and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Police Service is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of an asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

## i) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Statement of Financial Position. These assets are not depreciated or amortised while they are classified as held for sale.

All land holdings are Crown land vested in the Police Service by the Government. The Department of Regional Development and Lands (DRDL) is the only agency with the power to sell Crown land. The Police Service transfers Crown land and their buildings to the DRDL when the assets become available for sale.

## j) Leases

The Police Service holds a number of operating leases for buildings and office equipment. Lease payments are expensed on a straight-line basis over the lease term as this represents the pattern of benefits derived from the lease properties.

## k) Financial instruments

In addition to cash, the Police Service has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

# Notes to the Financial Statements

For the year ending 30 June 2012

These have been disaggregated into the following classes:

## Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amount receivable for services
- Derivative Financial Instruments

## Financial Liabilities

- Payables
- Accrued Expenses
- Derivative Financial Instruments

The fair value of short-term receivable and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

## Derivative Financial Instruments

The Police Service has entered into a number of forward foreign exchange contracts that do not qualify for hedge accounting. Derivative financial instruments are initially recognised at fair value and are subsequently remeasured to their fair value at each reporting date. Changes in the fair value of derivative financial instruments are included in the Statement of Comprehensive Income to the extent that hedge accounting is not applied. Fair value is based on the quoted spot rates at the reporting date.

## l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) include cash on hand and cash deposits that are readily convertible to a known amount of cash 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.

## m) Amounts receivable for services (Holding account)

The Police Service receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also Note 16 'Service appropriation' and Note 23 'Amounts receivable for services'.

## n) Receivables

Receivables are recognised at original invoice amount less an allowance for uncollectable amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectable are written off against the allowance account. The allowance for uncollectable amounts (doubtful debts) is raised when there is objective evidence that the Police Service will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See also Note 2(k) 'Financial instruments' and Note 22 'Receivables'.

## o) Inventories

Inventories include those items held for distribution and are measured at the lower of cost and net realisable value. The values have been confirmed through an annual stocktake.

## p) 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. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

See Note 34 'Financial instruments'.

## q) Accrued salaries

The accrued salaries suspense account (refer Note 21(b) 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of ten financial years to largely meet the additional cash outflow

# Notes to the Financial Statements

For the year ending 30 June 2012

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 (refer Note 30 'Other current liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year-end. The Police Service considers the carrying amount of accrued salaries to be equivalent to the net fair value. For 2012, the accrued salaries calculation is based on six working days, as the last pay day was 21 June.

## r) Provisions

Provisions are liabilities of uncertain timing and amount. The Police Service only recognises provisions where there is a present legal or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at the end of each reporting period. Refer Note 29 'Provisions'.

### Provisions – Employee benefits

#### Annual leave and long service leave

The liability for annual leave and long service leave expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual leave and long service leave expected to be settled more than 12 months after the end of the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions and medical benefits. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Police Service does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Conditional long service leave provisions are classified as non-current liabilities because the Police Service has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

#### Annual leave loading

The provision for annual leave loading represents the present amount payable for annual leave accrued since 1 January 2003 for non-police officers. This entitlement is measured in accordance with annual leave above.

For police officers, the annual leave loading is reported as an accrued expense as payment is made annually irrespective of whether leave is taken.

#### 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 and 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. This liability is measured on the same basis as long service leave.

#### Special paid leave

The provision for special paid leave represents the negotiated leave entitlement to police officers who previously accrued long service leave on a ten-year basis prior to the accrual period changing to seven years. This liability is measured on the same basis as annual leave.

#### Time off in lieu

This liability represents accumulated days off (time off in lieu) expected to be paid out within two months of the reporting date and is measured on the same basis as annual leave.

# Notes to the Financial Statements

For the year ending 30 June 2012

## 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.

## Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

## Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional four weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

## Post-separation medical benefits

The provision for post-separation medical benefits relates to the cost of providing medical benefits to injured Western Australian police officers after they cease work with the Police Service. Medical benefits expected to be settled within 12 months after the balance sheet date are recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Medical benefits expected to be settled more than 12 months after balance sheet date are measured at the present value of amounts expected to be paid when the liabilities are settled.

An actuarial assessment of the amounts expected to be settled was performed at 30 June 2012.

## Superannuation

The Government Employees Superannuation Board (GESB) and other funds administer the public sector superannuation arrangements in Western

Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

The GSS is a defined benefit scheme for the purposes of employee and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Police Service to GESB extinguishes the Police Service's obligations to the related superannuation liability.

The Police Service has no liabilities under the Pension Scheme or the GSS Scheme. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Police Service to the GESB.

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Scheme became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Police Service makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Police Service's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

See also Note 2(s) 'Superannuation expense'.

# Notes to the Financial Statements

For the year ending 30 June 2012

## Provisions - Other

### Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Police Service's 'Employee benefits expense' and the related liability is included in Employment on-costs provision. The associated expense is included under Note 6, 'Employee expenses'.

### s) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS and the GESBS. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

### t) Resources received free-of-charge or for nominal cost

Resources received free-of-charge or for nominal value which can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Police Service would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from another State Government agency are separately disclosed under 'Income from State Government' in the Statement of Comprehensive Income.

### u) Resources provided free-of-charge or for nominal cost

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.

### v) Monies held in trust

The Police Service receives money in a trustee capacity in the form of Found Money, Stolen Monies, Seized Monies and Deceased Estate Monies. As the Police Service only performs a custodial role in respect of these monies, and

because the monies cannot be used for achievement of the Police Service objectives, they are not brought to account in the financial statements, but are reported within the notes to the financial statements (refer Note 43 'Special purpose accounts').

### w) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with receivables or payables in the Statement of Financial Position.

The GST component of a receipt or payment is recognised on a gross basis in the Statement of Cash Flows.

### x) Comparative figures

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

### y) Rounding

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

## 3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

No significant judgements have been made in the process of applying accounting policies that have a material effect on the amounts recognised in the financial statements.

# Notes to the Financial Statements

For the year ending 30 June 2012

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key estimates and assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

### Employee provisions estimation

In calculating the Police Service's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Post-separation medical benefits calculations include estimations of future medical payments to ceased police officers. There is uncertainty in the determination of these estimates due to the lack of claims history which could impact on the liability recognised.

## 5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

### Initial application of an Australian Accounting Standard

The Police Service has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011.

AASB 1054

### Australian Additional Disclosures

This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2009-12

### Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-4

### Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]

The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the statement of changes in equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.

AASB 2010-5

### Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

# Notes to the Financial Statements

For the year ending 30 June 2012

AASB 2010-6	<p><b>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &amp; 7]</b></p> <p>This Standard introduces additional disclosures relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are derecognized and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.</p>
AASB 2011-1	<p><b>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 &amp; 134 and Interpretations 2, 112 &amp; 113]</b></p> <p>This Standard, in conjunction with AASB 1054, removes the disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence with Australian and New Zealand Accounting Standards. There is no financial impact.</p>
AASB 2011-5	<p><b>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 &amp; 131]</b></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venture and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.</p>

## Future impact of Australian Accounting Standards not yet operative

The Police Service cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Police Service has not applied early any following Australian Accounting Standards that have been issued that may impact on the Police Service. Where applicable, these Australian Accounting Standards will be applied from their application date.

The Police Service has determined that there is no or minimal financial impact of the following Standards:

Title	Operative for reporting periods beginning on/ after
AASB 13 Fair Value Measurement	1 January 2013
AASB 119 Employee Benefits	1 January 2013
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	1 July 2013
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure requirements [AASB 101 & 1054]	1 July 2013

# Notes to the Financial Statements

For the year ending 30 June 2012

Title	Operative for reporting periods beginning on/ after
AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]	1 July 2013
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023, & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131, & 132]	1 January 2013
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14].	1 January 2013
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	1 July 2013
AASB 2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]	1 July 2013

The Police Service has not yet determined the application or the potential impact of the following Standards:

Title	Operative for reporting periods beginning on/after
AASB 9 Financial Instruments	1 January 2013
AASB 10 Consolidated Financial Statements	1 January 2013
AASB 11 Joint Arrangements	1 January 2013
AASB 12 Disclosure of Interests in Other Entities	1 January 2013
AASB 127 Separate Financial Statements	1 January 2013
AASB 128 Investments in Associates and Joint Ventures	1 January 2013
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023, & 1038 and Interpretations 10 & 12]	1 July 2013
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]	1 January 2013
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	1 January 2013
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049].	1 July 2012



# Notes to the Financial Statements

For the year ending 30 June 2012

	2012	2011
	\$'000	\$'000
<b>6. EMPLOYEE EXPENSES</b>		
Employee benefits expense		
Salaries and wages	628,868	562,414
Annual leave (a)	65,472	61,655
Long service leave (a)	32,079	29,630
Other leave (a)	700	1,566
Superannuation - defined contribution plans (b)	68,582	64,446
Employee housing	38,333	34,217
Relocation and relieving expenses	6,800	6,994
Fringe benefits tax	5,238	5,018
Uniforms and protective clothing	4,510	5,133
Medical expenses (c)	5,428	6,668
Other employee benefits expense	2,443	2,455
	<b>858,453</b>	<b>780,196</b>
Other employee expenses		
Training expenses	4,247	3,620
Workers' compensation including on-costs	3,999	1,515
Other employee expenses	166	243
	<b>8,412</b>	<b>5,378</b>
	<b>866,865</b>	<b>785,574</b>
(a) Includes a superannuation contribution component.		
(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).		
(c) Medical expenses includes post-separation medical benefits.		
<b>7. SUPPLIES AND SERVICES</b>		
Repairs and maintenance	36,141	34,937
Rental, leases and hire	31,952	28,547
Insurances and licences	13,289	13,599
Travel expenses	11,976	9,834
Energy, water and rates	10,024	8,537
Communication expenses	8,027	7,446
Services and contracts	115,340	100,922
Equipment acquisitions	11,869	20,680
Fuels and oils	9,247	8,168
Consumables	8,230	6,841
	<b>256,095</b>	<b>239,511</b>

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>8. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation		
Buildings	13,458	12,110
Vehicles	840	768
Computing and office equipment	3,915	5,302
Aircraft and vessels	1,156	1,118
Livestock	155	181
Leasehold improvements	1,790	892
Other plant and equipment	8,149	6,754
	<u>29,463</u>	<u>27,125</u>
Amortisation		
Software and software developments	12,599	13,242
	<u>42,062</u>	<u>40,367</u>
<b>9. GRANT PAYMENTS</b>		
State Crime Prevention Grants	3,040	3,300
Other grants	18	1,056
Transfer payments	48	-
	<u>3,106</u>	<u>4,356</u>
<b>10. OTHER EXPENSES</b>		
Doubtful debts	2,514	4,096
Loss on forward foreign exchange contracts	67	2,003
Other assets written off (a)	830	1,116
Other expenses from ordinary activities	2,894	2,069
	<u>6,305</u>	<u>9,284</u>

(a) Other assets written off include surplus assets and those write-offs in accordance with the Financial Management Act 2006 located within Note 38.

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012	2011
	\$'000	\$'000
<b>11. USER CHARGES AND FEES</b>		
Regulated fees		
Firearms	5,978	4,199
Security and related activities	1,872	1,703
Pawnbrokers and second-hand dealers	58	68
Vehicle escorts	3,836	3,958
Clearance certificates	8,055	7,115
Crash information	166	158
Other regulated fees	835	728
	20,800	17,929
Recoups of services provided	5,351	6,350
Other Recoups	9,159	9,346
	35,310	33,625
<b>12. COMMONWEALTH GRANTS</b>		
Police Recruit Traineeship Program	-	73
National Campaign Against Drug Abuse	146	146
National Counter-terrorism	1,325	247
Other	186	137
	1,657	603
<b>13. CONTRIBUTIONS, SPONSORSHIPS AND DONATIONS</b>		
Contributions		
Employee rental contributions	4,923	4,496
Executive vehicle contributions	222	189
Special series plate contributions	820	820
Other contributions	1,421	35
	7,386	5,540
Sponsorships and Donations		
Sponsorships	207	725
Cash donations	1	1
Non-cash donations	242	271
	450	997
	7,836	6,537

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>14. OTHER REVENUE</b>		
Proceeds from Sale of Equipment items	84	17
Other revenues from ordinary activities	765	712
	849	729
<b>15. NET GAIN / (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS</b>		
(a) Net Gain on Disposal of non-current assets		
Property, plant and equipment		
Vehicles	-	28
Net gain	-	28
(b) Net (loss) on Disposal of non-current assets		
Property, plant and equipment		
Computing and Office Equipment	(3)	-
Other Plant and Equipment	-	(59)
Net (loss)	(3)	(59)
(c) Net gain/(loss) on Disposal of non-current assets		
Costs of Disposal		
Property, plant and equipment	13	79
	13	79
Proceeds from Disposal		
Property, plant and equipment	10	48
	10	48
Net gain/(loss)	(3)	(31)
<b>16. SERVICE APPROPRIATION</b>		
Appropriations received during the year:		
Service appropriation	1,118,330	1,004,250
Salaries and Allowances Act 1975	3,477	3,325
	1,121,807	1,007,575

Service appropriations fund the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>17. STATE GRANTS</b>		
Department of Indigenous Affairs (a)	3,000	-
Road Trauma Trust Account	2,727	2,653
Department of the Attorney General (b)(c)	4,500	1,750
	10,227	4,403

- (a) The grant must be used to fund the establishment of Multi-Function Policing Facilities and associated Infrastructure at remote Indigenous communities. At 30 June 2012, no grant money remains unspent.
- (b) Funds collected under the Criminal Property Confiscation Account are allocated to the Police Service to combat organised crime in Western Australia. At 30 June 2012, \$1,236,806 of funds allocated remains unspent.
- (c) Funds received from the Department of the Attorney General to facilitate the production of training resources for the management of, and response to, psycho-stimulant-related situations. At 30 June 2012, \$33,636 of the funds allocated remains unspent.

## 18. RESOURCES RECEIVED FREE-OF-CHARGE

Resources received free-of-charge is determined by the following estimates provided by agencies:

- Legal services provided by the State Solicitor's Office	1,270	1,484
- Procurement services, building and maintenance project management services and lease management services provided by the Department of Finance	5,267	4,043
- Title searches and valuation services provided by the Western Australian Land Information Authority (Landgate)	1,506	121
- Collection of firearm licences provided by the Department of Transport	139	51
- Labour relation services provided by the Department of Commerce	-	167
- Recruitment services provided by the Public Sector Commission	-	3
	8,182	5,869

Where assets or services have been received free-of-charge or for nominal cost, the Police Service recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contribution of assets or services are in the nature of contributions by owners, the Police Service makes an adjustment directly to equity.

## 19. ROYALTIES FOR REGIONS FUND

Regional Infrastructure and Headworks Account	1,300	-
Regional Community Services Account	4,912	1,999
	6,212	1,999

This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed projects and programs in WA regional areas.

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>20. CASH AND CASH EQUIVALENTS</b>		
<b>Operating Account</b>		
Amounts appropriated and any revenues subject to net appropriation determinations are deposited into this account, from which all payments are made.	36,310	119,033
<b>Advances</b>		
Advances include permanent and temporary advances allocated to areas within the Police Service.	2,299	2,189
	38,609	121,222
<b>21. RESTRICTED CASH AND CASH EQUIVALENTS</b>		
Restricted cash assets are those cash assets, the uses of which are restricted, wholly or partly, by regulations or an externally imposed requirement.		
- Current assets (a)	18,930	10,330
- Non-current assets (b)	20,925	16,525
	39,855	26,855
<b>(a) CURRENT ASSETS</b>		
<b>Police Recruit Traineeship Fund</b>		
To hold grant monies received from the Commonwealth for the funding of the Recruit Traineeship program.	721	1,220
<b>National Drug Strategy</b>		
To hold grant monies received from the Commonwealth and the Police Service for the funding of law-enforcement programs relating to alcohol and drug use.	477	518
<b>Receipts in Suspense</b>		
Receipts in suspense refer to monies 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.	1,014	447
<b>Australasian Chemical Diversion Conference</b>		
To hold monies relating to the Australasian Chemical Diversion Conference held in Perth in November 2010.	-	36
<b>Royalties for Regions Fund</b>		
To hold monies committed for projects and programs in WA regional areas.	13,763	5,680
<b>National Counter-Terrorism Committee</b>		
To hold monies received by the Police Service from the Commonwealth for the funding of national counter-terrorism exercises.	187	154
<b>Organised Crime Investigation Fund</b>		
To hold monies received from the Confiscation Proceeds Account for the purpose of combating organised crime in Western Australia.	1,229	1,359

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>21. RESTRICTED CASH AND CASH EQUIVALENTS (cont.)</b>		
<b>Psycho-Stimulant Training</b>		
To hold monies received from the Department of the Attorney General to facilitate the production of training resources for the management and response to psycho-stimulant-related situations.	34	34
<b>Woodside Crime and Safety Initiative</b>		
To hold monies received from Woodside Energy for crime and safety initiatives in the Shire of Roebourne.	26	33
<b>Substance Abuse Grant</b>		
To hold grant monies received from the Commonwealth to facilitate strategic initiatives and support for substance abuse activities in Indigenous communities.	255	195
<b>Early Intervention Pilot Project</b>		
To hold grant monies received from the Commonwealth to implement a pilot project to reduce underage drinking through Police referral of eligible young people to treatment agencies.	468	627
<b>BHP Billiton Community Sponsorship</b>		
To hold monies received from BHP Billiton to support community policing initiatives and operations to address criminal and anti-social behaviour in rural communities.	-	27
<b>Leavers WA</b>		
To hold monies received in relation to the activities of Leavers WA – South West.	652	-
<b>Parental Leave</b>		
To hold monies received from the Commonwealth for the payment of paid parental leave to eligible employees.	23	-
<b>State Counter-Terrorism</b>		
To hold monies received from the Department of Premier and Cabinet for State counter-terrorism exercises.	81	-
	18,930	10,330
<b>(b) NON-CURRENT ASSETS</b>		
<b>Accrued Salaries Suspense Account</b>		
Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.	20,925	16,525
	20,925	16,525
<b>22. RECEIVABLES</b>		
Receivables	9,663	7,171
Allowance for impairment of receivables	(6,072)	(4,411)
GST-receivables	5,513	4,886
Accrued income	1,307	750
	10,411	8,396

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>22. RECEIVABLES (cont.)</b>		
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at the start of year	4,411	404
Doubtful debts expense recognised in the Statement of Comprehensive Income	2,514	4,096
Amounts written off during the year	(853)	(89)
Balance at end of year	6,072	4,411
Credit Risk		
Ageing of receivables past due but not impaired based on the information provided to senior management at reporting date:		
Not more than 2 months	818	46
More than 2 months but less than 4 months	335	45
More than 4 months but less than 1 year	384	45
More than 1 year	75	23
	1,612	159

The Police Service does not hold any collateral as security or other credit enhancements relating to receivables.

<b>23. AMOUNTS RECEIVABLE FOR SERVICES</b>		
Current asset	16,700	18,993
Non-current asset	218,604	177,669
	235,304	196,662

This asset represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability. See Note 2(m) 'Amounts receivable for services'.

<b>24. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Land	867	13,212
Buildings	1,267	4,800
	2,134	18,012
This is reconciled as follows:		
Opening Balance	18,012	18,920
Add net assets reclassified as held for sale	(10,539)	126
Total assets held for sale	7,473	19,046
Less assets sold	(5,339)	(1,034)
Closing Balance	2,134	18,012

See also Note 2(i) 'Non-current assets (or disposal groups) classified as held for sale' and Note 15 'Net Gain/Loss on Disposal of Non-Current Assets'.



# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>25. INVENTORIES</b>		
Inventories held for distribution	870	1,194
	870	1,194
<b>26. OTHER CURRENT ASSETS</b>		
Prepayments	6,568	6,862
Forward Foreign Exchange Contracts	3	-
	6,571	6,862
<b>27. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) PROPERTY, PLANT AND EQUIPMENT COMPRISE THE FOLLOWING ASSET CLASSES:</b>		
<b>Land</b>		
At fair value (i)	200,216	179,627
	200,216	179,627
<b>Buildings</b>		
At fair value (i)	455,230	465,488
Accumulated depreciation	(14,739)	(12,861)
	440,491	452,627
<b>Works in Progress</b>		
Buildings under construction	75,114	31,208
Other	19,496	9,246
	94,610	40,454
<b>Vehicles</b>		
At cost	8,543	7,416
Accumulated depreciation	(4,744)	(3,937)
	3,799	3,479
<b>Aircraft and Vessels</b>		
At cost	18,613	17,047
Accumulated depreciation	(7,032)	(5,875)
	11,581	11,172
<b>Computing and Office Equipment</b>		
At cost	45,135	39,873
Accumulated depreciation	(28,559)	(26,489)
	16,576	13,384
<b>Livestock</b>		
At cost	1,367	1,417
Accumulated depreciation	(402)	(392)
	965	1,025

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>27. PROPERTY, PLANT AND EQUIPMENT (cont.)</b>		
<b>(a) PROPERTY, PLANT AND EQUIPMENT COMPRISE THE FOLLOWING ASSET CLASSES: (cont.)</b>		
<b>Other Plant and Equipment</b>		
At cost	88,371	79,823
Accumulated depreciation	(40,761)	(33,352)
	47,610	46,471
<b>Artwork</b>		
At cost	548	548
	548	548
<b>Leasehold Improvements</b>		
At cost	16,931	9,684
Accumulated amortisation	(3,971)	(3,680)
	12,960	6,004
	829,356	754,791

- (i) Land and buildings were revalued as at 1 July 2011 by the Western Australian Land Information Authority (Landgate). The valuations were performed during the year ended 30 June 2012 and recognised at 1 July 2011. In undertaking the revaluation, fair value was determined by reference to market values for land: \$52,393,150 and buildings: \$13,268,000. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost. See Note 2(f) 'Property, plant and equipment'.

# Notes to the Financial Statements

For the year ending 30 June 2012

## 27. PROPERTY, PLANT AND EQUIPMENT (cont.)

(b) RECONCILIATIONS OF THE CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT AT THE BEGINNING AND END OF THE REPORTING PERIOD ARE SET OUT BELOW:

### 2011-12

	Carrying amount at start of the year \$'000	Additions \$'000	Retirements \$'000	Transfers between classes \$'000	Transfer (to)/from assets held for sale \$'000	Impairment losses \$'000	Impairment losses reversal \$'000	Revaluation \$'000	Depreciation \$'000	Carrying amount at end of year \$'000
Land	179,627	-	(85)	-	7,654	-	-	13,020	-	200,216
Buildings	452,627	112	(201)	24,762	2,885	-	-	(26,236)	(13,458)	440,491
Works in progress	40,454	90,110	(192)	(35,762)	-	-	-	-	-	94,610
Vehicles	3,479	1,166	(6)	-	-	-	-	-	(840)	3,799
Aircraft and vessels	11,172	58	-	1,507	-	-	-	-	(1,156)	11,581
Computing and office	13,384	7,107	(67)	67	-	-	-	-	(3,915)	16,576
Livestock	1,025	285	(190)	-	-	-	-	-	(155)	965
Other Plant and equipment	46,471	8,486	(164)	966	-	-	-	-	(8,149)	47,610
Artwork	548	-	-	-	-	-	-	-	-	548
Leasehold improvements	6,004	-	-	8,746	-	-	-	-	(1,790)	12,960
	754,791	107,324	(905)	286	10,539	-	-	(13,216)	(29,463)	829,356

# Notes to the Financial Statements

For the year ending 30 June 2012

## 27. PROPERTY, PLANT AND EQUIPMENT (cont.)

(b) RECONCILIATIONS OF THE CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT AT THE BEGINNING AND END OF THE REPORTING PERIOD ARE SET OUT BELOW:

2010-11

	Carrying amount at start of the year \$'000	Additions \$'000	Retirements \$'000	Transfers between classes \$'000	Transfer (to)/from assets held for sale \$'000	Impairment losses \$'000	Impairment losses reversal \$'000	Revaluation \$'000	Depreciation \$'000	Carrying amount at end of year \$'000
Land	151,831	8,843	(2,131)	-	(1)	-	-	21,085	-	179,627
Buildings	405,922	127	(171)	28,457	(125)	-	-	30,527	(12,110)	452,627
Works in progress	40,575	41,979	(54)	(42,046)	-	-	-	-	-	40,454
Vehicles	3,982	280	(15)	-	-	-	-	-	(768)	3,479
Aircraft and vessels	11,454	460	(67)	443	-	-	-	-	(1,118)	11,172
Computing and office	12,713	4,884	(52)	1,141	-	-	-	-	(5,302)	13,384
Livestock	896	446	(136)	-	-	-	-	-	(181)	1,025
Other Plant and equipment	32,365	10,373	(293)	10,780	-	-	-	-	(6,754)	46,471
Artwork	548	-	-	-	-	-	-	-	-	548
Leasehold improvements	5,039	689	-	1,168	-	-	-	-	(892)	6,004
	665,325	68,081	(2,919)	(57)	(126)	-	-	51,612	(27,125)	754,791

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>28. INTANGIBLE ASSETS</b>		
<b>(a) INTANGIBLE ASSETS COMPRISE THE FOLLOWING ASSET CLASSES:</b>		
Computing software		
At cost	149,562	145,636
Accumulated amortisation	(106,612)	(94,015)
	42,950	51,621
Software Development in Progress	20,554	7,154
	63,504	58,775

(b) RECONCILIATIONS OF THE CARRYING AMOUNT OF INTANGIBLES AT THE BEGINNING AND END OF THE REPORTING PERIOD ARE SET OUT BELOW:

## 2011-12

	Carrying amount at start of the year \$'000	Additions \$'000	Retirements \$'000	Transfers between classes \$'000	Transfer (to)/from assets held for sale \$'000	Impairment losses \$'000	Impairment losses reversal \$'000	Revaluation \$'000	Amortisation \$'000	Carrying amount at end of year \$'000
Computing software	51,621	19	-	3,909	-	-	-	-	(12,599)	42,950
Software in progress	7,154	17,815	(220)	(4,195)	-	-	-	-	-	20,554
	58,775	17,834	(220)	(286)	-	-	-	-	(12,599)	63,504

## 2010-11

	Carrying amount at start of the year \$'000	Additions \$'000	Retirements \$'000	Transfers between classes \$'000	Transfer (to)/from assets held for sale \$'000	Impairment losses \$'000	Impairment losses reversal \$'000	Revaluation \$'000	Amortisation \$'000	Carrying amount at end of year \$'000
Computing software	58,424	936	-	5,503	-	-	-	-	(13,242)	51,621
Software in progress	5,309	7,748	(457)	(5,446)	-	-	-	-	-	7,154
	63,733	8,684	(457)	57	-	-	-	-	(13,242)	58,775

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>29. PROVISIONS</b>		
PROVISIONS COMPRISE THE FOLLOWING ITEMS:		
(i) Current liabilities		
(a) Employee benefits provision	146,209	129,856
(b) Other provisions	480	359
	146,689	130,215
(ii) Non-current liabilities		
(a) Employee benefits provision	54,397	49,284
(b) Other provisions	178	133
	54,575	49,417
	201,264	179,632
(a) EMPLOYEE BENEFITS PROVISIONS HAVE BEEN RECOGNISED IN THE FINANCIAL STATEMENTS AS FOLLOWS:		
- Current liabilities (i)	146,209	129,856
- Non-current liabilities (ii)	54,397	49,284
	200,606	179,140
(i) CURRENT LIABILITIES		
- Annual leave *	50,354	48,139
- Long service leave **	90,639	77,618
- 38-hour leave	528	391
- Special paid leave	256	226
- Time off in lieu/banked leave	513	505
- Purchased leave	1,749	1,490
- Deferred leave ***	876	789
- Post-separation medical benefits	1,294	698
	146,209	129,856
(ii) NON-CURRENT LIABILITIES		
- Long service leave	48,703	42,978
- 38-hour leave	2,855	2,607
- Post-separation medical benefits	2,839	3,699
	54,397	49,284

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>29. PROVISIONS (cont.)</b>		
<b>(a) Employee Benefits Provisions (cont.)</b>		
* Annual leave liabilities including leave loading have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
- Within 12 months of reporting date	44,805	43,339
- More than 12 months after reporting date	5,549	4,800
	50,354	48,139
** Long service leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
- Within 12 months of reporting date	22,780	19,853
- More than 12 months after reporting date	116,562	100,743
	139,342	120,596
*** Deferred leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
- Within 12 months of reporting date	193	197
- More than 12 months after reporting date	683	592
	876	789
<b>(b) OTHER PROVISIONS HAVE BEEN RECOGNISED IN THE FINANCIAL STATEMENTS AS FOLLOWS:</b>		
(i) Current liabilities		
- Non-Employee Benefits On-Costs	480	359
	480	359
(ii) Non-current liabilities		
- Non-Employee Benefits On-Costs	178	133
	178	133
The settlement of leave liabilities gives rise to the payment of employment on-costs including workers' compensation and medical benefits.		
Movement in Other provisions		
Carrying amount at start of year	492	248
Net amount of additional provision recognised	166	244
Carrying amount at end of year	658	492

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>30. OTHER CURRENT LIABILITIES</b>		
Sundry Accruals		
- Accrued salaries *	18,410	13,240
- Accrued superannuation *	1,579	1,313
- Staff leave loading expense	4,821	3,820
- Fringe benefit tax liability	1,287	1,197
* Accrued salaries and superannuation have been calculated for six working days from 22 June to 30 June 2012.		
Forward Foreign Exchange Contracts	-	1,411
	26,097	20,981
<b>31. 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 Surplus represents that portion of equity resulting from the revaluation of non-current assets.		
Contributed equity (a)	492,699	469,709
Asset revaluation surplus (b)	350,955	362,934
Accumulated surplus/(deficiency)	143,362	126,510
	987,016	959,153
<b>(a) CONTRIBUTED EQUITY</b>		
Balance at the start of the year	469,709	386,217
Contributions by Owners		
Capital appropriations (i)	2,976	70,737
Royalties for Regions Fund - Regional Infrastructure and Headworks Account	33,100	6,700
Transfer of net assets from other agencies (ii)		
- Land and buildings assumed	-	9,270
Total contributions by owners	36,076	86,707
Distributions to owners		
Transfer of net assets to other agencies (ii)		
- Land and buildings transferred to the Department for Regional Development and Lands	(5,624)	(3,215)
- Other transfers	(7,462)	-
Total distributions to owners	(13,086)	(3,215)
Balance at the end of the year	492,699	469,709



# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>31. EQUITY (cont.)</b>		
(i) Under TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' Capital appropriations have been designated as contributions by owners in accordance with AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.		
(ii) Under TI 955, non-discretionary (non-reciprocal) transfers of net assets between State government agencies have been designated as contributions by owners in accordance with AASB Interpretation 1038, where the transferee agency accounts for a non-discretionary (non-reciprocal) transfer of net assets as a contribution by owners and the transferor agency accounts for the transfer as a distribution to owners.		
(iii) TI 955 requires non-reciprocal transfers of net assets to Government to be accounted for as distribution to owners.		
<b>(b) ASSET REVALUATION SURPLUS</b>		
Balance at the start of the year	362,934	316,049
Correction of prior period errors	6,350	-
Restated balance at start of the year	369,284	316,049
Net revaluation increments/(decrements):		
Land	13,020	21,085
Buildings	(26,236)	30,527
	(13,216)	51,612
Transfer to accumulated surplus/(deficiency) on sale of previously revalued assets	(5,113)	(4,727)
Balance at the end of the year	350,955	362,934
<b>(c) ACCUMULATED SURPLUS/(DEFICIT)</b>		
Balance at the start of the year	126,510	139,566
Correction of prior period errors	(6,350)	-
Restated balance at start of the year	120,160	139,566
Result for the year	18,089	(17,783)
Transfer of revalued amounts of assets sold	5,113	4,727
Balance at the end of the year	143,362	126,510
<b>32. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) RECONCILIATION OF CASH</b>		
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 and cash equivalents (see Note 20)	38,609	121,222
Restricted cash and cash equivalents (see Note 21)	39,855	26,855
	78,464	148,077

# Notes to the Financial Statements

For the year ending 30 June 2012

		2012 \$'000	2011 \$'000
<b>32. NOTES TO THE STATEMENT OF CASH FLOWS (cont.)</b>			
<b>(b) RECONCILIATION OF NET COST OF SERVICES TO NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>			
Net cost of services		(1,128,339)	(1,037,629)
Adjustment for non-cash items:			
Depreciation, amortisation and impairment expense		42,062	40,367
Resources received free-of-charge		7,971	5,476
Donated assets		(209)	(269)
Doubtful and bad debts expense		2,514	4,096
Net loss/(gain) on sale of non-current assets		3	31
Net loss/(gain) on foreign currency transactions		(377)	2,003
Adjustment to carrying value of assets		(2,914)	(3,357)
(Increase)/decrease in assets:			
Receivables (iii)		(1,389)	1,263
Prepayments		291	(1,091)
Inventories		324	(938)
Increase/(decrease) in liabilities:			
Payables (iii)		(20,766)	(1,641)
Sundry accruals		6,529	4,466
Provisions		21,631	19,694
Income in advance		-	(73)
Net GST receipts/(payments) (i)		(2,958)	(658)
Change in GST (receivables)/payables (ii)		2,332	1
		55,044	69,370
Net cash provided by/(used in) operating activities		(1,073,295)	(968,259)

(i) This is the net GST paid/received, i.e. cash transactions.

(ii) This reverses out the GST in receivables and payables.

(iii) The Australian Taxation Office (ATO) receivables/payables in respect of GST and the receivables/payables in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

## (c) NON-CASH FINANCING AND INVESTING ACTIVITIES

During the financial year, the Police Service received donated assets from external parties totalling \$209,100 compared to \$269,238 in 2010-11.

During the year, there were \$5,624,208 of assets transferred to Department for Regional Development and Lands compared to \$3,214,579 in 2010-11. In addition, there were \$7,461,631 of assets transferred to other government agencies in 2011-12 compared to \$0 in 2010-11.

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>33. COMMITMENTS</b>		
<b>(a) CAPITAL EXPENDITURE COMMITMENTS</b>		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:		
Within one year	22,209	88,949
Later than one year and not later than five years	25,262	42,273
	<u>47,471</u>	<u>131,222</u>
<b>(b) LEASE COMMITMENTS</b>		
Operating lease commitments contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Within one year	29,693	29,904
Later than one year and not later than five years	94,147	92,778
Later than five years	46	-
	<u>123,886</u>	<u>122,682</u>
Representing:		
Non-cancellable operating leases	123,886	122,682
	<u>123,886</u>	<u>122,682</u>
<b>(c) OTHER EXPENDITURE COMMITMENTS</b>		
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	69,672	48,051
Later than one year and not later than five years	120,184	114,860
Later than five years	16	136
	<u>189,872</u>	<u>163,047</u>

The above commitments are all inclusive of GST.

# Notes to the Financial Statements

For the year ending 30 June 2012

## 34. FINANCIAL INSTRUMENTS

### (a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments held by the Police Service are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables and derivative financial instruments. All of the Police Service's cash is held in the public bank account (non-interest bearing). The Police Service has limited exposure to financial risks. The Police Service's overall risk management program focuses on managing the risks identified below.

#### **Credit risk**

Credit risk arises when there is the possibility of third parties defaulting on their contractual obligations resulting in financial loss to the Police Service.

The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 34(c).

Credit risk associated with the Police Service's financial assets is minimal because the main receivable is the amounts receivable for services (Holding Account). For receivables other than from Government, the Police Service recovers costs associated with providing services and has policies in place to ensure that receivable balances are monitored on an ongoing basis to mitigate exposure to bad debt. There are no significant concentrations of credit risk.

Allowance for impairment of receivables is determined by reviewing each debt at reporting date and assessing its collectability.

#### **Liquidity risk**

Liquidity risk arises when the Police Service is unable to meet its financial obligations as they fall due. The Police Service is exposed to liquidity risk through its trading in the normal course of business.

The Police Service has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

#### **Market risk**

The Police Service is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings.

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>34. FINANCIAL INSTRUMENTS (cont.)</b>		
<b>(b) CATEGORIES OF FINANCIAL INSTRUMENTS</b>		
In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the reporting date are as follows:		
<b>Financial Assets</b>		
Cash and cash equivalents	38,609	121,222
Restricted cash and cash equivalents	39,855	26,855
Receivables (i)	240,202	200,172
Derivative Financial Instruments	3	-
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	38,334	53,984
(i) The amount of receivables excludes GST recoverable from ATO.		

## (c) FINANCIAL INSTRUMENT DISCLOSURES

### Credit Risk, Liquidity Risk and Interest Rate Risk Exposure

The following table details the exposure to liquidity risk and interest rate risk as at reporting date. The Police Service's maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as shown in the following table. The table is based on information provided to senior management of the Police Service. The contractual maturity amounts in the table are representative of the undiscounted amounts at reporting date.

The Police Service does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Police Service does not hold any financial assets that required their terms re-negotiated that would have otherwise resulted in them being past due or impaired.

# Notes to the Financial Statements

For the year ending 30 June 2012

## 34. FINANCIAL INSTRUMENTS (cont.)

### (c) FINANCIAL INSTRUMENT DISCLOSURES

#### Interest Rate Risk Exposure and Maturity Analysis of Financial Liabilities

2011-12	Weighted average effective interest rate %	Variable interest rate \$'000	Contractual Maturity Rates			Non-interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	-	-	38,609	38,609
Restricted cash and cash equivalents	-	-	-	-	-	39,855	39,855
Receivables	-	-	-	-	-	4,898	4,898
Amounts receivable for services	-	-	-	-	-	235,304	235,304
Derivative Financial Instruments	-	-	-	-	-	3	3
	-	-	-	-	-	318,669	318,669
<b>Financial Liabilities</b>							
Payables	-	-	-	-	-	12,237	12,237
Other accrued expenses	-	-	-	-	-	26,097	26,097
Derivative Financial Instruments	-	-	-	-	-	-	-
	-	-	-	-	-	38,334	38,334
<b>Net Financial Assets (Liabilities)</b>	-	-	-	-	-	280,335	280,335

2010-11	Weighted average effective interest rate %	Variable interest rate \$'000	Contractual Maturity Rates			Non-interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	-	-	121,222	121,222
Restricted cash and cash equivalents	-	-	-	-	-	26,855	26,855
Receivables	-	-	-	-	-	3,510	3,510
Amounts receivable for services	-	-	-	-	-	196,662	196,662
Derivative Financial Instruments	-	-	-	-	-	-	-
	-	-	-	-	-	348,249	348,249
<b>Financial Liabilities</b>							
Payables	-	-	-	-	-	33,003	33,003
Other accrued expenses	-	-	-	-	-	19,570	19,570
Derivative Financial Instruments	-	-	-	-	-	1,411	1,411
	-	-	-	-	-	53,984	53,984
<b>Net Financial Assets (Liabilities)</b>	-	-	-	-	-	294,265	294,265

The amount of receivables excludes GST recoverable from the ATO (statutory receivable)

#### Interest Rate Sensitivity Analysis

The Police Service is not subject to interest rate risk because cash and cash equivalents and restricted cash and cash equivalents are non-interest bearing and have no borrowings.

#### Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012 \$'000	2011 \$'000
<b>35. CONTINGENT LIABILITIES</b>		
<b>UNSETTLED LEGAL CLAIMS AND ACT OF GRACE PAYMENTS</b>		
The value reported represents the maximum obligation potentially payable for the claims on hand at 30 June 2012.	437	447
<b>MEDICAL EXPENSES</b>		
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 2012.		
<b>36. REMUNERATION OF AUDITOR</b>		
Remuneration payable to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	163	154

# Notes to the Financial Statements

For the year ending 30 June 2012

## 37. REMUNERATION OF SENIOR OFFICERS (cont.)

### 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 and other senior public servants.

### 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:

\$	2012	2011
40,001 - 50,000	-	1
50,001 - 60,000	2	-
100,001 - 110,000	1	-
130,001 - 140,000	1	2
150,001 - 160,000	1	2
160,001 - 170,000	3	3
170,001 - 180,000	1	-
180,001 - 190,000	1	1
210,001 - 220,000	-	3
220,001 - 230,000	-	1
230,001 - 240,000	2	-
240,001 - 250,000	1	2
250,001 - 260,000	-	2
260,001 - 270,000	2	-
270,001 - 280,000	1	-
280,001 - 290,000	1	-
290,001 - 300,000	2	1 (iii)
340,001 - 350,000	-	1
370,001 - 380,000	1	-
510,001 - 520,000	1	-
540,001 - 550,000	-	1
	<u>21</u>	<u>20</u>

	2012	2011
	\$'000	\$'000
	4,658	4,352

The total remuneration of Senior Officers is:

- (i) Includes senior officers where periods of service is less than twelve months.
- (ii) No senior officers are members of the Pension Scheme.
- (iii) Band included a payout of long service leave.



# Notes to the Financial Statements

For the year ending 30 June 2012

	2012	2011
	\$'000	\$'000
<b>38. SUPPLEMENTARY FINANCIAL INFORMATION</b>		
<b>(a) WRITE-OFFS</b>		
Write-offs approved in accordance with section 48 of the Financial Management Act 2006 related to:		
Bad debts *	923	100
Assets written off from the asset register *	34	44
Other public property **	145	98
	1,102	242
* Bad debts and asset register write-offs have been reflected within the Statement of Comprehensive Income.		
** Other public property written off includes items of equipment not capitalised within the asset register. The value reported above is the estimated written down replacement cost. This amount is not reflected within the Statement of Comprehensive Income.		
Public and other property, revenue and debts due to the State were written-off in accordance with section 48 of the Financial Management Act 2006 under the authority of:		
(i) Bad Debts		
The Accountable Authority	923	100
	923	100
(ii) Assets		
The Accountable Authority	34	44
	34	44
(iii) Other Public Property		
The Accountable Authority	145	98
	145	98
<b>(b) LOSSES OF PUBLIC MONEY AND PUBLIC OR OTHER PROPERTY THROUGH THEFT OR DEFAULT</b>		
Losses of public property through theft, default or otherwise	179	142
Losses of public money	923	100
	1,102	242
<b>(c) GIFTS OF PUBLIC PROPERTY</b>		
Gifts of public property provided by the Police Service	236	132

# Notes to the Financial Statements

For the year ending 30 June 2012

## 39. AFFILIATED BODIES

An affiliated body is one which receives more than half its funding and resources from the Police Service but is not subject to operational control by the Police Service. The Police Service had no affiliated bodies during the financial year.

## 40. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Police Service is not aware of any events occurring after the reporting date that have a significant financial effect on the financial statements.

## 41. EXPLANATORY STATEMENT

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10 per cent.

	2012 Estimate \$'000	2012 Actual \$'000	Variation \$'000
(a) SIGNIFICANT VARIANCES BETWEEN ESTIMATES AND ACTUAL			
(i) TOTAL APPROPRIATIONS TO DELIVER SERVICES			
Service Expenditure			
The variance between the 2012 estimated actual and 2012 actual is attributable to a number of factors including funding associated with CHOGM, Hoon and No MDL, Long Service Leave Expense, Enhanced District Allowance, ICT Programs repositioning, 2011 Police Officer EBA and Summer Crime Reduction Strategy.			
Variations between budget and actual for the following services are driven by operational needs and circumstances that occur during the year, which necessitate the redirection of resources to meet the service needs. The service mix is defined by survey results which fluctuate depended on the demands during the survey period, due to the reactive nature of Policing. Subsequently, operational needs may result in diversion from the original allocation. The actual service costs are calculated through a survey undertaken during the year. The survey records the hours officers spent on each service. This forms the basis for actual allocations for the financial year.			
Intelligence and protective services	151,103	161,664	10,561
Crime prevention and public order	71,122	95,848	24,726
Community support (non-offence incidents)	90,554	84,448	(6,106)
Emergency management and co-ordination	28,187	35,207	7,020
Response to and investigation of offences	463,981	474,277	10,296
Services to the judicial process	106,470	112,171	5,701
Traffic law enforcement and management	219,488	210,821	(8,667)
	1,130,905	1,174,436	43,531

# Notes to the Financial Statements

For the year ending 30 June 2012

		2012	2012	
		Estimate	Actual	Variation
		\$'000	\$'000	\$'000
41.	EXPLANATORY STATEMENT (cont.)			
(ii)	CAPITAL CONTRIBUTION	65,593	2,976	(62,617)

The decrease of \$62.617 million represents the cashflow requirement for the year for various asset investment projects where implementation dates have varied from original estimates. The decrease is the net impact of the capital works re-positioning into future years and changing the mix between the capital contribution and service appropriation.

The major projects are the Information and Communications Technology program, West Metropolitan District Accommodation Upgrade, Perth Police Complex, Speed and Red Light Camera upgrades and the Western Suburbs and Cockburn Central Police Stations.

(iii)	CONSOLIDATED ACCOUNT INCOME	650	770	120
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Administered Income mainly comprises of Sale of Lost, Stolen and Forfeited Property and Firearm Infringement Fines. The volumes for both, and values of stolen property auctioned can fluctuate substantially from year to year.

		2012	2011	
		Actual	Actual	Variation
		\$'000	\$'000	\$'000
(b)	SIGNIFICANT VARIANCES BETWEEN ACTUAL AND PRIOR YEAR ACTUALS			
(i)	TOTAL APPROPRIATIONS TO DELIVER SERVICES			
	Service Expenditure			
	The variation of \$95.285 million represents the increase in total cost of service which is mainly attributable to new initiatives and normal cost increase. The variations comprise of increased appropriations, increase in revenues and movements in assets and liabilities. Also the reactive nature of policing causes fluctuations in the internal allocation and application of resources according to the operational demands that exist at the time. A significant component of the differential is attributable to pay increases to police officers and police staff, the continued implementations of the additional police officers, auxiliary police officers and police staff programs during 2011-12, and the CHOGM event.			
	Intelligence and protective services	161,664	120,312	41,352
	Crime prevention and public order	95,848	72,613	23,235
	Community support (non-offence incidents)	84,448	88,111	(3,663)
	Emergency management and co-ordination	35,207	27,756	7,451
	Response to and investigation of offences	474,277	451,152	23,125
	Services to the judicial process	112,171	104,046	8,125
	Traffic law enforcement and management	210,821	215,161	(4,340)
		1,174,436	1,079,151	95,285

# Notes to the Financial Statements

For the year ending 30 June 2012

		2012	2011	Variation
		Actual	Actual	
		\$'000	\$'000	\$'000
<b>41. EXPLANATORY STATEMENT (cont.)</b>				
(ii)	<b>CAPITAL CONTRIBUTION</b>	2,976	70,737	(67,761)
	The Asset Investment Program annual expenditures will vary each year depended on the planned expenditures for the various projects within the program. Normally there may be substantial variations from one year to the next. Significant programs for 2011/12 include Perth Police Complex, Information and Communications Technology program, Speed and Red Light Camera upgrades, West Metropolitan District Accommodation upgrade and Payments for Fixed Asset purchases.			
	The majority of the decrease is attributable to funding the 2011/12 capital works program from Cash at Bank holdings and resulted in the capital drawdown being flowed into out-years.			
(iii)	<b>CONSOLIDATED ACCOUNT INCOME</b>			
	<b>Revenue</b>	770	537	233
	Administered Income mainly comprises of Sale of Lost, Stolen and Forfeited Property and Firearm Infringement Fines. The increase in Firearms Infringement Revenue of \$0.116 million is the result of enhancements within the infringement process. Revenue from the Sale of Lost, Stolen and Forfeited Property has increased \$0.118 million in 2011/12.			
				<b>2012</b>
				<b>\$'000</b>
<b>(c) DETAILS OF AUTHORISATION TO EXPEND IN ADVANCE OF APPROPRIATION</b>				
	To meet initiatives approved during the financial year and other unavoidable costs, the following supplementary funding appropriation requests were approved.			
	Delivery of services			7,014
				7,014
	Delivery of services			
	Increases to appropriation limits included:			
	Summer Crime Reduction Strategy			2,000
	Post Separation Medical Benefits			953
	ICT Infrastructure Replacement & continuity, Core Business Development & Continuity			3,727
	Speed and Red Light Camera Upgrade			1,018
	Cannabis Law Reform Project			42
	West Metropolitan District Accommodation Upgrade			(507)
	Magistrates Team			(219)

# Notes to the Financial Statements

For the year ending 30 June 2012

		2012	2011
		\$'000	\$'000
<b>42. SCHEDULE OF ADMINISTERED ITEMS</b>			
<b>ADMINISTERED EXPENSES AND INCOME EXPENSES</b>			
<b>EXPENSES</b>			
	Transfer payments	686	456
	Commission expenses	85	81
	Total administered expenses	771	537
<b>INCOME</b>			
	Sale of lost, stolen and forfeited property	631	513
	Fines and infringements	140	24
	Total administered income	771	537

There were no administered assets or liabilities for the period.

Administered income and expenses are not reported by service because they cannot be reliably attributed to the services provided by the Police Service.

		2012	2011
		\$'000	\$'000
<b>43. SPECIAL PURPOSE ACCOUNTS</b>			
Special purpose accounts includes receipts of monies, for which the Police Service only performs a custodial role. As the monies 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:			
<b>(a) FOUND MONEY TRUST</b>			
	Opening Balance 1 July 2011	87	112
	Receipts	247	191
	Payments	261	216
	Closing Balance at 30 June 2012	73	87

### Purpose

To hold monies which have been found and surrendered to the Police Service, and for which the lawful owner has not been ascertained within seven days of receipt of the monies by the receiving officer.

# Notes to the Financial Statements

For the year ending 30 June 2012

	2012	2011
	\$'000	\$'000
<b>43. SPECIAL PURPOSE ACCOUNTS</b>		
<b>(b) STOLEN MONIES TRUST</b>		
Opening Balance 1 July 2011	184	198
Receipts	228	53
Payments	209	67
Closing Balance at 30 June 2012	203	184
<b>Purpose</b>		
To hold monies seized by the Police Service believed to be stolen monies pending prosecution.		
Monies 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 <i>Unclaimed Money Act 1990</i> .		
<b>(c) SEIZED MONIES TRUST</b>		
Opening Balance 1 July 2011	9,802	11,198
Receipts	6,662	4,091
Payments	3,322	5,487
Closing Balance at 30 June 2012	13,142	9,802
<b>Purpose</b>		
To hold monies seized by officers of the Police Service in the exercise of relevant statutory powers.		
<b>(d) DECEASED ESTATE MONIES</b>		
Opening Balance 1 July 2011	32	84
Receipts	53	64
Payments	67	116
Closing Balance at 30 June 2012	18	32
<b>Purpose</b>		
To hold monies found on deceased persons by officers of the Police Service in the exercise of relevant statutory powers.		



# KEY PERFORMANCE INDICATORS

## Certification of Key Performance Indicators

for the year ended 30 June 2012

I hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Police Service's performance, and fairly represent the performance of the Police Service for the financial year ended 30 June 2012.



Karl J O'Callaghan APM

**COMMISSIONER OF POLICE**

**6 September 2012**





**DEDICATED**  
TO SERVING THE  
**COMMUNITY**  
OF WESTERN AUSTRALIA

# Key Performance Indicators

## INTRODUCTION

Under the provisions of the *Financial Management Act 2006*, agencies are required to disclose in their annual report key effectiveness and efficiency indicators that provide information on the extent to which agency level government desired outcomes have been achieved, or contributed to, through the delivery of services and the allocation of resources.

The WA Police utilises an Outcome Based Management (OBM) framework to facilitate, monitor and evaluate the best use of resources for policing. This framework includes key effectiveness and efficiency indicators that show how services contributed to the achievement of outcomes. Evaluation of these performance indicators ensures that they provide performance information to assist in management decision-making as well as meeting accountability and disclosure requirements.

## OUTCOME FRAMEWORK

Policing priorities are structured around three outcomes: Lawful behaviour and community safety; Offenders apprehended and dealt with in accordance with the law; and Lawful road-user behaviour. These outcomes contribute to meeting the high level government goal of "Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians". There are seven policing services provided to the community under the outcomes.

Government Goal	What we sought to achieve (Outcomes)	The services we provided in 2011-12
<b>Outcomes Based Service Delivery:</b> Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians	<b>Outcome 1:</b> Lawful behaviour and community safety	<b>Service 1:</b> Intelligence and Protective Services <b>Service 2:</b> Crime Prevention and Public Order <b>Service 3:</b> Community Support (Non-Offence Incidents) <b>Service 4:</b> Emergency Management and Coordination
	<b>Outcome 2:</b> Offenders apprehended and dealt with in accordance with the law	<b>Service 5:</b> Response to and investigation of offences <b>Service 6:</b> Services to the judicial process
	<b>Outcome 3:</b> Lawful road-user behaviour	<b>Service 7:</b> Traffic law enforcement and management

The WA Police is currently reviewing its OBM structure and Key Performance Indicators (KPIs). Amendments to the structure will be reflected in both the 2014-15 Budget Statements and Annual Report.

# PERFORMANCE FRAMEWORK

The performance of the WA Police is measured through KPIs comprised of effectiveness indicators and efficiency indicators. Effectiveness indicators provide information about the extent to which the agency is achieving its outcomes, while efficiency indicators monitor the efficiency with which a service is delivered.

The three outcomes of the WA Police are assessed through six key effectiveness indicators. As there are not necessarily clear-cut boundaries between each outcome, which can overlap, some of these KPIs are relevant to more than one outcome. For example, KPI 1 – Community satisfaction with police services is the main performance indicator for Outcome 1 – Lawful behaviour and community safety, but is also a secondary KPI for Outcomes 2 and 3. The following table shows the KPIs for each of the outcomes. For reporting purposes, each outcome has at least one KPI that has been highlighted in bold, with secondary KPIs shown in italics.

## Key Effectiveness Indicators

Outcome 1: Lawful behaviour and community safety	Outcome 2: Offenders apprehended and dealt with in accordance with the law	Outcome 3: Lawful road-user behaviour
<b>KPI 1 Community satisfaction with police services</b>	<i>KPI 1 Community satisfaction with police services</i>	<i>KPI 1 Community satisfaction with police services</i>
<b>KPI 2 Community perception of level of crime</b>	<i>KPI 2 Community perception of level of crime</i>	
<b>KPI 3 Emergency management preparedness</b>		
<i>KPI 4 Sanction rate for offences</i>	<b>KPI 4 Sanction rate for offences</b>	
<i>KPI 5 Support to judicial processes resulting in successful prosecutions</i>	<b>KPI 5 Support to judicial processes resulting in successful prosecutions</b>	
<i>KPI 6 Traffic law enforcement</i>		<b>KPI 6 Traffic law enforcement</b>

# Performance Framework

The efficiency of the seven services delivered by the WA Police is assessed through a range of cost and timeliness key efficiency indicators as shown in the table below.

## Key Efficiency Indicators

Service 1: Intelligence and Protective Services	Service 2: Crime Prevention and Public Order	Service 3: Community Support (Non-Offence Incidents)	Service 4: Emergency management and coordination	Service 5: Response to and investigation of offences	Service 6: Services to the judicial process	Service 7: Traffic law enforcement and management
<b>Cost</b>						
Average cost per hour for providing service(s)	Average cost per hour for providing service(s)	Average cost per hour for providing service(s)	Average cost per hour for providing service(s)	Average cost per response/ investigation	Average cost per hour for providing service(s)  Average cost per guilty plea  Average cost per non-guilty plea	Average cost per hour for providing service(s)
<b>Timeliness</b>						
		Percentage of 131444 calls for police assistance or attendance answered within 20 seconds  Percentage of 131444 calls abandoned		Percentage of emergency '000' calls for urgent police assistance or attendance answered within 20 seconds  Percentage of '000' emergency calls answered on first presentation  Average time taken to respond to urgent calls for police assistance in the metropolitan area from call received (entered) to arrival at scene for Priority 1-2 and 3 calls		



# EFFECTIVENESS INDICATORS

## OUTCOME 1: LAWFUL BEHAVIOUR AND COMMUNITY SAFETY

This outcome relates to the WA Police influencing lawful behaviour, safety, security and public order by providing services and delivering programs that are responsive to the needs of a diverse community. This is achieved through:

- Working together with the community.
- Visible and targeted policing.
- Establishing and maintaining partnerships with other relevant agencies and stakeholders to develop crime prevention strategies.
- Identifying, assessing and managing risks to the community.
- Maintaining a high level of preparedness for emergencies including appropriate responses to terrorism.

The extent to which this outcome is being achieved is assessed through three effectiveness indicators: community satisfaction with police services, community perception of level of crime, and emergency management preparedness.

### Key Performance Indicator 1 Community satisfaction with police services

**Indicator 1.1:** The percentage of the community who were 'satisfied' or 'very satisfied' with services provided by police.

**Indicator 1.2:** The percentage of the community who were 'satisfied' or 'very satisfied' with the service received during their most recent contact with police.

Customer satisfaction is a widely accepted measure of organisational performance. The WA community are the customers of the services provided by the WA Police. The community's satisfaction with police services, which reflects the perceived level of lawful behaviour, safety, security and public order, is measured by the National Survey of Community Satisfaction with Policing. This survey measures two aspects of satisfaction with police services – general satisfaction overall and satisfaction with services received during the most recent contact with police. Together, these provide a relevant primary indicator of how effectively the WA Police is achieving Outcome 1 – Lawful behaviour and community safety and are a secondary indicator of community perceptions for Outcomes 2 and 3.

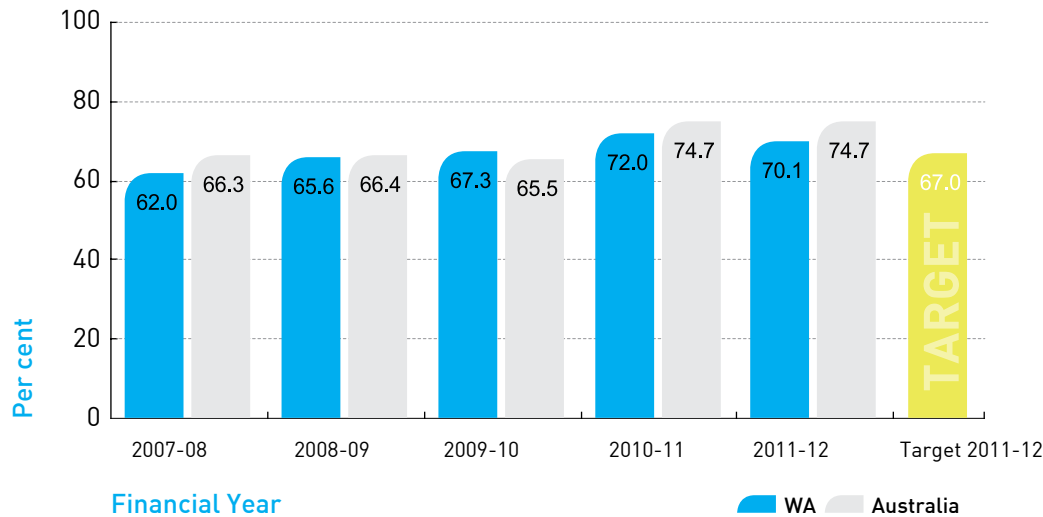
# Effectiveness Indicators

Indicators 1.1 and 1.2 illustrate the WA community's level of satisfaction over time and in comparison with the national result. The level of satisfaction is measured by the percentage of people who were either 'satisfied' or 'very satisfied' with police services.

It is important to note that public perceptions might not reflect actual levels of police performance, because many factors—including individual experiences, hearsay and media reporting—can influence people's satisfaction with police services.

## Indicator 1.1

The percentage of the community who were 'satisfied' or 'very satisfied' with services provided by police, 2007-08 to 2011-12 <sup>(a)(b)(c)</sup>

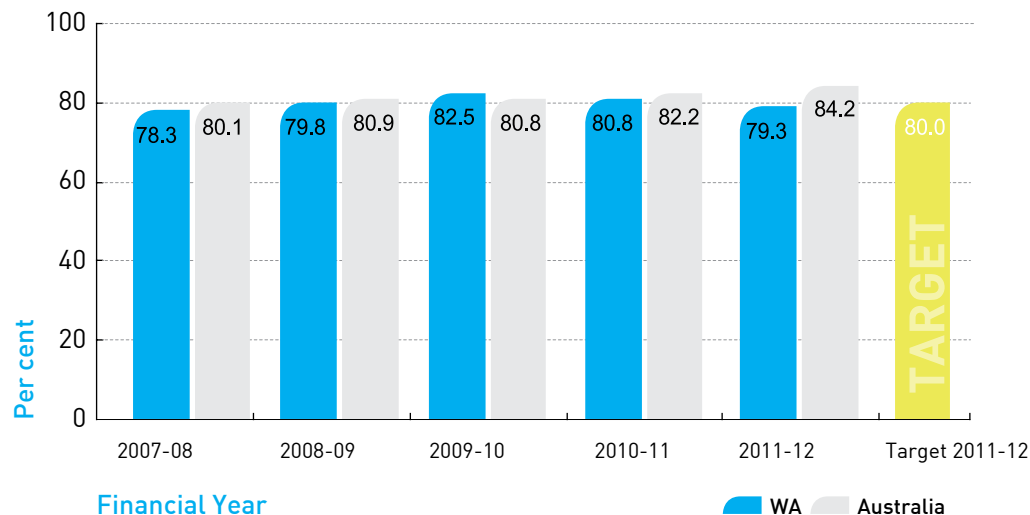


### Analysis

- In 2011-12, the level of satisfaction with police services in WA decreased to 70.1 per cent compared with 2010-11 (72.0 per cent). The WA level of satisfaction was significantly lower than the national level of satisfaction (74.7 per cent). The 2011-12 national result was the same as 2010-11.
- The WA Police achieved the 2011-12 target of greater than or equal to 67 per cent.

## Indicator 1.2

The percentage of the community who were 'satisfied or 'very satisfied' with the service received during their most recent contact with police, 2007-08 to 2011-12 <sup>(a)(b)(c)</sup>



Notes:

- (a) This indicator is derived from the National Survey of Community Satisfaction with Policing that commenced in July 2001. The survey is conducted by telephone using the service provider's Computer Assisted Telephone Interviewing facilities. Interviewing is conducted each month. Eligible respondents are required to be aged 15 years or over. Respondents are chosen from each contacted household by the next birthday method. People who work for the police, or who live in a household with someone who works for the police, are excluded from the survey. A random sample of telephone numbers is generated for each police district within Western Australia using the Random Digit Dialling (RDD) method. The random sampling method used allows both listed and unlisted numbers in all active telephone exchanges to be included in the sample. The overall sample is stratified by police district to ensure a sufficient sample is collected for each police district each quarter. Each police district has a monthly quota of interviews to ensure interviewing is spread evenly across the full year. During 2011-12, over 28,500 people were surveyed nationally (including about 2,800 in WA).
- (b) With all sample surveys there are errors that occur by chance because the data were obtained from a sample, rather than the entire population. The relative standard error (RSE) is a measure of the error (relative to the size of the estimate) likely to have occurred due to sampling. Generally, only estimates with an RSE of 25 per cent or less are considered reliable for most purposes. Estimates with an RSE of between 25 per cent and 50 per cent should be used with caution while estimates with an RSE greater than 50 per cent should not be used. The RSE associated with the sample estimates used in compiling the charts for Indicators 1.1 and 1.2 is equal to or lower than 1.7 per cent.
- (c) A national result for a given year can be significantly different to the national result for the previous year, but may not be significantly different to the WA result while a similar result for WA for a given year may not be significantly different to the previous year. This is due to the much larger national sample size compared to WA. A larger sample size leads to a lower standard error, which directly affects significance tests.

Source: National Survey of Community Satisfaction with Policing (unpublished data).

### Analysis

- In 2011-12, 55.3 per cent of the WA community had contact with police in the last 12 months. The most common reasons for the most recent contact with police were: was a victim of crime, to report suspicious people/circumstances or to report a crime.
- The percentage of the WA community who were satisfied with the services received during their most recent contact with police in 2011-12 (79.3 per cent) was not significantly different to 2010-11 (80.8 per cent). The WA level of satisfaction was significantly lower than the national level of satisfaction (84.2 per cent). The national result for 2011-12 was significantly higher than 2010-11 (82.2 per cent).
- All survey results have a margin of error. This means that statistically we can be 95 per cent confident that the true value of the 2011-12 result of 79.3 per cent falls between 76.7 and 81.8 per cent. As a consequence, the WA Police is considered to have achieved the 2011-12 target of greater than or equal to 80 per cent.
- In 2011-12, the main reasons for community satisfaction with the services received during their most recent contact with WA Police related to the police being prompt, courteous, they took appropriate action or did their job, and were professional/fair. The main reasons for dissatisfaction were that police didn't do enough or took no action and were slow to arrive/kept caller waiting.

## Key Performance Indicator 2 – Community perception of level of crime

- Indicator 2.1: Percentage of the community who were 'somewhat concerned' or 'very concerned' about becoming a victim of physical assault in a public place in the next 12 months.
- Indicator 2.2: Percentage of the community who were 'somewhat concerned' or 'very concerned' about becoming a victim of housebreaking in the next 12 months.
- Indicator 2.3: Percentage of the community who were 'somewhat concerned' or 'very concerned' about becoming a victim of motor vehicle theft in the next 12 months.
- Indicator 2.4: Percentage of the community who thought the use of illegal drugs was 'somewhat of a problem' or a 'major problem' in their own neighbourhood.
- Indicator 2.5: Percentage of the community who thought louts or gangs were 'somewhat of a problem' or a 'major problem' in their own neighbourhood.
- Indicator 2.6: Percentage of the community who thought drunken and disorderly behaviour was 'somewhat of a problem' or a 'major problem' in their own neighbourhood.
- Indicator 2.7: Percentage of the community who thought speeding cars, dangerous or noisy driving was 'somewhat of a problem' or a 'major problem' in their own neighbourhood.

Community perception of the level of crime is an indicator of the extent to which the WA Police influences lawful behaviour, safety, security and public order. The National Survey of Community Satisfaction with Policing measures the extent to which the community were concerned about becoming a victim of: physical assault in a public place, housebreaking and motor vehicle theft;

also the extent to which the community thought that crime and antisocial behaviour were a problem in their own neighbourhood. These include: use of illegal drugs, louts or gangs, drunken and disorderly behaviour, and speeding cars, dangerous or noisy driving. The police can influence factors that affect the perceived level of these incidents including preventing and reducing their incidence. It is important to note that the perceived level of crime might not reflect the reported levels of crime because factors such as media coverage of crime and personal experiences can influence community perceptions.

The Police Services Chapter in the national Report on Government Services also uses perceptions of crime as a performance indicator, but states that:

*Care needs to be taken in interpreting data on perceptions of crime. Reducing people's concerns about crime and reducing the actual level of crime are two separate, but related challenges for police. Comparisons between perceptions of crime problems and the level of crime raise questions about the factors that affect perceptions. More generally, such comparisons highlight the importance of considering the full suite of performance indicators rather than assessing performance on the basis of specific measures in isolation.*

Indicators 2.1 to 2.3 illustrate the WA community's perception of concern about becoming a victim of a crime in the next 12 months over time and in comparison with the national result. Indicators 2.4 to 2.7 illustrate the WA community's perception of the extent to which crime and antisocial behaviour is a problem in their own neighbourhood over time and in comparison with Australia.

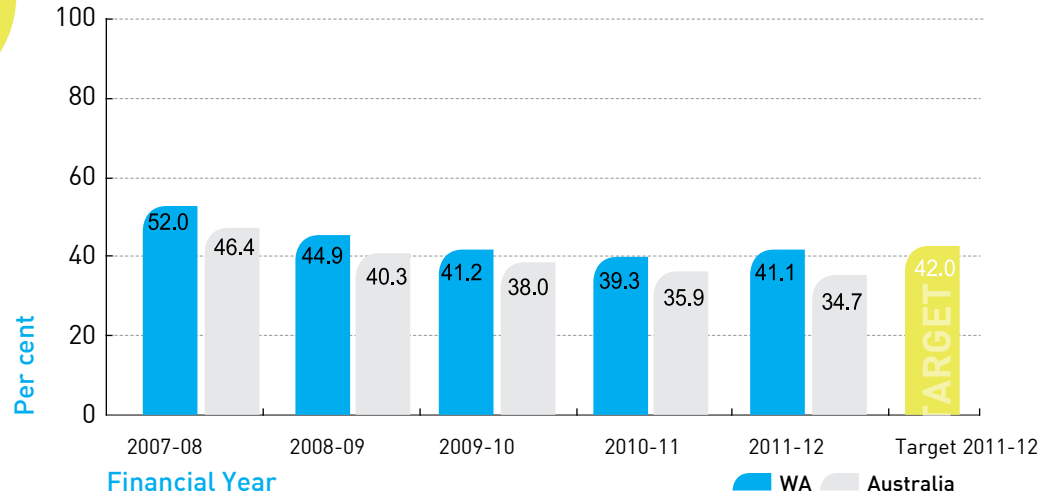
Community perception of the level of crime provides a relevant primary indicator of how effectively the WA Police is achieving Outcome 1 – Lawful behaviour and community safety, and a secondary indicator of Outcome 2.



# Effectiveness Indicators

## Indicator 2.1

Percentage of the community who were 'somewhat concerned' or 'very concerned' about becoming a victim of physical assault in a public place in the next 12 months, 2007-08 to 2011-12 <sup>(a)(b)(c)(d)</sup>



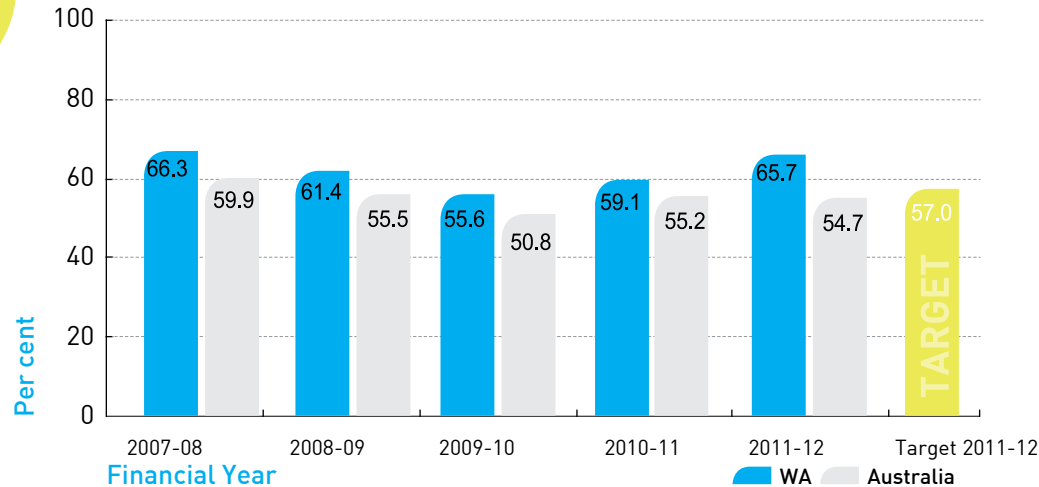
Note: A low or decreasing percentage of people who were concerned about becoming a victim of this crime is desirable.

### Analysis

- In 2011-12, the percentage of the WA community who were concerned about becoming a victim of physical assault in a public place (41.1 per cent) was not significantly different to 2010-11 (39.3 per cent). The WA result was significantly higher than the national result (34.7 per cent). The national result for 2011-12 was significantly lower than 2010-11 (35.9 per cent).
- The WA Police achieved the 2011-12 target of less than or equal to 42 per cent.

## Indicator 2.2

Percentage of the community who were 'somewhat concerned' or 'very concerned' about becoming a victim of housebreaking in the next 12 months, 2007-08 to 2011-12 <sup>(a)(b)(c)(d)</sup>



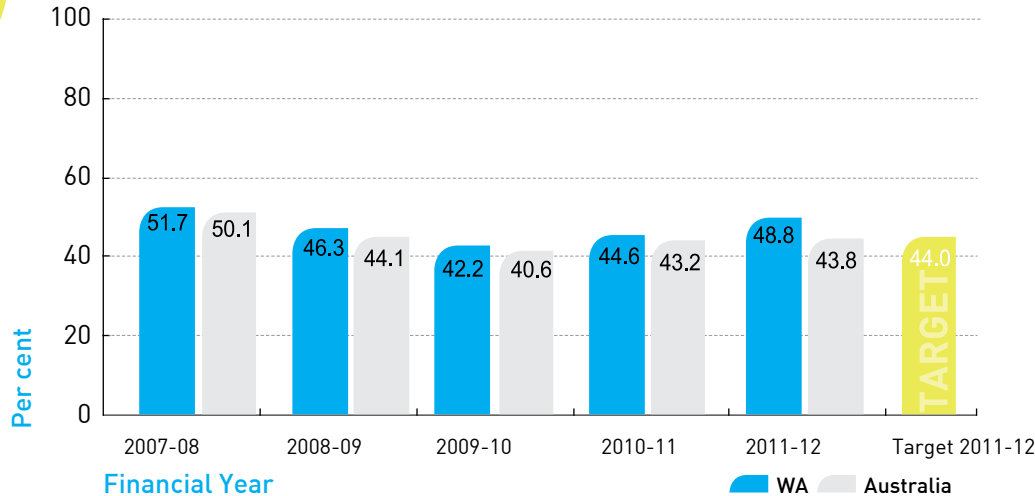
Note: A low or decreasing percentage of people who were concerned about becoming a victim of this crime is desirable.

### Analysis

- In 2011-12, the percentage of the WA community who were concerned about becoming a victim of housebreaking (65.7 per cent) was significantly higher than 2010-11 (59.1 per cent) and the national result of 54.7 per cent. The 2011-12 national result was not significantly different to 2010-11 (55.2 per cent).
- The WA Police did not achieve the 2011-12 target of less than or equal to 57 per cent.
- The increased level of concern appears to reflect an increase in the number of reported dwelling burglary offences of 2.8 % (757) to 27,375 for 2011-12 compared with 26,618 in 2010-11.

## Indicator 2.3

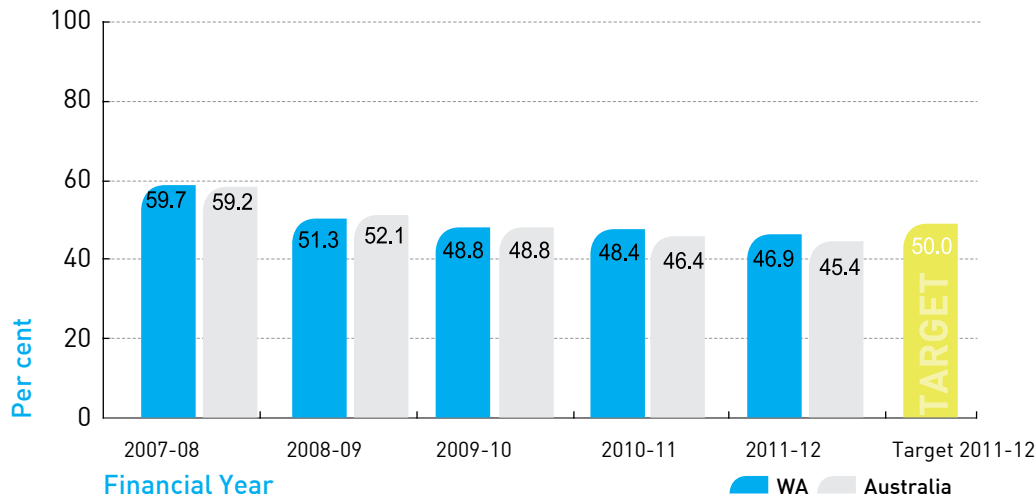
Percentage of the community who were 'somewhat concerned' or 'very concerned' about becoming a victim of motor vehicle theft in the next 12 months, 2007-08 to 2011-12 <sup>(a)(b)(c)(d)</sup>



Note: A low or decreasing percentage of people who were concerned about becoming a victim of this crime is desirable.

## Indicator 2.4

Percentage of the community who thought the use of illegal drugs was 'somewhat of a problem' or a 'major problem' in their own neighbourhood, 2007-08 to 2011-12 <sup>(a)(b)(c)</sup>



Note: A low or decreasing percentage of people who thought the use of illegal drugs was a problem is desirable

### Analysis

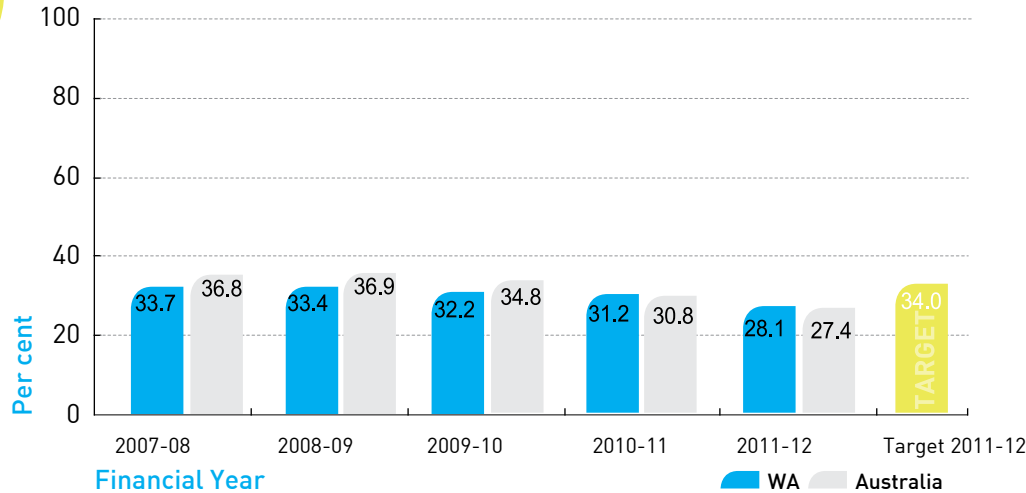
- In 2011-12, the percentage of the WA community who were concerned about becoming a victim of motor vehicle theft (48.8 per cent) was significantly higher than 2010-11 (44.6 per cent) and the national result of 43.8 per cent. The 2011-12 national result was not significantly different to 2010-11 (43.2 per cent).
- The WA Police did not achieve the 2011-12 target of less than or equal to 44 per cent.
- The increased level of concern about becoming a victim of motor vehicle theft appears to reflect a significant increase in the number of reported motor vehicle theft offences of 12.6% (917 offences) to 8,186 for 2011-12 compared with 7,269 in 2010-11.

### Analysis

- In 2011-12, the percentage of the WA community who thought the use of illegal drugs was a problem in their own neighbourhood (46.9 per cent) was not significantly different to 2010-11 (48.4 per cent) and the national result of 45.4 per cent. The 2011-12 national result was significantly lower than 2010-11 (46.4 per cent).
- The WA Police achieved the 2011-12 target of less than or equal to 50 per cent.

## Indicator 2.5

Percentage of the community who thought louts or gangs were 'somewhat of a problem' or a 'major problem' in their own neighbourhood, 2007-08 to 2011-12 <sup>(a)(b)(c)</sup>



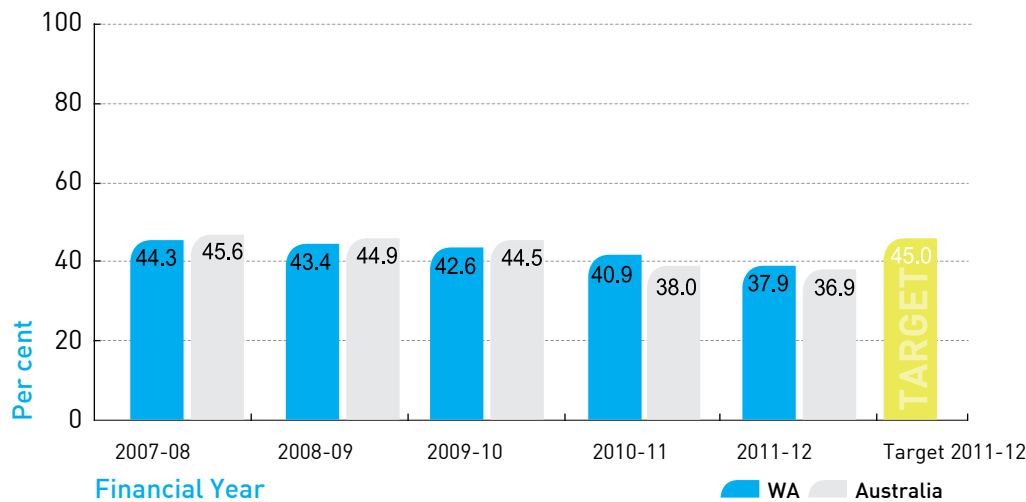
Note: A low or decreasing percentage of people who thought louts or gangs were a problem is desirable.

### Analysis

- In 2011-12, the percentage of the WA community who thought louts or gangs were a problem in their own neighbourhood (28.1 per cent) was significantly lower than the 2010-11 result (31.2 per cent). The WA result was not significantly different to the national result of 27.4 per cent. The 2011-12 national result was significantly lower than 2010-11 (30.8 per cent).
- The WA Police achieved the 2011-12 target of less than or equal to 34 per cent.

## Indicator 2.6

Percentage of the community who thought drunken and disorderly behaviour was 'somewhat of a problem' or a 'major problem' in their own neighbourhood, 2007-08 to 2011-12 <sup>(a)(b)(c)</sup>



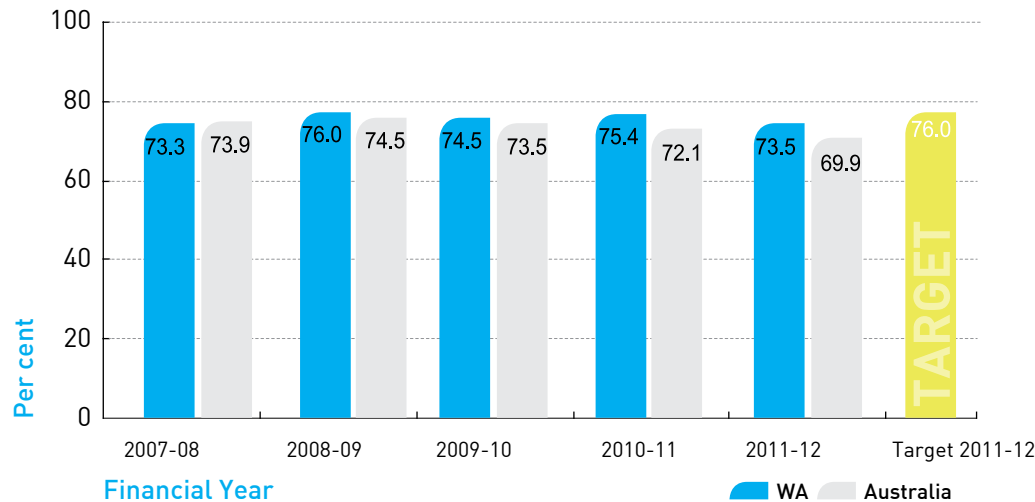
Note: A low or decreasing percentage of people who thought drunken and disorderly behaviour was a problem is desirable.

### Analysis

- In 2011-12, the percentage of the WA community who thought drunken and disorderly behaviour was a problem in their own neighbourhood (37.9 per cent) was not significantly different to the 2010-11 result (40.9 per cent) or the national result of 36.9 per cent. The 2011-12 national result was significantly lower than 2010-11 (38.0 per cent).
- The WA Police achieved the 2011-12 target of less than or equal to 45 per cent.

## Indicator 2.7

Percentage of the community who thought speeding cars, dangerous or noisy driving was 'somewhat of a problem' or a 'major problem' in their own neighbourhood, 2007-08 to 2011-12 <sup>(a)(b)(c)</sup>



Note: A low or decreasing percentage of people who thought speeding cars, dangerous or noisy driving was a problem is desirable

### Notes:

[a] This indicator is derived from the National Survey of Community Satisfaction with Policing that commenced in July 2001. The survey is conducted by telephone using the service provider's Computer Assisted Telephone Interviewing facilities. Interviewing is conducted each month. Eligible respondents are required to be aged 15 years or over. Respondents are chosen from each contacted household by the next birthday method. People who work for the police, or who live in a household with someone who works for the police, are excluded from the survey. A random sample of telephone numbers is generated for each police district within Western Australia using the Random Digit Dialling (RDD) method. The random sampling method used allows both listed and unlisted numbers in all active telephone exchanges to be included in the sample. The overall sample is stratified by police district to ensure a sufficient sample is collected for each police district each quarter. Each police district has a monthly quota of interviews to ensure interviewing is spread evenly across the full year. During 2011-12, over 28,100 people were surveyed nationally (including about 2,800 in WA).

[b] With all sample surveys there are errors that occur by chance because the data were obtained from a sample, rather than the entire population. The relative standard error (RSE) is a measure of the error (relative to the size of the estimate) likely to have occurred due to sampling. Generally, only estimates with an RSE of 25 per cent or less are considered reliable for most purposes. Estimates with an RSE of between 25 per cent and 50 per cent should be used with caution while estimates with an RSE greater than 50 per cent should not be used. The RSE associated with the sample estimates used in compiling the charts for Indicators 2.1 to 2.7 is equal to or lower than 3.8 per cent.

[c] A national result for a given year can be significantly different to the national result for the previous year or to the WA result while a similar result for WA for a given year may not be significantly different to the previous year. This is due to the much larger national sample size compared to WA. A larger sample size leads to a lower standard error, which directly affects significance tests.

[d] The decrease in the level of concern since 2008-09 is attributed to a change to the wording of the survey question from 'concern about being the victim of' to 'concern about becoming a victim of'.

Source: National Survey of Community Satisfaction with Policing (unpublished data).

## Analysis

- In 2011-12, the percentage of the WA community who thought speeding cars, dangerous or noisy driving was a problem in their own neighbourhood (73.5 per cent) was not significantly different to the 2010-11 result (75.4 per cent), but was significantly higher than the national result of 69.9 per cent. The 2011-12 national result was significantly lower than 2010-11 (72.1 per cent).
- The WA Police achieved the 2011-12 target of less than or equal to 76 per cent.

## Key Performance Indicator 3 – Emergency management preparedness

**Indicator 3.1:** State emergency management plans in place and current, and resources committed, where the WA Police is the designated Hazard Management Agency, to prevent and minimise risk.

Emergency management preparedness is an indicator of the capability of the WA Police to effectively respond to emergency situations, terrorist incidents and disasters that directly impact on community safety and security.

By virtue of Section 20 of the *Emergency Management Act 2005*, the Commissioner of Police is responsible for the development and maintenance of state level emergency plans for seven prescribed hazards to ensure a controlled coordinated response should an emergency occur.

The WA Police is the Hazard Management Agency (HMA) for air crash, road crash, land search, marine search, escaped radiation from nuclear powered warship, space re-entry debris and terrorist act. *State Emergency Management Policy 2.2* directs the HMA to ensure that state level emergency plans are exercised at least annually and are reviewed every five years.

WA Police conduct emergency management exercises periodically throughout the year. Exercises are evaluated and outcomes inform actions for continuous improvement through various emergency management committees.

Indicator 3.1 provides a five-year summary of the number of state emergency management plans in place and current.



**State emergency management plans in place and current, and resources committed, where the WA Police is the designated Hazard Management Agency, to prevent and minimise risk <sup>(a)</sup>**

2007-08	2008-09	2009-10	2010-11	2011-12	Target 2011-12
6	6	7	7	7	7

### Analysis

- In 2011-12, components of all seven state level emergency plans for which the Commissioner of Police is responsible have been tested, either through operational activation or exercise programs, whilst all the plans remain current within the allowable five year period.
- The WA Police achieved the 2011-12 target of seven state emergency management plans in place and current.

**Notes:**

(a) Current means that emergency management plans have been reviewed and, where possible, exercised in the previous twelve-month period.

## OUTCOME 2: OFFENDERS APPREHENDED AND DEALT WITH IN ACCORDANCE WITH THE LAW

The WA Police's primary responsibility for this outcome is to ensure an effective response to crime and that offenders are brought before the justice system. This is achieved through the successful investigation of offences and providing support to the judicial system. Achievement of this outcome will also positively impact on the Lawful behaviour and community safety and Lawful road-user behaviour outcomes.

The WA Police Investigation Doctrine provides investigating officers and supervisors with practical guidance on conducting and managing investigations in a professional manner. The Doctrine is based on the CRIME Model (Contact, Respond, Investigate, Manage, Evaluate) and encompasses five key investigative strategies: physical material, witnesses, intelligence, public awareness, and suspects/persons of interest. These strategies are a practical means for identifying investigative actions and ensuring a thorough investigation in a structured framework.

Quality forensic services provide enormous value to the investigation process and justice system outcomes. These services are enhanced by the continued application of technology and techniques such as DNA testing and digital capture of fingerprint images (Livescan).

Investigations are also supported by the FrontLine Incident Management System, legislative changes and increased police powers.

The two indicators of effectiveness for this outcome are the sanction rate for offences, and support to the judicial system resulting in successful prosecutions.

### Key Performance Indicator 4 – Sanction Rate for Offences

**Indicator 4.1: Sanction rate for offences against the person.**

**Indicator 4.2: Sanction rate for offences against property.**

**Indicator 4.3: Sanction rate for drug trafficking offences.**

In 2010-11, the WA Police adopted the 'sanction rate' as a measure of the effectiveness of investigation outcomes instead of the clearance rate. The sanction rate is based on the number of verified offences where an investigation

outcome has been recorded of an offender(s) being apprehended or processed (such as arrest, summons, caution or referral to a Juvenile Justice Team), or where, for some substantial reason, police investigations cannot be continued (such as withdrawn complaint; a statute bar to proceedings where an offender is under age or claims diplomatic immunity or other statute of limitations matters; circumstances where the incident was found to be a matter for civil action by the complainant; the offender has died; the offender is in another jurisdiction and extradition is not desired or available; and where the offender has been admitted to a psychiatric facility). The number of these 'sanctioned' offences within the relevant time period is expressed as a percentage of the number of verified offences reported during the same period. Verified offences are all offences reported to police within the relevant time period that have not been determined to be falsely or mistakenly reported.

Indicator 4.1 shows the sanction rate for offences against the person which include homicide, assault, sexual assault, threatening behaviour, deprivation of liberty and robbery.

Indicator 4.2 is the sanction rate for offences against property which include burglary, motor vehicle theft, theft, arson and property damage. This indicator excludes 'fraud', 'graffiti' and 'receiving/illegal use' offences due to reporting, recording and other issues significant enough to warrant their exclusion from the broad offence category:

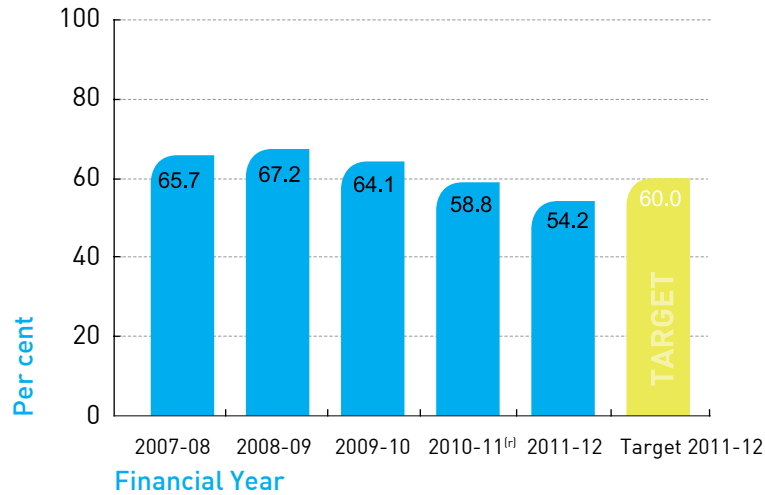
- 'Fraud' due to policy changes in some sectors of the finance industry and recording issues associated with the recording of multiple offences.
- 'Graffiti' due to recording issues and reporting practices by some Government agencies, local government authorities and private enterprise that have impacted on the number of offences recorded.
- 'Receiving/illegal use' offences are usually detected by, rather than reported to, police and therefore the number of offences reflects police activity or initiatives.

Including these offence types may artificially affect the number of offences against property and the sanction rate.

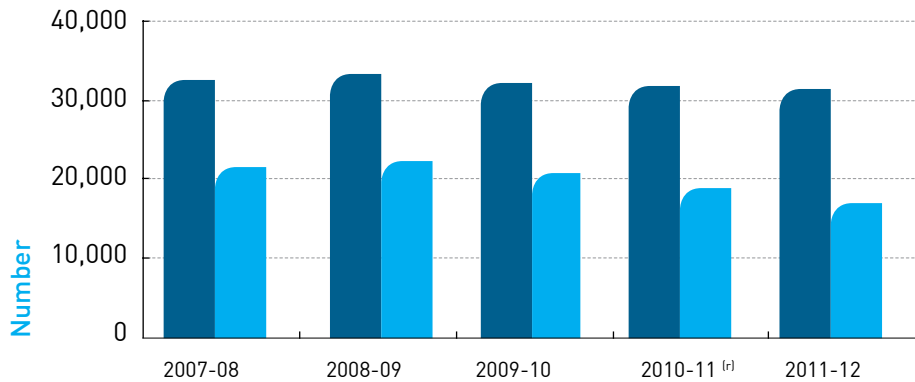
Indicator 4.3 illustrates the sanction rate for drug trafficking offences which reflects the WA Police's focus on detecting and investigating drug trafficking offences.

Indicator  
4.1

## Sanction rate for offences against the person, 2007-08 to 2011-12 <sup>(a)(b)(c)(d)(e)(f)(g)</sup>



Number of verified and sanctioned offences against the person, 2007-08 to 2011-12



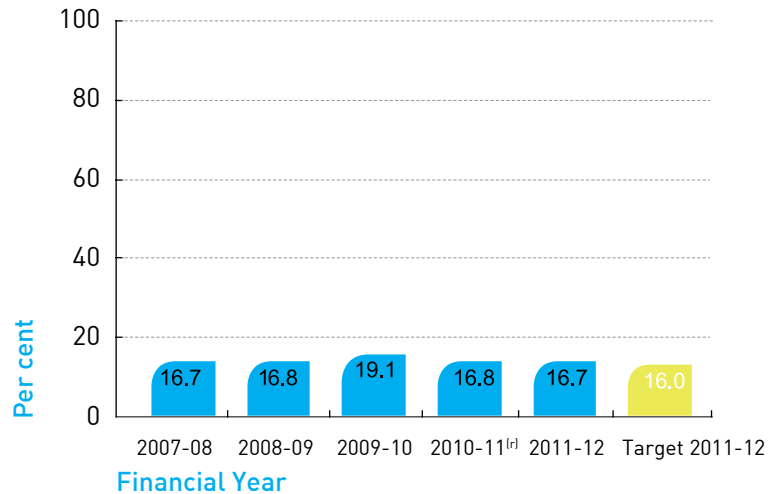
	2007-08	2008-09	2009-10	2010-11 <sup>(a)</sup>	2011-12
Verified	33,511	34,218	33,043	32,703	32,091
Sanctioned	22,002	22,979	21,184	19,236	17,406

### Analysis

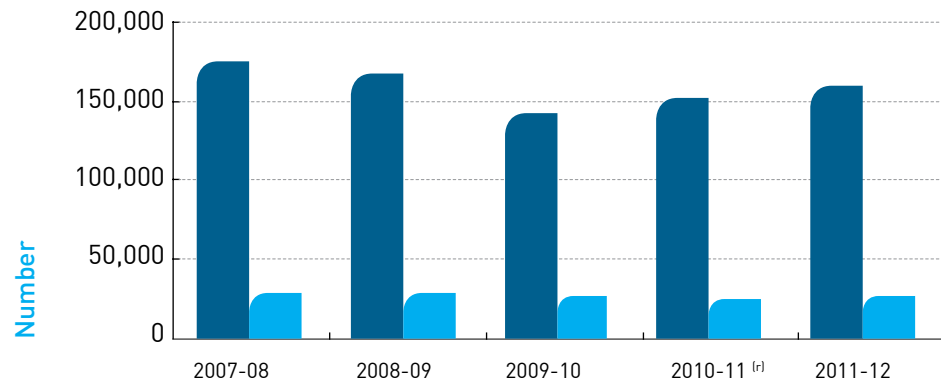
- The sanction rate decreased from 67.2 per cent in 2008-09 to 54.2 per cent in 2011-12.
- The sanction rate decreased compared with 2010-11. This was the result of a 9.5 per cent (1,830) decrease in the number of sanctioned offences (from 19,236 in 2010-11 to 17,406 in 2011-12) and a 1.9 per cent decrease (612) in the number of verified offences (from 32,703 in 2010-11 to 32,091 in 2011-12).
- The WA Police did not achieve the 2011-12 target of greater than or equal to 60 per cent.
- Changes to the Evidence Act, Criminal Investigations Act, Criminal Procedures Act and other legislation enhancing transparency and accountability have meant the time required for police to complete investigations has increased.
- WA Police has reviewed its investigative and brief management practices. This has resulted in improvements such as the creation of the Investigative Practices Unit that ensures quality standardised investigative practices, including the monitoring, evaluation and improvement of the investigative competence of police officers.
- As a consequence, while the sanction rate has decreased, there has been an increase in the quality of evidence provided to the courts which is indicated by an improvement in the percentage of guilty pleas and convictions (see indicators 5.1 and 5.2).

## Indicator 4.2

### Sanction rate for offences against property, 2007-08 to 2011-12 <sup>(a)(b)(c)(d)(e)(f)(h)</sup>



Number of verified and sanctioned offences against property, 2007-08 to 2011-12



Verified	176,641	168,164	143,942	152,865	160,445
Sanctioned	29,482	28,235	27,533	25,690	26,857

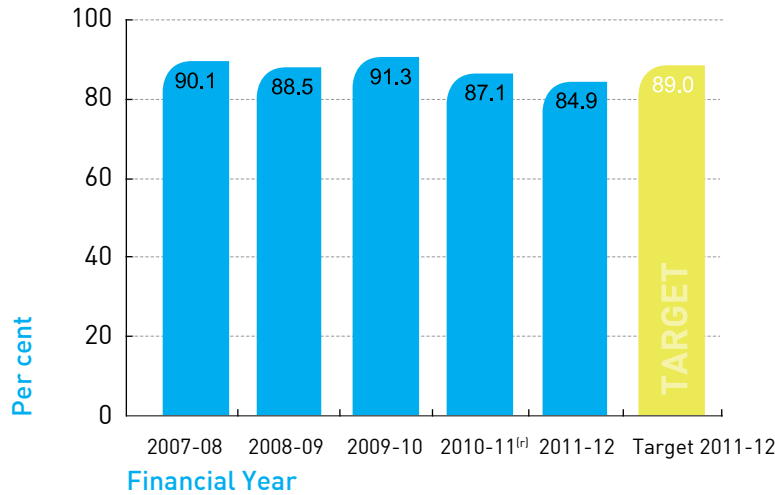
## Analysis

- The sanction rate decreased from 19.1 per cent in 2009-10 to 16.7 per cent in 2011-12.
- The sanction rate decreased compared with 2010-11. This was the result of a 4.5 per cent (1,167) increase in sanctioned offences (from 25,690 in 2010-11 to 26,857 in 2011-12) and a 5.0 per cent (7,580) increase in verified offences (from 152,865 in 2010-11 to 160,445 in 2011-12).
- The WA Police achieved the 2011-12 target of greater than or equal to 16 per cent.
- Changes to the Evidence Act, Criminal Investigations Act, Criminal Procedures Act and other legislation enhancing transparency and accountability have meant the time required for police to complete investigations has increased.
- WA Police has reviewed its investigative and brief management practices. This has resulted in improvements such as the creation of the Investigative Practices Unit that ensures quality standardised investigative practices, including the monitoring, evaluation and improvement of the investigative competence of police officers.
- As a consequence, while the sanction rate has decreased, there has been an increase in the quality of evidence provided to the courts which is indicated by an improvement in the percentage of guilty pleas and convictions (see indicators 5.1 and 5.2).

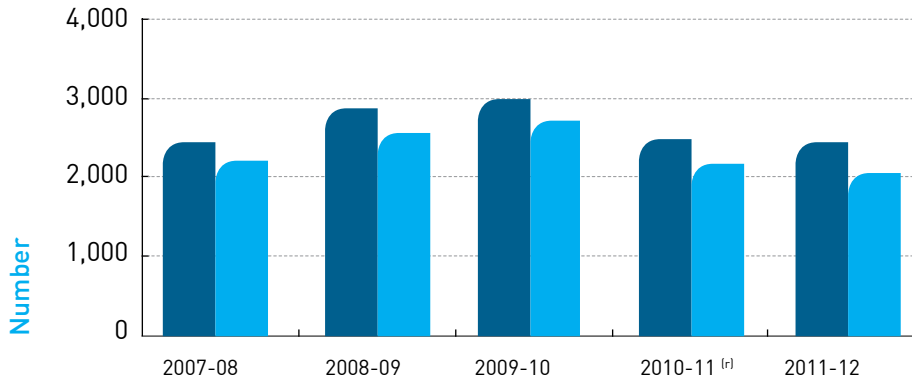


Indicator  
4.3

Sanction rate for drug trafficking offences, 2007-08 to 2011-12 <sup>(a)(b)(c)(d)(e)(f)(i)</sup>



Number of verified and sanctioned drug trafficking offences, 2007-08 to 2011-12



Verified	2,456	2,888	2,988	2,489	2,444
Sanctioned	2,212	2,556	2,727	2,169	2,076

## Analysis

- The sanction rate decreased from 91.3 per cent in 2009-10 to 84.9 per cent in 2011-12.
- The sanction rate decreased compared with 2010-11. This was the result of a 4.3 per cent (93) decrease in the number of sanctioned offences (from 2,169 in 2010-11 to 2,076 in 2011-12) and a 1.8 per cent (45) decrease in the number of verified offences (from 2,489 in 2010-11 to 2,444 in 2011-12).
- The WA Police did not achieve the 2011-12 target of greater than or equal to 89 per cent.
- Changes to the Evidence Act, Criminal Investigations Act, Criminal Procedures Act and other legislation enhancing transparency and accountability have meant the time required for police to complete investigations has increased.
- WA Police has reviewed its investigative and brief management practices. This has resulted in improvements such as the creation of the Investigative Practices Unit that ensures quality standardised investigative practices, including the monitoring, evaluation and improvement of the investigative competence of police officers.
- As a consequence, while the sanction rate has decreased, there has been an increase in the quality of evidence provided to the courts which is indicated by an improvement in the percentage of guilty pleas and convictions (see indicators 5.1 and 5.2).

## Notes:

- (a) This indicator is based on selected verified offences reported to, or becoming known to police and resulting in the submission of an incident report in the FrontLine Incident Management System (IMS). Excludes offences against public order, such as disorderly conduct and offences against the *Firearms Act 1973*, *Liquor Licensing Act 1988* and a number of other offences against the statute laws of this State and the Commonwealth.
- (b) The number of reported offences is not within the direct control of the police.
- (c) The statistics are preliminary and subject to revision.
- (d) The number of verified offences for a period (e.g. financial year) comprises all verified offences recorded during that period and may include verified offences committed during earlier periods.
- (e) Pro-active policing strategies undertaken by the police to encourage the reporting of certain offences, such as domestic violence and sexual assault, and the proactive targeting by the police of certain offences will increase the number of verified offences recorded for a given period. However, a decrease in the number of verified offences recorded for a targeted offence may occur in subsequent periods if the targeting has been successful or a different offence becomes a replacement target.
- (f) Due to the nature and length of investigations, the number of sanctioned offences recorded during a period may include verified offences reported prior to that period.
- (g) 'Offences against the person' include: homicide, assault, sexual assault, threatening behaviour, deprivation of liberty and robbery.
- (h) 'Offences against property' include: burglary, motor vehicle theft, theft, arson and property damage.
- (i) Drug trafficking is the unlawful sale, supply, cultivation or manufacture of a prohibited drug or plant.
- (j) For the number of sanctioned offences and the sanction rate by offence category, please refer to the Statistical Appendix.
- (r) Revised figure from that shown in the previous Annual Report due to updated data sources.

Source: WA Police, FrontLine Incident Management System (IMS).

## Key Performance Indicator 5 – Support to judicial processes resulting in successful prosecutions

**Indicator 5.1: Percentage of guilty pleas.**

**Indicator 5.2: Percentage of convictions for matters listed for trial.**

**Indicator 5.3: Number of deaths in custody for which the WA Police is culpable.**

**Indicator 5.4: Number of escapes from police lock-ups.**

Police activities supporting the judicial process include police prosecutions, presenting of evidence, processing and serving of court documents, and managing the bail and court reporting process. Achieving successful prosecutions through the court system is the culmination of all the activities involved in the investigation process and is an indicator of the effectiveness of these processes.

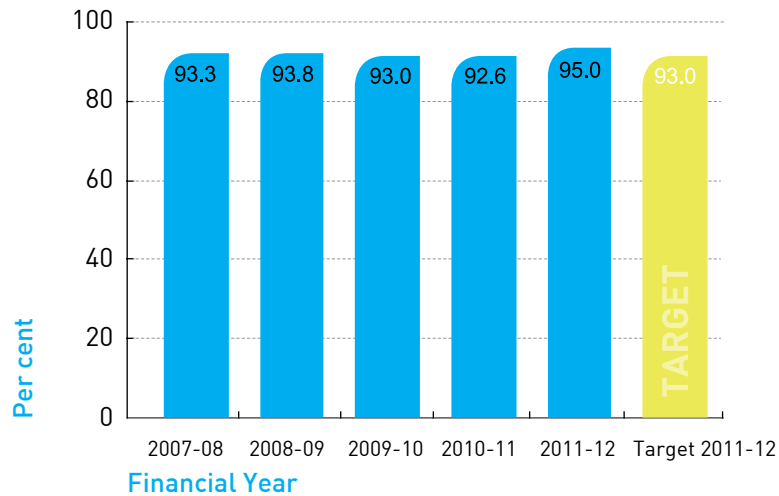
A successful prosecution can be achieved in two ways. An accused person may enter a plea of guilty to a charge(s). This is usually a reflection of the evidence disclosed to the defence by police prosecutors in accordance with legislation that creates a statutorily imposed disclosure obligation for all matters. If the accused person chooses to defend the charge, the matter is listed for trial where a successful prosecution will be achieved if they are subsequently found guilty.

Indicators 5.1 and 5.2 encompass two aspects of effectiveness: the percentage of guilty pleas and the percentage of convictions for matters listed for trial.

A significant amount of police effort is also spent on custodial services such as prisoner security and care, escorts and bail processes. Indicators 5.3 and 5.4 show the effectiveness of the WA Police in relation to its duty of care and security of persons in police custody.

## Indicator 5.1

### Percentage of guilty pleas, 2007-08 to 2011-12 <sup>(a)(b)</sup>

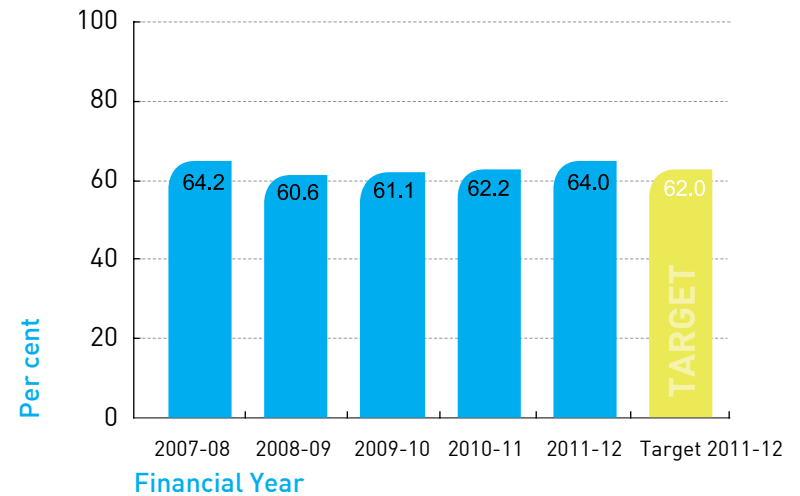


### Analysis

- The percentage of guilty pleas increased from 92.6 per cent in 2010-11 to 95.0 per cent in 2011-12. The WA Police achieved the 2011-12 target of 93 per cent.
- The percentage of convictions for matters listed for trial increased from 60.6 per cent in 2008-09 to 64.0 per cent in 2011-12. The WA Police achieved the 2011-12 target of 62 per cent.

## Indicator 5.2

### Percentage of convictions for matters listed for trial, 2007-08 to 2011-12 <sup>(a)</sup>



### Notes:

- (a) Relates to matters (charges) that have been placed before the Magistrates Court and Children's Court throughout the State by the police. The data may also include a small number of matters placed before the Keeling Islands (Christmas Island and Cocos Island) Court by the Australian Federal Police. Criminal matters placed before the District and Supreme Courts are not included.
- (b) The percentage of guilty pleas is based on the number of guilty pleas expressed as a percentage of the sum of the number of guilty pleas and matters listed for trial. The percentage of convictions for matters listed for trial is based on the number of convictions expressed as a percentage of the number of matters listed for trial. Matters listed for trial may not actually proceed to trial, but a guilty or not guilty finding can still be recorded.
- (c) Total matters comprise the sum of guilty pleas and matters listed for trial.

### Source:

Department of the Attorney General (Magistrates Court), CHIPS (Criminal) information system. This is a computerised case management system in which Magistrates Court and Children's Court matters are recorded.

## Indicator 5.3

### Number of deaths in custody for which the WA Police is culpable <sup>(a)(b)</sup>

2007-08	2008-09	2009-10	2010-11	2011-12	Target 2011-12
Nil	Nil	Nil	Nil	Nil	Nil

#### Analysis

- During the period 2007-08 to 2011-12, there were no deaths in custody for which the WA Police was culpable. Subject to the completion of all coronial inquiries, the WA Police has achieved the 2011-12 target of nil deaths in custody.

#### Notes:

(a) The State Coroner is responsible for determining the culpability of the WA Police in the death of a person in custody. Custody includes: detaining an intoxicated person, where no other option is available; accompanying an officer for the purposes of undergoing a breath test; travelling with a member to assist in inquiries; and being formally under arrest for any reason. For the purposes of Recommendation 6 of the Royal Commission into Aboriginal Deaths in Custody, the definition of a death in custody includes a situation where police officers are attempting to detain a person, i.e. high-speed pursuit.

(b) The number of deaths in custody is preliminary pending the completion of all coronial inquiries.

Source: WA Police, Behavioural Assessment Unit.

## Indicator 5.4

### Number of escapes from police lock-ups <sup>(a)</sup>

2007-08 <sup>(b)</sup>	2008-09 <sup>(b)</sup>	2009-10 <sup>(b)</sup>	2010-11 <sup>(b)</sup>	2011-12	Target 2011-12
14	3	2	6	7	Nil

#### Analysis

- On 23 July 2011, two people escaped from the Halls Creek Police Station lock-up.
- On 21 December 2011, two people escaped from the Wiluna Police Station lock-up.
- On 5 March 2012, three people escaped from the Kalgoorlie Police Station lock-up.
- All the above people were recaptured on the same day as the escape took place.
- The WA Police did not achieve the 2011-12 target of nil escapes, but continues to work towards improving the security of people in police custody in order to prevent escapes.
- The number of escapes from police lock-ups is relatively small given that approximately 40,000 people pass through lock-ups each year <sup>(c)</sup>.

#### Notes:

(a) The legal status of offenders passing through police lock-ups includes: arrested, fine defaulters, persons on remand, sentenced prisoners, and persons held on warrants.

(b) All were recaptured.

(c) Crime Research Centre, The University of Western Australia, Crime and Justice Statistics for Western Australia, Adult Imprisonment and Community Corrections (number of receivals in police lock-ups).

#### Sources:

WA Police, Regional Investigations Unit.  
WA Police, FrontLine Incident Management System (IMS).

## OUTCOME 3: LAWFUL ROAD-USER BEHAVIOUR

The WA Police in conjunction with the community and relevant state and national organisations aim to improve road-user behaviour by contributing to whole-of-government road safety programs. A coordinated approach to road safety is critical to developing and implementing strategies to influence safe road-user behaviour. This agency works in close partnership with the Road Safety Council to promote a range of education programs and awareness campaigns.

The WA Police focuses on influencing lawful road-user behaviour through proactive and intelligence-led enforcement activities that detect and deter unsafe road-user behaviours such as drink-driving, speeding, failing to wear restraints and unlawful usage of mobile phones. The extent to which this outcome is being achieved is assessed through the effectiveness indicator of traffic law enforcement.

### Key Performance Indicator 6 – Traffic law enforcement

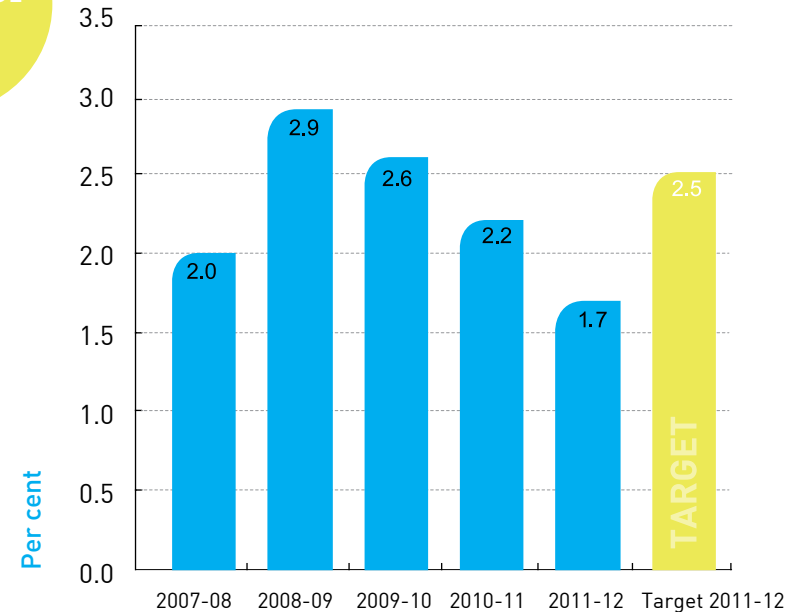
**Indicator 6.1:** Percentage of drivers tested for drink-driving who were found to exceed the lawful alcohol limit.

**Indicator 6.2:** Percentage of vehicles monitored for speeding by speed cameras that were found to exceed the lawful speed limit.

Indicators 6.1 and 6.2 reflect WA Police focus on enforcement as the primary strategy for influencing lawful road-user behaviour in relation to drink-driving and speeding. The aim of traffic enforcement is to both detect and deter unlawful road-user behaviour. Improving the effectiveness of traffic enforcement through, for example, intelligence-led proactive targeting of locations where and at times when there is likely to be a greater incidence of offending drivers may result in an increase in the percentage of drivers tested or monitored who were found to exceed the lawful alcohol or speed limit. While such an increase is considered to be a positive indication that the WA Police has been more effective in their detection of these unlawful road-user behaviours, it is acknowledged that such an increase may also reflect an overall increase in unlawful behaviour due to population growth and/or cultural changes. Effective enforcement also has a significant deterrence value that influences the outcome of lawful road-user behaviour.

## Indicator 6.1

Percentage of drivers tested for drink-driving who were found to exceed the lawful alcohol limit, 2007-08 to 2011-12<sup>(a)</sup>



Number of breath tests and drivers who were found to exceed the lawful alcohol limit, 2007-08 to 2011-12

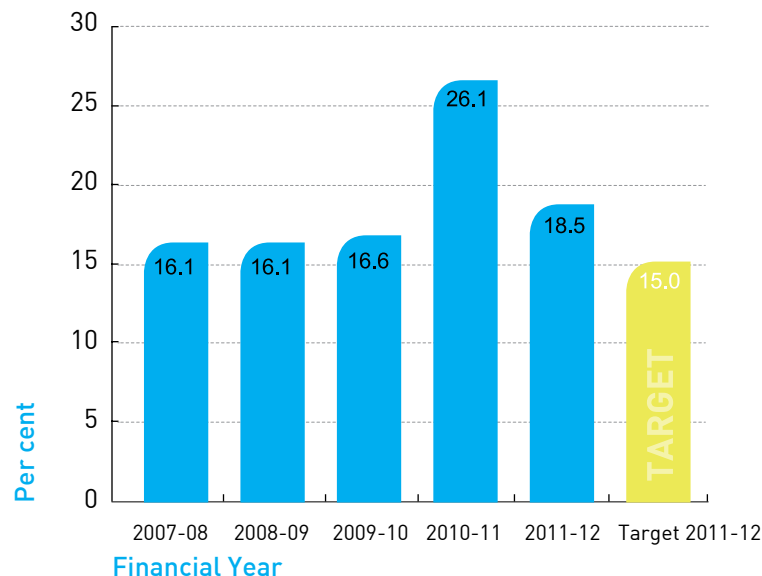
	2007-08 <sup>(r)</sup>	2008-09	2009-10	2010-11 <sup>(r)</sup>	2011-12
Breath Tests	970,739	759,886	753,532	767,226	883,046
Drivers who exceeded the lawful alcohol limit	19,288	21,856	19,339	17,117	15,153

### Analysis

- The percentage of drivers tested for drink-driving who were found to exceed the lawful alcohol limit decreased from 2.9 per cent in 2008-09 to 1.7 per cent in 2011-12.
- This decrease is attributed to a change in strategy that balances targeted enforcement with a greater focus on random breath testing in order to raise the public perception of the chances of being stopped 'anywhere, anytime'.
- The WA Police did not achieve the 2011-12 target of greater than or equal to 2.5 per cent.

## Indicator 6.2

### Percentage of vehicles monitored for speeding by speed cameras that were found to exceed the lawful speed limit, 2007-08 to 2011-12 <sup>(b)</sup>



### Number of vehicles monitored for speeding by speed cameras and the number of those found to exceed the lawful speed limit, 2007-08 to 2011-12

	2007-08	2008-09	2009-10	2010-11	2011-12
Vehicles monitored	11,525,471	11,232,024	11,272,701	13,756,096	22,929,921
Vehicles exceeding lawful speed limit	1,859,519	1,806,617	1,867,478	3,593,065	4,242,242

## Analysis

- The percentage of vehicles monitored for speeding that were found to exceed the lawful speed limit decreased from 26.1 per cent in 2010-11 to 18.5 per cent in 2011-12. This decrease reflects a reduction in speeding behaviour.
- The increase in detection of speeding vehicles and subsequent reduction in speeding behaviour from 2010-11 is attributed to the improved effectiveness of the Vitronic PoliScan digital speed cameras that were rolled-out during 2010-11.
- The WA Police achieved the 2011-12 target of greater than or equal to 15 per cent.

#### Notes:

(a) Based on the number of drink-driving charges expressed as a percentage of the total number of preliminary breath tests which includes all preliminary breath tests conducted during Random Breath Testing (RBT) operations or as a consequence of stopping a vehicle for a reason other than an RBT, and breath tests performed at crashes. The number of preliminary breath tests and drink-driving charges are derived from the Daily Traffic Returns. These statistics therefore reflect the returns that have been submitted and the accuracy of the data in those returns.

(b) The lawful speed limit is defined as the posted speed limit shown on road signage. The calculation of the percentage from 2010-11 excludes vehicles monitored for speeding by the new fixed speed and red light cameras and digital hand-held speed cameras.

(r) Revised figure from that shown in previous Annual Report due to updated data sources.

#### Sources:

WA Police, Infringement Imaging Processing System (IIPS).

WA Police, Traffic Enforcement and Crash Executive Information System (TEACEIS).



# EFFICIENCY INDICATORS

Key efficiency indicators provide information about the relationship between the service delivered and the resources used to produce the service. The efficiency with which the WA Police delivers each of its seven services is measured in terms of the unit cost or timeliness of the service.

It is important to note that the nature of policing is highly reactive and with demand for services changing each year, the average cost per hour of providing policing services can differ significantly. Policing activities vary between dealing with criminal activities, traffic policing and other important activities. Operational focus will affect the annual internal activity surveys (which are used to calculate the cost and hours of services) and the Full-Time Equivalent (FTE) mix which can be influential on the results. Generally the hourly rate will increase in line with employee pay rate movements and other cost increases, but changes in work practices such as civilianisation of functions or streamlining of processes can also impact.

The Key Efficiency Indicators for each service are presented in the following charts and tables that show the comparative performance over the period 2007-08 to 2011-12 and the target for 2011-12.

## **OUTCOME 1: LAWFUL BEHAVIOUR AND COMMUNITY SAFETY**

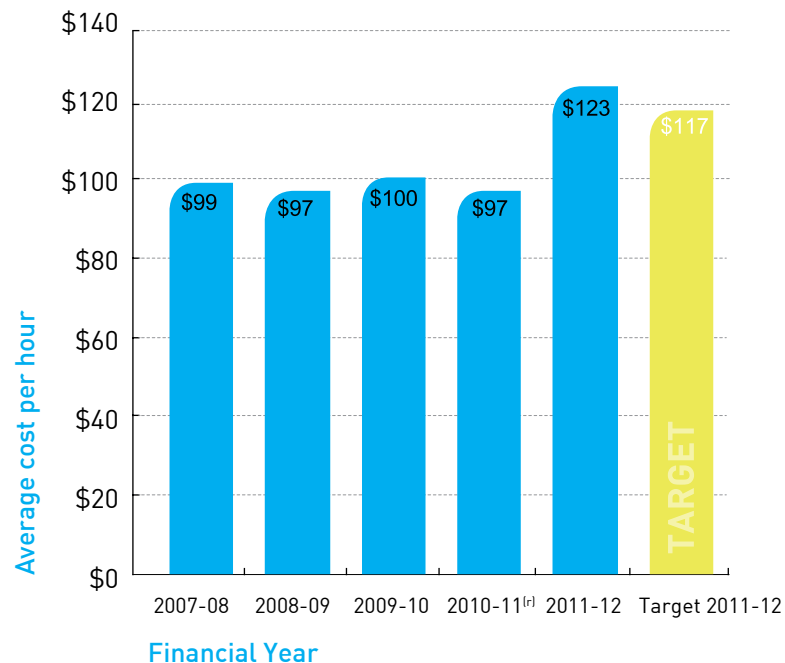
### **Service 1: Intelligence and protective services**

Incorporates a range of specialist criminal intelligence analysis techniques and partnerships to target offenders and crime hot spots in order to ensure safety in the community and prevent and reduce crime. Activities undertaken include:

- using criminal intelligence analysis techniques to develop effective policing strategies;
- providing specialist protective and security services to international and other protected persons, assets and infrastructure, airport security and witness protection; and
- participating in crisis situations.

# Efficiency Indicators

## Average cost per hour for providing intelligence and protective services, 2007-08 to 2011-12 <sup>(a)</sup>



### Analysis

- In 2011-12, the average cost per hour for providing intelligence and protective services (\$123) was higher than the previous year (\$97) and the 2011-12 target of \$117. Therefore, the WA Police did not achieve the 2011-12 target.
- The increase in the average cost per hour in 2011-12 is attributable to additional costs and resources reallocation associated with preparing for and delivering a security operation for the Commonwealth Heads of Government Meeting (CHOGM) 2011.

#### Notes:

(a) Calculated from internal police activity surveys.

(r) Revised figure from that shown in the previous Annual Report due to updated data sources.

## Service 2: Crime prevention and public order

Providing general support to the community including a visible police presence and crime prevention activities. Maintaining an adequate service and timely response to the needs of local communities at all times is a critical factor in achieving broader outcomes. The provision of this service includes:

- liaising with the community, engaging in community education and raising awareness on crime prevention, and providing regulatory services;
- policing public events including planning and debriefings;
- engaging in programs/initiatives aimed at fostering partnerships or improving liaison between WA Police and the community such as the media, schools, local government, community and business groups and government and non-government groups; and
- crime prevention project delivery, policy, research and evaluation.

## Average cost per hour for providing crime prevention and public order services <sup>(a)</sup>

2009-10	2010-11 <sup>(r)</sup>	2011-12	Target 2011-12
\$108	\$106	\$129	\$117

### Analysis

- In 2011-12, the average cost per hour for providing crime prevention and public order services (\$129) was higher than the previous year (\$106). This increase has been due to an increase in the cost of this service and the impact of CHOGM 2011.
- The average cost per hour in 2011-12 was also higher than the 2011-12 target of \$117. Therefore, the WA Police did not achieve the 2011-12 target.
- Data prior to 2009-10 are not comparable.

#### Notes:

(a) Calculated from internal police activity surveys.

(r) Revised figure from that shown in the previous Annual Report due to updated data sources.

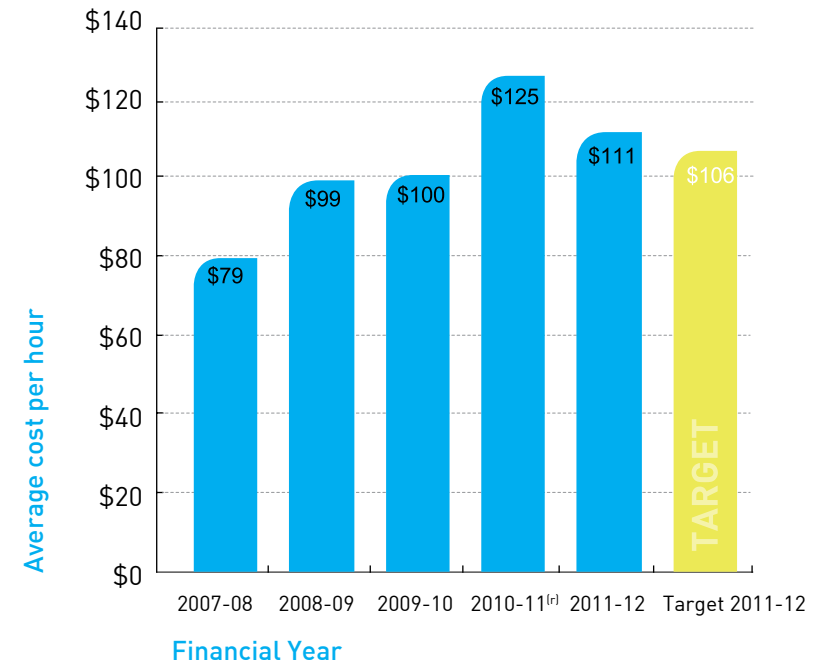


## Service 3: Community support (non-offence incidents)

Providing support to the community, which involves provision of general information over the telephone, counter or in person, responding to public inquiries, handling non-offence related matters and incidents to enhance the quality of life of all people in the community. Activities associated with this service include:

- assisting members of the community with personal issues such as restraint order enquiries;
- clarifying laws and witnessing official documents;
- compiling missing persons reports; and
- handling Crime Stoppers inquiries, etc.

## Average cost per hour for providing community support (non-offence incidents) services, 2007-08 to 2011-12 <sup>(a)</sup>



### Analysis

- The average cost per hour for providing community support (non-offence incidents) services decreased in 2011-12 compared with 2010-11. This decrease has been due to a decrease in the cost of this service.
- In 2011-12, the average cost per hour for providing community support (non-offence incidents) services (\$111) was higher than the 2011-12 target of \$106. Therefore, the WA Police did not achieve the 2011-12 target.

# Efficiency Indicators

## Percentage of 131444 calls for police assistance or attendance answered within 20 seconds <sup>(b)(c)(d)</sup>

	2010-11	2011-12	Target 2011-12
Percentage	76.5%	73.4%	85%
Number answered within 20 seconds	455,494	461,713	
Total number of calls answered	595,697	629,117	
Total number of calls presented	643,051	687,172	

### Analysis

- In 2011-12, the percentage of 131444 calls for police assistance or attendance answered within 20 seconds was 73.4 per cent. The WA Police did not achieve the 2011-12 target of 85 per cent.
- This performance reflects a 6.9 per cent (44,121) increase in 131444 call volumes from 643,051 in 2010-11 to 687,172 in 2011-12. Additionally, '000' emergency calls increased by 6.7 per cent (16,509) from 245,654 in 2010-11 to 262,163 in 2011-12. Triple Zero is always fully resourced to ensure appropriate support to the public for critical and life threatening events which in turn impacts on performance in non-urgent activity i.e. 131444, general calls and data entry capability.
- While most 000 emergency calls result in a need for police attendance, only a relatively small percentage of 131444 calls require police attendance.
- Data prior to 2010-11 are not comparable.

## Percentage of 131444 calls abandoned <sup>(b)(e)</sup>

	2010-11	2011-12	Target 2011-12
Percentage	7.4%	8.5%	< 5%
Number of calls abandoned	47,354	58,099	
Number of calls abandoned within 20 seconds	18,636	16,950	
Total number of calls presented	643,051	687,172	

### Analysis

- In 2011-12, 8.5 per cent of 131444 calls were abandoned by the caller before operators could answer them. The WA Police did not achieve the 2011-12 target of <5 per cent.
- This performance reflects a 6.9 per cent (44,121) increase in 131444 call volumes from 643,051 in 2010-11 to 687,172 in 2011-12. Additionally, '000' emergency calls increased by 6.7 per cent (16,509) from 245,654 in 2010-11 to 262,163 in 2011-12. Triple Zero is always fully resourced to ensure appropriate support to the public for critical and life threatening events which in turn impacts on performance in non-urgent activity i.e. 131444, general calls and data entry capability.
- Data prior to 2010-11 are not comparable.

#### Notes:

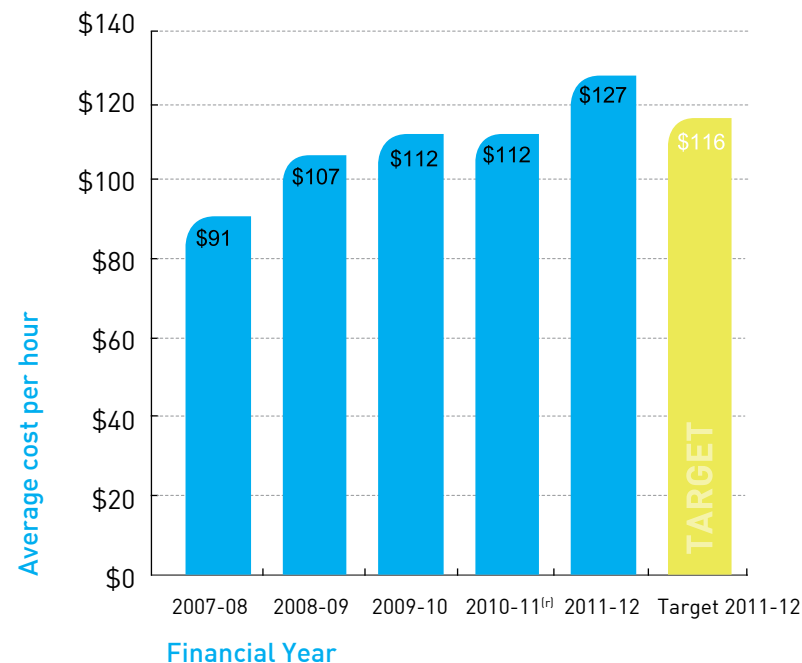
- (a) Calculated from internal police activity surveys.
- (b) Excludes calls from other government agencies or third party commercial service providers.
- (c) Based on the number of 131444 calls answered within 20 seconds as a percentage of the total number of 131444 calls answered.
- (d) The difference between the total number of calls presented and the total number of calls answered reflects the number of calls abandoned.
- (e) Based on the number of 131444 calls where the caller opts to abandon the call before operators can answer them as a percentage of the total number of 131444 calls presented. Calls are abandoned for a number of reasons including change of mind, wrong agency, recorded message, solved issue or changed situation.
- (r) Revised figure from that shown in the previous Annual Report due to updated data sources.

## Service 4: Emergency management and coordination

Responding in a timely and effective manner to a range of emergencies and disasters and to increase public safety and security. A key role of the agency is to plan, coordinate and provide support programs to ensure readiness for major emergencies and disasters including terrorist incidents, natural disasters, search and rescue. Activities associated with this service include:

- training officers and volunteers in emergency management and conducting training exercises involving other authorities;
- coordinating and controlling searches; and
- coordinating all combat authorities during major emergencies and disasters.

## Average cost per hour of emergency management and coordination, 2007-08 to 2011-12 <sup>(a)</sup>



### Analysis

- The average cost per hour for providing emergency management and coordination services has increased between 2007-8 and 2011-12. This increase has been generally due to an increase in the cost of this service such as employee expenses.
- In 2011-12, the average cost per hour of emergency management and coordination (\$127) was higher than the 2011-12 target of \$116. Therefore, the WA Police did not achieve the 2011-12 target.

#### Note:

(a) Calculated from internal police activity surveys.

(r) Revised figure from that shown in the previous Annual Report due to updated data sources.

# Efficiency Indicators

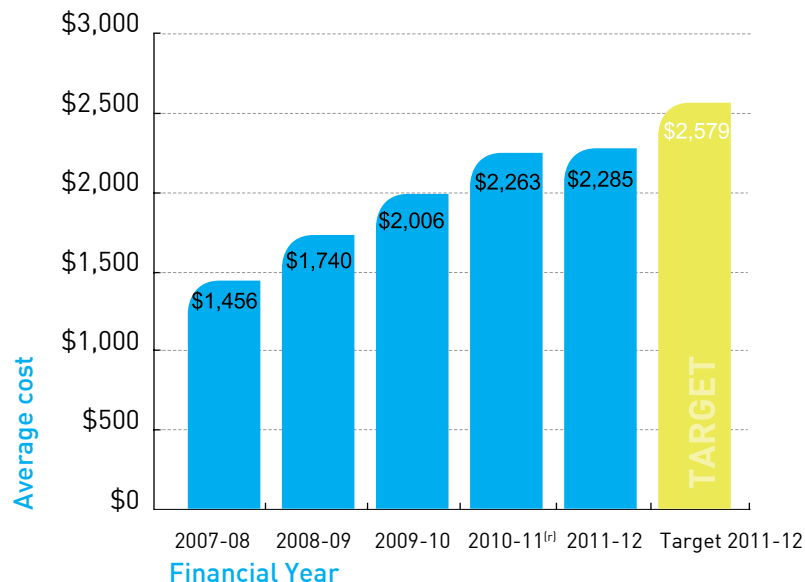
## OUTCOME 2: OFFENDERS APPREHENDED AND DEALT WITH IN ACCORDANCE WITH THE LAW

### Service 5: Response to and investigation of offences

Providing a timely response and effectively investigating offences to bring individuals who commit offences before the justice system. Activities associated with the response to and investigation of offences include:

- coordinating an initial response;
- gathering and securing evidence, collating and analysing intelligence;
- providing quality investigations, apprehending offenders; and
- preparing evidence and prosecution files and briefs.

### Average cost per response/investigation, 2007-08 to 2011-12 <sup>(a)</sup>



### Analysis

- The average cost per response/ investigation has increased between 2007-8 and 2011-12. This increase has been due to an increase in the cost of this service and the impact of CHOGM 2011.
- The average cost per hour in 2011-12 was lower than the 2011-12 target of \$2,579. Therefore, WA Police achieved the 2011-12 target.

### Percentage of emergency '000' calls for urgent police assistance or attendance answered within 20 seconds <sup>(b)(c)(e)</sup>

	2010-11	2011-12	Target 2011-12
Percentage	92.5%	91.9%	90%
Number answered within 20 seconds	225,875	240,143	
Total number of calls answered	244,315	261,280	
Total number of Telstra presented calls	245,654	262,163	

### Analysis

- The number of '000' emergency calls increased by 6.7 per cent (16,509) from 245,654 in 2010-11 to 262,163 in 2011-12.
- Despite the increase in '000' calls, the WA Police managed to exceed the 2011-12 target of 90 per cent. Triple Zero is always fully resourced to ensure appropriate support to the public for critical and life threatening events.
- Data prior to 2010-11 are not comparable.

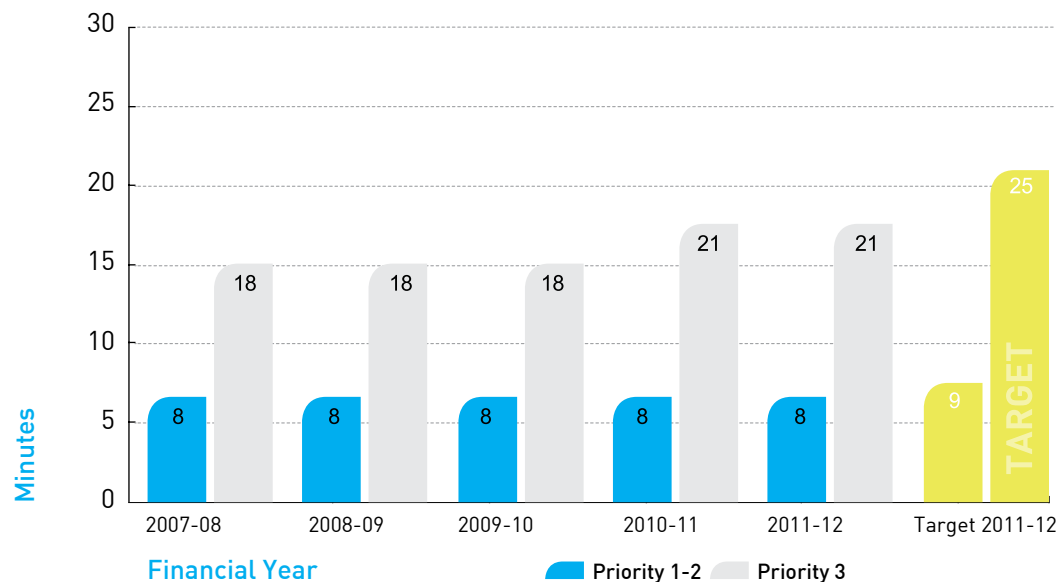
### Percentage of '000' emergency calls answered on first presentation <sup>(b)(d)(e)</sup>

	2010-11	2011-12	Target 2011-12
Percentage	95.5%	95.5%	>90%
Number of calls answered on first presentation	234,697	250,264	
Total number of calls answered	245,654	262,163	

### Analysis

- In 2011-12, the percentage of '000' emergency calls answered on first presentation was 95.5 per cent. This was the same as 2010-11 and higher than the target of >90 per cent. The WA Police therefore achieved the 2011-12 target.
- Data prior to 2010-11 are not comparable.

**Average time taken to respond to urgent calls for police assistance in the metropolitan area from call received (entered) to arrival at scene, 2007-08 to 2011-12 (f)(g)(h)(i)(j)(k)(l)**



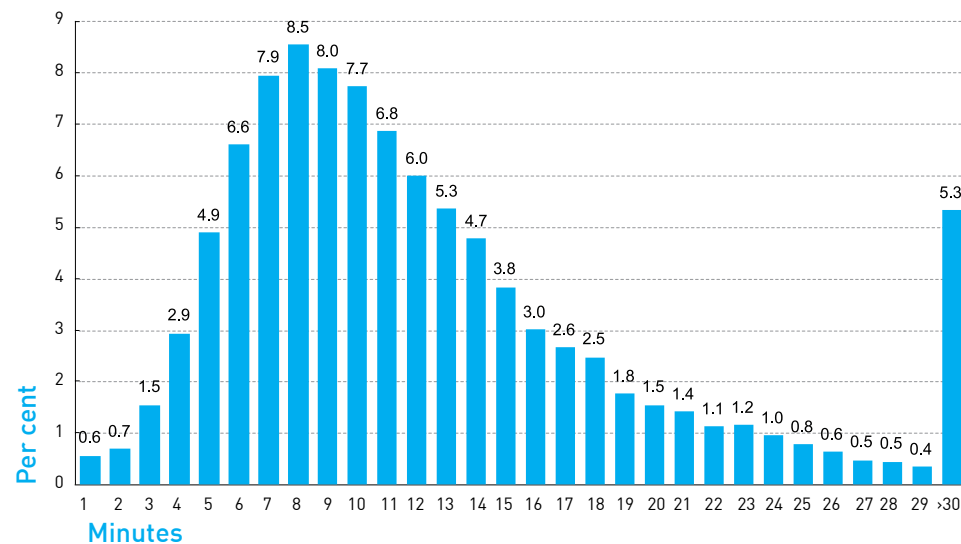
## Analysis

- The average time taken to respond to urgent calls for police assistance in the metropolitan area from call received (entered) to arrival at scene was 8 minutes for priority 1-2 calls and 21 minutes for priority 3 calls. The WA Police achieved the 2011-12 targets of 9 and 25 minutes for priority 1-2 and priority 3 calls, respectively.

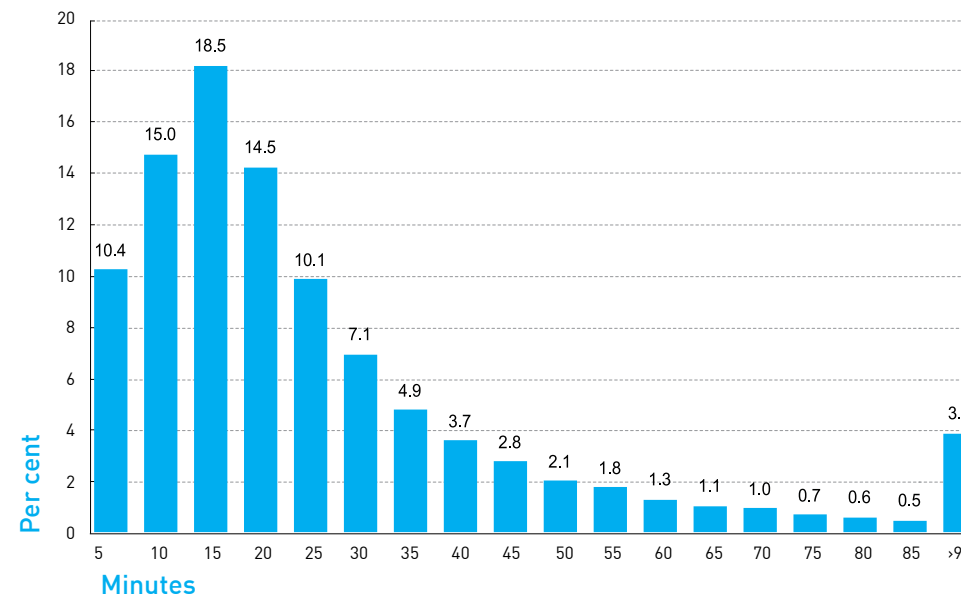
In 2011-12 there were:

- 8,641 priority 1-2 calls of which 42 per cent of were responded to within the target time of 9 minutes.
- 125,206 priority 3 calls of which 69 per cent were responded to within the target time of 25 minutes.
- 77,435 non urgent priority 4 calls of which 68 per cent were responded to within 60 minutes (non-KPI).

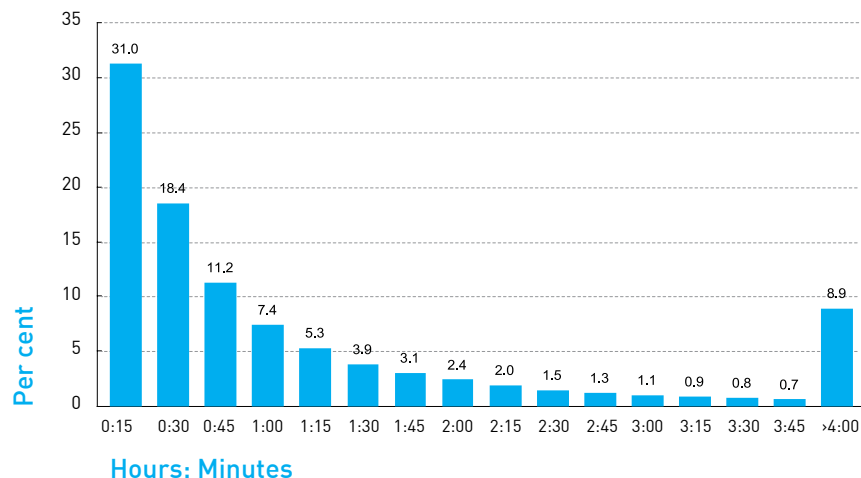
**Metropolitan Region - Percentage of Priority 1 and 2 Tasks by Response Time, 2011-12**



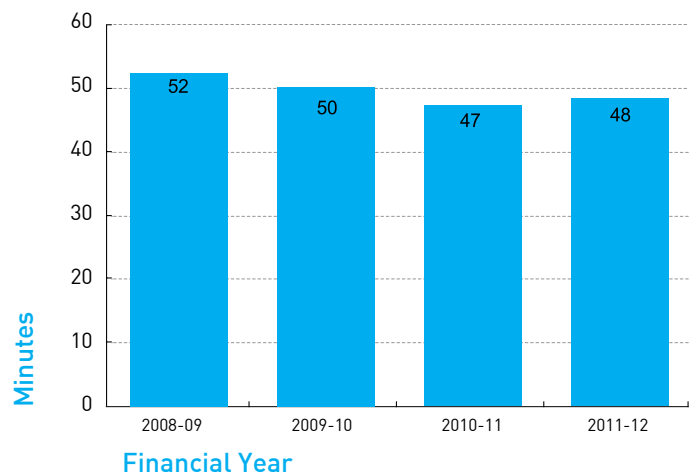
**Metropolitan Region - Percentage of Priority 3 Tasks by Response Time 2011-12**



## Metropolitan Region - Percentage of Non-Urgent Priority 4 Tasks by Response Time 2011-12



## Average time taken to respond to Non-Urgent (Priority 4) calls for police assistance in the metropolitan area from call received (entered) to arrival at scene, 2008-09 to 2011-12



### Notes:

- The number of responses/investigations is based on the total number of selected reported and detected offences excluding receiving/illegal use, fraud and graffiti offences.
- Excludes calls from other government agencies or third party commercial service providers.
- Based on the number of emergency '000' calls answered within 20 seconds on their first presentation by Telstra as a percentage of the total number of 000 calls answered on their first or subsequent presentations.
- Based on the number of emergency '000' calls answered on their first presentation by Telstra as a percentage of the total number of 000 calls answered on their first or subsequent presentations.
- The difference between the total number of '000' calls presented and the total number of '000' calls answered reflects the number of calls abandoned by the caller or made to '000' in error.
- Urgent calls for police assistance are defined as priority 1, 2 and 3 incidents.
- Priority 1 tasks cover offences such as: an armed hold-up in progress; armed offender incident in progress; and other life-threatening incidents. Priority 2 tasks cover incidents where life or property is, or may be, in a state of threat or imminent danger. Due to the extremely small number of priority 1 incidents (which are statistically insignificant), these are included with priority 2 incidents to calculate a combined response time.
- Priority 3 tasks cover incidents requiring immediate attention, but are not life-threatening at that time. Priority 3 incidents may involve the welfare of a person, the possible apprehension of offenders or the preservation of evidence. This requires the dispatch of the first available local/district or other resource.
- EXCEPTIONS. In order to provide an accurate indication of response times, the following types of incidents have been excluded from calculations as they do not contribute to measuring service delivery and/or have the potential to skew results: Scheduled Events – are incidents created for attendance at a later time or date (e.g. Royal Flying Doctor Service escorts); Field Initiated Incidents (e.g. pursuits or any incident created directly by a unit from their TADIS device) – are deemed 'arrived' at the time of initiating the CAD incident; Change of Incident Response Priority – where incidents are subject to a priority upgrade (e.g. priority 4 to priority 2), the applicable response target time becomes that of the new priority group, however the target response time for that priority may already have expired; Incidents with no recorded 'At Scene' time – due to a number of circumstances these do not have an 'At Scene' time recorded; and Incidents where there is no police attendance – matter dealt with other than by police physically attending the location.
- The response time has been formulated from the time the incident was initiated in the CAD system to arrival of the first resource at the scene. The response times of other resources that may also attend the same incident are excluded.
- The paramount considerations in responding to all incidents are the safety of the community and police officers, and the quality of the response. Response times are therefore considered to be indicative and only one aspect of police performance when responding to incidents. Response times are affected by many factors including the number of available police, existing job demands and priorities, road and weather conditions.
- Population growth and the development of new housing estates in the metropolitan area have a significant impact on existing policing districts. Several of the metropolitan districts have police sub-districts that are situated on the periphery of the metropolitan area. Whilst patrolling of these outlying sub-districts is contained within a district's service delivery model, it is not necessarily true that an operational unit will be in the area when a high priority task arises. It is reasonable to assume that responding to priority 1, 2 or 3 tasks in these marginal metropolitan areas may experience delays beyond the target response times.
- Revised figure from that shown in the previous Annual Report due to updated data sources.

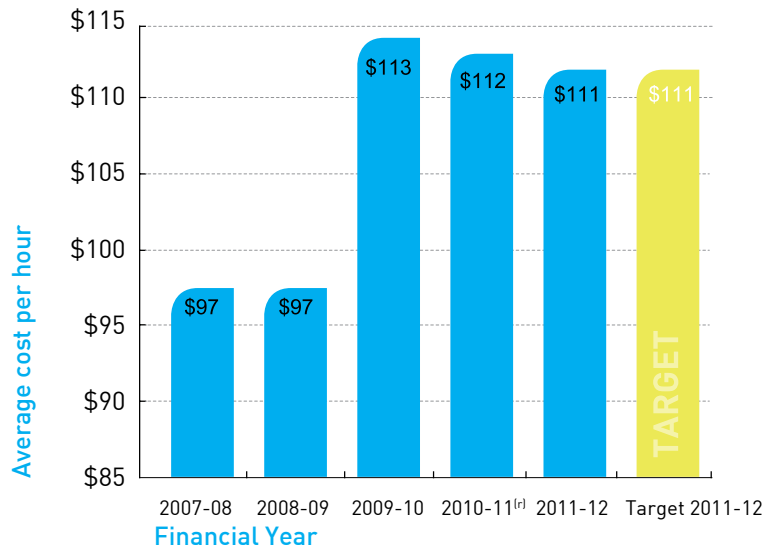
# Efficiency Indicators

## Service 6: Services to the judicial process

Providing effective services to the judicial process is essential in bringing offenders before the criminal justice system. The successful prosecution of offenders is dependent upon the quality of investigations and the standard and presentation of evidence to courts. Activities associated with this service include:

- presenting evidence, brief handling, prosecution role, justice systems processes;
- providing custodial services;
- monitoring the quality of and timeliness of brief presentation to the relevant court; and
- providing custodial care of prisoners, administering bail and reporting processes and providing all types of escorts.

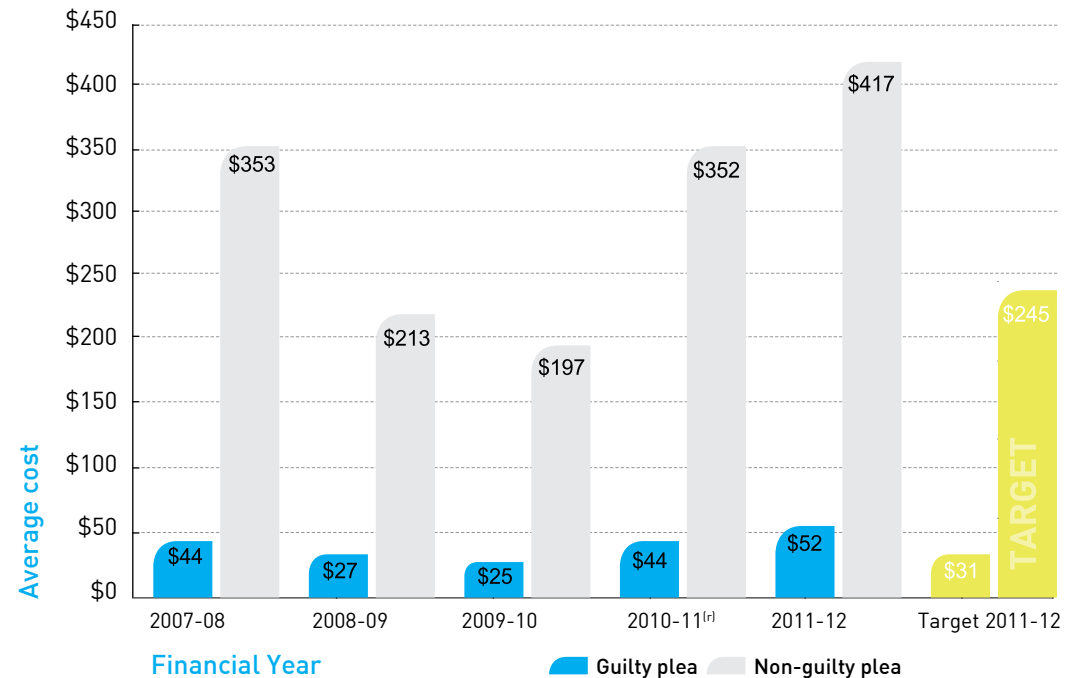
### Average cost per hour of services to the judicial process, 2007-08 to 2011-12 <sup>(a)</sup>



### Analysis

- In 2011-12, the average cost per hour of services to the judicial process (\$111) was lower than the previous year (\$112) and the same as the 2011-12 target. Therefore, WA Police achieved the 2011-12 target.

### Average cost per guilty plea and non-guilty plea, 2007-08 to 2011-12 <sup>(a)(b)</sup>



### Analysis

- In 2011-12, the average cost per guilty plea (\$52) and non-guilty plea (\$417) were both higher than the 2011-12 targets of \$31 and \$245, respectively. Therefore, WA Police did not achieve the 2011-12 targets. While costs relating to the prosecution role have remained relatively stable in 2011-12, the volume of matters placed before the Magistrates Court has decreased resulting in a higher cost per matter. This reduction is attributed to the issuing of move on notices by police and legislative changes.

#### Notes:

- (a) Calculated from internal police activity surveys.
- (b) Relates to matters (charges) that have been placed before the Magistrates Court and Children's Court throughout the State by the WA Police. The data may also include a small number of matters placed before the Keeling Islands (Christmas and Cocos Island) Court by the Australian Federal Police. Criminal matters placed before the District and Supreme Courts are not included.
- (r) Revised figure from that shown in the previous Annual Report due to updated data sources.

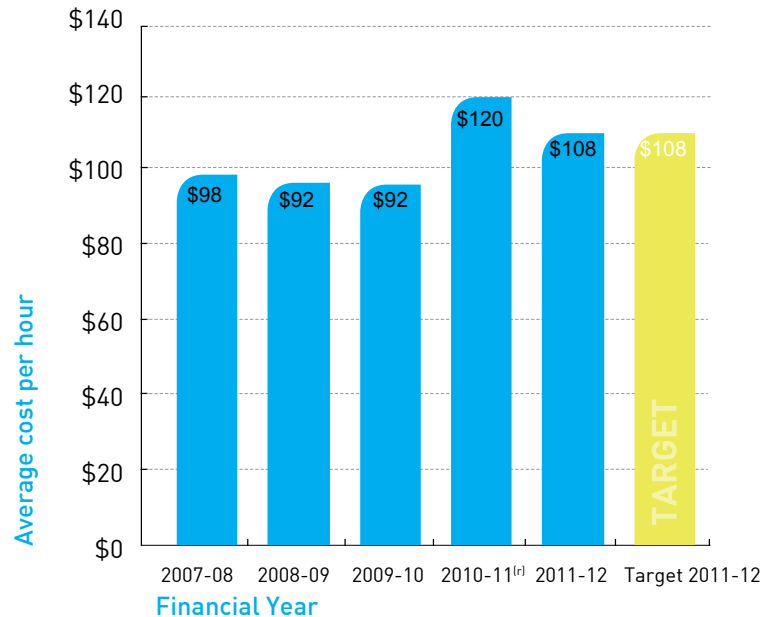
## OUTCOME 3: LAWFUL ROAD-USER BEHAVIOUR

### Service 7: Traffic law enforcement and management

Traffic law enforcement and management strategies contribute to the whole-of-government initiative of improving road user behaviour and minimising road fatalities and injuries. The achievement of this outcome is dependent on the integrated approach to road safety involving partnerships with other government agencies and stakeholders. The strategies that assist in targeting behaviours identified as major contributors to road fatalities include:

- deterring and detecting alcohol and drug-related driving offences;
- conducting stationary speed operations involving speed cameras and hand-held radar and laser units;
- conducting targeted traffic law enforcement operations such as random breath tests;
- attending road crashes and conducting investigations and follow-up inquiries; and
- providing community education and raising awareness on road safety issues.

#### Average cost per hour of traffic law enforcement and management, 2007-08 to 2011-12 <sup>(a)</sup>



### Analysis

- The average cost per hour for providing traffic law enforcement and management services decreased in 2011-12. This has been due to both an increase in hours and a decrease in the cost of this service.
- In 2011-12, the average cost per hour of traffic law enforcement and management (\$108) was the same as the 2011-12 target. Therefore, the WA Police achieved the 2011-12 target.

#### Notes:

(a) Calculated from internal police activity surveys.

(r) Revised figure from that shown in the previous Annual Report due to updated data sources.

#### Sources:

Total cost of Service from Schedule of Income and Expenses by Services for the years ending 30 June 2011 and 30 June 2012, respectively.

Operational hours are obtained from the Resource Management Information System and are distributed according to percentages from WA Police Activity Surveys.

WA Police, Communications Division, Computer Aided Dispatch (CAD) system. This system is used for creating and managing tasks for police attendance.

Department of the Attorney General (Magistrates Court), CHIPS (Criminal) information system. This is a computerised case management system in which Magistrates Court and Children's Court matters are recorded.