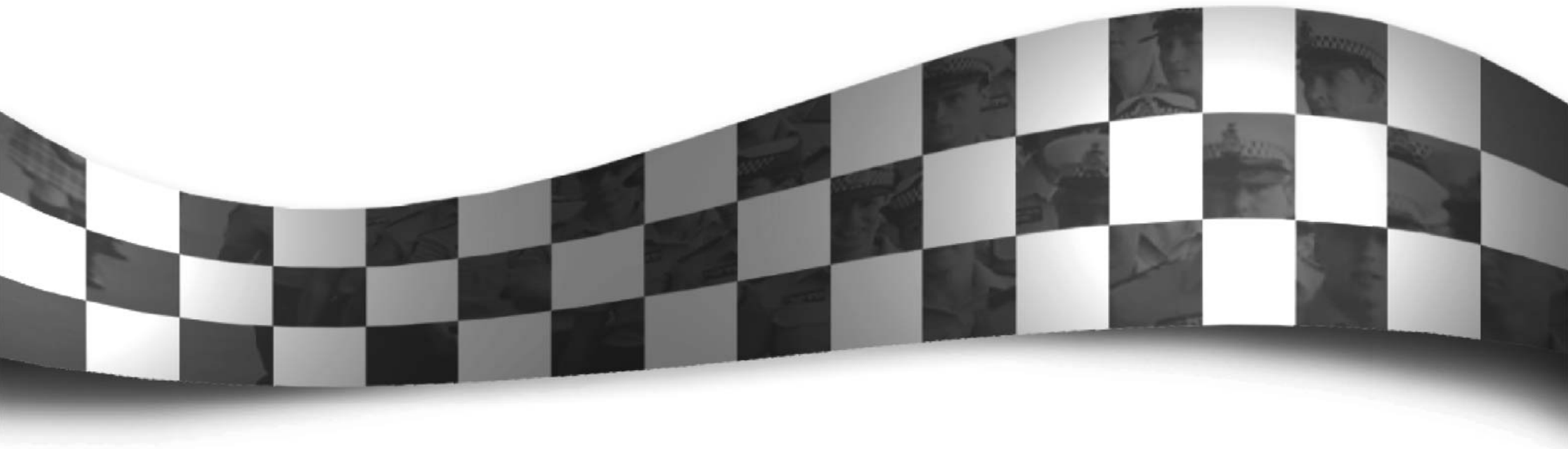




# ANNUAL REPORT 2015





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# STATEMENT OF COMPLIANCE

FOR YEAR ENDED 30 JUNE 2015

HON. LIZA HARVEY MLA

Minister for Police; Road Safety; Training and Workforce Development; Women's Interests

In accordance with Section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the Annual Report of the Western Australia Police Service for the financial year ended 30 June 2015.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

KARL J O'CALLAGHAN APM  
Commissioner of Police

24 September 2015

## CONTACTS

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# OVERVIEW OF THE AGENCY

During 2014-15, WA Police continued the process of transformation through the Frontline 2020 Reform Program to create sustainable and effective service delivery able to face the challenges of the future. Additionally, the agency implemented initiatives to address issues that are causing concern for the community.

## Reform Program

- All business areas have now been audited through a Service Definition and Resource Model (SDRM) process to define all internal and external services, their value and true cost. The SDRM process was split into three distinct phases.
  - Phase One commenced in August 2013 and involved Corporate and Business Support Services
  - Phase Two examined Specialist and Operational Support service areas and commenced in March 2014
  - Phase Three, examining frontline police areas, and was completed in May 2015.

This process was essential in validating the activities and services being resourced were those which are of most benefit to the community

- The new Metropolitan Policing Model was fully implemented in December 2014, with the creation of four larger police districts. A key feature of the model is the separation of local policing from response policing. The large dedicated response teams now work demand-matched rosters, while smaller local policing teams are dedicated to specific suburbs. Being largely released from the demands of response work, local policing teams can instead focus on identifying and solving the local issues driving demand and develop closer community connection.
- Commencing in March 2014, the Workforce Optimisation Project reviews the work practices, remuneration and conditions of service of police officers and staff. It aims to make recommendations that enable the agency to better manage its resources and to serve the community more cost effectively. The review is being conducted in two stages, with the priority focus being operational availability and deployability of police officers.

The Corporate Board considered the recommendations of the first stage of the review and an implementation plan in April 2015.

- The Evidence-Based Policing Project (EBPP) was established in January 2015. The objective of the EBPP is to reduce demand on policing services by undertaking and analysing research projects to identify, implement and evaluate policing strategies in order to understand what works, what doesn't work and what is promising. Evidence-based policing represents a new approach to the way the agency thinks about, plans and performs its functions.

## Illicit Drugs

- The WA Methylamphetamine (meth) Enforcement Action Plan has been developed to disrupt the supply of methylamphetamine to Western Australia (WA). Additionally, Operation Drone is a multi-agency operation to identify, target and dismantle organised crime syndicates that are attempting to import meth into WA.

## EXECUTIVE SUMMARY

### Counter Terrorism

- The need to strengthen WA Police counter terrorism capabilities has been driven by the changing face of terrorism and terrorist activities across the world.

WA Police is progressing an amendment to the *Emergency Management Regulations Act 2006* whereby conditions that may involve unconfirmed terrorist-like activity may be recognised as a hazard and so would be subject to the additional powers afforded by Part 6 of the *Emergency Management Act 2005*.

### Family and Domestic Violence

- WA Police is engaged at the national level with the Australia New Zealand Policing Advisory Agency (ANZPAA) and other jurisdictions to develop a national strategy for policing family violence, in addition to the ongoing practice of maximising opportunities to improve the service delivery among jurisdictions by sharing programs and successful strategies. Locally, WA Police continues to contribute to state plans and initiatives to provide a holistic response to family and domestic violence.

## ENABLING LEGISLATION

The Police Department was established under the provisions of the *Public Service Act 1904* on 16 December 1964.

Subsequently, on 1 July 1997 under the authority of sub-section 35(d) of the *Public Sector Management Act 1994* the name of the department was changed to the Police Service. The individual entities, the Police Service and the Western Australia Police Force established under the *Police Act 1892* combined, are known as the Western Australia Police.

## ADMINISTERED LEGISLATION

The WA Police administers the following legislation:

*Australian Crime Commission (Western Australia) Act 2004*

*Criminal and Found Property Disposal Act 2006*

*Criminal Investigation (Covert Powers) Act 2012*

*Firearms Act 1973*

*Misuse of Drugs Act 1981*

*Police Act 1892*

*Police (Medical and Other Expenses for Former Officers) Act 2008*

*Public Order in Streets Act 1984*

*Spear-guns Control Act 1955*

*Telecommunications (Interception and Access) Western Australia Act 1996*

*Terrorism (Preventative Detention) Act 2006*

*Witness Protection (Western Australia) Act 1996*

*Community Protection (Offender Reporting) Act 2004*

*Criminal Investigation Act 2006*

*Criminal Investigation (Identifying People) Act 2002*

*Mandatory Testing (Infectious Diseases) Act 2014*

*Pawnbrokers and Second-hand Dealers Act 1994*

*Police Assistance Compensation Act 1964*

*Protective Custody Act 2000*

*Security and Related Activities (Control) Act 1996*

*Surveillance Devices Act 1998*

*Terrorism (Extraordinary Powers) Act 2005*

*Weapons Act 1999*

## RESPONSIBLE MINISTER

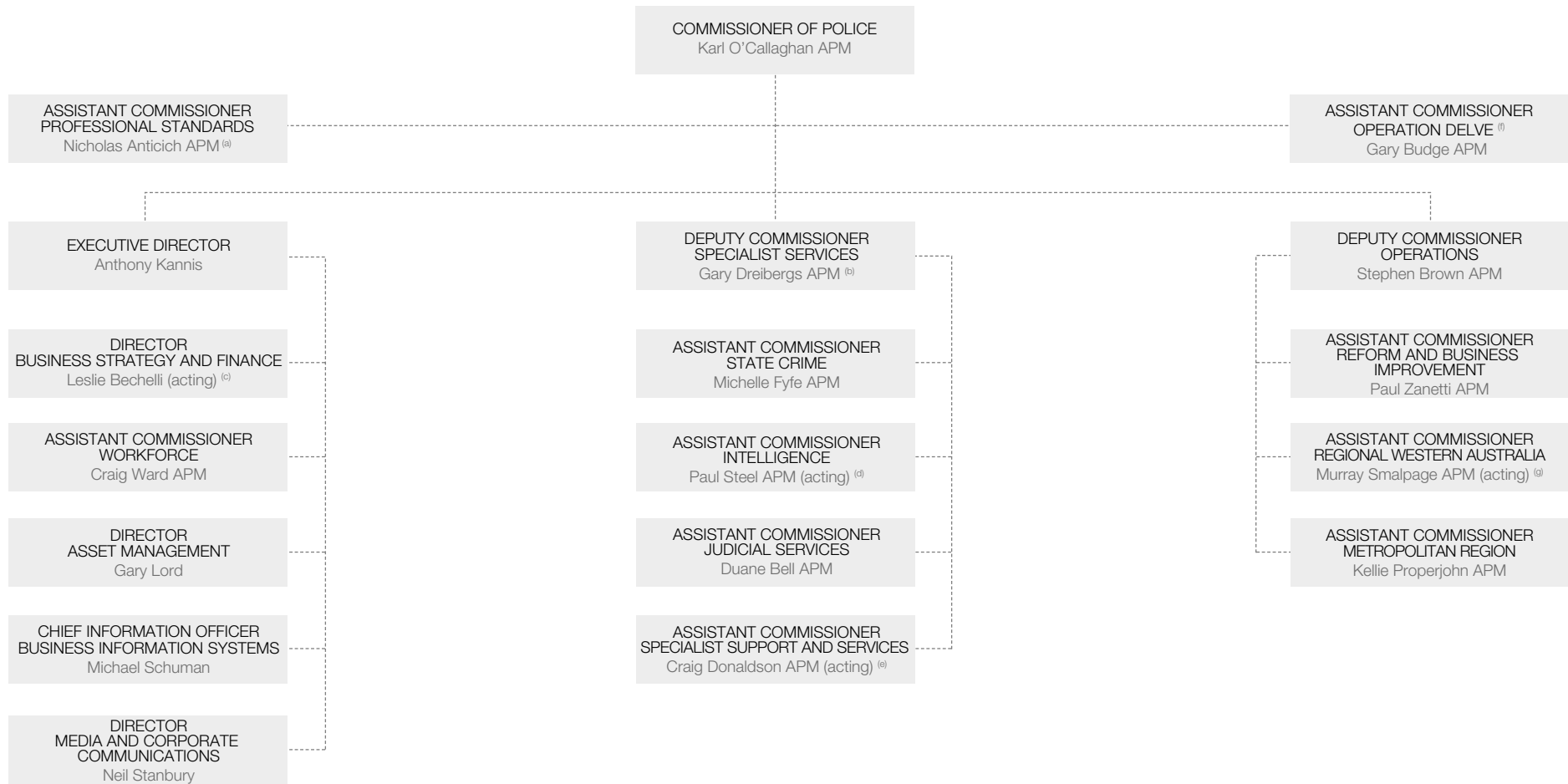
The Hon. Liza Harvey, MLA, Minister for Police; Road Safety; Training and Workforce Development; Women's Interests.

## MISSION

To enhance the quality of life and well-being of all people in Western Australia by contributing to making our State a safe and secure place.



# ORGANISATIONAL CHART



**Notes:**

- (a) Dominic Staltari retired as Assistant Commissioner in June 2015. Nicholas Anticich moved from Specialist and Support Services.
- (b) Michelle Fyfe acted as Deputy Commissioner (Specialist Services) from July 2014 to December 2014 when Gary Dreiberger was appointed.
- (c) Les Bechelli acted as Director since the new position was created in February 2015.
- (d) Paul Steel acted as Assistant Commissioner from December 2014 to present.
- (e) Craig Donaldson acted as Assistant Commissioner from 26 June 2015 to present.
- (f) Assistant Commissioner Operation Delve is a temporary position.
- (g) Murray Smalpage acted as Assistant Commissioner from April 2015 to present.



## OUTCOME BASED MANAGEMENT FRAMEWORK

Under the Western Australian Government's Outcome Based Management (OBM) Framework, the WA Police seeks to contribute to the Government's goal of 'Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians'.

### WA Police Link to Government Goal

Government Goal	What we sought to achieve	The services provided
Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians	<b>Outcome 1:</b> Contribute to community safety and security	<b>Service 1:</b> Metropolitan policing services <b>Service 2:</b> Regional and remote policing services <b>Service 3:</b> Specialist policing services

## CHANGES TO AGENCY OUTCOMES, SERVICES AND KEY PERFORMANCE INDICATORS

During 2013-14, the WA Police reviewed its OBM Framework. This was approved by the Minister for Police; Road Safety; Training and Workforce Development; Women's Interests and the Department of Treasury, and took effect from 2014-15.

## SHARED RESPONSIBILITIES WITH OTHER AGENCIES

WA Police did not share responsibility for the delivery of services with other agencies in 2014-15.



# AGENCY PERFORMANCE

## REFORM PROGRAM

WA Police continues the process of transformation through the Frontline 2020 Reform Program (commenced in 2013), creating sustainable and effective service delivery, able to face the challenges of the future. This is achieved by considering all aspects within the agency and systematically identifying the most efficient and effective way of delivering policing services to the community.

The Reform Program is being progressed through seven main streams. These include:

- Services
- Structure
- Production Cycle
- Processes
- Workforce Optimisation
- Corporate Governance
- Evidence Based Policing.

The process of reform and transformation is now embedded into normal business activity. It will continue to strive to deliver efficient and effective services in order to tackle crime and keep the community safe.

## Services

All WA Police business areas have been audited through a Service Definition and Resource Model (SDRM) process to define all internal and external services, their value, and true cost.

The SDRM process was split into three distinct phases. Phase One commenced in August 2013 and involved Corporate and Business Support Services. Through the process a number of opportunities for improved efficiency across these services were identified. Implementation plans were approved by the agency's Corporate Board in May 2014.

Phase Two examined Specialist and Operational Support service areas and commenced in March 2014. Implementation plans were considered by the Corporate Board at the end of November 2014 and were initiated in early 2015.

Phase Three, examining frontline police areas, was completed in May 2015. This process was essential in verifying that the activities and services being resourced are those of most benefit to the community. It was a priority of this phase to ensure that none of the outcomes from the SDRM process affected core frontline services.

## Structure

The new Metropolitan Policing Model was fully implemented in December 2014, with the creation of four larger police districts:

- Central Metropolitan
- South Metropolitan
- South East Metropolitan
- North West Metropolitan.

A key feature of the model is the separation of local policing from response policing. The large dedicated response teams now work demand-matched rosters, while smaller local policing teams are dedicated to specific suburbs. Being largely released from the demands of response work, local policing teams can instead focus on identifying and solving the local issues driving demand and develop closer community connection.

Each district has a District Control Centre which incorporates demand reduction officers. These officers actively assess requests for police assistance and attendance, seeking alternative ways to address the issue in preference to the physical attendance of a police officer. Options include, but are not limited to, resolution over the phone, referral to a more appropriate agency or

scheduling an appointment with a local policing team at a mutually convenient time for non-urgent matters.

To complement the new model, the WA Police State Control Centre (SCC) commenced operation in September 2014 with senior management monitoring demand on a 24/7 basis. This enables the agency to mitigate risk and move resources across districts as and when required.

The SCC has played a crucial role in a number of situations and in particular the coordination of resources to respond to emergencies such as bush fire and land search operations.

## Production Cycle

Production cycle refers to the major steps in the service delivery chain of core policing services, such as call handling, incident management, crime recording, investigation, custody and judicial processes. Business process analysis and re-engineering of these steps will be undertaken using efficiency and effectiveness principles at each stage of the process to deliver the optimal production cycle.

## Process

The agency continues to review its policy and processes seeking to identify inefficiencies and to develop innovative alternatives and solutions. As part of this stream the internal web-based Frontline Innovation Portal (FIP) was implemented in May 2013, with the aim of generating innovative solutions from WA Police personnel to improve efficiency across the agency. Since implementation, 4,666 WA Police personnel have subscribed to the FIP and 1,616 ideas have been submitted from users.

Some of the initiatives the agency is currently reviewing and progressing include:

- Electronic witness interviews – potential for responding officers to obtain witness details and observations in audio format as opposed to current hand-written format
- Conduct money – in conjunction with the Department of Transport and the Department of the Attorney General, exploring an alternative to the requirement to physically pay cash to people who serve as witnesses in court

- Violence Restraining Order summons – utilising legislation to permit the serving of summons through Registered Post. This has the potential to save around 24,000 frontline hours each year
- Identifying particulars – assessing options, including legislative amendment, to provide WA Police the capacity to issue a notice to attend a police station to provide identifying particulars
- Daily Traffic Returns – opportunity to provide frontline officers with the capacity to download random breath testing data directly onto the WA Police database removing the requirement for a hand-written running sheet to capture information.

## Workforce Optimisation

Commencing in March 2014, the Workforce Optimisation Project reviews the work practices, remuneration and conditions of service of police officers and staff. It aims to make recommendations that will enable WA Police to better manage its resources and to serve the community more cost effectively. This complex review is being conducted in two stages, with the priority focus being operational availability and deployability of police officers. WA Police engaged an independent assessor to lead the review.

The first stage of the review focussed on the following subject areas:

- Management of non-operational workers
- Fitness to serve
- Injury management system for work-related injuries, including a system of workers compensation
- Sick leave provisions
- Medical retirements
- Retirement age.

The Corporate Board considered the recommendations of the review and the implementation plan in April 2015. It also considered the scope and approach to the second phase of the review, which will focus on workforce flexibility and responsiveness as well as value for money.

## Corporate Governance

A key component of the reform program has been the establishment of a more formalised governance structure. Five governance committees have been established under the WA Police's Corporate Board (Assets, Communications, Information, Workforce and

Operations) to support corporate decision-making and project implementation. This is being supported by a Project Coordination Office to maintain a required standard approach for new and existing initiatives and to assist with program delivery.

The corporate governance structure also includes a Value Management Office under the Business Strategy and Finance Portfolio. The office provides an internal independent cost and benefit assessment for all corporate initiatives prior to assessment by the committees or Corporate Board. This rigor ensures that the Corporate Board is able to make informed and evidence-based decisions, govern progress and realise benefits.

## Evidence-Based Policing

In August 2014, the Corporate Board endorsed the establishment of a seventh stream of reform: Evidence-Based Police Practice. Subsequently, the Evidence-Based Policing Project (EBPP) was established in January 2015. The objective of the EBPP is to reduce demand on policing services by undertaking and analysing research projects to identify, implement and evaluate policing strategies in order to understand what works, what doesn't work and what is promising.

Evidence-based policing represents a new approach to the way the agency thinks about, plans and performs its functions.

Operation Turning Point will be one of the first initiatives trialled under the EBPP. The program offers deferred prosecution to suitable first-time offenders who have committed low-level offences. The aim is to divert them from the judicial system by signing them to small, achievable behavioural agreements. Behavioural agreements will consist of actions aimed at addressing the root causes of the offender's behaviour, for example, alcohol or drug dependency, unemployment or financial mismanagement. Offenders will be encouraged to commit to treatments/courses run by external service providers.

This operation acknowledges that a significant proportion of first-time offenders who come into contact with WA Police do not re-offend, and therefore prosecution may not be an efficient or effective way of treating these individuals. Additionally, research shows that once a conviction has been recorded against an offender, the threat of incurring further convictions becomes a far less effective deterrent to offending.

The Operation will be trialled for 12 months in the South East Metropolitan District and Broome from July 2015. The results of these trials will increase understanding around effective diversion of first-time offenders.

## CORPORATE SERVICES TRANSFORMATION

The Corporate Services Transformation Project was established in July 2014 to develop a corporate services model that provides optimal delivery of human resource, asset and finance functions across the agency.

The Project aimed to provide:

- Consistent customer-focused delivery of corporate services across the agency
- Support for frontline policing services
- Opportunities for career development and pathways through training, education and acting opportunities.

Subsequently, the Corporate Services model was developed based on the following principles:

- Centralisation - including the centralisation of specialist (human resource, finance, assets) and senior administrative staff

- Standardisation - standardised corporate service functions, reporting processes and systems across the agency through a coordinated approach
- Flexibility - deploying centrally controlled resources based on evidence of need, with the ability to rotate staff
- Staff development - providing staff with professional development opportunities, broadening skill sets and developing career paths.

In February 2015, the Corporate Board approved the implementation of the corporate services model. This will involve an organisational restructure, with staff being realigned to match demand across corporate service portfolios.

The implementation of the corporate services model will allow police officers to be released from undertaking corporate service activities and be redeployed to frontline duties.

## ILLICIT DRUGS

Methylamphetamine (meth) use has a significant impact on the community and places increased demand on WA Police resources due to it being a significant driver of further criminality. Consequently, co-ordinated strategies utilising

interagency partnerships and improved internal processes are essential for effective targeting of meth use across WA.

In 2014, WA Police seized 52 kilograms of meth, with 41.4 kilograms from the metropolitan area and the remaining 10.6 kilograms from Regional WA. A significant amount of meth is imported into WA from overseas directly, or indirectly through other states. The majority of illicit drugs are entering Australia through international post/parcel delivery services, with 90 per cent of seizures detected through this means in WA.

The WA Meth Enforcement Action Plan has been developed to disrupt the supply of meth into the state. Other initiatives include:

- Operation Drone - a multi-agency operation to identify, target and dismantle organised crime syndicates that are attempting to import meth into WA
- The Illicit Drug Manufacturing Investigation Unit identifies and dismantles improvised drug manufacturing sites (IDMS) by targeting pseudoephedrine shoppers, IDMS cooks and the illegal importation of IDMS glassware.

## FAMILY AND DOMESTIC VIOLENCE

Family and domestic violence profoundly affects individuals and families across the state. WA Police continues to work collaboratively with government and non-government organisations to minimise the impacts of family violence on our community.

WA Police is engaged at the national level with the Australia New Zealand Policing Advisory Agency (ANZPAA) and other jurisdictions to develop a national strategy for policing family violence. In addition, WA Police maximises opportunities by working closely with other police jurisdictions to share information on successful programs and strategies. Future plans include the development of legislation to support the national recognition of family violence orders across Australia (currently in the development phase by the Council of Australian Governments).

Locally, WA Police continues to contribute to state plans and initiatives to provide a holistic response to family and domestic violence including:

- Participation in the government and non-government represented Domestic Violence Senior Officers Group
- Engagement in the investigation into family violence fatalities being undertaken by the Ombudsman WA.

In addition, relevant information from every family and domestic violence-related reported incidents is shared directly with the Department of Child Protection and Family Support and a non-government coordinated response service. WA Police, together with representatives from these two agencies, form the district-based Family and Domestic Violence Response Team. This multi-agency team triage the reports and provide post incident support to victims and their families.

WA Police has also developed a mobile telephone based duress alarm, which is provided to those families and individuals that the Family and Domestic Violence Response Team identify are at risk.

Additionally in 2014-2015, work commenced on a Perpetrator Engagement Pilot Project; a joint initiative with the WA Men's Domestic Violence Helpline, facilitated by Crisis Care. The purpose of this project is to increase accountability and the level of engagement with support services by men who are perpetrating family violence.

# SUMMARY OF RESULTS AGAINST FINANCIAL TARGETS

## ACTUAL RESULTS VERSUS BUDGET TARGETS

Requirement under *Treasurer's Instruction 808 s4*

	2014-15 Target \$'000	2014-15 Actual \$'000	Variation \$'000
<b>Total cost of services</b>	1,343,493	1,273,852	(69,641)
The variance represents a 5.2% decrease on the total cost of service target			
The decrease represents the net impact of various policy decisions, parameter changes and general cost escalation, offset by efforts to meet expenditure savings targets in light of Government savings initiatives			
<b>Net cost of services</b>	1,296,430 <sup>(a)</sup>	1,226,562	(69,868)
The variance represents a 5.4% decrease on the net cost of service target			
The variance is mainly attributable to the flow on impact of the decreased Total Cost of Service			
<b>Total equity</b>	1,220,168	1,275,133	54,965
The variation is mainly due to an increase in asset revaluation for land and buildings, decrease in contributed equity and increase in accumulated surplus/deficit			
<b>Net increase / (decrease) in cash held</b>	(10,101)	17,987	28,088
The variance is mainly attributable to repositioning of capital projects into future years, and reduced payments in light of Government savings initiatives			
<b>Approved full-time equivalent (FTE) staff level <sup>(b)</sup></b>	8,095	7,961	(134)
The variance is mainly attributable to restructuring of police staff to meet government efficiency measures.			

**Notes:**

(a) State Grants income is reflected as Income from State Government and is therefore not included in net cost of services. The net cost of services target of \$1,296,430,000 equals the 2014-15 Budget of \$1,280,059,000 adjusted to exclude State Grants revenue of \$16,371,000.

(b) FTE staff level for 2014-15 Target/Actual includes Traffic Wardens. These figures are based on the projected and actual average of the quarterly reports made under the Human Resource Minimum Obligatory Information Requirements report to Government.



# SUMMARY OF RESULTS AGAINST PERFORMANCE TARGETS

Requirement under Treasurer's Instruction 808 s4

## Key Effectiveness Indicators <sup>(a)</sup>

	2014-15 Target <sup>(b)</sup>	2014-15 Actual	Variation <sup>(c)</sup>
<b>Outcome 1: Contribute to community safety and security</b>			
Rate of offences against the person (excluding domestic violence incidents) per 100,000 people	810	741.4	(68.6)
Rate of offences against property per 100,000 people	6,200	6,509.9	309.9
Percentage of sworn police officer hours available for frontline policing duties	75%	72.9%	(2.1%)
Percentage of priority 1 & 2 incidents in the metropolitan area responded to within 12 minutes	80%	69.5%	(10.5%)
Percentage of priority 3 incidents in the metropolitan area responded to within 60 minutes	80%	84.8%	4.8%
Percentage of family and domestic-related incidents where an offender was processed for an offence against the person within 7 days	75%	71.6%	(3.4%)
Percentage of offences against the person investigations finalised within 60 days	85%	85.2%	0.2%
Percentage of offences against property investigations finalised within 30 days	90%	90.2%	0.2%
Percentage of traffic law enforcement contacts made by police officers that target 'Category A' offences <sup>(d)</sup>	90%	97.1%	7.1%
Percentage of the community who were 'satisfied' or 'very satisfied' with the service received during their most recent contact with police	82%	82.0%	-
Percentage of the community who 'agreed' or 'strongly agreed' that they have confidence in police	85%	87.7%	2.7%

### Notes:

(a) The tables are a summary of the 2014-15 WA Police Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report.

(b) Targets as specified in the 2014-15 Budget Statements.

(c) Variations shown in brackets represent a decrease in the actual figure compared with the target. Depending on the Key Performance Indicator, a decrease in the actual figure does not necessarily mean that the target has not been achieved. A variation between percentages should be interpreted as a percentage point change.

(d) 'Category A' offences include: driving under the influence of alcohol/drugs, careless/dangerous/reckless driving, non-speed camera speeding offences, no authority to drive/unlicensed vehicle, use of mobile phones whilst driving, and non-wearing of seatbelts/restraints/helmets.

# SUMMARY OF RESULTS AGAINST PERFORMANCE TARGETS

<b>Key Effectiveness Indicators <sup>(a)</sup></b>	<b>2014-15 Target <sup>(b)</sup></b>	<b>2014-15 Actual</b>	<b>Variation <sup>(c)</sup></b>
<b>Outcome 1: Contribute to community safety and security</b>			
<b>Service 1: Metropolitan policing services</b>			
Average cost of metropolitan policing services per person in the Perth metropolitan area	\$271	\$248	(\$23)
<b>Service 2: Regional and remote policing services</b>			
Average cost of regional and remote policing services per person in regional WA	\$638	\$695	\$57
<b>Service 3: Specialist policing services</b>			
Average cost of specialist policing services per person in WA	\$154	\$154	-

**Notes:**

(a) The tables are a summary of the 2014-15 WA Police Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report.

(b) Targets as specified in the 2014-15 Budget Statements.

(c) Variations shown in brackets represent a decrease in the actual figure compared with the target. Depending on the Key Performance Indicator, a decrease in the actual figure does not necessarily mean that the target has not been achieved. A variation between percentages should be interpreted as a percentage point change.

# SUMMARY OF VARIATION AGAINST PERFORMANCE TARGETS

## OUTCOME 1: CONTRIBUTE TO COMMUNITY SAFETY AND SECURITY

### Key Effectiveness Indicators

The target for the rate of offences against property per 100,000 people was not met.

The target for the percentage of sworn police officer hours available for frontline policing duties was not met. However, the percentage has increased since 2012-13.

The Frontline 2020 Reform Program has resulted in the redeployment of police officers to the frontline and has identified potential opportunities to release more police officers from non-frontline functions.

The target for the percentage of priority 1 and 2 incidents in the metropolitan area responded to within 12 minutes was not met. This was largely due to a state-wide increase in the number of incidents graded as priority 2. The increase in priority 2 incidents was mostly attributable to internal allocation practices, but also to a general increase in calls requiring an urgent response.

Changes to the Crash Management Policy in November 2013 also resulted in an increase in crashes attended as priority 2. This policy was revised in October 2014.

The target for the percentage of family and domestic-related incidents where an offender was processed for an offence against the person within 7 days was not met. However, the percentage has improved since 2013-14.

### Key Efficiency Indicators

The nature of policing is highly reactive and with demand for services changing each year, the average cost per person of providing policing services can vary significantly. Policing activities include keeping the peace, enforcing the law, preventing and detecting crime, apprehending offenders and emergency management. The average cost per person can be affected by such factors as employee pay rate movements and other cost increases, changes in work practices or streamlining of processes.

The target for the average cost of regional and remote policing services per person in regional WA was not met.

# SIGNIFICANT ISSUES IMPACTING THE AGENCY

## DEMAND FOR SERVICES

WA Police continues to address the challenges of providing quality policing services in an environment of increasing demand for services and population growth. The agency's Frontline 2020 Reform Program continues to transform both its structure and service delivery, including the ongoing implementation of a new police operating model and the adoption of evidence based policing, to effectively deal with these challenges.

Frontline 2020 adopts four key reform principles to assist and guide WA Police through this process. These are:

- Leaner across the agency – delivering value for money by applying lean principles across WA Police; optimising resources, balancing cost versus benefit and increasing effectiveness, efficiency, and productivity
- Greater control over policing activities – improving the ability to closely direct police effort where it is most needed and where it will have the greatest effect

- Elevated focus on demand reduction – reducing demand for internal and external services through problem solving, collaboration, proactive policing, diversion and prevention, as well as through developing innovative ways to manage interactions and provide services
- Priority of locally focussed policing – being more closely connected, engaged and accessible with local communities. An emphasis on problem solving and striving to do things that will make a positive difference in the community.

This multi-faceted approach will enable the agency to minimise the effect of demand increases on the frontline on an ongoing basis, as well as delivering quality core policing services to the community.

## ILLICIT DRUGS

Drug-related offending is a high priority for WA Police. It is a significant driver for other offending, which in turn has a negative impact on the wider community. Co-ordinated strategies utilising interagency partnerships and improved internal processes are essential for effective policing of this crime type.

Of the illicit drugs currently being used, methylamphetamine (meth) has a significant impact on the community, affecting health, wellbeing and leading to increased criminality. Meth is generally sourced from overseas as well as inter-state and enters WA through road, rail, air and post/parcel.

In response, the WA Meth Enforcement Action Plan has been developed to address and reduce the quantity of meth entering the State, through the following initiatives:

- A Meth Transport Team has been established to be deployed to key transport hubs, to conduct quality searches of vehicles, trucks, trains and aircraft entering WA (interstate)
- A multi-jurisdictional joint organised crime taskforce has been established to investigate and detect meth delivered through post/parcel services
- Teams comprising ACC and WA Police are investigating the transfer of money derived from meth, nationally and internationally
- Meth teams have been formed within the agency to target dealers in metropolitan and regional districts

- WA Police investigation and intelligence support is focussed on meth-related investigations into high priority offenders and provides intelligence, interpreter and disclosure services.

## ROAD POLICING

WA Police continues to focus its traffic enforcement effort on driver behaviour that contributes to fatal and serious crashes. Camera operations and enforcement activities continue to target recidivist offenders and hotspot locations, together with campaigns aimed at influencing and improving unsafe driver behaviours.

The agency has committed to focusing 90 per cent of its road traffic resources towards targeting Category A offences (alcohol/drugs, dangerous/reckless driving, speeding, unauthorised driving, and use of mobile phones whilst driving). These are the offences that contribute highly to fatal and serious crashes. Additionally, camera operation hours are being maximised and both red light camera breaches and recorded reckless driving offences are being identified for priority traffic enforcement investigation.

The WA Police Traffic Enforcement Command Model has a strong focus on enforcing the road rules in conjunction with other behavioural

campaigns, standardised enforcement responses and increasing intelligence led and evidence based road policing strategies.

The capability and capacity of traffic enforcement is being enhanced through an increase in regional and metropolitan mobile speed camera hours together with fixed camera sites on freeways and red light camera expansion. Greater concentration on recidivist offenders by way of covert cameras and mixed road policing enforcement activities are continuing. These strategies continue to be assessed for resource effectiveness and road trauma impact.

## COUNTER TERRORISM

The need to strengthen WA Police counter terrorism capabilities has been driven by the changing face of terrorism and terrorist activities across the world.

WA Police is progressing an amendment to the *Emergency Management Regulations Act 2006* whereby conditions that may involve unconfirmed terrorist-like activity may be recognised as a hazard and so would be subject to the additional powers afforded by Part 6 of the *Emergency Management Act 2005*.

Additionally, the agency is:

- Providing resources to support the National Counter-Terrorism Plan
- A member of the Australian New Zealand Counter Terrorism Committee
- Actively contributing to capabilities, cross jurisdictional training activities, committees, sub-committees and associated forums
- Developing a local intervention framework with the Department of the Premier and Cabinet for countering violent extremism that will connect to the national intervention model. It is expected a state-based intervention model will be operational in the next financial year for the purposes of detecting and disrupting the radicalisation of people within the community
- Focusing on increasing counter terrorism effort and security measures.

## SIGNIFICANT ISSUES IMPACTING THE AGENCY

### WORKFORCE OPTIMISATION

A significant issue for WA Police is the management of police officers that have become non-operational due to illness or injury. This in turn affects police officer availability and deployment. The continuation of the Workforce Optimisation Project will review the workforce management practices, remuneration and conditions of service of police employees to enable the agency to increase frontline capacity to better serve the community.

The non-operational workforce is defined as officers who are either temporarily or permanently unable to perform the full duties of a police officer. This could be due to either work, or non-work, related physical or psychological illness/injury.

It is expected that WA Police will identify and implement a range of continuous improvement strategies and significant change initiatives which may include industrial, workforce management and process changes. These will enable greater flexibility to develop an agile, sustainable and cost effective workforce that will build frontline capacity and meet current and future frontline core policing service demands.

### WORKFORCE STRUCTURE

Workforce planning, attraction, retention, diversity and structure continue to be significant challenges faced by WA Police. An adaptive workforce mix will provide the agency with the opportunity for tasks to be more efficiently undertaken, whilst enabling an increased frontline capacity.

A diverse workforce is critical to ensure that WA Police employees represent the community they serve. To that end, the newly created recruitment advertising campaign and Step Forward website were designed to target various diversity groups.

Another initiative to increase Indigenous representation is the introduction of Aboriginal Community Relations Officer positions under the police auxiliary program in Broome and Kununurra. This program has also been extended to the Cadet Program to increase Indigenous youth employment representation.

The WA Police workforce planning process facilitates the delivery of workforce change arising from reform and contributes to optimising the capacity of the workforce. The workforce plan defines specific actions and outcomes relating to reform implementation, attraction and diversity, as well as engagement, development and leadership.

### TECHNOLOGY

There is an opportunity in the contemporary environment for WA Police to provide a more agile, mobile and responsive service to the community. The agency is investigating new and emerging technologies to allow officers off-site access to essential policing systems. This will enable the sharing of vital information in a timely manner, whilst allowing police officers to be more connected to the community.

WA Police is implementing a number of projects to support better efficiency, quality of information and interaction between stakeholders. Furthermore, information, communications and technology projects are becoming more innovative allowing police officers access to essential information in real time to maximise officer safety and efficiencies through the use of mobile technology.

Over the next three years WA Police is reviewing many of its commodity services to potentially move to externally managed service agreements. This will enable the agency to shift its view of Information Technology from the legacy of providing internal services to sourcing external services.

## ACCOMMODATION

Maintaining and improving police assets and infrastructure throughout metropolitan and regional WA to accommodate the new police operating model is a significant challenge. Refurbishing and reconfiguring police building assets and infrastructure are current priorities for WA Police.

As outlined in the Value for Money Recommendations (2011) and supported by the Department of Treasury, WA Police commissioned a review of its facilities to capture the overall condition and suitability of its accommodation portfolio. To generate this information WA Police undertook a state-wide police asset survey.

Based on the findings of this survey it was determined that capital investment is needed to allow for advances in modern policing and for the reinvigoration of condition, capacity and capability within both owned and leased buildings.

The survey also provided the agency with a 10-year program that outlines what is required to upgrade accommodation to a fit for purpose standard.

Evidence based accommodation requirements and utilisation and rationalisation of equipment and services, will enable optimisation of the asset portfolio and achievement of efficiencies. These changes will assist WA Police meeting its service delivery objectives efficiently and effectively by appropriately maximising the service potential of existing assets, as well as a rationalisation process to eliminate the unnecessary acquisition and holding of assets.

# DISCLOSURES AND LEGAL COMPLIANCE





**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 2015, 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 2015 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.

# INDEPENDENT AUDITOR'S OPINION

## Report on Controls

I have audited the controls exercised by the Police Service during the year ended 30 June 2015.

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.

### *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 2015.

## Report on the Key Performance Indicators

I have audited the key performance indicators of the Police Service for the year ended 30 June 2015.

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 2015.

### **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 2015

included on the Police Service's website. The Police Service's management is 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  
31 August 2015





## POLICE SERVICE

# CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 2015 and the financial position as at 30 June 2015.

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



KARL J O'CALLAGHAN APM  
Commissioner of Police



SANTA CARDENIA  
Acting Chief Finance Officer

27 August 2015

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee expenses	6	959,016	939,535
Supplies and services	7	194,767	188,391
Depreciation and amortisation expense	8	50,345	51,131
Accommodation expenses	9	54,385	54,748
Grants, subsidies and transfer payments	10	4,377	3,611
Loss on disposal of non-current assets	16(b)	91	17
Other expenses	11	10,872	8,709
<b>Total cost of services</b>		<b>1,273,853</b>	<b>1,246,142</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	12	33,331	32,886
Commonwealth grants	13	2,314	340
Contributions, sponsorships and donations	14	10,048	10,475
Other revenue	15	1,374	1,110
<b>Total Revenue</b>		<b>47,067</b>	<b>44,811</b>
<b>Gains</b>			
Gain on disposal of non-current assets	16(a)	223	350
<b>Total Gains</b>		<b>223</b>	<b>350</b>
<b>Total Income other than Income from State Government</b>		<b>47,290</b>	<b>45,161</b>
<b>NET COST OF SERVICES</b>		<b>1,226,563</b>	<b>1,200,981</b>
<b>Income from State Government</b>			
Service appropriation	17	1,227,972	1,180,976
State grants	18	17,180	16,600
Services received free-of-charge	19	7,320	7,320
Royalties for Regions Fund	20	8,768	14,111
<b>Total Income from State Government</b>		<b>1,261,240</b>	<b>1,219,007</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>34,677</b>	<b>18,026</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	33(b)	8,104	23,322
<b>Total other comprehensive income</b>		<b>8,104</b>	<b>23,322</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>42,781</b>	<b>41,348</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 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	21	73,646	62,234
Restricted cash and cash equivalents	22(a)	47,447	11,647
Receivables	23	7,984	7,355
Amounts receivable for services	24	15,137	15,945
Non-current assets classified as held for sale	25	1,917	17
Inventories	26	729	442
Other current assets	27	18,096	7,141
<b>Total Current Assets</b>		<b>164,956</b>	<b>104,781</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	22(b)	-	29,225
Amounts receivable for services	24	349,172	301,665
Property, plant and equipment	28	942,617	916,567
Intangible assets	29	70,050	57,804
<b>Total Non-Current Assets</b>		<b>1,361,839</b>	<b>1,305,261</b>
<b>TOTAL ASSETS</b>		<b>1,526,795</b>	<b>1,410,042</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Provisions	31	152,437	145,715
Payables	32	41,882	36,835
<b>Total Current Liabilities</b>		<b>194,319</b>	<b>182,550</b>
<b>Non-Current Liabilities</b>			
Provisions	31	57,344	54,595
<b>Total Non-Current Liabilities</b>		<b>57,344</b>	<b>54,595</b>
<b>TOTAL LIABILITIES</b>		<b>251,663</b>	<b>237,145</b>
<b>NET ASSETS</b>		<b>1,275,132</b>	<b>1,172,897</b>
<b>EQUITY</b>			
Contributed equity	33	624,729	565,275
Reserves		399,556	393,507
Accumulated surplus		250,847	214,115
<b>TOTAL EQUITY</b>		<b>1,275,132</b>	<b>1,172,897</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 2015

	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity	
Note	\$'000	\$'000	\$'000	\$'000	
<b>Balance at 1 July 2013</b>	33	557,040	371,315	194,959	1,123,314
Total comprehensive income for the period		-	23,322	18,026	41,348
Transfer to accumulated surplus/(deficit) of assets disposed		-	(1,130)	1,130	-
Transactions with owners in their capacity as owners:					
Capital appropriations		3,553	-	-	3,553
Other contributions by owners		4,682	-	-	4,682
Distributions to owners		-	-	-	-
Total		8,235	-	-	8,235
<b>Balance at 30 June 2014</b>		<b>565,275</b>	<b>393,507</b>	<b>214,115</b>	<b>1,172,897</b>
<b>Balance at 1 July 2014</b>		565,275	393,507	214,115	1,172,897
Total comprehensive income for the period		-	8,104	34,677	42,781
Transfer to accumulated surplus/(deficit) of assets disposed		-	(2,055)	2,055	-
Transactions with owners in their capacity as owners:					
Capital appropriations		35,410	-	-	35,410
Other contributions by owners		28,625	-	-	28,625
Distributions to owners		(4,581)	-	-	(4,581)
Total		59,454	-	-	59,454
<b>Balance at 30 June 2015</b>		<b>624,729</b>	<b>399,556</b>	<b>250,847</b>	<b>1,275,132</b>

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 2015

	Note	2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		1,166,301	1,123,828
Capital appropriations		35,410	3,553
Holding account drawdowns		14,972	16,600
Grants from State Government		17,180	15,527
Royalties for Regions Fund		18,031	14,111
Non-retained revenue distribution to owners		(770)	-
<b>Net cash provided by State Government</b>		<b>1,251,124</b>	<b>1,173,619</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee payments		(954,405)	(941,839)
Supplies and services		(184,543)	(178,873)
Accommodation payments		(56,812)	(56,852)
Grant payments		(4,379)	(3,633)
GST payments on purchases		(32,415)	(30,181)
Other payments		(5,921)	(3,247)
		<b>(1,238,475)</b>	<b>(1,214,625)</b>
<b>Receipts</b>			
User charges and fees		29,000	29,284
Commonwealth grants		2,247	340
Contributions, sponsorships and donations		9,473	8,053
GST receipts on sales		4,127	3,497
GST receipts from taxation authority		26,077	25,848
Other receipts		2,025	-
		<b>72,949</b>	<b>67,022</b>
<b>Net cash provided by/(used in) operating activities</b>	34(b)	<b>(1,165,526)</b>	<b>(1,147,603)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(68,235)	(49,854)
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		624	795
<b>Net cash provided by/(used in) investing activities</b>		<b>(67,611)</b>	<b>(49,059)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>17,987</b>	<b>(23,043)</b>
Cash and cash equivalents at the beginning of period		103,106	126,149
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	34(a)	<b>121,093</b>	<b>103,106</b>

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 2015

	2015 Estimate \$'000	2015 Actual \$'000	2015 Variation \$'000	2015 Actual \$'000	2014 Actual \$'000	Variation \$'000
<b>DELIVERY OF SERVICES</b>						
Item 41 Net amount appropriated to deliver services	1,249,288	1,223,582	(25,706)	1,223,582	1,176,784	46,798
Amounts Authorised by Other Statutes <i>Salaries and Allowances Act 1975</i>	4,390	4,390	-	4,390	4,192	198
<b>Total appropriations provided to deliver services</b>	<b>1,253,678</b>	<b>1,227,972</b>	<b>(25,706)</b>	<b>1,227,972</b>	<b>1,180,976</b>	<b>46,996</b>
<b>CAPITAL</b>						
Item 129 Capital Appropriation	69,969	35,410	(34,559)	35,410	3,553	31,857
<b>GRAND TOTAL</b>	<b>1,323,647</b>	<b>1,263,382</b>	<b>(60,265)</b>	<b>1,263,382</b>	<b>1,184,529</b>	<b>78,853</b>
<b>Details of Expenses by Service</b>						
Metropolitan Policing Services	534,728	500,598	(34,130)	500,598	469,968	30,630
Regional and Remote Policing Services	407,119	378,461	(28,658)	378,461	380,639	(2,178)
Specialist Policing Services	401,646	394,794	(6,852)	394,794	395,535	(741)
<b>Total Cost of Services</b>	<b>1,343,493</b>	<b>1,273,853</b>	<b>(69,640)</b>	<b>1,273,853</b>	<b>1,246,142</b>	<b>27,711</b>
Less Total income	(63,434)	(47,290)	16,144	(47,290)	(45,161)	(2,129)
<b>Net Cost of Services</b>	<b>1,280,059</b>	<b>1,226,563</b>	<b>(53,496)</b>	<b>1,226,563</b>	<b>1,200,981</b>	<b>25,582</b>
Adjustments	(30,771)	1,409	41,781	1,409	(20,005)	21,414
<b>Total appropriations provided to deliver services</b>	<b>1,249,288</b>	<b>1,227,972</b>	<b>(11,715)</b>	<b>1,227,972</b>	<b>1,180,976</b>	<b>46,996</b>
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	112,718	67,725	(44,993)	67,725	44,323	23,402
Adjustments for other funding sources	(42,749)	(32,315)	10,434	(32,315)	(40,770)	8,455
<b>Capital appropriations</b>	<b>69,969</b>	<b>35,410</b>	<b>(34,559)</b>	<b>35,410</b>	<b>3,553</b>	<b>31,857</b>
<b>DETAILS OF INCOME ESTIMATES</b>						
Income disclosed as Administered Incomes	650	622	(28)	622	629	(7)
<b>Total Income Estimates</b>	<b>650</b>	<b>622</b>	<b>(28)</b>	<b>622</b>	<b>629</b>	<b>(7)</b>

Note 43 'Explanatory Statement' provides details of any significant variations between estimates and actual results for 2015 and between actual results for 2014 and 2015.

## SCHEDULE OF INCOME AND EXPENSES BY SERVICE FOR THE YEAR ENDED 30 JUNE 2015

	Metropolitan Policing Services		Regional and Remote Policing Services		Specialist Policing Services		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>COST OF SERVICES</b>								
<b>Expenses</b>								
Employee expenses	386,519	361,771	300,710	305,253	271,787	272,511	959,016	939,535
Supplies and services	69,746	64,545	43,837	44,283	81,184	79,563	194,767	188,391
Depreciation and amortisation expense	17,353	18,511	13,905	14,646	19,087	17,974	50,345	51,131
Accommodation expenses	21,190	21,070	16,393	13,383	16,802	20,295	54,385	54,748
Grants, subsidies and transfer payments	1,964	1,625	1,091	903	1,322	1,083	4,377	3,611
Loss on disposal of non-current assets	-	-	-	13	91	4	91	17
Other expenses	3,826	2,446	2,525	2,158	4,521	4,105	10,872	8,709
<b>Total cost of services</b>	<b>500,598</b>	<b>469,968</b>	<b>378,461</b>	<b>380,639</b>	<b>394,794</b>	<b>395,535</b>	<b>1,273,853</b>	<b>1,246,142</b>
<b>Income</b>								
<b>Revenue</b>								
User charges and fees	10,088	9,466	5,829	6,662	17,414	16,758	33,331	32,886
Commonwealth grants	-	(2)	300	301	2,014	41	2,314	340
Contributions, sponsorships and donations	1,037	1,237	7,671	7,634	1,340	1,604	10,048	10,475
Other revenue	357	558	173	297	844	255	1,374	1,110
<b>Total Revenue</b>	<b>11,482</b>	<b>11,259</b>	<b>13,973</b>	<b>14,894</b>	<b>21,612</b>	<b>18,658</b>	<b>47,067</b>	<b>44,811</b>
<b>Gains</b>								
Gain on disposal of non-current assets	1	24	6	33	216	293	223	350
<b>Total Gains</b>	<b>1</b>	<b>24</b>	<b>6</b>	<b>33</b>	<b>216</b>	<b>293</b>	<b>223</b>	<b>350</b>
<b>Total Income other than Income from State Government</b>	<b>11,483</b>	<b>11,283</b>	<b>13,979</b>	<b>14,927</b>	<b>21,828</b>	<b>18,951</b>	<b>47,290</b>	<b>45,161</b>
<b>NET COST OF SERVICES</b>	<b>489,115</b>	<b>458,685</b>	<b>364,482</b>	<b>365,712</b>	<b>372,966</b>	<b>376,584</b>	<b>1,226,563</b>	<b>1,200,981</b>
<b>Income from State Government</b>								
Service appropriation	496,633	451,770	369,996	360,303	361,343	368,903	1,227,972	1,180,976
State grants	-	-	90	-	17,090	16,600	17,180	16,600
Services received free-of-charge	3,140	3,100	1,661	1,745	2,519	2,475	7,320	7,320
Royalties for Regions Fund	-	-	8,768	14,111	-	-	8,768	14,111
<b>Total Income from State Government</b>	<b>499,773</b>	<b>454,870</b>	<b>380,515</b>	<b>376,159</b>	<b>380,952</b>	<b>387,978</b>	<b>1,261,240</b>	<b>1,219,007</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>10,658</b>	<b>(3,815)</b>	<b>16,033</b>	<b>10,447</b>	<b>7,986</b>	<b>11,394</b>	<b>34,677</b>	<b>18,026</b>

## SCHEDULE OF ASSETS AND LIABILITIES BY SERVICE AS AT 30 JUNE 2015

	Metropolitan Policing Services		Regional and Remote Policing Services		Specialist Policing Services		Not reliably attributable to services		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>ASSETS</b>										
Current assets	-	-	-	-	-	-	164,956	104,781	164,956	104,781
Non-current assets	349,048	364,006	279,692	288,594	383,927	350,996	349,172	301,665	1,361,839	1,305,261
<b>Total Assets</b>	<b>349,048</b>	<b>364,006</b>	<b>279,692</b>	<b>288,594</b>	<b>383,927</b>	<b>350,996</b>	<b>514,128</b>	<b>406,446</b>	<b>1,526,795</b>	<b>1,410,042</b>
<b>LIABILITIES</b>										
Current liabilities	72,110	64,454	56,100	54,385	50,705	48,551	15,404	15,160	194,319	182,550
Non-current liabilities	23,112	21,022	17,981	17,738	16,251	15,835	-	-	57,344	54,595
<b>Total Liabilities</b>	<b>95,222</b>	<b>85,476</b>	<b>74,081</b>	<b>72,123</b>	<b>66,956</b>	<b>64,386</b>	<b>15,404</b>	<b>15,160</b>	<b>251,663</b>	<b>237,145</b>
<b>NET ASSETS</b>	<b>253,826</b>	<b>278,530</b>	<b>205,611</b>	<b>216,471</b>	<b>316,971</b>	<b>286,610</b>	<b>498,724</b>	<b>391,286</b>	<b>1,275,132</b>	<b>1,172,897</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 1. AUSTRALIAN ACCOUNTING STANDARDS

### General

The Police Service's financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes 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'. Partial exemption permitting early adoption of AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Police Service for the annual reporting period ended 30 June 2015.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) General statement

The Police Service is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework,

Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern 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 AASB.

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) or in certain cases, to the nearest dollar.

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

Note 4 'Key sources of estimation uncertainty' discloses 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.

### (c) Reporting entity

The reporting entity comprises the Police Service.

### Mission

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

### Services

The Police Service provides the following services:

#### Service 1: Metropolitan policing services

General policing services provided by districts within the Metropolitan Region including: crime prevention, maintaining public order, and responding to and investigating criminal and general incidents.

## Service 2: Regional and remote policing services

General policing services provided by districts within regional Western Australia including: crime prevention, maintaining public order, and responding to and investigating criminal and general incidents.

## Service 3: Specialist policing services

Specialist policing services include: major crime, serious and organized crime, sex crime, commercial crime, licensing enforcement, forensic, traffic enforcement, and counter terrorism and emergency response.

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 44 '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, other than as a result of a restructure of administrative arrangements, 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, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See Note 33 '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 transfer to the purchaser and can be measured reliably.

### Provision 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 17 'Service appropriation' for further detail.

## Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Police Service. In accordance with the most recent determination, as quantified in the 2014-15 Budget Statements, the Police Service retained \$47.290 million in 2014-15 (\$45.161 million in 2013-14) from the following:

- Proceeds from fees and charges
- Recoups of services provided
- Commonwealth specific-purpose grants
- State Government grants
- Sponsorships and donations
- Proceeds from the sale of motor vehicles
- One-off gains with a value less than \$15,000 from the sale of property other than real property.

## Grants, Other Contributions and Donations

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 obtains 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations 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 and the cost of utilising these assets is expensed (depreciated) 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 (other than where they form part of a group of similar items which are significant in total).

### 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 of 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 fair value less accumulated depreciation on buildings and accumulated impairment losses.

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market 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.

In the absence of market-based evidence, 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 buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land). 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.

Independent valuations of land and buildings are 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.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where evidence does not provide a clear distinction between market type assets and existing use assets.

## Derecognition

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

## Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in Note 28 'Property, plant and equipment'.

## 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 basis for all other property, plant and equipment. Depreciation rates are reviewed annually and the useful lives for each class of depreciable asset are:

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

Class of Assets	Years
Buildings	
- Buildings	50
- Transportables	20
Computing and Communication Equipment	
- Computing Software and Hardware	4 to 7
- Radio Network and Equipment	7 to 25
- Radio Site Infrastructure and Equipment	10 to 25
- Communication Equipment	7
Plant, Equipment and Vehicles	
- Office Equipment	7
- Furniture and Fittings	10
- Aircraft	20
- Vessels	10 to 15
- Dogs and Horses	8 to 20
- Motor Vehicles and Cycles	5
- All Other Vehicles	7
- Audio-Visual Equipment	7
- Photographic and Traffic Equipment	8
- Firearms and Scientific Equipment	10
- 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 indefinite 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

#### 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 in the Statement of Comprehensive Income. As the Police Service is a not-for-profit entity, unless a specialised 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 Lands (DoL) is the only agency with the power to sell Crown land. The Police Service transfers Crown land and their attached buildings to the DoL when the land become available for sale.

## **(j) Leases**

The Police Service holds a number of operating leases for buildings and motor vehicles. 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.

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 17 'Service appropriation' and Note 24 '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 23 '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 36 'Financial instruments'.

### (q) Accrued salaries

The accrued salaries suspense account (refer Note 22 '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 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 32 'Payables') 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 2015, the accrued salaries calculation is based on eight working days, as the last pay day was 18 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 31 'Provisions'.

#### Provisions – Employee benefits

All annual and long service leave provisions are in respect of employees' services up to the end of the reporting period.

#### Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using remuneration rates expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as superannuation contributions, as well as 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 outflows.

The provision for annual leave is classified as a current liability as the Police Service does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

The provision for annual leave loading represents the present amount payable for annual leave loading accrued up to April 2011 for Public Service and Wages employees. This entitlement is measured in accordance with annual leave above. In April 2011, the Public Service and Government Officers General Agreement was amended so that annual leave loading shall be paid to Public Service employees on the first pay period in December in the calendar year in which the leave accrues.

For Police Officers, Police Auxiliary Officers and Public Service employees, the annual leave loading is reported as an accrued expense as payment is made annually irrespective of whether leave is taken.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using remuneration rates expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as 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 outflows.

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 end of the reporting period. Pre-conditional and 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.

## 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 generally 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.

## 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 continue 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 ten 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 Police Officers after they cease work with the Police Service. Medical benefits expected to be settled within 12 months after the reporting 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 reporting 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 2015.

## In-service medical benefits

The provision for in-service medical benefits relates to the cost of providing medical benefits to Police Officers. WA Police pays reasonable expenses for work related and non-work related medical expenses, less the amounts of any benefits paid. Medical benefits expected to be settled within 12 months after the reporting 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 reporting 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 2015.

## Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers 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.

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 contributions to GESB or other fund providers 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 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.

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'.

## 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, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

## (t) Assets and services received free-of-charge or for nominal cost

Assets and services 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) Assets and services 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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 45 '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.

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

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Police Service evaluates these judgements regularly.

### **Operating lease commitments**

The Police Service has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

## **4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

The key estimates and assumptions made concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. These include:

- Estimating the useful life and residual values of key assets;
- Estimating depreciated replacement cost;
- Estimating future salary rates, salary inflation, discount rates, employee retention rates and expected future payments for long service leave;
- Estimating future medical benefit payments to ceased police officers; and
- Estimating future medical benefit payments to serving police officers.

### 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 2014.

Interpretation 21	Levies
	This Interpretation clarifies the circumstances under which a liability to pay a government levy should be recognised. There is no financial impact at reporting date.
AASB 10	Consolidated Financial Statements
	This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments. The adoption of the new Standard has no financial impact as it does not impact accounting for related bodies and the Police Service has no interests in other entities.
AASB 11	Joint Arrangements
	This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement. There is no financial impact as the new Standard continues to require the recognition of the Police Service's share of assets and share of liabilities for the unincorporated joint operation.
AASB 12	Disclosure of Interests in Other Entities
	This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investment in Associates and AASB 131 Interests in Joint Ventures. There is no financial impact.
AASB 127	Separate Financial Statements
	This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements removing the consolidation requirements of the earlier Standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

AASB 128	<p>Investments in Associates and Joint Ventures</p> <p>This Standard supersedes AASB 128 Investment in Associates, introducing a number of clarifications for the accounting treatments of changed ownership interest. The adoption of the new Standard has no financial impact for the Police Service as it does hold investments in associates and joint ventures,</p>
AASB 1031	<p>Materiality</p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p>
AASB 1055	<p>Budgetary Reporting</p> <p>This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Police Service will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>
AASB 2011-7	<p>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 &amp; 1038 and Interpretations 5, 9, 16 &amp; 17]</p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. There is no financial impact.</p>
AASB 2012-3	<p>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</p> <p>The Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>
AASB 2013-3	<p>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015



AASB 2013-4	<p>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</p> <p>This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Police Service does not routinely enter into derivatives or hedges, therefore there is no financial impact.</p>
AASB 2013-8	<p>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 &amp; 1049]</p> <p>The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.</p>
AASB 2013-9	<p>Amendments to Australian Accounting Standards – Conceptual framework, Materiality and Financial Instruments</p> <p>Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.</p>
AASB 2014-1	<p>Amendments to Australian Accounting Standards</p> <p>Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact.</p> <p>Part B of this Standard has no financial impact as the Police Service contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.</p> <p>Part C of this Standard has no financial impact as it removes references to AASB 1031 Materiality from a number of Accounting Standards.</p>
AASB 2015-7	<p>Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities</p> <p>This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 16 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.</p>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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:

<b>Title</b>	<b>Operative for reporting periods beginning on/after</b>
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]	1 January 2016
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	1 January 2016
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	1 July 2016



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

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 2018
AASB 15 Revenue from Contracts with Customers	1 January 2017
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 Interpretation 2, 5, 10, 12, 19 & 127]	1 January 2018
AASB 2013-9 Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments	1 January 2017 (Part C)
AASB 2014-1 Amendments to Australian Accounting Standards	1 January 2018
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	1 January 2016
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010 [AASB 9 (2009 & 2010)])	1 January 2015
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	1 January 2016
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]	1 January 2016
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-14 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]	1 January 2016

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$'000	2014 \$'000
<b>6. EMPLOYEE EXPENSES</b>		
Employee benefits expense		
Salaries and wages (d)	694,468	689,603
Annual leave (a)	75,538	71,179
Long service leave (a)	26,322	23,286
Other leave (a)	207	363
Superannuation - defined contribution plans (b)	80,265	76,794
Employee housing	48,016	48,055
Relocation and relieving expenses	6,574	7,103
Fringe benefits tax	4,822	4,717
Uniforms and protective clothing	4,298	4,650
Medical expenses (c)	11,145	6,627
Other employee benefits expense	2,401	2,051
	<b>954,056</b>	<b>934,428</b>
Other employee expenses		
Training expenses	2,592	2,860
Workers' compensation including on-costs	2,806	2,223
Other employee expenses	(438)	24
	<b>4,960</b>	<b>5,107</b>
	<b>959,016</b>	<b>939,535</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.		
(d) The salaries and wages expense includes payments in relation to voluntary separations in the amount of \$8.6 million (2014: \$29.1 million).		
<b>7. SUPPLIES AND SERVICES</b>		
Repairs and maintenance	14,227	13,333
Rental, leases and hire	10,819	10,785
Insurances and licences	13,843	16,008
Travel expenses	6,793	5,929
Communication expenses	7,884	8,119
Services and contracts	114,035	108,791
Equipment acquisitions	11,819	9,683
Fuels and oils	8,124	8,880
Consumables	6,897	6,704
Other supplies and services	326	159
	<b>194,767</b>	<b>188,391</b>

	2015 \$'000	2014 \$'000
<b>8. DEPRECIATION AND AMORTISATION EXPENSE</b>		
<i>Depreciation</i>		
Buildings	16,582	14,963
Plant, equipment and vehicles	9,429	9,255
Computing and communication equipment	8,649	7,492
Leasehold improvements	5,533	4,919
	<b>40,193</b>	<b>36,629</b>
<i>Amortisation</i>		
Software and software developments	10,152	14,502
	<b>50,345</b>	<b>51,131</b>
<b>9. ACCOMMODATION EXPENSES</b>		
Lease rentals	19,657	19,528
Repairs and maintenance	17,810	16,411
Energy, water and rates	11,925	13,383
Cleaning	4,993	5,426
	<b>54,385</b>	<b>54,748</b>
<b>10. GRANT PAYMENTS</b>		
State crime prevention grants	2,662	3,347
PCYC grants	1,672	250
Other grants	43	14
	<b>4,377</b>	<b>3,611</b>
<b>11. OTHER EXPENSES</b>		
Doubtful debts	5,178	4,272
Refund of State grants received	1,764	726
Refund of Royalties for Regions funds	428	-
Refund of Commonwealth grants received	385	40
Other assets written off (a)	1,447	2,058
Other expenses from ordinary activities	1,670	1,613
	<b>10,872</b>	<b>8,709</b>
(a) Other assets written off include surplus assets and those write-offs in accordance with the <i>Financial Management Act 2006</i> located within Note 40.		

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$'000	\$'000
<b>12. USER CHARGES AND FEES</b>		
Regulated fees		
Firearms	6,496	6,150
Security and related activities	2,615	2,446
Pawnbrokers and second-hand dealers	130	158
Vehicle escorts	-	6
Clearance certificates	7,739	7,682
Crash information	109	194
Other regulated fees	547	509
	<u>17,636</u>	<u>17,145</u>
Recoups of services provided	1,989	1,671
Towage and storage recoups	11,567	10,564
Other recoups	2,139	3,506
	<u><b>33,331</b></u>	<u><b>32,886</b></u>
<b>13. COMMONWEALTH GRANTS</b>		
National Anti-Gang Squad	2,014	-
Substance Abuse	300	300
Other	-	40
	<u><b>2,314</b></u>	<u><b>340</b></u>
<b>14. CONTRIBUTIONS, SPONSORSHIPS AND DONATIONS</b>		
Contributions		
Employee rental contributions	6,490	6,053
Executive vehicle contributions	217	220
Special series plate contributions	1,324	1,800
Other contributions	1,417	1,653
	<u>9,448</u>	<u>9,726</u>
Sponsorships and Donations		
Sponsorships	6	-
Non-cash donations	594	749
	<u>600</u>	<u>749</u>
	<u><b>10,048</b></u>	<u><b>10,475</b></u>

	2015	2014
	\$'000	\$'000
<b>15. OTHER REVENUE</b>		
Other revenues from ordinary activities	1,374	1,110
	<u><b>1,374</b></u>	<u><b>1,110</b></u>
<b>16. NET GAIN / (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS</b>		
(a) Net gain on Disposal of non-current assets		
<i>Property, plant and equipment</i>		
Plant, Equipment and Vehicles	223	350
Net gain	<u>223</u>	<u>350</u>
(b) (loss) on Disposal of non-current assets		
<i>Property, plant and equipment</i>		
Plant, Equipment and Vehicles	(91)	(17)
Net (loss)	<u>(91)</u>	<u>(17)</u>
(c) Net gain/(loss) on Disposal of non-current assets		
Carrying amount of non-currents assets disposed		
Property, plant and equipment	492	462
	<u>492</u>	<u>462</u>
Proceeds from Disposal		
Property, plant and equipment	629	795
Less Disposal Costs		
Property, plant and equipment	5	-
Net Proceeds	<u>624</u>	<u>795</u>
Net gain/(loss)	<u><b>132</b></u>	<u><b>333</b></u>
<b>17. SERVICE APPROPRIATION</b>		
Appropriations received during the year:		
Service appropriation	1,223,582	1,176,784
Salaries and Allowances Act 1975	4,390	4,192
	<u><b>1,227,972</b></u>	<u><b>1,180,976</b></u>

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 ENDED 30 JUNE 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>18. STATE GRANTS</b>		
Road Trauma Trust Account (a)	15,923	14,654
Department of the Attorney General (b)	1,021	1,800
Drug and Alcohol Office (c)(d)	236	146
	<b><u>17,180</u></b>	<b><u>16,600</u></b>

(a) Funds received from the Office of Road Safety - Road Trauma Trust Account are allocated to the Police Service for road safety initiatives in Western Australia. At 30 June 2015, \$1,763,866 of funds allocated remains unspent. Under the Memorandum of Understanding, all funds unspent at 30 June 2015 are required to be repaid to the Office of Road Safety. Consequently, \$1,763,866 included in the revenue figure above is also recognised as an expense in Note 11 'Other expenses'.

(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 2015, \$269,189 of funds allocated remains unspent.

(c) Funds received from the Drug and Alcohol Office are allocated to the Police Service for drug and alcohol projects that support the development and implementation of National Drug Strategy initiatives at a State and local level. At 30 June 2015, \$536,827 of funds allocated remains unspent.

(d) Funds received from the Drug and Alcohol Office are allocated to the Police Service for the purchase and operation of a drug detection dog in the Goldfields Police District. At 30 June 2015, \$61,005 of funds allocated remains unspent.

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>19. SERVICES RECEIVED FREE-OF-CHARGE</b>		
Services received free-of-charge is determined by the following estimates provided by agencies:		
- Legal services provided by the State Solicitor's Office	1,210	1,112
- Procurement services, building and maintenance project management services and lease management services provided by the Department of Finance	5,535	5,789
- Title searches and valuation services provided by the Western Australian Land Information Authority (Landgate)	493	347
- Collection of firearm licences provided by the Department of Transport	82	72
	<b><u>7,320</u></b>	<b><u>7,320</u></b>

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>20. ROYALTIES FOR REGIONS FUND</b>		
Regional Infrastructure and Headworks Account	3,568	3,668
Regional Community Services Account	5,200	10,443
	<b>8,768</b>	<b>14,111</b>
<p>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.</p>		
<b>21. 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.	72,357	60,938
<b>Advances</b>		
Advances include permanent and temporary advances allocated to areas within the Police Service.	1,289	1,296
	<b>73,646</b>	<b>62,234</b>
<b>22. RESTRICTED CASH AND CASH EQUIVALENTS</b>		
<p>Restricted cash assets are those cash assets, the uses of which are restricted, wholly or partly, by regulations or an externally imposed requirement.</p>		
- Current assets (a)	47,447	11,647
- Non-current assets (b)	-	29,225
	<b>47,447</b>	<b>40,872</b>
(a) CURRENT ASSETS		
<b>Accrued Salaries 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.	31,725	-
<b>Multi-Function Policing Facilities - Grants Capital Works</b>		
Grant monies from the Department of Indigenous Affairs to fund the establishment of Multi-Function Policing Facilities and associated infrastructure at remote Indigenous communities.	480	480

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>22. RESTRICTED CASH AND CASH EQUIVALENTS (cont.)</b>		
<b>Police Recruit Traineeship Fund</b>		
To hold recruit incentive payments received under the auspices of the Commonwealth Government's New Apprenticeship and Traineeship Incentives program.	687	687
<b>National Drug Strategy</b>		
To hold grant monies received from the Drug and Alcohol Office for the funding of law-enforcement programs relating to alcohol and drug use.	537	511
<b>International Academy of Law Enforcement and Safety</b>	25	25
To hold monies received in relation to activities of the International Academy of Law Enforcement and Safety for the research and development of training programs, curriculum development and professional development opportunities.		
<b>Royalties for Regions Fund</b>		
To hold monies committed for projects and programs in WA regional areas.	10,055	7,310
<b>Road Trauma Trust Account</b>		
To hold monies received from the Road Trauma Trust Account to facilitate the implementation of road safety programs and initiatives.	1,764	693
<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.	269	220
<b>Drug and Alcohol Office</b>		
To monies received from the Drug and Alcohol Office for the purchase and operation of a drug detection dog in the Goldfields Police District.	61	-
<b>National Anti-Gangs Squad</b>		
To hold grant monies received from the Commonwealth as part of a co-ordinated approach to detect, deter and disrupt gang-related crime.	490	-
<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.	443	314

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$'000	2014 \$'000
<b>22. RESTRICTED CASH AND CASH EQUIVALENTS (cont.)</b>		
<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.	-	350
<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.	-	17
<b>Leavers WA</b>		
To hold monies received in relation to the activities of Leavers WA – South West.	854	998
<b>Parental Leave</b>	57	33
To hold monies received from the Commonwealth for the payment of paid parental leave to eligible employees.		
<b>State Counter-Terrorism</b>		
To hold monies received from the Department of Premier and Cabinet for State counter-terrorism exercises.	-	9
	<b>47,447</b>	<b>11,647</b>
<b>(b) NON-CURRENT ASSETS</b>		
<b>Accrued Salaries 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.	-	29,225
	<b>-</b>	<b>29,225</b>

	2015 \$'000	2014 \$'000
<b>23. RECEIVABLES</b>		
Receivables	11,945	6,975
Allowance for impairment of receivables	(9,989)	(5,604)
GST-receivables	5,624	4,121
Accrued income	404	1,863
	<b>7,984</b>	<b>7,355</b>
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at the start of year	5,604	3,016
Doubtful debts expense recognised in the Statement of Comprehensive Income	5,178	4,272
Amounts written off during the year	(793)	(1,684)
Balance at end of year	<b>9,989</b>	<b>5,604</b>
The Police Service does not hold any collateral as security or other credit enhancements relating to receivables.		
<b>24. AMOUNTS RECEIVABLE FOR SERVICES</b>		
Current asset	15,137	15,945
Non-current asset	349,172	301,665
	<b>364,309</b>	<b>317,610</b>
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'.		

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Land	1,917	17
	<b>1,917</b>	<b>17</b>
This is reconciled as follows:		
Opening Balance	17	17
Add net assets reclassified as held for sale	1,900	-
Closing Balance	<b>1,917</b>	<b>17</b>
See also Note 2(f) 'Non-current assets (or disposal groups) classified as held for sale' and Note 16 'Net Gain/Loss on Disposal of Non-Current Assets'.		
Information on fair value measurement is provided in Note 30.		
<b>26. INVENTORIES</b>		
Inventories held for distribution	729	442
	<b>729</b>	<b>442</b>
<b>27. OTHER CURRENT ASSETS</b>		
Prepayments	18,096	7,141
	<b>18,096</b>	<b>7,141</b>
<b>28. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) PROPERTY, PLANT AND EQUIPMENT COMPRISE THE FOLLOWING ASSET CLASSES:</b>		
<b>Land</b>		
At fair value (i)	256,447	254,624
	<b>256,447</b>	<b>254,624</b>
<b>Buildings</b>		
At fair value (i)	553,828	537,027
Accumulated depreciation	(16,740)	(15,479)
	<b>537,088</b>	<b>521,548</b>

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>28. PROPERTY, PLANT AND EQUIPMENT (cont.)</b>		
<b>Works in Progress</b>		
Buildings under construction	18,509	10,946
Other	13,293	10,462
	<b>31,802</b>	<b>21,408</b>
<b>Plant, Equipment and Vehicles</b>		
At cost	111,796	107,040
Accumulated depreciation	(54,807)	(49,634)
	<b>56,989</b>	<b>57,406</b>
<b>Computing and Communication Equipment</b>		
At cost	97,840	94,447
Accumulated depreciation	(51,087)	(48,939)
	<b>46,753</b>	<b>45,508</b>
<b>Artwork</b>		
At cost	548	548
	<b>548</b>	<b>548</b>
<b>Leasehold Improvements</b>		
At cost	30,083	27,199
Accumulated amortisation	(17,093)	(11,674)
	<b>12,990</b>	<b>15,525</b>
	<b>942,617</b>	<b>916,567</b>

- (i) Land and buildings were revalued as at 1 July 2014 by the Western Australian Land Information Authority (Landgate). The valuations were performed during the year ended 30 June 2015 and recognised at 1 July 2014. In undertaking the revaluation, fair value was determined by reference to market values for land: \$84,638,800 (2014: \$80,080,045) and buildings: \$34,545,000 (2014: \$23,676,000). For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). See Note 2(f) 'Property, plant and equipment'.

Information on fair value measurement is provided in Note 30.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 28. 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:

2014-15

	Carrying amount at start of the year	Additions	Retirements	Transfers between classes	Transfer (to) /from assets held for sale	Revaluation	Depreciation	Carrying amount at end of year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	254,624	-	(1,901)	-	(1,900)	5,624	-	256,447
Buildings	521,548	17,500	(49)	12,191	-	2,480	(16,582)	537,088
Works in progress	21,408	35,733	(605)	(24,734)	-	-	-	31,802
Plant, equipment and vehicles	57,406	6,237	(924)	3,699	-	-	(9,429)	56,989
Computing and communication equipment	45,508	5,144	(378)	5,128	-	-	(8,649)	46,753
Artwork	548	-	-	-	-	-	-	548
Leasehold improvements	15,525	-	-	2,998	-	-	(5,533)	12,990
	<b>916,567</b>	<b>64,614</b>	<b>(3,857)</b>	<b>(718)</b>	<b>(1,900)</b>	<b>8,104</b>	<b>(40,193)</b>	<b>942,617</b>

2013-14

	Carrying amount at start of the year	Additions	Retirements	Transfers between classes	Transfer (to) /from assets held for sale	Revaluation	Depreciation	Carrying amount at end of year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	243,279	-	(406)	2,091	-	9,660	-	254,624
Buildings	499,820	4,682	(387)	18,734	-	13,662	(14,963)	521,548
Works in progress	27,178	27,565	(450)	(32,885)	-	-	-	21,408
Plant, equipment and vehicles	62,845	4,238	(1,047)	625	-	-	(9,255)	57,406
Computing and communication equipment	38,321	4,382	(197)	10,494	-	-	(7,492)	45,508
Artwork	548	-	-	-	-	-	-	548
Leasehold improvements	16,797	-	(6)	3,653	-	-	(4,919)	15,525
	<b>888,788</b>	<b>40,867</b>	<b>(2,493)</b>	<b>2,712</b>	<b>-</b>	<b>23,322</b>	<b>(36,629)</b>	<b>916,567</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>29. INTANGIBLE ASSETS</b>		
<b>(a) INTANGIBLE ASSETS COMPRISE THE FOLLOWING ASSET CLASSES:</b>		
<b>Computing software</b>		
At cost	181,758	173,240
Accumulated amortisation	(142,315)	(133,807)
	<b>39,443</b>	<b>39,433</b>
<b>Software Development in Progress</b>	<b>30,607</b>	<b>18,371</b>
	<b>70,050</b>	<b>57,804</b>

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

2014-15

	Carrying amount at start of the year	Additions	Retirements	Transfers between classes	Transfer (to) /from assets held for sale	Revaluation	Amortisation	Carrying amount at end of year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computing software	39,433	871	(32)	9,323	-	-	(10,152)	39,443
Software development in progress	18,371	20,841	-	(8,605)	-	-	-	30,607
	<b>57,804</b>	<b>21,712</b>	<b>(32)</b>	<b>718</b>	<b>-</b>	<b>-</b>	<b>(10,152)</b>	<b>70,050</b>

2013-14

	Carrying amount at start of the year	Additions	Retirements	Transfers between classes	Transfer (to) /from assets held for sale	Revaluation	Amortisation	Carrying amount at end of year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computing software	41,623	351	(4)	11,965	-	-	(14,502)	39,433
Software development in progress	18,571	14,477	-	(14,677)	-	-	-	18,371
	<b>60,194</b>	<b>14,828</b>	<b>(4)</b>	<b>(2,712)</b>	<b>-</b>	<b>-</b>	<b>(14,502)</b>	<b>57,804</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 30. FAIR VALUE MEASUREMENTS

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair Value At end of period
	\$'000	\$'000	\$'000	\$'000
<b>2015</b>				
Non-current assets classified as held for sale (Note 25)	-	1,917	-	1,917
Land (Note 28)	-	79,216	177,231	256,447
Buildings (Note 28)	-	50,757	486,331	537,088
	-	<b>131,890</b>	<b>663,562</b>	<b>795,452</b>
<b>2014</b>				
Non-current assets classified as held for sale (Note 25)	-	17	-	17
Land (Note 28)	-	80,093	174,531	254,624
Buildings (Note 28)	-	36,460	485,088	521,548
	-	<b>116,570</b>	<b>659,619</b>	<b>776,189</b>

There were no transfers between Levels 1, 2 or 3 during the period.

### Valuation techniques to drive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, land and buildings (office accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

### Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings
	\$'000	\$'000
<b>2015</b>		
Fair value at start of period	174,531	485,088
Additions	-	-
Revaluation increments/decrements recognised in Other Comprehensive Income	2,700	4,475
Transfers between asset classes	-	11,216
Disposals	-	-
Depreciation expense	-	(14,448)
<b>Fair value at end of period</b>	<b>177,231</b>	<b>486,331</b>
<b>Valuation processes</b>		

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 30. FAIR VALUE MEASUREMENTS (cont.)

#### Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings
	\$'000	\$'000
<b>2014</b>		
Fair value at start of period	165,733	472,776
Additions	-	4,682
Revaluation increments/decrements recognised in Other Comprehensive Income	7,181	13,085
Transfers between asset classes	2,023	8,277
Disposals	(406)	(388)
Depreciation expense	-	(13,344)
<b>Fair value at end of period</b>	<b>174,531</b>	<b>485,088</b>

#### Valuation Processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's Instructions require valuations of land and buildings to be categorised within Level 3 where the valuations utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use specialised building assets is generally determined by reference to the market observable replacement cost of replacing the remaining future economic benefits embodied in the asset, ie: depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefit, expired economic benefit or obsolescence of the asset. Current replacement cost is determined by reference to the cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value of restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant Level 3 inputs used by the Police Service are derived and evaluated as follows:

#### Historical cost per square metre floor area (m<sup>2</sup>)

The costs of constructing specialised buildings with similar utility are extracted from financial records of the Police Service, then indexed by movements in CPI.

#### Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

#### Selection of land with low level utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 30. FAIR VALUE MEASUREMENTS (cont.)

### Information about significant unobservable inputs (Level 3) in fair value measurements

Description and fair value as at 30 June 2015 (\$'000)	Valuation technique(s)	Unobservable inputs
Land (\$177,231)	Market approach	Selection of land with similar approximate utility.
Buildings (\$486,331)	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset.  Historical cost of building per square metre floor area.
Description and fair value as at 30 June 2014 (\$'000)	Valuation technique(s)	Unobservable inputs
Land (\$174,531)	Market approach	Selection of land with similar approximate utility.
Buildings (\$485,088)	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset.  Historical cost of building per square metre floor area.

Reconciliations of the opening and closing balances are provided in Notes 28.

### Basis of Valuation

In the absence of market based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Police Service's enabling legislation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$'000	\$'000
<b>31. PROVISIONS</b>		
PROVISIONS COMPRISE THE FOLLOWING ITEMS:		
(i) Current liabilities		
(a) Employee benefits provision	152,252	145,218
(b) Other provisions	185	497
	<b>152,437</b>	<b>145,715</b>
(ii) Non-current liabilities		
(a) Employee benefits provision	57,289	54,414
(b) Other provisions	55	181
	<b>57,344</b>	<b>54,595</b>
	<b>209,781</b>	<b>200,310</b>
<b>(a) EMPLOYEE BENEFITS PROVISIONS HAVE BEEN RECOGNISED IN THE FINANCIAL STATEMENTS AS FOLLOWS:</b>		
- Current liabilities (i)	152,252	145,218
- Non-current liabilities (ii)	57,289	54,414
	<b>209,541</b>	<b>199,632</b>
(i) CURRENT LIABILITIES		
- Annual leave *	47,674	47,572
- Long service leave **	97,208	92,119
- 38-hour leave	343	291
- Special paid leave	155	156
- Time off in lieu/banked leave	66	481
- Purchased leave	2,364	2,079
- Deferred salary scheme ***	1,617	1,226
- Post-separation medical benefits	1,384	1,294
- In-service medical benefits	1,441	-
	<b>152,252</b>	<b>145,218</b>

### 31. PROVISIONS (cont.)

	2015	2014
	\$'000	\$'000
(ii) NON-CURRENT LIABILITIES		
- Long service leave **	50,298	49,939
- 38-hour leave	1,470	1,636
- Post-separation medical benefits	5,521	2,839
	<b>57,289</b>	<b>54,414</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 period. Assessments indicate that actual settlement of the liabilities will occur as follows:		
- Within 12 months of reporting period	42,893	42,383
- More than 12 months after reporting period	4,781	5,189
	<b>47,674</b>	<b>47,572</b>
** 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 period. Assessments indicate that actual settlement of the liabilities will occur as follows:		
- Within 12 months of reporting period	20,977	22,339
- More than 12 months after reporting period	126,529	119,719
	<b>147,506</b>	<b>142,058</b>
*** Deferred salary scheme liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:		
- Within 12 months of reporting period	527	397
- More than 12 months after reporting period	1,090	829
	<b>1,617</b>	<b>1,226</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$'000	\$'000
<b>31. PROVISIONS (cont.)</b>		
<b>(b) OTHER PROVISIONS HAVE BEEN RECOGNISED IN THE FINANCIAL STATEMENTS AS FOLLOWS:</b>		
(i) Current liabilities		
- Non-Employee Benefits On-Costs	185	497
	<b>185</b>	<b>497</b>
(ii) Non-current liabilities		
- Non-Employee Benefits On-Costs	55	181
	<b>55</b>	<b>181</b>
The settlement of leave liabilities gives rise to the payment of employment on-costs including workers' compensation and medical benefits. The provision is the present value of expected future payments.		
Movement in Other provisions		
Carrying amount at start of year	678	653
Additional/(reversals of) provision recognised	(51)	758
Payments/other sacrifices of economic benefits	(387)	(733)
Carrying amount at end of year	<b>240</b>	<b>678</b>
<b>32. PAYABLES</b>		
Payables	8,845	8,798
Sundry Accruals		
- Accrued salaries *	24,016	19,604
- Accrued superannuation *	2,462	2,072
- Staff leave loading expense	5,661	5,446
- Fringe benefit tax liability	898	915
* Accrued salaries and superannuation have been calculated for eight working days from 19 June to 30 June 2015.		
	<b>41,882</b>	<b>36,835</b>

## 33. EQUITY

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.

	2015	2014
	\$'000	\$'000
Contributed equity (a)	624,729	565,275
Asset revaluation surplus (b)	399,556	393,507
Accumulated surplus	250,847	214,115
<b>TOTAL EQUITY</b>	<b>1,275,132</b>	<b>1,172,897</b>
<b>(a) CONTRIBUTED EQUITY</b>		
Balance at start of period	565,275	557,040
<b>Contributions by Owners</b>		
Capital appropriations (i)	35,410	3,553
Royalties for Regions Fund - Regional Infrastructure and Headworks Account	9,263	-
Transfer of net assets from other agencies (ii)		
- Land and buildings assumed from the Department of the Attorney General	17,500	4,682
- Other transfers from the Department of Fire and Emergency Services	1,862	-
<b>Total contributions by owners</b>	<b>64,035</b>	<b>8,235</b>
<b>Distributions to owners</b>		
Transfer of net assets to other agencies (iii)		
- Land and buildings transferred to the Department of Lands	(1,949)	-
- Other transfers to the Consolidated Account	(1,862)	-
Net assets transferred to Government (iii)		
- Proceeds for disposal of assets paid to the Consolidated Account	(770)	-
<b>Total distributions to owners</b>	<b>(4,581)</b>	<b>-</b>
<b>Balance at end of period</b>	<b>624,729</b>	<b>565,275</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 33. EQUITY (cont.)

- (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.

	2015	2014
	\$'000	\$'000

#### (b) ASSET REVALUATION SURPLUS

Balance at start of period	393,507	371,315
Net revaluation increments/(decrements):		
Land	5,624	9,660
Buildings	2,480	13,662
	8,104	23,322
Transfer to accumulated surplus/(deficit) on sale of previously revalued assets	(2,055)	(1,130)
<b>Balance at end of period</b>	<b>399,556</b>	<b>393,507</b>

#### (c) ACCUMULATED SURPLUS/(DEFICIT)

Balance at start of period	214,115	194,959
Result for the year	34,677	18,026
Transfer of revalued amounts of assets sold	2,055	1,130
<b>Balance at end of period</b>	<b>250,847</b>	<b>214,115</b>

	2015	2014
	\$'000	\$'000

### 34. NOTES TO THE STATEMENT OF CASH FLOWS

#### (a) RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents (see Note 21)	73,646	62,234
Restricted cash and cash equivalents (see Note 22)	47,447	40,872
	<b>121,093</b>	<b>103,106</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$'000	2014 \$'000
<b>34. 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>		
<b>Net cost of services</b>	<b>(1,226,563)</b>	<b>(1,200,981)</b>
Non-cash items:		
Depreciation, amortisation and impairment expense	50,345	51,131
Services received free-of-charge	7,320	6,866
Donated assets	(574)	(749)
Doubtful and bad debts expense	5,178	4,272
Net loss/(gain) on sale of non-current assets	(132)	(333)
Adjustment for state government grants	-	1,220
Adjustment for other non-cash items	(3,745)	(2,340)
Increase/(decrease) in assets:		
Receivables (iii)	873	110
Prepayments	(10,955)	(543)
Inventories	(287)	179
Increase/(decrease) in liabilities:		
Payables (iii)	46	(3,570)
Sundry accruals	5,000	3,481
Provisions	9,471	(5,479)
Net GST receipts/(payments) (i)	(2,211)	(836)
Change in GST (receivables)/payables (ii)	708	(31)
	<b>61,037</b>	<b>53,378</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>(1,165,526)</b>	<b>(1,147,603)</b>

- (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.

## 34. NOTES TO THE STATEMENT OF CASH FLOWS (cont.)

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

During the financial year, the Police Service received donated assets from external parties totalling \$544,748 in 2014-15 compared to \$736,965 in 2013-14. In addition, there was \$17,500,000 of assets transferred from the Department of the Attorney General during 2014-15.

During the year, there were \$1,949,284 of assets transferred to Department for Lands in 2014-15 compared to nil in 2013-14. In addition, there were no assets transferred to other government agencies in 2014-15 and 2013-14.

	2015 \$'000	2014 \$'000
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## 35. COMMITMENTS

### (a) CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:

Within one year	17,525	23,208
Later than one year and not later than five years	13,642	37,960
	<b>31,167</b>	<b>61,168</b>

### (b) LEASE COMMITMENTS

Operating lease commitments contracted for at the reporting date but not recognised in the financial statements are payable as follows:

Within one year	33,715	34,129
Later than one year and not later than five years	61,002	89,303
Later than five years	338	-
	<b>95,055</b>	<b>123,432</b>

Representing:

Non-cancellable operating leases	95,055	123,432
	<b>95,055</b>	<b>123,432</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$'000	\$'000

### 35. COMMITMENTS (cont.)

#### (c) OTHER EXPENDITURE COMMITMENTS

Other expenditure commitments at the reporting date arising through the placement of purchase orders or non-cancellable agreements and are payable as follows:

Within one year	39,982	64,366
Later than one year and not later than five years	57,238	171,404
Later than five years	10,439	2,136
	<b>107,659</b>	<b>237,906</b>

The above commitments are all inclusive of GST.

### 36. 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 36(c).

### 36. FINANCIAL INSTRUMENTS (cont.)

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. Overall, 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 ENDED 30 JUNE 2015

	2015	2014
	\$'000	\$'000

## 36. FINANCIAL INSTRUMENTS (cont.)

### (b) CATEGORIES OF FINANCIAL INSTRUMENTS

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:

#### Financial Assets

Cash and cash equivalents	73,646	62,234
Restricted cash and cash equivalents	47,447	40,872
Receivables (i)	366,669	320,844

#### Financial Liabilities

Financial liabilities measured at amortised cost	41,882	36,835
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(i) The amount of receivables excludes GST recoverable from ATO.

### (c) FINANCIAL INSTRUMENT DISCLOSURES

#### 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.

## 36. FINANCIAL INSTRUMENTS (cont.)

#### Credit Risk

The following table details the Police Service's maximum exposure to credit risk and the ageing analysis of financial assets. The Police Service's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets shown below. The table discloses the ageing of financial assets that are past due but not impaired. 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 ENDED 30 JUNE 2015



### 36. FINANCIAL INSTRUMENTS (cont.)

#### Ageing Analysis of Financial Assets

	Carrying Amount \$'000	Due and not impaired \$'000	Past due but not impaired			
			Less than 3 months \$'000	3 to 6 months \$'000	6 months to 1 year \$'000	More than 1 year \$'000
<u>2014-15</u>						
Cash and cash equivalents	73,646	73,646	-	-	-	-
Restricted cash and cash equivalents	47,447	47,447	-	-	-	-
Receivables	2,360	769	104	476	928	83
Amounts receivable for services	364,309	364,309	-	-	-	-
	<b>487,762</b>	<b>486,171</b>	<b>104</b>	<b>476</b>	<b>928</b>	<b>83</b>
<u>2013-14</u>						
Cash and cash equivalents	62,234	62,234	-	-	-	-
Restricted cash and cash equivalents	40,872	40,872	-	-	-	-
Receivables	3,234	2,303	224	114	492	101
Amounts receivable for services	317,610	317,610	-	-	-	-
	<b>423,950</b>	<b>423,019</b>	<b>224</b>	<b>114</b>	<b>492</b>	<b>101</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 36. FINANCIAL INSTRUMENTS (cont.)

### *Liquidity Risk and Interest Rate Exposure*

The following table discloses the Police Service's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities.

**Interest Rate Risk Exposure and Maturity Analysis of Financial Assets and Financial Liabilities**

2014-15	Weighted average effective interest rate %	Interest Rate Exposure			Maturity Dates			
		Carrying Amount \$'000	Non-interest bearing amount \$'000	Nominal amount \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>Financial Assets</b>								
Cash and cash equivalents	-	73,646	73,646	73,646	73,646	-	-	-
Restricted cash and cash equivalents	-	47,447	47,447	47,447	47,447	-	-	-
Receivables	-	2,360	2,360	2,360	2,360	-	-	-
Amounts receivable for services	-	364,309	364,309	364,309	1,060	14,077	28,786	320,386
		<b>487,762</b>	<b>487,762</b>	<b>487,762</b>	<b>124,513</b>	<b>14,077</b>	<b>28,786</b>	<b>320,386</b>
<b>Financial Liabilities</b>								
Payables	-	8,845	8,845	8,845	8,845	-	-	-
Other accrued expenses	-	33,037	33,037	33,037	33,037	-	-	-
		<b>41,882</b>	<b>41,882</b>	<b>41,882</b>	<b>41,882</b>	-	-	-
<b>Net Financial Assets (Liabilities)</b>		<b>445,880</b>	<b>445,880</b>	<b>445,880</b>	<b>82,631</b>	<b>14,077</b>	<b>28,786</b>	<b>320,386</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 36. FINANCIAL INSTRUMENTS (cont.)

2013-14	Weighted average effective interest rate %	Carrying Amount \$'000	Interest Rate Exposure		Maturity Dates			
			Non-interest bearing amount \$'000	Nominal amount \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>Financial Assets</b>								
Cash and cash equivalents	-	62,234	62,234	62,234	62,234	-	-	-
Restricted cash and cash equivalents	-	40,872	40,872	40,872	40,872	-	-	-
Receivables	-	3,234	3,234	3,234	3,234	-	-	-
Amounts receivable for services	-	317,610	317,610	317,610	797	15,148	36,690	264,975
		<b>423,950</b>	<b>423,950</b>	<b>423,950</b>	<b>107,137</b>	<b>15,148</b>	<b>36,690</b>	<b>264,975</b>
<b>Financial Liabilities</b>								
Payables	-	8,798	8,798	8,798	8,798	-	-	-
Other accrued expenses	-	28,037	28,037	28,037	28,037	-	-	-
		<b>36,835</b>	<b>36,835</b>	<b>36,835</b>	<b>36,835</b>	-	-	-
<b>Net Financial Assets (Liabilities)</b>		<b>387,115</b>	<b>387,115</b>	<b>387,115</b>	<b>70,302</b>	<b>15,148</b>	<b>36,690</b>	<b>264,975</b>

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>37. CONTINGENT LIABILITIES</b>		
UNSETTLED LEGAL CLAIMS		
The value reported represents the maximum obligation potentially payable for the claims on hand at 30 June 2015.	<b>820</b>	<b>1,007</b>
<b>38. 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	<b>189</b>	<b>180</b>

## 39. REMUNERATION OF SENIOR OFFICERS

### DEFINITION OF A SENIOR OFFICER

A Senior Officer means a person, by whatever the position title is called, who is concerned or takes part in the management of the agency. The agency's Senior Officers comprises the Corporate Board of the Police Service including the Commissioner of Police, Deputy Commissioner Operations, Deputy Commissioner Specialist Services and the Executive Director.

### 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:

\$	2015	2014
140,001 - 150,000	1	-
190,001 - 200,000	1	-
320,001 - 330,000	-	2
350,001 - 360,000	1	-
370,001 - 380,000	1	-
380,001 - 390,000	-	1
490,001 - 500,000	-	1
500,001 - 510,000	1	-
	<u>5</u>	<u>4</u>

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
Total cash remuneration and superannuation	1,521	1,540
Annual and long service leave accruals	(17)	(48)
Other benefits	71	36
The total remuneration of Senior Officers is:	<b><u>1,575</u></b>	<b><u>1,528</u></b>

- (i) Includes senior officers where periods of service is less than twelve months.
- (ii) No senior officers are members of the Pension Scheme.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>40. SUPPLEMENTARY FINANCIAL INFORMATION</b>		
(a) WRITE-OFFS		
Write-offs approved in accordance with section 48 of the <i>Financial Management Act 2006</i> related to:		
Bad debts *	889	1,824
Assets written off from the asset register *	47	34
Other public property **	51	90
	<u>987</u>	<u>1,948</u>
* 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 <i>Financial Management Act 2006</i> under the authority of:		
(i) Bad Debts		
The Accountable Authority	889	1,824
	<u>889</u>	<u>1,824</u>
(ii) Assets		
The Accountable Authority	47	34
	<u>47</u>	<u>34</u>
(iii) Other Public Property		
The Accountable Authority	51	90
	<u>51</u>	<u>90</u>
(b) GIFTS OF PUBLIC PROPERTY		
Gifts of public property provided by the Police Service	<u>87</u>	<u>100</u>

## 41. 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.

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
CONSTABLE CARE CHILD SAFETY FOUNDATION INC	1,010	976
THE WESTERN AUSTRALIA POLICE HISTORICAL SOCIETY INC.	19	-
	<u>1,029</u>	<u>976</u>

## 42. 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 43. EXPLANATORY STATEMENT

Major variances between estimates (original budget) and actual results for 2015, and between actual results for 2014 and 2015 are shown below. Major variances are considered to be those greater than 10% or \$10 million.

#### STATEMENT OF COMPREHENSIVE INCOME

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Actual 2014 \$'000	Variance between budget and 2015 actual \$'000	Variance between 2015 and 2014 actual results \$'000
<b>Expenses</b>						
Employee expenses	1, A	982,659	959,016	939,535	(23,643)	19,481
Supplies and services	2	219,956	194,767	188,391	(25,189)	6,376
Depreciation & amortisation expense	3	61,671	50,345	51,131	(11,326)	(786)
Accommodation expenses	4	62,090	54,385	54,748	(7,705)	(363)
Grants, subsidies and transfer payments	5	7,252	4,377	3,611	(2,875)	766
Loss on disposal of non-current assets		-	91	17	91	74
Other expenses	6, B	9,865	10,872	8,709	1,007	2,163
<b>Total cost of services</b>		<b>1,343,493</b>	<b>1,273,853</b>	<b>1,246,142</b>	<b>(69,640)</b>	<b>27,711</b>
<b>Income</b>						
<b>Revenue</b>						
User charges and fees	7	39,102	33,331	32,886	(5,771)	445
Commonwealth grants	8, C	350	2,314	340	1,964	1,974
Contributions, sponsorships and donations	9	6,847	10,048	10,475	3,201	(427)
Other revenue		764	1,374	1,110	610	264
<b>Total Revenue</b>		<b>47,063</b>	<b>47,067</b>	<b>44,811</b>	<b>4</b>	<b>2,256</b>
<b>Gains</b>						
Gain on disposal of non-current assets		-	223	350	223	(127)
<b>Total Gains</b>		<b>-</b>	<b>223</b>	<b>350</b>	<b>223</b>	<b>(127)</b>
<b>Total Income other than Income from State Government</b>		<b>47,063</b>	<b>47,290</b>	<b>45,161</b>	<b>227</b>	<b>2,129</b>
<b>NET COST OF SERVICES</b>		<b>1,296,430</b>	<b>1,226,563</b>	<b>1,200,981</b>	<b>(69,867)</b>	<b>25,582</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 43. EXPLANATORY STATEMENT (cont.)

#### STATEMENT OF COMPREHENSIVE INCOME

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Actual 2014 \$'000	Variance between budget and 2015 actual \$'000	Variance between 2015 and 2014 actual results \$'000
<b>Income from State Government</b>						
Service appropriation	10, D	1,253,678	1,227,972	1,180,976	(25,706)	46,996
State grants		16,371	17,180	16,600	809	580
Services received free-of-charge		6,250	7,320	7,320	1,070	-
Royalties for Regions Fund	11, E	17,941	8,768	14,111	(9,173)	(5,343)
<b>Total Income from State Government</b>		<b>1,294,240</b>	<b>1,261,240</b>	<b>1,219,007</b>	<b>(33,000)</b>	<b>42,233</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>(2,190)</b>	<b>34,677</b>	<b>18,026</b>	<b>36,867</b>	<b>16,651</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus	12, F	-	8,104	23,322	8,104	(15,218)
<b>Total other comprehensive income</b>		<b>-</b>	<b>8,104</b>	<b>23,322</b>	<b>8,104</b>	<b>(15,218)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(2,190)</b>	<b>42,781</b>	<b>41,348</b>	<b>8,104</b>	<b>1,433</b>

#### STATEMENT OF FINANCIAL POSITION

##### ASSETS

##### Current Assets

Cash and cash equivalents	13, G	34,136	73,646	62,234	39,510	11,412
Restricted cash and cash equivalents	14, H	42,668	47,447	11,647	4,779	35,800
Receivables		6,598	7,984	7,355	1,386	629
Amounts receivable for services		14,470	15,137	15,945	667	(808)
Non-current assets classified as held for sale	15, I	-	1,917	17	1,917	1,900
Inventories		621	729	442	108	287
Other current assets	16, J	6,598	18,096	7,141	11,498	10,955
<b>Total Current Assets</b>		<b>105,091</b>	<b>164,956</b>	<b>104,781</b>	<b>59,865</b>	<b>60,175</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 43. EXPLANATORY STATEMENT (cont.)

#### STATEMENT OF FINANCIAL POSITION

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Actual 2014 \$'000	Variance between budget and 2015 actual \$'000	Variance between 2015 and 2014 actual results \$'000
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents	14, K	-	-	29,225	-	(29,225)
Amounts receivable for services	L	348,866	349,172	301,665	306	47,507
Property, plant and equipment	M	942,151	942,617	916,567	466	26,050
Intangible assets	N	67,943	70,050	57,804	2,107	12,246
<b>Total Non-Current Assets</b>		<b>1,358,960</b>	<b>1,361,839</b>	<b>1,305,261</b>	<b>2,879</b>	<b>56,578</b>
<b>TOTAL ASSETS</b>		<b>1,464,051</b>	<b>1,526,795</b>	<b>1,410,042</b>	<b>62,744</b>	<b>116,753</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Provisions	17, O	149,432	152,437	145,715	3,005	6,722
Payables	P	44,124	41,882	36,835	(2,242)	5,047
<b>Total Current Liabilities</b>		<b>193,556</b>	<b>194,319</b>	<b>182,550</b>	<b>763</b>	<b>11,769</b>
<b>Non-Current Liabilities</b>						
Provisions	18, Q	50,327	57,344	54,595	7,017	2,749
<b>Total Non-Current Liabilities</b>		<b>50,327</b>	<b>57,344</b>	<b>54,595</b>	<b>7,017</b>	<b>2,749</b>
<b>TOTAL LIABILITIES</b>		<b>243,883</b>	<b>251,663</b>	<b>237,145</b>	<b>7,780</b>	<b>14,518</b>
<b>NET ASSETS</b>		<b>1,220,168</b>	<b>1,275,132</b>	<b>1,172,897</b>	<b>54,964</b>	<b>102,235</b>
<b>EQUITY</b>						
Contributed equity	19, R	650,651	624,729	565,275	(25,922)	59,454
Reserves	20	371,315	399,556	393,507	28,241	6,049
Accumulated surplus	21, S	198,202	250,847	214,115	52,645	36,732
<b>TOTAL EQUITY</b>		<b>1,220,168</b>	<b>1,275,132</b>	<b>1,172,897</b>	<b>54,964</b>	<b>102,235</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 43. EXPLANATORY STATEMENT (cont.)

#### STATEMENT OF CASH FLOWS

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Actual 2014 \$'000	Variance between budget and 2015 actual \$'000	Variance between 2015 and 2014 actual results \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	22, T	1,192,007	1,166,301	1,123,828	(25,706)	42,473
Capital appropriations	23, U	69,969	35,410	3,553	(34,559)	31,857
Holding account drawdowns		15,945	14,972	16,600	(973)	(1,628)
Grants from State Government	V	16,371	17,180	15,527	809	1,653
Royalties for Regions Fund	24, W	33,234	18,031	14,111	(15,203)	3,920
Non retained revenue distribution to owners	25, X	-	(770)	-	(770)	(770)
<b>Net cash provided by State Government</b>		<b>1,327,526</b>	<b>1,251,124</b>	<b>1,173,619</b>	<b>(76,402)</b>	<b>77,505</b>
<b>Utilised as follows:</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee payments	26, Y	(979,059)	(954,405)	(941,839)	24,654	(12,566)
Supplies and services	27	(215,512)	(184,543)	(178,873)	30,969	(5,670)
Accommodation payments		(54,611)	(56,812)	(56,852)	(2,201)	40
Grant payments	28, Z	(7,252)	(4,379)	(3,633)	2,873	(746)
GST payments on purchases		(29,911)	(32,415)	(30,181)	(2,504)	(2,234)
Other payments	29, AA	(10,896)	(5,921)	(3,247)	4,975	(2,674)
		<b>(1,297,241)</b>	<b>(1,238,475)</b>	<b>(1,214,625)</b>	<b>58,766</b>	<b>(23,850)</b>
<b>Receipts</b>						
User charges and fees	30	35,532	29,000	29,284	(6,532)	(284)
Commonwealth grants	31, AB	350	2,247	340	1,897	1,907
Contributions, sponsorships and donations	32, AC	5,929	9,473	8,053	3,544	1,420
GST receipts on sales		2,388	4,127	3,497	1,739	630
GST receipts from taxation authority		27,523	26,077	25,848	(1,446)	229
Other receipts	33	610	2,025	-	1,415	2,025
		<b>72,332</b>	<b>72,949</b>	<b>67,022</b>	<b>617</b>	<b>5,927</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>(1,224,909)</b>	<b>(1,165,526)</b>	<b>(1,147,603)</b>	<b>59,383</b>	<b>(17,923)</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

### 43. EXPLANATORY STATEMENT (cont.)

#### STATEMENT OF CASH FLOWS

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Actual 2014 \$'000	Variance between budget and 2015 actual \$'000	Variance between 2015 and 2014 actual results \$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current physical assets	34, AD	(112,718)	(68,235)	(49,854)	44,483	(18,381)
<b>Receipts</b>						
Proceeds from sale of non-current physical assets		-	624	795	624	(171)
<b>Net cash provided by/(used in) investing activities</b>		<b>(112,718)</b>	<b>(67,611)</b>	<b>(49,059)</b>	<b>45,107</b>	<b>(18,552)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(10,101)</b>	<b>17,987</b>	<b>(23,043)</b>	<b>28,088</b>	<b>41,030</b>
Cash and cash equivalents at the beginning of period		86,905	103,106	126,149	16,201	(23,043)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>76,804</b>	<b>121,093</b>	<b>103,106</b>	<b>44,289</b>	<b>17,987</b>
<b>ADMINISTERED TRANSACTIONS</b>						
<b>INCOME</b>						
Sale of lost, stolen and forfeited property		450	544	521	94	23
Fines and infringements	35	200	78	108	(122)	(30)
<b>TOTAL INCOME</b>		<b>650</b>	<b>622</b>	<b>629</b>	<b>(28)</b>	<b>(7)</b>
<b>EXPENSES</b>						
Transfer payments	36	400	515	524	115	(9)
Commission expenses	37	250	107	105	(143)	2
<b>TOTAL EXPENSES</b>		<b>650</b>	<b>622</b>	<b>629</b>	<b>(28)</b>	<b>(7)</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 43. EXPLANATORY STATEMENT (cont.)

### Explanation of Major Variances

#### Variance between estimate and actual

1. Employee expenses were under budget by \$23.6 million due mainly to Police Officer severances in early 2014 which resulted in a lower than budget FTE for 2014-15. Regional housing was also under budget due to slower than expected deployment of new officers to regional areas.
2. Supplies and services were under budget by \$25.2 million due mainly to changes in the timing of capital projects and restructuring of vehicle leases. Capital works expensed was under budget primarily due to delays in the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology Replacement and Continuity program.
3. Depreciation expense was under budget by \$11.3 million due mainly to a revision in the useful life of some software assets and delays in new infrastructure projects, such as the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology Replacement and Continuity program.
4. Accommodation expense was under budget by \$7.7 million due mainly to the renegotiation and rationalisation of accommodation leases. Note that accommodation lease budget includes allowance for outgoings, whereas the actuals may be reflected in other account groups.
5. Grant payments were under budget by \$2.9 million due mainly to delays in grants payments to the Police and Citizens Youth Club, pending finalisation of a Memorandum of Understanding.
6. Other expenses were \$1 million over budget due to the net impact of an increase in doubtful debts expense related to the impoundment of vehicles plus refunds of State Grants received.
7. User charges and fees were under budget by \$5.8 million due mainly to the reclassification of salary recoups as an expense rather than revenue item during 2015 and lower than budgeted National Police Certificate revenue.
8. Commonwealth Grants were \$2 million over budget due mainly to the receipt of funding from the Australian Federal Police for the Perth branch of the National Anti-Gang Squad.
9. Contributions, sponsorships and donations were over budget by \$3.2 million due mainly to over budget employee contributions towards regional housing as a result of increases in housing volumes and contribution rates.
10. The reduction in Service appropriation of \$25.7 million is reflective of the recurrent impact of Government efficiency measures.
11. Income from the Royalties for Regions Fund was \$9.2 million lower than originally budgeted due to reductions in District Allowance funding and repositioning of income relating to the Regional Incentives Scheme and the Community Safety Network project.
12. The change in asset revaluation surplus of \$8.1 million represents the movement in the valuation of land and buildings for 2014-15. This line item was not provided for in the budget papers.
13. Cash and cash equivalents were \$39.5 million over budget due to a net increase in Cash and cash equivalents as a result of operating cash flows, and capital works carryovers - relating mainly to the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology Replacement and Continuity program.
14. Restricted cash and cash equivalents were over budget by \$4.8 million due mainly to Royalties for Regions cash carried over for the Community Safety Network project from 2013-14.
15. Non-Current Assets classified as held for sale was above budget as a result of land identified for immediate sale during the year.
16. Other current assets were over budget by \$11.5 million due to the prepayment of PAYG and payroll deductions.
17. Current Provisions were over budget by \$3 million due to increases in the provision for Long Service Leave resulting from changes to interest rates and a new provision for In Service Medical Benefits.
18. Non-Current Provisions were \$7 million over budget due mainly to increases in the Long Service Leave Provision resulting from changes to actuarial factors and an increase in the Post Separation Medical Benefits provision as a result of an actuarial assessment of the Scheme.
19. Contributed equity was \$25.9 million under budget as a result of repositioning within the Asset Investment Program, primarily related to the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology replacement and Continuity program, offset by a transfer of equity from Department of the Attorney General for the Carnarvon Police and Justice Centre.
20. Reserves were \$28.2 million over budget due to the revaluation in land and buildings in 2015.
21. Accumulated surplus was \$52.6 million over budget, largely as a result of over budget actual surplus for 2014 and 2015.
22. The reduction in Service appropriation of \$25.7 million is largely attributable to the recurrent impact of Government efficiency measures.
23. Capital appropriation was \$34.6 million under budget as a result of repositioning within the Asset Investment Program projects across the forward estimate period, primarily related to the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology Replacement and Continuity program.
24. Royalties for Regions Fund receipts were \$15.2 million lower than originally budgeted due to the reduction in District Allowance funding and repositioning of cash receipts relating to the Community Safety Network/Regional Radio Network Replacement program.
25. Non-Retained Revenue distribution to owners relates to the sale proceeds of vessels that were returned to the Consolidated Account. This line item was not provided for in the budget papers.
26. Employee payments were under budget by \$24.7 million due mainly to Police Officer severances in early 2014 which resulted in a lower than budget FTE for 2014-15. Regional housing was also under budget due to slower than expected deployment of new officers to regional areas.
27. Supplies and services were under budget by \$30.9 million due mainly to changes in the timing of capital projects and restructuring of vehicle leases. Capital works expensed was under budget primarily due to delays in the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology Replacement and Continuity program.
28. Grant payments were under budget by \$2.9 million due mainly to delays in grants payments to the Police and Citizens Youth Club, pending finalisation of a Memorandum of Understanding.
29. Other payments were \$5 million under budget due mainly to lower advertising payments than expected and the timing of payments from corporate card clearing accounts.
30. User charges and fees receipts were under budget by \$6.5 million due to the reclassification of salary recoups as an expense rather than revenue item during 2015, lower than budgeted National Police Certificate revenue and lower recoups relating to vehicle impoundments.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 43. EXPLANATORY STATEMENT (cont.)

31. Commonwealth grants were \$1.9 million over budget due mainly to funding from the Australian Federal Police for the Perth branch of the National Anti-Gang Squad.
32. Contributions, sponsorships and donations were over budget by \$3.5 million due mainly to lower budgeted employee contributions towards regional housing and the timing of cash receipts for Special Plate Contributions.
33. Other Receipts were over budget by \$1.4 million due mainly to receipts for paid parental leave.
34. Purchase of non-current physical assets was under budget by \$44.5 million due mainly to repositioning within the Asset Investment Program across the forward estimates period, primarily related to the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology Replacement and Continuity program.
35. Fines and infringements relate to Licensing Enforcement fines. Income received fluctuates from year to year based on the number of fines issued.
36. Transfer payments to Government relate to the proceeds of the sale of lost, stolen and forfeited property and fines revenue. The amount paid fluctuates from year to year based on receipts.
37. Commission expenses relate to auctioneer costs associated with the sale of lost, stolen and forfeited property. This expense is proportional to the income received from the sale of lost, stolen and forfeited property.

## Variance between actual results for 2015 and 2014

- A. Employee expenses increased by \$19.5 million as a result of pay increases, additional Police Officers and increases in leave liability accrual, offset by a reduction in Police Staff.
- B. Other expenses increased by \$2.2 million due mainly to the refund of State Grants received and an increase in doubtful debts expense.
- C. Commonwealth grants increased by \$2 million due mainly to the receipt of funding from the Australian Federal Police for the Perth branch of the National Anti-Gang Squad.
- D. The increase in Service appropriation of \$47 million is due mainly to the net impact of salary and cost escalation and appropriation for the 2013 Election Commitment - Boost to Police Resources, offset by the impact of Government Efficiency measures.
- E. Income from the Royalties for Regions Fund reduced by \$5.3 million due to reductions in District Allowance funding and the timing of cash flows relating to Community Safety Network project.
- F. The asset revaluation increment was \$15.2 million less than the previous year's increment.
- G. Cash and cash equivalents increased by \$11.4 million due mainly to a net increase in cash as a result of operating cash flows, and capital works carryovers - relating mainly to the Community Safety Network/Regional Radio Network Replacement program and the Information and Communications Technology Replacement and Continuity program.
- H. The movement in Restricted Cash and cash equivalents reflects the movement of the accumulated cash for the 27th pay from non-current to current assets.
- I. Non-Current Assets classified as held for sale increased as a result of land identified for immediate sale during the year.
- J. Other current assets increased by \$11 million due to the prepayment of PAYG and payroll deductions.
- K. Non-current restricted cash and cash equivalents reflects the movement of the accumulated cash for the 27th pay from non-current to current assets.
- L. Amounts receivable for services reflects an increase in the holding account balance for asset replacement proportional to depreciation accrued during 2015.
- M. Property, plant and equipment reflects an increase of \$26 million primarily as a result of the Asset Investment Program and the revaluation of land and buildings.
- N. Intangible assets reflects an increase of \$12.2 million primarily as a result of the Asset Investment Program.
- O. Current provisions increased by \$6.7 million due to increases in the provision for Long Service Leave resulting from changes to actuarial factors and a new provision for In Service Medical Benefits.
- P. Payables and accruals increased by \$5 million primarily due to an increase in accrued salaries.
- Q. Non-Current Provisions increased by \$2.7 million primarily due to an increase in the provision for Post Separation Medical Benefits as a result of an actuarial assessment of the Scheme.
- R. Contributed equity increased by \$59.5 million due mainly to the equity contributed for the Asset Investment Program and the contribution of equity for the Carnarvon Police and Justice Centre.
- S. The Accumulated surplus increase by \$36.7 million reflecting the gross impacts of all the above variations, excess of income over expense, and net changes in assets and liabilities.
- T. The increase in Service appropriation of \$42.5 million is due mainly to salary and cost escalation and appropriation for the 2013 Election Commitment - Boost to Police Resources.
- U. The Capital appropriation increase of \$31.9 million is reflective of the changing mix of projects in the Asset Investment Program.
- V. The increase in Grants from Government of \$1.7 million reflects an increase in funding from the Road Trauma Trust Account, offset by a reduction in funding from the Confiscation Proceeds Account.
- W. Royalties for Regions receipts were \$3.9 million greater due to the cash flows required for the Community Safety Network project.
- X. Non-Retained Revenue relates to the sale proceeds of vessels that were returned to the Consolidated Account in 2014-15. There were no transfers in 2013-14.
- Y. Employee payments increased by \$12.6 million as a result of pay increases and additional Police Officers, offset by a reduction in Police Staff FTE and changes to levels in employee severances between the years.
- Z. Grants payments increased by \$0.7 million due mainly to increases in grants for community policing initiatives.
- AA. Other payments in 2014 was offset by Other Receipts, resulting in a variation of \$2.7 million. Actual other payments were consistent from 2014 to 2015.
- AB. Commonwealth Grants increased by \$1.9 million due mainly to the receipt of funding from the Australian Federal Police for the Perth branch of the National Anti-Gang Squad.
- AC. Contributions, sponsorships and donations increased by \$1.4 million due mainly to the timing of Special Plate Contributions.
- AD. Purchase of non-current physical assets increased by \$18.4 million reflecting changes in the Asset Investment Program.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>44. SCHEDULE OF ADMINISTERED ITEMS</b>		
<b>ADMINISTERED EXPENSES AND INCOME</b>		
<b>EXPENSES</b>		
Transfer payments	515	524
Commission expenses	107	105
<b>Total administered expenses</b>	<u><b>622</b></u>	<u><b>629</b></u>
<b>INCOME</b>		
Sale of lost, stolen and forfeited property	544	521
Fines and infringements	78	108
<b>Total administered income</b>	<u><b>622</b></u>	<u><b>629</b></u>

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.

#### 45. SPECIAL PURPOSE ACCOUNTS

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:

##### (a) FOUND MONEY TRUST

Opening Balance 1 July 2014	466	147
Receipts	382	666
Payments	361	347
<b>Closing Balance at 30 June 2015</b>	<u><b>487</b></u>	<u><b>466</b></u>

##### *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.

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>45. SPECIAL PURPOSE ACCOUNTS (cont.)</b>		
<b>(b) STOLEN MONIES TRUST</b>		
Opening Balance 1 July 2014	799	413
Receipts	738	872
Payments	268	486
<b>Closing Balance at 30 June 2015</b>	<u><b>1,269</b></u>	<u><b>799</b></u>

##### *Purpose*

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 Unclaimed Money Act 1990.

##### (c) SEIZED MONIES TRUST

Opening Balance 1 July 2014	19,183	17,778
Receipts	11,295	8,506
Payments	6,525	7,101
<b>Closing Balance at 30 June 2015</b>	<u><b>23,953</b></u>	<u><b>19,183</b></u>

##### *Purpose*

To hold monies seized by officers of the Police Service in the exercise of relevant statutory powers.

##### (d) DECEASED ESTATE MONIES

Opening Balance 1 July 2014	54	10
Receipts	151	104
Payments	168	60
<b>Closing Balance at 30 June 2015</b>	<u><b>37</b></u>	<u><b>54</b></u>

##### *Purpose*

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 2015

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 2015.

KARL J O'CALLAGHAN APM  
Commissioner of Police

27 August 2015

## KEY PERFORMANCE INDICATORS

### INTRODUCTION

Key Performance Indicators (KPIs) enable performance to be measured, monitored, evaluated, reported and improved. They play a key role in managing performance at all levels in the WA Police – strategic and operational.

Under the provisions of the *Financial Management Act 2006*, agencies are required to disclose in their annual report key effectiveness and efficiency indicators.

Effectiveness indicators provide information that assists with assessment of the extent to which government desired outcomes have been achieved through the resourcing and delivery of services to the community.

Efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

KPIs form part of Western Australia's performance management framework, referred to as Outcome Based Management (OBM). Treasurer's Instruction 904 prescribes the mandatory requirements of OBM for government agencies.

During 2013-14, the WA Police reviewed its OBM framework. A new framework was developed and subsequently approved by the Minister for Police; Road Safety; Training and Workforce Development; Women's Interests, and the Department of Treasury.

The new OBM framework took effect from the 1 July 2014. The framework has one outcome 'Contribute to community safety and security' and three services that are aligned to the organisational structure. A new suite of KPIs reflect the recommendations of a review by the Office of the Auditor General, alignment with national police performance indicators, and the balanced scorecard concept that considers performance based on customer; internal process; organisational readiness and financial perspectives.

## OBM FRAMEWORK

### Government Goal

*Results Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians*

### Outcome (What we sought to achieve)

Outcome 1: Contribute to community safety and security

### Key Effectiveness Indicators

#### Customer Demand

KPI 1: Rate of offences against the person (excluding domestic violence incidents) per 100,000 people

KPI 2: Rate of offences against property per 100,000 people

#### Organisational Readiness

KPI 3: Percentage of sworn police officer hours available for frontline policing duties

#### Internal Process

KPI 4: Percentage of priority 1 & 2 incidents in the metropolitan area responded to within 12 minutes

KPI 5: Percentage of priority 3 incidents in the metropolitan area responded to within 60 minutes

KPI 6: Percentage of family and domestic-related incidents where an offender was processed for an offence against the person within 7 days

KPI 7: Percentage of offences against the person investigations finalised within 60 days

KPI 8: Percentage of offences against property investigations finalised within 30 days

KPI 9: Percentage of traffic law enforcement contacts made by police officers that target 'Category A' offences <sup>(a)</sup>

#### Customer Satisfaction

KPI 10: Percentage of the community who were 'satisfied' or 'very satisfied' with the service received during their most recent contact with police

KPI 11: Percentage of the community who 'agreed' or 'strongly agreed' that they have confidence in police

### The services we provided

Service 1: Metropolitan policing services

Service 2: Regional and remote policing services

Service 3: Specialist policing services

### Key Efficiency Indicators (financial perspective)

Average cost of metropolitan policing services per person in the Perth metropolitan area

Average cost of regional and remote policing services per person in regional WA

Average cost of specialist policing services per person in WA

(a) 'Category A' offences include: driving under the influence of alcohol/drugs, careless/dangerous/reckless driving, non-speed camera speeding offences, no authority to drive/unlicensed vehicle, use of mobile phones whilst driving, and non-wearing of seatbelts/restraints/helmets.

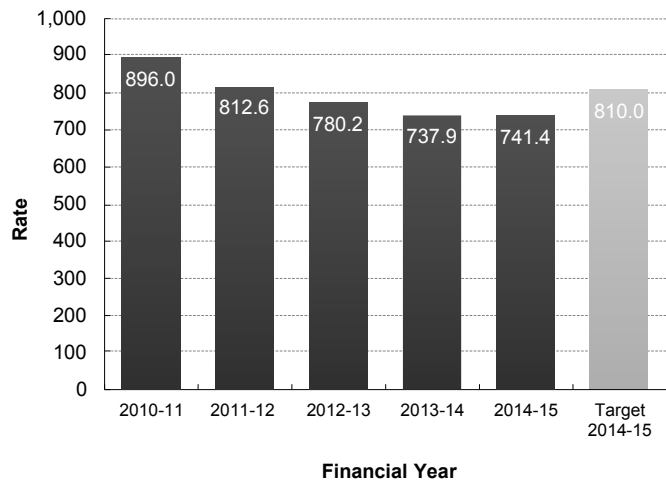
# KEY PERFORMANCE INDICATORS

## EFFECTIVENESS INDICATORS

### OUTCOME 1: CONTRIBUTE TO COMMUNITY SAFETY AND SECURITY

#### CUSTOMER DEMAND

**KPI 1:** Rate of offences against the person (excluding domestic violence incidents) per 100,000 people, 2010-11 to 2014-15 (a)(b)(c)(d)(e)



**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). A verified offence is an offence that has been determined to not be falsely or mistakenly reported. Excluded are 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 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.
- (d) 'Offences against the person' include: homicide, assault, sexual assault, threatening behaviour, deprivation of liberty, and robbery. Offences against the person that are domestic violence-related are excluded.
- (e) This is a new Key Performance Indicator with effect from July 2014.

**Sources:**

WA Police, FrontLine Incident Management System.  
 Australian Bureau of Statistics, Australian Demographic Statistics, December Quarter 2014 (Cat. No. 3101).

**WHY is this a key indicator of our performance?**

In collaboration with other agencies, police contribute to addressing the causal effects of crime and disorder, and disrupting criminal behaviour. WA Police continue to monitor and work proactively to reduce the levels of crime thereby contributing to community safety and security. Police can influence crime rates by targeting causal factors (crime prevention) and by successfully investigating offences and apprehending offenders. This indicator excludes domestic violence incidents because while police respond to such incidents, they have very limited influence on the factors that contribute to their occurrence. A low or decreasing rate of offences is desirable.

**HOW is this indicator derived?**

The rate of offences against the person (excluding domestic violence incidents) per 100,000 people is calculated by multiplying the number of offences by 100,000 and dividing this figure by the WA Estimated Resident Population as at 31 December (mid point of the financial year).

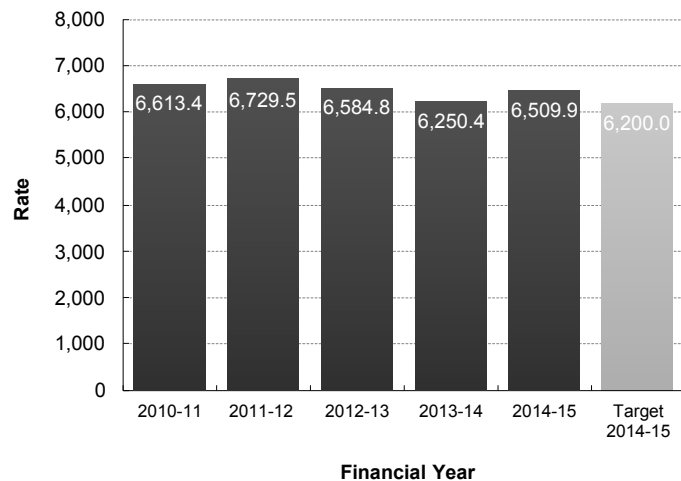
The use of a rate of offences per 100,000 people is an internationally/nationally recognised standard for comparing the prevalence of crime over time and between different geographical areas.

**WHAT does this indicator show?**

The rate of offences against the person (excluding domestic violence incidents) per 100,000 people has decreased by 17.6 per cent between 2010-11 and 2013-14. The rate has since increased slightly by 0.5 per cent to 741.4 in 2014-15.



**KPI 2: Rate of offences against property per 100,000 people, 2010-11 to 2014-15** (a)(b)(c)(d)(e)



### WHY is this a key indicator of our performance?

In collaboration with other agencies, police contribute to addressing the causal effects of crime and disorder, and disrupting criminal behaviour. Although the number of reported offences is not within the direct control of the police, WA Police continue to monitor and work proactively to reduce the levels of crime thereby contributing to community safety and security. Police can influence crime rates by targeting causal factors (crime prevention) and by successfully investigating offences and apprehending offenders. A low or decreasing rate of offences is desirable.

### HOW is this indicator derived?

The rate of offences per 100,000 people is calculated by multiplying the number of offences against property by 100,000 and dividing this figure by the WA Estimated Resident Population as at 31 December (mid point of the financial year).

The use of a rate of offences per 100,000 people is an internationally/nationally recognised standard for comparing the prevalence of crime over time and between different geographical areas.

### WHAT does this indicator show?

The rate of offences against property per 100,000 people has decreased by 7.1 per cent between 2011-12 and 2013-14. However, the rate has since increased by 4.2 per cent in 2014-15.

#### 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). A verified offence is an offence that has been determined to not be falsely or mistakenly reported. Excluded are 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 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.
- (d) 'Offences against property' include: burglary, motor vehicle theft, theft, arson, and property damage.
- (e) This is a new Key Performance Indicator with effect from July 2014.

#### Sources:

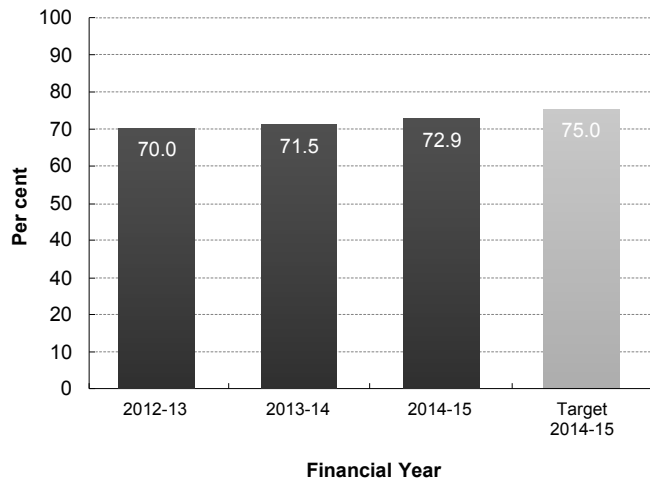
WA Police, FrontLine Incident Management System.  
 Australian Bureau of Statistics, Australian Demographic Statistics, December Quarter 2014 (Cat. No. 3101).

# KEY PERFORMANCE INDICATORS

## EFFECTIVENESS INDICATORS

### ORGANISATIONAL READINESS

**KPI 3:** Percentage of sworn police officer hours available for frontline policing duties, 2012-13 to 2014-15 <sup>(a)(b)(c)(d)</sup>



#### WHY is this a key indicator of our performance?

Approximately 75 per cent of WA Police expenditure relates to employee expenses. It therefore follows that the extent to which the agency is able to maximise utilisation of our available frontline police officer resources, in particular, will contribute significantly to achieving our outcome.

#### HOW is this indicator derived?

The number of sworn police officer hours available for frontline policing duties is based on the hours of police officers attached to organisational units that have been deemed to be 'frontline'. For the purpose of this indicator, an organisational unit is classified as 'frontline' if it satisfies the following criteria:

(a) The unit is comprised of operational police officers who:

- Are physically able (i.e. not temporarily or permanently injured);
- Are required to be critical skills trained;
- Are actively visible as a police officer;
- May exercise police powers; and
- Are expected to exercise such powers on a daily basis if required.

(b) The unit is delivering a police or police-related service:

- Keeping the peace
- Preventing crime
- Detecting crime
- Enforcing the law
- Apprehending offenders
- Emergency management

(c) The police or police-related service is delivered directly to members of the public predominantly face to face or by telephone.

Sworn police officers include Aboriginal Police Liaison Officers, but exclude Police Auxiliary Officers and the ranks of Superintendent and above. Frontline availability also excludes permanently or temporarily non-operational police officers.

The indicator is calculated by expressing the number of sworn police officer hours available for frontline policing duties (including overtime) as a percentage of the number of baseline hours worked (total police officer hours less annual leave and long service leave).

### WHAT does this indicator show?

The percentage of sworn police officer hours available for frontline policing duties has increased since 2012-13. The Frontline 2020 reform program has resulted in the redeployment of police officers to the frontline and has identified potential opportunities to release more police officers from non-frontline functions.

#### Notes:

- (a) Sworn police officers include Aboriginal Police Liaison Officers.
- (b) This indicator excludes: Police Auxiliary Officers, sworn police officers of the rank of Superintendent and above, sworn police officers who are permanently or temporarily non-operational, and sworn police officers working in non-operational/non-frontline areas i.e. Professional Standards, Asset Management, Business Strategy and Finance, Business Information Services, Judicial Services (including district prosecuting), Communications and Intelligence (including District Intelligence Unit and Traffic Intelligence), Professional Development (including district training officers), Media and Corporate Communications, and Executive Services.
- (c) This indicator does not currently take into account the impact of training on the hours available for frontline policing duties.
- (d) This is a new Key Performance Indicator with effect from July 2014.

#### Source:

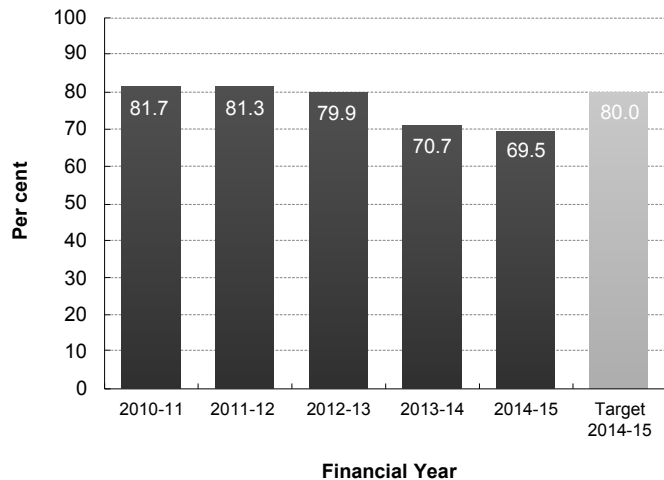
WA Police Resource Management Information System (RMIS), payroll data.

# KEY PERFORMANCE INDICATORS

## EFFECTIVENESS INDICATORS

### INTERNAL PROCESS

**KPI 4:** Percentage of priority 1 & 2 incidents in the metropolitan area responded to within 12 minutes, 2010-11 to 2014-15 <sup>(a)(b)(c)(d)</sup>



### WHY is this a key indicator of our performance?

The WA community expect that the police will respond promptly to calls for police assistance. However, the main 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 only one aspect of police performance when responding to incidents. Response times are affected by many factors including the number of available police, existing tasking demands and priorities, road and weather conditions.

On receiving the call, police allocate a response priority according to its level of seriousness. Priority 1 incidents require urgent attendance and include an imminent threat to life, serious offence or incident in progress. Priority 2 incidents require immediate attendance and include a serious offence/incident in progress.

The ability of police to respond in a timely and appropriate manner to such incidents directly and indirectly contributes to community safety and security. The police recognise that not all incidents can be responded to within the specified timeframe, but aim to respond to 80 per cent of priority 1 and 2 incidents within 12 minutes in the Perth metropolitan area.

A high or increasing percentage of incidents that are responded to within 12 minutes is desirable.

### HOW is this indicator derived?

The indicator is calculated by expressing the number of priority 1 & 2 incidents that are responded to within 12 minutes as a percentage of the total number of priority 1 & 2 incidents in the Perth metropolitan area.



### WHAT does this indicator show?

The percentage of priority 1 & 2 incidents in the metropolitan area responded to within 12 minutes has decreased by 10.4 percentage points since 2012-13.

This was largely due to a state-wide increase in the number of incidents graded as priority 2. The increase in priority 2 incidents was mostly attributable to internal allocation practices, but also to a general increase in calls requiring an urgent response.

Changes to the Crash Management Policy in November 2013 also resulted in an increase in crashes attended as priority 2. This policy was revised in October 2014.

In 2014-15 there were 18,801 priority 1 & 2 incidents, an increase of 106.6 per cent (9,701) compared with 9,100 in 2012-13.

Furthermore, it is also likely that increasing traffic volume and congestion has impacted on WA Police capacity to respond to priority 2 incidents within the 12 minute target.

#### Notes:

- (a) EXCEPTIONS. To provide an accurate indication of response times, the following incident types 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 – are deemed 'arrived' at the time of initiating the Computer Aided Dispatch system (CAD) incident, e.g. pursuits or any incident created directly by a unit from their Tasking and Dispatch Information System (TADIS) device;
  - Change of Incident Response Priority – where incidents are subject to a priority upgrade, e.g. priority 3 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 – which may occur due to a number of circumstances; and
  - Incidents where there is no police attendance – matter dealt with other than by police attending the location.
- (b) The response time has been formulated from the time the incident was entered 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.
- (c) 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 priority 1 or 2 task arises. It is reasonable to assume that responding to priority 1 or 2 incidents in these marginal metropolitan areas may experience delays beyond the target response time.
- (d) This is a new Key Performance Indicator with effect from July 2014.

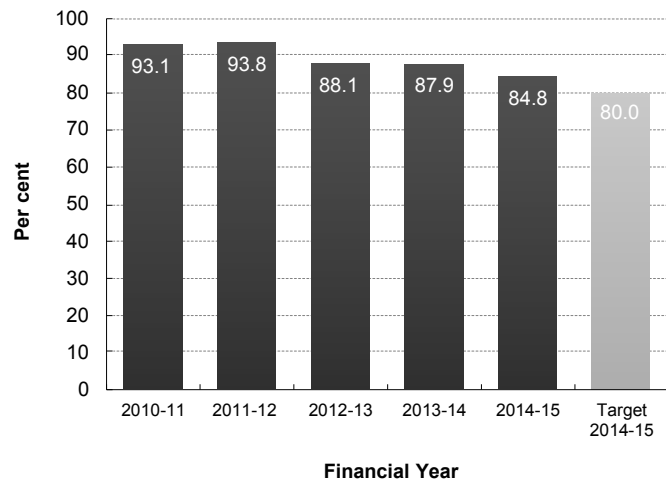
#### Source:

WA Police, Computer Aided Dispatch system.

# KEY PERFORMANCE INDICATORS

## EFFECTIVENESS INDICATORS

**KPI 5:** Percentage of priority 3 incidents in the metropolitan area responded to within 60 minutes, 2010-11 to 2014-15 (a)(b)(c)(d)



### WHY is this a key indicator of our performance?

The WA community expect that the police will respond promptly to calls for police assistance. However, the main 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 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.

On receiving the call, police allocate a response priority according to its level of seriousness. Priority 3 incidents require routine attendance and include an offence in progress/suspect at scene or the preservation of evidence.

The ability of police to respond in a timely and appropriate manner to such incidents directly and indirectly contributes to community safety and security. The police recognise that not all incidents can be responded to within the specified timeframe but aim to respond to 80 per cent of priority 3 incidents within 60 minutes in the Perth metropolitan area.

A high or increasing percentage of incidents that are responded to within 60 minutes is desirable.

### HOW is this indicator derived?

The indicator is calculated by expressing the number of priority 3 incidents that are responded to within 60 minutes as a percentage of the total number of priority 3 incidents in the Perth metropolitan area.

### WHAT does this indicator show?

Since 2011-12, there has been a decrease in the percentage of priority 3 incidents in the metropolitan area responded to within 60 minutes. However, this percentage has remained above the target of 80 per cent.

In 2014-15 there were 136,679 priority 3 calls, an increase of 14.2 per cent (16,963) compared with 119,716 in 2011-12.

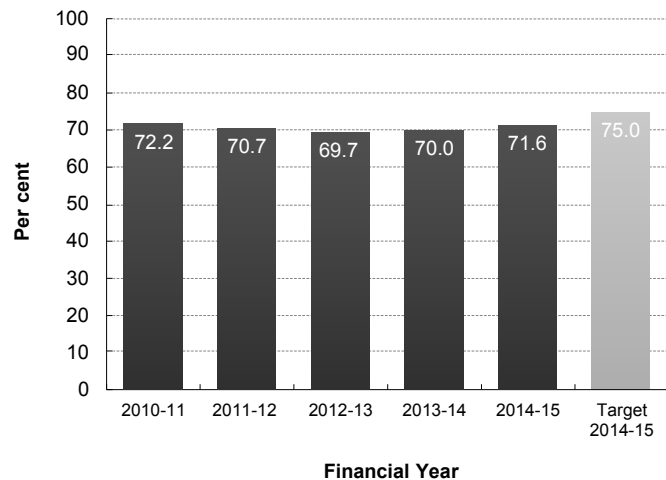
#### Notes:

- (a) EXCEPTIONS. To provide an accurate indication of response times, the following incident types 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 – are deemed 'arrived' at the time of initiating the Computer Aided Dispatch system (CAD) incident, e.g. pursuits or any incident created directly by a unit from their Tasking and Dispatch Information System (TADIS) device;
  - Change of Incident Response Priority – where incidents are subject to a priority upgrade, e.g. priority 4 to priority 3, 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 – which may occur due to a number of circumstances; and
  - Incidents where there is no police attendance – matter dealt with other than by police attending the location.
- (b) The response time has been formulated from the time the incident was entered 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.
- (c) 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 priority 3 task arises. It is reasonable to assume that responding to priority 3 incidents in these marginal metropolitan areas may experience delays beyond the target response time.
- (d) This is a new Key Performance Indicator with effect from July 2014.

#### Source:

WA Police, Computer Aided Dispatch system.

**KPI 6:** Percentage of family and domestic-related incidents where an offender was processed for an offence against the person within 7 days, 2010-11 to 2014-15 <sup>(a)(b)(c)</sup>



### WHY is this a key indicator of our performance?

The police recognise that incidents involving family and domestic violence are serious crimes. Acts of family and domestic violence are a complex and challenging issue affecting the safety and security of our community. Such acts can take many forms and can often be endured by victims and their children over long periods of time before they seek help.

The WA Police take positive action to protect the victims and their children from further harm when acts of family and domestic violence occur. Through our collaborative approach with partner agencies, victims receive support and assistance and are able to make safe and informed choices. Violence Restraint Orders and Police Orders are used as additional safeguards and not as an alternative to the laying of appropriate charges.

Generally, police process offenders for domestic violence related offences within a short period of time as the offenders are often present and their identity is known. It is important that in the interests of protecting victims and community safety to process offenders promptly.

### HOW is this indicator derived?

This indicator relates to family and domestic-related incidents recorded in the WA Police FrontLine Information Management System where an offender has been processed (e.g. arrested, charged, summonsed or cautioned) for an offence against the person. Offences against the person include: homicide, assault, sexual assault, threatening behaviour, deprivation of liberty and robbery.

The indicator is calculated by expressing the number of family and domestic-related incidents where an offender was processed for one or more offences against the person within 7 days as a percentage of the total number of family and domestic-related incidents where an offender was processed for one or more offences against the person during the reporting period.

## KEY PERFORMANCE INDICATORS EFFECTIVENESS INDICATORS

### WHAT does this indicator show?

The percentage of family and domestic-related incidents where an offender was processed for an offence against the person within 7 days has improved since 2012-13, despite an increase in the number of these incidents.

#### Notes:

(a) Notwithstanding the definition of 'A family and domestic relationship' in section 4 of the *Restraining Orders Act 1997*, WA Police define a family and domestic relationship as:

- Intimate partner means two persons who are or have been in a relationship with each other which has some degree of stability and continuity. It must reasonably be supposed to have, or have had a sexual aspect to the relationship. The partners do not have to be living together on a full time continuing basis and need not ever have done so.
- Immediate family member means two persons who are related whether directly, in-laws or step family including parent; grandparent; one of the persons involved is a child who ordinarily resides, resided or regularly stays with the other person; and guardian of an involved child.

(b) An 'act of family and domestic violence' is defined in section 6 of the *Restraining Orders Act 1997* and means one of the following acts that a person commits against another person with whom he or she is in a family and domestic relationship:

- assaulting or causing personal injury to the person;
- kidnapping or depriving the person of his or her liberty;
- damaging the person's property, including the injury or death of an animal that is the person's property;
- behaving in an ongoing manner that is intimidating, offensive or emotionally abusive towards the person;
- pursuing the person or a third person or causing the person or a third person to be pursued with intent to intimidate the person; or in a manner that could reasonably be expected to intimidate, and that does in fact intimidate, the person; and
- threatening to commit any act described above against the person.

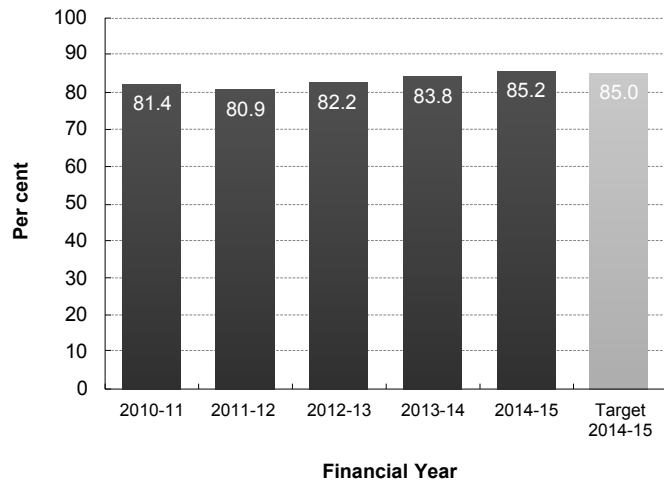
'Offences against the person' include: homicide, assault, sexual assault, threatening behaviour, deprivation of liberty and robbery.

(c) This is a new Key Performance Indicator with effect from July 2014.

#### Source:

WA Police, FrontLine Incident Management System.

**KPI 7:** Percentage of offences against the person investigations finalised within 60 days, 2010-11 to 2014-15 <sup>(a)(b)(c)(d)</sup>



### WHY is this a key indicator of our performance?

Applying an appropriate response, practice or procedure early appears to affect the effectiveness of the investigation and the likelihood that it will be resolved (e.g. offender processed) within a relatively short period of time.

The percentage of offences against the person investigated that are finalised within 60 days is a key indicator of investigative effectiveness as it reflects better processing, file management, investigation standards and attention to getting the investigation done. Investigations of offences against the person are more complex than offences against property and therefore can take longer to finalise, hence the period of 60 days compared with 30 days for offences against property. One of the purposes of police is to apprehend offenders and this is usually the result of a successful investigation. Apprehending offenders stops further offences being committed and may act as a deterrent to future criminal behaviour. As a consequence, this contributes to community safety and security.

### HOW is this indicator derived?

The 'percentage of offences against the person finalised' comprises all investigation outcomes i.e. offender processed, withdrawn, statute barred, civil/other, insufficient evidence and uncleared.

The number of verified offences against the person investigations finalised within 60 days of being reported is expressed as a percentage of the total number of verified offences against the person where investigations have been finalised during the reporting period and may include verified offences committed during earlier periods.

### WHAT does this indicator show?

The percentage of offences against the person investigations finalised within 60 days has improved since 2011-12.

#### Notes:

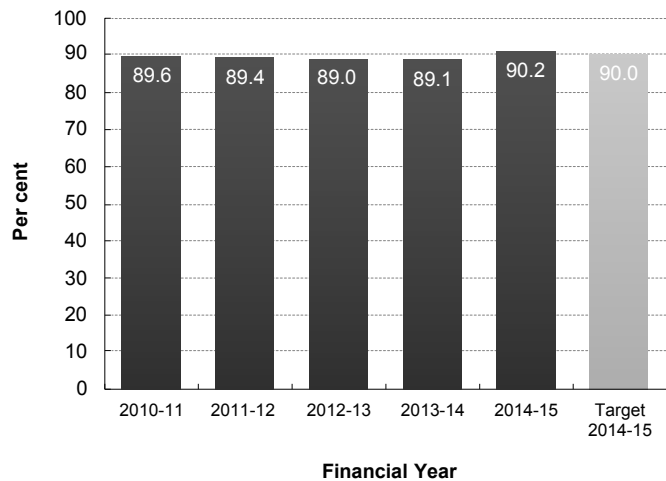
- (a) This indicator is based on selected verified offences reported to, or becoming known to police and resulting in the submission of an incident report in the FrontLine Incident Management System (IMS). A verified offence is an offence that has been determined to not be falsely or mistakenly reported. Excluded are 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) 'Offences against the person' include: homicide, assault, sexual assault, threatening behaviour, deprivation of liberty and robbery.
- (d) This is a new Key Performance Indicator with effect from July 2014.

#### Source:

WA Police, FrontLine Incident Management System.

## KEY PERFORMANCE INDICATORS EFFECTIVENESS INDICATORS

**KPI 8:** Percentage of offences against property investigations finalised within 30 days, 2010-11 to 2014-15 <sup>(a)(b)(c)(d)</sup>



### WHY is this a key indicator of our performance?

There is a correlation between matters that are resolved and the time it takes to resolve them. Applying an appropriate response, practice or procedure early appears to affect the effectiveness of the investigation and the likelihood that it will be resolved (e.g. offender processed) within a relatively short period of time.

#### 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). A verified offence is an offence that has been determined to not be falsely or mistakenly reported. Excluded are 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) 'Offences against property' include: burglary, motor vehicle theft, theft, arson and property damage.
- (d) This is a new Key Performance Indicator with effect from July 2014.

#### Source:

WA Police, FrontLine Incident Management System.

The percentage of offences against property investigated that are finalised within 30 days is a key indicator of investigative effectiveness as it reflects better processing, file management, investigation standards and attention to getting the investigation done. Investigations of offences against property are generally less complex than offences against the person and therefore take less time to finalise, hence the period of 30 days compared with 60 days for offences against the person. One of the purposes of police is to apprehend offenders and this is usually the result of a successful investigation. Apprehending offenders stops further offences being committed and may act as a deterrent to future criminal behaviour. As a consequence, this contributes to community safety and security.

### HOW is this indicator derived?

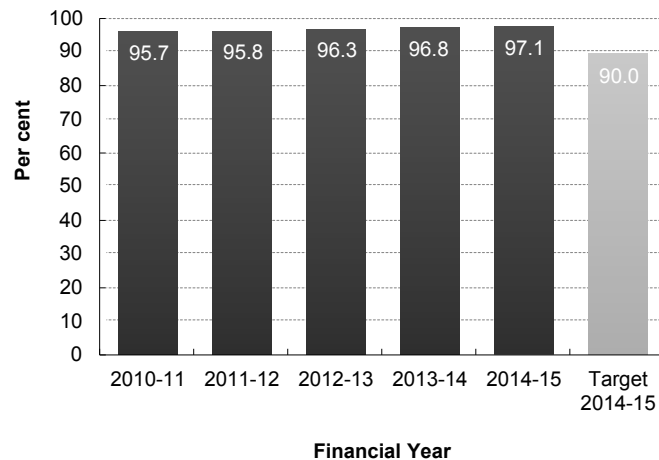
The 'percentage of offences against property finalised' comprises all investigation outcomes i.e. offender processed, withdrawn, statute barred, civil/other, insufficient evidence and uncleared.

The number of verified offences against property investigations finalised within 30 days of being reported is expressed as a percentage of the total number of verified offences against property where investigations have been finalised during the reporting period and may include verified offences committed during earlier periods.

### WHAT does this indicator show?

Percentage of offences against property investigations finalised within 30 days has improved since 2012-13.

**KPI 9:** Percentage of traffic law enforcement contacts made by police officers that target 'Category A' offences, 2010-11 to 2014-15 <sup>(a)</sup>



### WHY is this a key indicator of our performance?

The predominance of road safety/traffic law enforcement effort conducted by police officers is directed to those issues that are deemed as behaviours most likely to cause crashes such as alcohol/drugs, dangerous/reckless driving, speeding, unauthorised driving, and use of mobile phones whilst driving, or contribute to the severity of injury i.e. not wearing seatbelts/restraints/helmets.

By maintaining a high proportion of enforcement effort on addressing these 'Category A' offences as opposed to other traffic offences, the police are being effective in conducting traffic law enforcement in order to contribute to the outcome of community safety.

### HOW is this indicator derived?

'Category A' offences include: driving under the influence of alcohol/drugs, careless/dangerous/reckless driving, non-speed camera speeding offences, no authority to drive/unlicensed vehicle, use of mobile phones whilst driving, and non-wearing of seatbelts/restraints/helmets.

For the purpose of this indicator, a traffic contact includes conducting a preliminary breath/drug test, charging a road user for a traffic offence(s) or issuing a traffic infringement. As a preliminary breath/drug test is a traffic contact, any drink/drug driving charge or infringement that may result from the breath test is not counted.

The number of traffic law enforcement contacts made by police officers that target 'Category A' offences is expressed as a percentage of the total number of traffic law enforcement contacts (excluding drink/drug driving charges/infringements) during the reporting period.

### WHAT does this indicator show?

The percentage of traffic law enforcement contacts made by police officers that target 'Category A' offences has improved since 2010-11.

**Note:**

(a) This is a new Key Performance Indicator with effect from July 2014.

**Sources:**

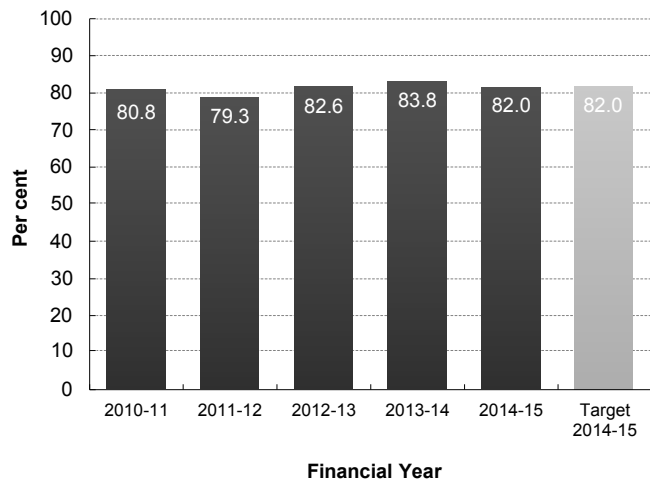
WA Police, BriefCase system.  
 WA Police, Image and Infringement Processing System (IIPS)  
 WA Police, Traffic and Crash Executive Information System (TEACEIS)

# KEY PERFORMANCE INDICATORS

## EFFECTIVENESS INDICATORS

### CUSTOMER SATISFACTION

**KPI 10:** Percentage of the community who were 'satisfied' or 'very satisfied' with the service received during their most recent contact with police, 2010-11 to 2014-15 <sup>(a)(b)</sup>



#### WHY is this a key indicator of our performance?

Customer satisfaction is a widely accepted measure of organisational performance. Indicators based on community perception provide useful information about service delivery and acknowledge the importance of community engagement. The WA community are the customers of the services provided by the WA Police. The extent to which those members of the community who have had contact with the police during the last 12 months are satisfied with the service received during their most recent contact with the police is based on personal experience. As a consequence, the police through their attitude, behaviour and actions can directly influence the level of satisfaction members of the community perceive resulting from this interaction with police. The extent to which the community is satisfied with the service received during their most recent contact with police provides an indication of how well these services meet customer needs and expectations; and therefore the effectiveness of the police in contributing to community safety and security.

#### HOW is this indicator derived?

The data for this indicator is sourced from the National Survey of Community Satisfaction with Policing. The data is weighted to a quarter of the population of people aged 15 or over for Perth and the rest of WA each quarter. In this way, the combined weighted estimates for four consecutive quarters are approximately equal to the total population. The data is also weighted by police district by age by sex.

The indicator is based on those people who did have contact with police in the last 12 months and their response to the question: How satisfied were you with the service you received during your most recent contact with police? The response categories are: 'very satisfied', 'satisfied', 'neither satisfied nor dissatisfied', 'dissatisfied', and 'very dissatisfied'.

The percentage of the WA Community who responded 'satisfied' or 'very satisfied' are combined to show the overall level of satisfaction with the service received during their contact with police.



### WHAT does this indicator show?

- In 2014-15, 49.0 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 to conduct a random breath/drug test and to report a crime or other incident.
- The percentage of the WA community who were satisfied with the services received during their most recent contact with police in 2014-15 (82.0 per cent) was not statistically significantly different to 2013-14 (83.8 per cent).

#### 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 WA 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. More than 28,500 people aged 15 years and over are surveyed nationally via telephone over a twelve-month period with about 2,800 being surveyed 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 chart for this indicator is equal to or less than 3.0 per cent.

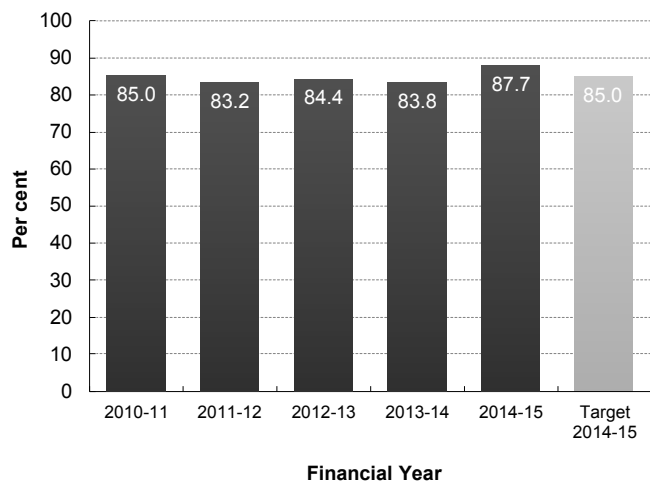
#### Source:

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

# KEY PERFORMANCE INDICATORS

## EFFECTIVENESS INDICATORS

**KPI 11:** Percentage of the community who ‘agreed’ or ‘strongly agreed’ that they have confidence in police, 2010-11 to 2014-15 <sup>(a)(b)(c)</sup>



### WHY is this a key indicator of our performance?

In 2013, the Commissioner of Police stated that:

“In my introductory narrative for the Frontline First initiative some years ago, I commented that public confidence in police relies upon community members feeling police are making a positive difference in their everyday lives. I made that comment because I believe that no matter what other performance measures are put in place, or how many complex issues we resolve, community confidence is the ultimate measure of our success.”

The community’s confidence in police reflects police professionalism, honesty, and treating people fairly and equally. By maintaining a high level of community confidence in police, the police are empowered to contribute to community safety and security.

### HOW is this indicator derived?

The data for this indicator is sourced from the National Survey of Community Satisfaction with Policing. The data is weighted to a quarter of the population of people aged 15 or over for Perth and the rest of WA each quarter. In this way, the combined weighted estimates for four consecutive quarters are approximately equal to the total population. The data is also weighted by police district by age by sex.

The indicator is based on those people who responded to the question: To what extent do you agree or disagree with the following statement about police in WA: I do have confidence in the police? The response categories are: ‘strongly agree’, ‘agree’, ‘neither agree nor disagree’, ‘disagree’, and ‘strongly disagree’.

The percentage of the WA Community who responded ‘agree’ or ‘strongly agree’ are combined to show the overall level of agreement with the statement: I do have confidence in the police.

### WHAT does this indicator show?

- The percentage of the WA community who agreed that they had confidence in the police increased in 2014-15 to 87.7 per cent. However, this was not statistically significantly different to 2013-14 (83.8 per cent).

#### 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 WA 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. More than 28,500 people aged 15 years and over are surveyed nationally via telephone over a twelve-month period with about 2,800 being surveyed 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 chart for this indicator is equal to or less than 1.8 per cent.
- (c) This is a new Key Performance Indicator with effect from July 2014.

#### Source:

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



## KEY PERFORMANCE INDICATORS 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 three services is measured in terms of the average cost of the service per person.

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 person of providing policing services can vary significantly. Policing activities include keeping the peace, enforcing the law, preventing and detecting crime, apprehending offenders and emergency management. The average cost per person can be affected by such factors as employee pay rate movements and other cost increases, changes in work practices or streamlining of processes.

If real expenditure is kept constant, an increase in population will result in a lower cost per person which represents an improvement in efficiency i.e. the police are expending the same amount of resources to service a larger population, potentially more crime and other incidents. The level of efficiency can be maintained if real expenditure does not exceed the rate of population growth. Expenditure that exceeds the rate of population growth indicates inefficiency.

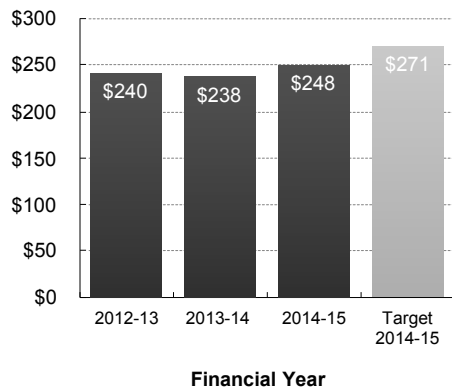
The key efficiency indicators for each service are presented in the following charts and show comparative performance over the period 2012-13 to 2014-15 and the target for 2014-15.

### OUTCOME 1: CONTRIBUTE TO COMMUNITY SAFETY AND SECURITY

#### SERVICE 1: METROPOLITAN POLICING SERVICES

General policing services provided by districts within the Metropolitan Region including: crime prevention, maintaining public order, and responding to and investigating criminal and general incidents.

Average cost of metropolitan policing services per person in the Perth metropolitan area, 2012-13 to 2014-15<sup>(a)</sup>



**Note:**

(a) This is a new Key Performance Indicator with effect from July 2014.

**Source:**

Total cost of Service from Schedule of Income and Expenses by Services for the years ending 30 June 2014 and 30 June 2015, respectively.

#### WHY is this a key indicator of our performance?

The Metropolitan Region is one of two policing regions in WA. In 2014-15, the total cost of providing metropolitan policing services was \$500,598 million. This represented 39.3 per cent of the total cost of services. These policing services are provided to the community of the Perth metropolitan area. By showing the relationship between the cost of services and the population receiving these services, the cost efficiency of delivering these services can be measured.

#### HOW is this indicator derived?

The total cost of metropolitan policing services is based on the Metropolitan Police Region (including 'specialist services' within districts such as detectives, crime intelligence, forensics, traffic and prosecuting and the following areas within Judicial Services: Prosecuting Services Division and Custodial Services that directly relate to metropolitan policing), plus the apportionment of Corporate Services and Support Overhead.

The total cost of metropolitan policing services is divided by the Estimated Resident Population (ERP) of the Metropolitan Police Region as at the beginning of the financial year i.e. the ERP as at 30 June 2014 is used for the 2014-15 financial year.

#### WHAT does this indicator show?

The average cost of metropolitan policing services per person in the Perth metropolitan area increased in 2014-15 to \$248.

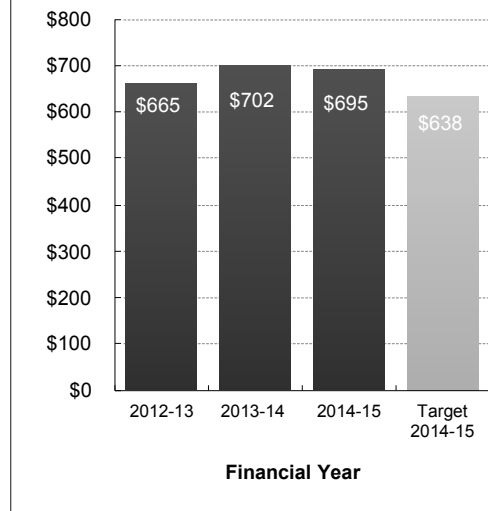
# KEY PERFORMANCE INDICATORS

## EFFICIENCY INDICATORS

### SERVICE 2: REGIONAL AND REMOTE POLICING SERVICES

General policing services provided by districts within the Regional WA Region including: crime prevention, maintaining public order, and responding to and investigating criminal and general incidents.

Average cost of regional and remote policing services per person in regional WA, 2012-13 to 2014-15<sup>(a)</sup>



**Note:**

(a) This is a new Key Performance Indicator with effect from July 2014.

**Source:**

Total cost of Service from Schedule of Income and Expenses by Services for the years ending 30 June 2014 and 30 June 2015, respectively.

#### WHY is this a key indicator of our performance?

The Regional WA Region is one of two policing regions in WA. In 2014-15, the total cost of providing regional and remote policing services was \$378,461 million. This represented 29.7 per cent of the total cost of services. These policing services are provided to the community of regional WA. By showing the relationship between the cost of services and the population receiving these services, the cost efficiency of delivering these services can be measured.

#### HOW is this indicator derived?

The total cost of regional and remote policing services is based on the Regional WA Police Region (including 'specialist services' within districts such as detectives, crime intelligence, forensics, traffic and prosecuting), plus the apportionment of Corporate Services and Support Overhead.

The total cost of regional and remote policing services is divided by the Estimated Resident Population (ERP) of the Regional WA Police Region as at the beginning of the financial year i.e. the ERP as at 30 June 2014 is used for the 2014-15 financial year.

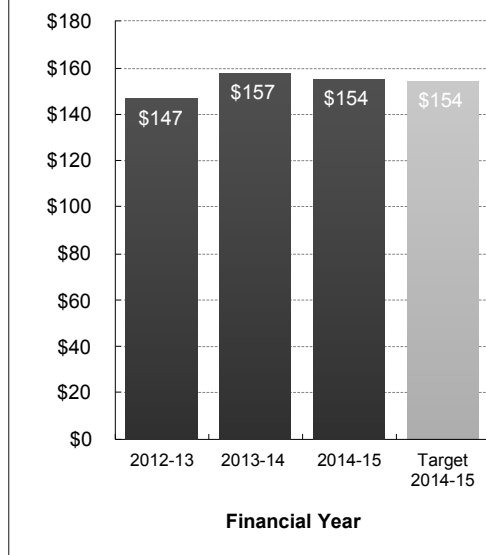
#### WHAT does this indicator show?

The average cost of regional and remote policing services per person in regional WA decreased in 2014-15 to \$695.

### SERVICE 3: SPECIALIST POLICING SERVICES

Specialist policing services include: major crime, serious and organised crime, sex crime, commercial crime, licensing enforcement, forensic, intelligence, traffic enforcement, and counter terrorism and emergency response.

Average cost of specialist policing services per person in WA, 2012-13 to 2014-15<sup>(a)</sup>



**Note:**

(a) This is a new Key Performance Indicator with effect from July 2014.

**Source:**

Total cost of Service from Schedule of Income and Expenses by Services for the years ending 30 June 2014 and 30 June 2015, respectively.

#### WHY is this a key indicator of our performance?

Specialist policing services provide support to the police regions. In 2014-15, the total cost of providing specialist policing services was \$394,794 million. This represented 31.0 per cent of the total cost of services. These policing services are provided to the community of WA. By showing the relationship between the cost of services and the population receiving these services, the cost efficiency of delivering these services can be measured.

#### HOW is this indicator derived?

The total cost of specialist policing services is based on the specialist portfolios (i.e. State Crime, Traffic and Emergency Response, and the business area of Intelligence), plus the apportionment of Corporate Services and Support Overhead.

The total cost of specialist policing services is divided by the Estimated Resident Population (ERP) of WA (as these services are provided across the state) as at the beginning of the financial year i.e. the ERP as at 30 June 2014 is used for the 2014-15 financial year.

#### WHAT does this indicator show?

The average cost of specialist policing services per person in WA decreased to \$154 in 2014-15.

## OTHER FINANCIAL DISCLOSURES

### ACT OF GRACE PAYMENTS

Requirement under Treasurer's Instruction 319(5)

In 2014-15 there were two Act of Grace applications received by WA Police, one which was approved and one is still under consideration. The total amount expended was \$2,000.

### CAPITAL WORKS

Requirement under Treasurer's Instruction 903, s13 (ii (a), (b))

#### Major Capital Works - where Project Estimated Total Cost exceeds \$10.0M

Project	Proposed Year of Completion	Revised ETC May 2014 \$'000	Revised ETC May 2015 \$'000	Variations \$'000	Variation %	Reasons for Variations
<b>Completed Works</b>						
Fleet and Equipment Purchases - New and Replacement						
- Fleet and Equipment Replacement Program 2012 to 2015	2014-15	30,724	30,724	0	0.0%	
- Major Aircraft New and Replacement Program - Helicopter	2014-15	22,030	22,030	0	0.0%	
- Speed and Red Light Camera Upgrades	2014-15	24,500	24,500	0	0.0%	
Police Facilities						
- Custodial Facilities Upgrade Program 2012 to 2015	2014-15	10,200	10,200	0	0.0%	
- Perth Police Complex	2014-15	93,270	85,706	(7,564)	(8.1%)	Corrective measure applied
- Police Facilities Major Refurbishment Program	2014-15	16,392	16,392	0	0.0%	
- West Metropolitan District Accommodation Upgrade	2014-15	11,750	11,750	0	0.0%	
Information Technology Infrastructure						
- ICT - Infrastructure Replacement and Continuity 2010 to 2012	2013-14	13,187	13,182	(5)	0.0%	2010-12 program adjustment applied to the 2013-15 program
- ICT - Infrastructure Replacement and Continuity 2011 to 2015	2014-15	25,900	25,900	0	0.0%	



## OTHER FINANCIAL DISCLOSURES

### MAJOR CAPITAL WORKS (CONTINUED)

Project	Proposed Year of Completion	Revised ETC May 2013 \$'000	Revised ETC May 2014 \$'000	Variations \$'000	Variation %	Reasons for Variations
<b>Works in Progress</b>						
Fleet and Equipment Purchases - New and Replacement						
- Fleet and Equipment Replacement Program 2015 to 2018	2017-18	33,300	32,360	(940)	(2.8%)	Corrective measure applied
Information Technology Infrastructure						
- Computer Aided Dispatch System Replacement	2016-17	20,700	20,700	0	0.0%	
- Community Safety Network : Regional Radio Network Replacement Program	2016-17	71,086	71,086	0	0.0%	
- ICT - Core Business Systems - Development 2011 to 2015	2015-16	60,000	59,165	(835)	(1.4%)	Corrective measure applied
- ICT - Infrastructure Replacement & Continuity 2013 to 2015	2016-17	54,008	54,013	5	0.0%	2010-12 program adjustment applied to the 2013-15 program
Police Facilities						
- Boost to Police Resources - Accommodation Infrastructure	2018-19	56,011	56,011	0	0.0%	
- Boost to Police Resources - Ballajura Police Station	2016-17	10,989	10,989	0	0.0%	
- Cockburn Central Police Station	2016-17	20,493	20,493	0	0.0%	
- Custodial Facilities Upgrade Program 2015 to 2018	2017-18	12,000	11,600	(400)	(3.3%)	Corrective measure applied
- Police Station Upgrade Program 2015 to 2018	2017-18	12,000	11,460	(540)	(4.5%)	Corrective measure applied
- Western Suburbs Police Station	2020-21	27,408	27,408	0	0.0%	
<b>New Works</b>						
Fleet and Equipment Purchases - New & Replacement						
- Fleet and Equipment Replacement Program 2018 to 2021	2020-21	0	12,300	12,300	0.0%	Budget approved in 2015-16 budget process
Police Facilities						
- Police Facilities Major Refurbishment Program 2015 to 2019	2018-19	0	16,780	16,780	0.0%	Budget approved in 2015-16 budget process

## OTHER FINANCIAL DISCLOSURES

### EMPLOYMENT AND INDUSTRIAL RELATIONS

Requirement under Treasurer's Instruction 903, s13 (iii (a), (b))

#### Profile of Police Officers by Gender (Headcount) <sup>(a)</sup>

As at 30 June each year	2011	2012	2013	2014	2015
<b>Senior Police <sup>(b)</sup></b>					
Male	11	11	11	9	8
Female	0	0	2	2	2
<b>Police Officers</b>					
Male	4,658	4,612	4,686	4,658	4,770
Female	1,208	1,209	1,251	1,264	1,321
<b>Police Auxiliary Officers</b>					
Male	60	90	80	147	167
Female	35	62	65	98	117
<b>Aboriginal Police Liaison Officers</b>					
Male	12	11	10	9	8
Female	4	4	4	2	2
Total Males	4,741	4,724	4,787	4,823	4,953
Total Females	1,247	1,275	1,322	1,366	1,442
<b>TOTAL</b>	<b>5,988</b>	<b>5,999</b>	<b>6,109</b>	<b>6,189</b>	<b>6,395</b>

**Notes:**

(a) Personnel figures are based on headcount, which includes employees on leave without pay, as at 30 June (not full-time equivalent (FTE) staff).

(b) Senior Police comprises the Commissioner, Deputy Commissioners and Assistant Commissioners.

#### Profile of Police Staff by Gender and Classification (Headcount) <sup>(a) (b)</sup>

Level	As at 30 June 2014			As at 30 June 2015		
	Male	Female	Total	Male	Female	Total
Group 2	1	0	1	1	0	1
Class 1	3	0	3	3	0	3
Level 9	2	0	2	0	0	0
Specified Calling 8	1	0	1	1	0	1
Specified Calling 5	1	0	1	1	0	1
Level 8	21	11	32	18	11	29
Solicitor 4	4	0	4	3	0	3
Specified Calling 4	2	0	2	2	0	2
Level 7	52	32	84	52	25	77
Specified Calling 3	0	7	7	0	7	7
Level 6/7	0	1	1	0	1	1
Level 6	82	56	138	78	59	137
Specified Calling 2	1	1	2	1	1	2
Level 5	98	117	215	81	101	182
Level 4	102	128	230	93	118	211
Solicitor 1	0	1	1	0	0	0
Level 3 (includes Band Officers)	88	139	227	90	141	231
Level 2	205	538	743	217	540	757
Level 1	43	157	200	33	142	175
Chaplain	2	0	2	2	0	2
Cadets	11	3	14	0	0	0
Wages	38	76	114	27	80	107
<b>TOTAL</b>	<b>757</b>	<b>1,267</b>	<b>2,024</b>	<b>703</b>	<b>1,226</b>	<b>1,929</b>

Children's Crossing Guards employed by the WA Police

**536**

**547**

**Notes:**

(a) Statistics based on full-time equivalent (FTE) staff.

(b) The number of Children's Crossing Guard positions to operate Type A children's crossings in Western Australia as at 30 June.

## WORKFORCE PLANNING

The 2014-2017 WA Police Workforce Plan complements Frontline 2020, a program that aims to make extensive reforms to the agency, its structure and service delivery. The Workforce Plan has three main themes of Workforce Reform, Attraction and Diversity and Engagement, and Development and Leadership.

Workforce initiatives undertaken in 2014-15 include:

- Continuation of the Workforce Optimisation Project
- Progression of structural changes based on Frontline 2020 reform initiatives
- Roll-out of the new Metropolitan Operating Model
- Development of a Corporate Services Model
- Implementation of a new performance management process
- Growth in Police Officer and Police Auxiliary Officer FTE to meet Growth Program requirements

- Targeted management of Indigenous and Culturally and Linguistically Diverse police officer and police cadet applicants
- Continual review and update of workforce management policies, processes and practices.

## WORKERS' COMPENSATION CLAIMS (POLICE STAFF) 2013-14 TO 2014-15

Requirement under Treasurer's Instruction 903, s13 (iii) (c)

	2013-14	2014-15
Number of Claims	69	82

## PRICING POLICIES ON SERVICES

Requirement under Treasurer's Instruction 903, s13 (i)

WA Police charges for goods and services rendered on a full or partial cost-recovery basis. These fees and charges were determined in accordance with the Costing and Pricing of Government Services – Guidelines for use by agencies in the WA Public Sector published by the Department of Treasury and the annual instructions to agencies for the preparation of the budget.

The list of fees and charges that applied from 1 July 2014 for services provided during 2014-15 was published in the Government Gazette on 17 June 2014 for Police Fees, Security and Related Activities, Pawnbrokers and Second-hand Dealers and Firearms Fees.

## GOVERNANCE DISCLOSURES

### INTEREST IN OR BENEFITS FROM CONTRACTS

Requirement under Treasurer's Instruction 903 s14 (iii (a)(b)(c))(iv)

WA Police operates a system that requires senior officers to declare confidentiality and interest in respect to any existing or proposed contracts. There are no known cases of conflicts of interest in 2014-15.

### MINISTERIAL DIRECTIVES

Requirement under Treasurer's Instruction 903, s12

No Ministerial directives were received during 2014-15.

### BOARD AND COMMITTEE REMUNERATION

Requirement under Premier's Circular 2010/02

No remunerations were paid during 2014-15.

### ADVERTISING

Requirement under the *Electoral Act 1907, s175ZE*

Organisation	Purpose	Amount
	<b>Advertising, Marketing and Creative Media Provider</b>	
Adcorp Australia	Human Resources - Recruitment	\$20,716.31
	Vehicle Impoundment/Disposals	\$164,760.90
The Brand Agency	Bigger Picture Policing Frontline 2020	\$188,475.51
	Community Forums	\$898.44
	Recruitment Campaign (Recruits, Auxiliaries, Cadets)	\$78,265.21
Other	Bigger Picture Policing Frontline 2020 - voice over and uniforms	\$1,183.25
	<b>Media Services Suppliers</b>	
Adcorp Australia	Community Forums	\$10,414.21
	Recruitment Campaign (recruits, auxiliaries, cadets) – cadet advertising only	\$4,225.51
The Brand Agency	Bigger Picture Policing Frontline 2020	\$12,114.60
	Community Forums	\$720.00
	Recruitment Campaign (recruits, auxiliaries, cadets)	\$235,569.15
Carat	Bigger Picture Policing Frontline 2020	\$387,517.90
	Recruitment Campaign (recruits, auxiliaries, cadets)	\$1,046,502.22
	<b>Websites</b>	
The Brand Agency	Bigger Picture Policing Frontline 2020	\$33,951.61
	Recruitment Campaign (recruits, auxiliaries, cadets) – Step Forward	\$43,399.61
<b>TOTAL</b>		<b>\$2,228,714.43</b>

## COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

Requirement under *Public Sector Management Act 1994* s31(1)

In the administration of the Western Australia Police I have complied with the Public Sector Standards in Human Resource Management, the Western Australia Public Sector Code of Ethics and Code of Conduct for the WA Police.

I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the above statement is correct.

Information about the Standards is contained in the WA Police intranet site and provided during staff induction. Awareness of the standards is maintained through articles in the weekly electronic newsletter.

The Public Sector Commissioner did not undertake any investigations in accordance with the *Public Sector Management Act 1994* or any compliance audits.

The number of applications made for breach of standards reviews and the corresponding outcomes for the reporting period are detailed in the following table.

### Breach of Standard Applications 2014-15

Number lodged	1
Number of breaches found	0
Number still under review	0

### Complaints Regarding Compliance with the Code of Ethics and Agency Code of Conduct 2014-15

Number lodged	96
Number of breaches found	28
Number still under review	26



KARL J O'CALLAGHAN APM  
Commissioner of Police  
24 September 2015

## OTHER LEGAL REQUIREMENTS

### DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

Requirement under the *Disability Services Act 1993*, s29 and Schedule 3 of the *Disability Services Regulations 2004*

Since 2013, WA Police has been progressing 20 strategies that contribute towards the seven outcomes outlined in the Disability Access and Inclusion Plan (DAIP) 2013-17. Of these, the following are considered priorities:

- Re-educating agency employees about the DAIP
- Ensuring AAA Web Content Accessibility compliance on the WA Police disability internet page
- Increasing awareness of the WA Police DAIP amongst contracted service providers.

The following outlines progress of strategies for 2014-15.

**Outcome 1:** People with disability have the same opportunities as other people to access the services of, and any events organised by, the WA Police

The WA Police complaints database has been upgraded with an additional category that enables complaints related to the inability to access police services due to a disability to be identified. This

will improve WA Police reporting capabilities, and as a result, its responsiveness to service provision.

**Outcome 2:** People with disability have the same opportunities as other people to access the buildings and other facilities of the WA Police

In 2014-15, three new police stations were built in Carnarvon, Three Springs and Eucla. All stations have been designed and built in accordance with WA Police Standards/Guidelines and the Australian Building Code Standards, including Universal Access requirements.

Also, a number of police stations have had front counter upgrades in compliance with universal access requirements. This is part of an ongoing schedule of works to ensure all police stations are compliant with Australian Standards.

**Outcome 3:** People with disability receive information from WA Police in a format that will enable them to access the information as readily as other people are able to access it

Signage has been developed in consultation with the WA Deaf Society and displayed in WA Police buildings where face to face contact occurs with members of the community. Posters were designed to advise people from the deaf and hard of hearing community that Australian Sign

Language (Auslan) interpreters are available if required. These posters also include a reminder for WA Police employees of their responsibilities to engage an Auslan Interpreter when requested.

**Outcome 4:** People with disability receive the same level and quality of service from the staff of WA Police as other people receive from the staff of WA Police

To enable this, relevant initiatives includes:

- Training Needs Analysis on Recruit Training completed by an external contractor which has recommended that Diversity and Public Mental Health Training packages require reviewing
- Reference to DAIP and agency requirements has been added to the WA Police Equal Opportunity Awareness and Bullying Prevention training. This training is compulsory for all police officers and police staff and is to be completed every three years
- A review was conducted of the Standard Operating Procedures for the Perth Watch House. This resulted in a number of changes that consider the needs of people with disabilities, including the provision of a nurse on a 24/7 basis, trained to assist persons with mental health issues

- The Induction Policy has been reviewed and amended to articulate manager and supervisor requirements when accommodating people with a disability.

**Outcome 5:** People with disability have the same opportunities as other people to make complaints to the WA Police

All complaints assessors are now required to undertake a two day mental health first aid course. This provides assessors with the appropriate levels of training to appropriately recognise and identify callers displaying mental health symptoms when they receive complaints. This has resulted in improved staff knowledge concerning the special needs of people with disability, including substantive equality expectations, so they can facilitate timely and professional receipt and resolution of complaints.

**Outcome 6:** People with disability have the same opportunities as other people to participate in public consultation conducted by WA Police

WA Police consulted with the WA Deaf Society for the provision of signage promoting the use of Auslan interpreters in all customer service areas.

**Outcome 7:** People with disability have the same opportunities as other people to obtain and maintain employment at WA Police

WA Police has procured services from an Australian Disability Enterprise by using the exemption for the competitive requirements of the State Supply Commission's Open and Effective Competition policy in the following areas:

- Cleaning – engaged the services of Interwork Inc. to clean major sites such as Police Headquarters and the Joondalup Police Academy
- Gardening – WA Police has engaged the services of ACTIV, a disability services and employment provider, to carry out gardening maintenance and minor works at numerous police sites. The service provided by ACTIV has been excellent and pricing very competitive when compared to past providers
- Engineering – WA Police has been working with Goodwill Engineering in the design of police equipment prototypes and are likely to progress this relationship with ongoing contracts to provide equipment for police stations.

### PAWNBROKERS AND SECOND-HAND DEALERS

Requirement under the *Pawnbrokers and Second-hand Dealers Act 1994 s92 [2(a-e)]*

The number, nature and outcomes of investigations and inquiries for *Pawnbrokers and Second-Hand Dealers Act 1994* are:

- There were 147 audits conducted on licensed second-hand dealers and pawnbrokers during 2014-15
- These audits identified 50 breaches of licence requirements from 39 premises
- Of the 50 breaches, there were no summons, 10 infringements issued and 40 verbal cautions issued for minor breaches
- Compliance audits are ongoing.

The emerging trends, patterns and changes relating to pawnbroker and second-hand dealer licensing are as follows:

- The current number of licensed Pawnbrokers and second-hand dealers in WA is 95
- There has been an increase in applications for second-hand dealer licences where the licensee is specialising in the purchase of jewellery items

## OTHER LEGAL REQUIREMENTS

- In the 2014 WA Police Annual Report, it was reported that national retail organisations were obtaining second-hand dealers licences to facilitate the exchange of second-hand goods. One retailer obtained licences for 12 stores. This trend has since reversed, with the retailer relinquishing the second-hand dealer licences and reverting to a trade-in policy which is exempt from the requirements of the second-hand dealers licence
- A major gold buying company restructured operations in WA which resulted in 12 second-hand dealer licences being relinquished by the company. A newly established gold buying company has since licensed 7 stores as gold buying second-hand dealers
- Two second hand dealers charged in 2013-14 were fined (in August and September 2014) a total of \$7,000 after being convicted of 38 licence breaches. Both licences have either been relinquished or disallowed.

The compliance audit test plan indicates 140 audits will be conducted on pawnbrokers and second-hand dealers in the 2015-16 financial year.

A review of the *Pawnbrokers and Second-hand Dealers Act 1994* is under consideration.

### RECORDKEEPING PLANS

Requirement under *State Records Act 2000* s61, and State Records Commission Standards, Standard 2, Principle 6

#### **Whether the efficiency and effectiveness of the agency's recordkeeping systems has been evaluated or alternatively when such an evaluation is proposed**

The agency continues to ensure it meets contemporary records management practices by monitoring the validity of existing systems and ensuring systems are upgraded as required. The ongoing upgrade to the agency's recordkeeping systems continued during 2014-15 by implementing the initiatives from the 2014 Information Management Strategy and the agency's Service Definition and Resource Model. Further analysis, development and engagement will follow the implementation of these initiatives and the outcomes will further shape the ongoing agency roll out of the Electronic Document Records Management System (EDRMS). In preparation for this, the agency has committed to purchase an additional 2000 Objective (EDRMS) licenses.

#### **The nature and extent of the recordkeeping training program conducted by or for the agency**

- The Customer Service Officer First Contact course continues to provide an avenue for recordkeeping awareness and information sessions. Recordkeeping training includes Introduction to Records Management in WA Police, Objective (EDRMS) and Introduction to Archiving in WA Police
- Online policy and guidelines are available on the WA Police Intranet site, including links to the State Records Office and associated sites
- A recordkeeping training program, mandatory for all WA Police employees, is in development that will educate employees on the agency's legislative requirements
- Further training for intermediate (working) and advanced (administration) roles are being developed as well as specialised training packages for business units using custom workflows.



**Whether the efficiency and effectiveness of the recordkeeping training program has been reviewed or alternatively when this is planned to be done**

The current recordkeeping training program provides a solid foundation to expand the awareness sessions and EDRMS training to include more comprehensive and intensive training. The training program in development will include both intermediate and administrative roles as well as expanded records/information management and archives training.

**Assurance that the agency's induction program addresses employee roles and responsibilities in regard to their compliance with the agency's recordkeeping plan**

Recordkeeping awareness is a compulsory item in WA Police staff induction programs. The induction refers employees to agency policy which details recordkeeping roles and responsibilities and is the primary source of guidance and instruction about records and information management. Compliance with this induction process is assessed through the agency's risk mitigation framework.

## GOVERNMENT POLICY REQUIREMENTS

### OCCUPATIONAL SAFETY AND HEALTH

Requirement under Public Sector Commissioner's Circular 2012-05: Code of Practice: Occupational, Safety and Health in the Western Australian Public Sector

#### **A statement of the agency's commitment to OSH and injury management with an emphasis on executive commitment**

WA Police is dedicated to its Occupational Safety and Health (OSH) Commitments. The OSH Policy statement is; "To enhance the quality of life and well-being of our workforce and contractors, through minimising the risk of injury and illness and the promotion of health initiatives".

Safety and health is integrated into all business activities. Resources are allocated to the measurement of and continuous improvement in safety and health performance. All employees are encouraged to comply with their legal and agency safety, health and injury management requirements through the provision of information and training. There is continual engagement by the Corporate OSH Steering Committee and Safety Branch with internal and external stakeholders to improve safety and health performance.

There is an ongoing commitment to OSH through participation in the Corporate OSH Steering Committee chaired by the Executive Director with participation from the Assistant Commissioners, Senior Executives, elected Safety and Health Representatives and from the relevant unions.

Executive commitment to safety and health is further demonstrated through district/division/directorate safety meetings, annual policy reviews, introduction of new policies, championing of new safety initiatives and ongoing funding and budgetary support. The implementation of new training programs and the acquisition of new or improved equipment/resources has enhanced the agency's safety culture and confirmed a commitment to employee safety by providing a safer working environment.

#### **A description of the formal mechanism for consultation with employees on safety and health matters**

The Corporate OSH Steering Committee meets quarterly and includes; Safety Representatives, union representation and senior management from operational and non-operational areas. The committee's role is to monitor and review the agency's OSH Safety Management System (SMS) including a conduit to the district/division/

directorate safety meetings that in turn represent the employees at a local level.

Identified hazards and work related incidents/injuries are reported in the OSH incident reporting system. This system electronically records the type and nature of the incident and through the automated e-mail system, notifies the Safety Representative, Manager and the Safety Branch to the existence of an incident.

The flexibility of the system allows the recording of the Safety Representative's investigation and the Manager's control measures, resolution and permits the monitoring and reviewing of the incident. Throughout the process, the employee is kept informed of the status of their report through the automated email process and through personal interaction.

The reporting system is supported by the OSH Issue Resolution Framework and supporting policies. The Framework is a pictorial diagram articulating the processes and the pathway by which all incidents are managed.

## A statement of compliance with injury management requirements of the *Workers' Compensation and Injury Management Act 1981* including the development of return to work plans

The WA Police Vocational Rehabilitation Unit is an accredited in-house Workplace Rehabilitation Provider with WorkCover WA, committed to delivering a quality service as governed by workers' compensation legislation. Accountability is measured by the expediency of dealing with referred claims (early interventions), on-line reporting on the WorkCover site and aims of returning injured officers back into the workplace.

A statement confirming that an assessment of the OSH management system has been completed (within the past five years or sooner depending on the risk profile of the agency) using a recognised assessment tool and reporting the percentage of agreed actions completed.

WA Police commissioned an external audit of the existing SMS against AS4801 and ISO 18000 and was advised that certification has been granted.

## Report against performance targets

Requirement under Public Sector Commissioner's Circular 2012-05: Code of Practice

	Target	2012-13	2013-14	2014-15	Performance against 2014-15 targets
Number of Fatalities	0	0	0	0	Achieved
Lost time injury/disease incidence rate	10% reduction on previous 3 years	2.23 <sup>(a)</sup>	2.54 <sup>(a)</sup>	2.71 <sup>(b)</sup>	Not Achieved
Lost time injury/disease severity rate	10% reduction on previous 3 years	8.42 <sup>(a)</sup>	8.18 <sup>(a)</sup>	2.11 <sup>(b)</sup>	Achieved
Percentage of injured workers returned to work:					
(i) within 13 weeks	Greater than or equal to 80%	79%	97%	98%	Achieved
(ii) within 26 weeks	Greater than or equal to 80%	97%	98%	98%	Achieved
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities.	Greater than or equal to 80%	75%	48%	74% <sup>(c)</sup>	Not Achieved <sup>(d)</sup>

### Notes:

(a) These figures note changes to previous annual reporting data. This change is reflective of upgrades in the reporting system and now provides accurate claim data for those periods.

(b) This data is correct as at 1 July 2015. It does not reflect all LTI incidence and severity rates for the 2014- 2015 period. Delays are due to the ongoing confirmation of incidents as an LTI and the days sick leave accrued against the incidents.

(c) Statistics include all employees who hold the rank of sergeant and above, or level 6 and above irrespective of their position is that of a supervisor or OIC/manager. It also includes employees who (at any rank/level) hold a position of supervisor.

(d) WA Police has trained in excess of 91% of OIC/managers and supervisors in OSH and Injury Management since 2009.

## GOVERNMENT POLICY REQUIREMENTS

### SUBSTANTIVE EQUALITY

Requirement under Public Sector Commissioner's Circular 2009-23: Implementation of the Policy Framework for Substantive Equality

WA Police continues to demonstrate a commitment to the state government's policy framework for substantive equality. This has been achieved through a screening process for new policies and initiatives utilising an equity impact assessment, guidelines and checklist. These tools offer practical guidance to ensure all policy, project or program development work is considered within the framework of substantive equality and are available on the internal police intranet.

In addition, WA Police has identified a number of gaps to be addressed, including: the monitoring of, and reporting through enhanced data collection methods, developing strategies to evaluate policy and increasing input and feedback from the community.



