

FINANCIAL STATEMENTS

Budget Allocation and Expenditure

The Service's initial budget allocation for 1999-2000 was \$814 million, an increase of approximately 3.8% over the previous year. At the end of the financial year, the Service had a recorded total operating expenditure of \$767.7M. The difference between the Service's budget allocation and total operating expenditure is mainly attributable to the increase in total assets, reflected in the Statement of Financial Position.

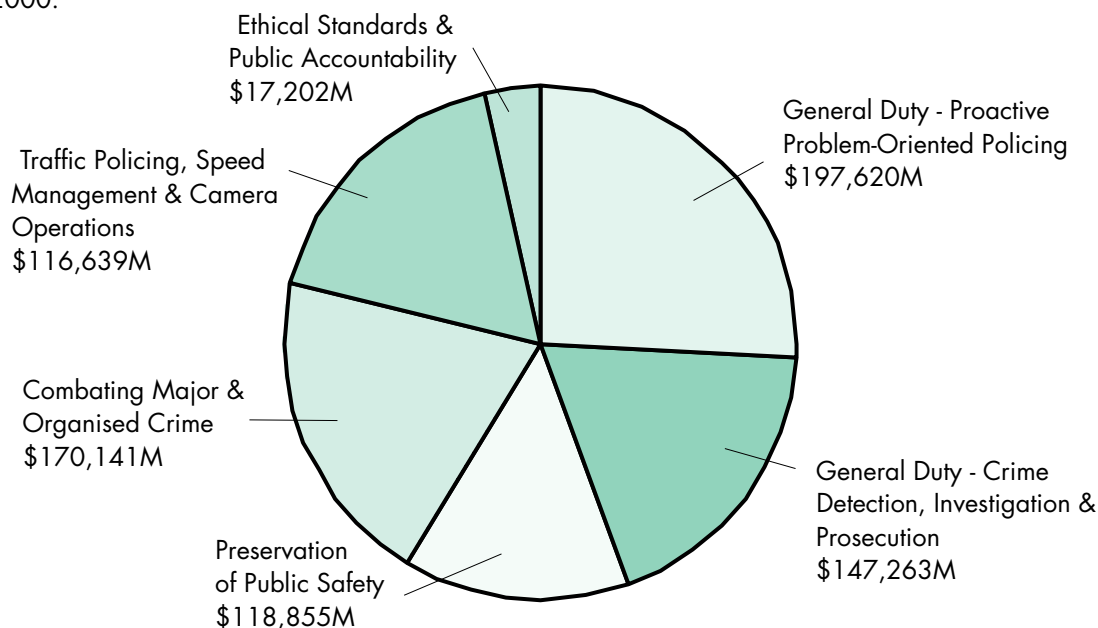
Funding Allocated to Outputs

Under the Queensland Government's Managing for Outcomes policy framework, the Cabinet Budget Review Committee (CBRC), on behalf of Government, determines the mix of outputs that will best support the achievement of Government Priorities and whole-of-government outcomes. Based on this assessment, the Government then purchases these outputs from the various government agencies with funding provided through the State Budget process.

The Queensland Police Service received funding for its first six outputs in 1999-2000. The Government also increased its overall investment in the Service by providing equity funding to facilitate the development of critical infrastructure supporting the delivery of policing services.

Equity funding generally relates to the types of activities described in the Service's seventh and final output - Corporate Support. However, this funding is not reported as a discrete item. In line with the principles of Managing for Outcomes, and in recognition of the strong link between infrastructure and effective service delivery, equity funding is proportionately allocated to the Service's first six outputs. In effect, this increases the per unit cost of core policing services purchased by the Government.

The following graph highlights the proportion of funding allocated to each of the Service's first six outputs in 1999-2000.

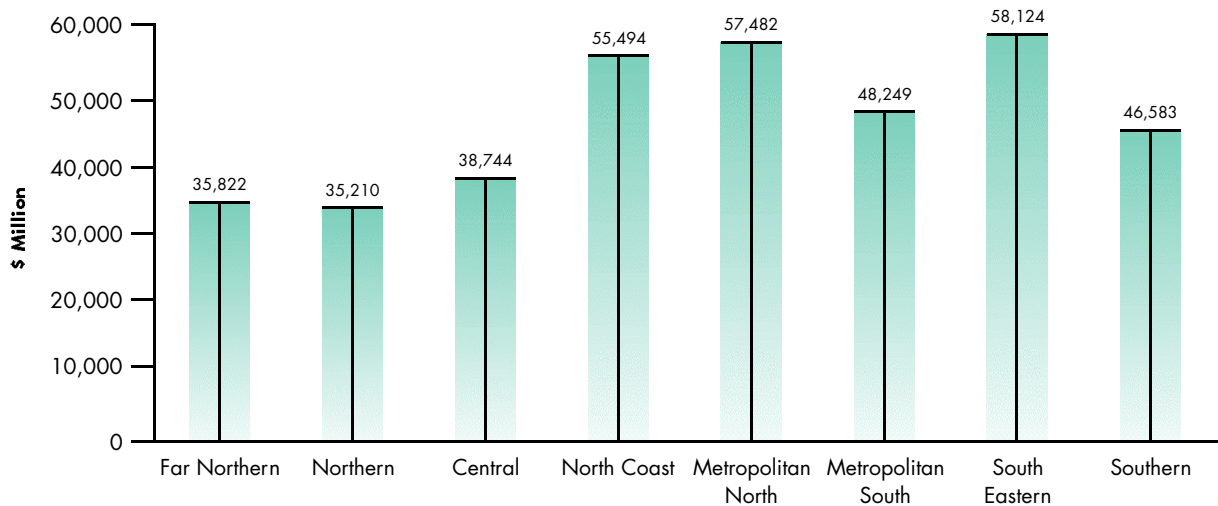


Allocation of funding to Organisational Units

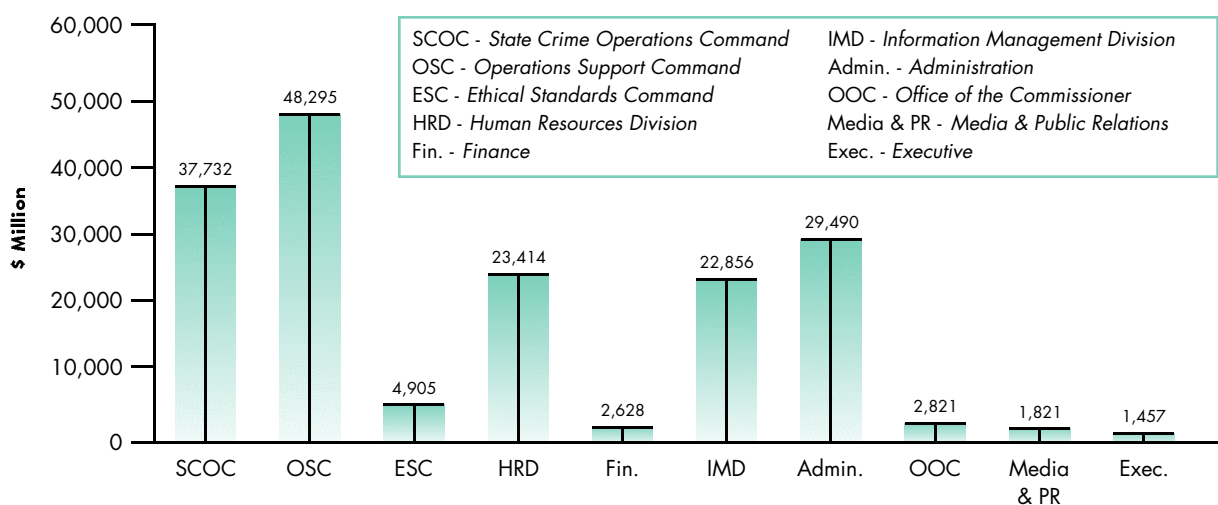
In July each year Regions, Commands and Divisions are advised of initial allocations for the forthcoming 12-month period. Finance Division monitors the Service's overall financial performance and assists the Senior Executive, through established corporate governance structures, to assess changing priorities throughout the year and make adjustments to initial allocations as required.

Funding levels are influenced by a number of factors including the number of police and staff members in the region, crime levels and the size and location of communities serviced by each organisational unit. Taking into account adjustments related to these criteria, the Service then allocates an equitable level of funding to each organisational unit. Managers at all levels of the organisation are required to deliver services within the parameters of local budgets and are encouraged to seek productivity gains and savings through the implementation of strategies that promote effectiveness and efficiency in the delivery of policing services. The focus on continuous improvement together with sound financial management practices ensures the community continues to receive value for money.

The following graph describes initial allocations made to geographic Regions in 1999-2000.



The following graph describes initial allocations to Headquarters and Commands (in \$millions):



In total \$375.7M was allocated to the eight police regions and \$175.4M was located to the three commands and other organisational units based within Police Headquarters. Remaining funding of \$262.9M was retained centrally for other operational and corporate support functions, and to offset increasing trends throughout the year.

Financial Statements

The Service's audited Annual Financial Statements are included in this Annual Report and describe the financial position of the Service as at 30 June 2000.

While the Service maintains a much broader range of financial information to support its various management functions, the four statements included in this report provide a summary of the Service's overall financial position and operations.

Operating Statement

The Operating Statement matches income against expenses, including all expenditure items.

It is clear from the Operating Statement that the Service's largest financial commitment relates to its workforce of some 7,500 police and 3,000 staff members. The Operating Statement indicates that of the \$726M in Government Revenue received in 1999-2000, \$595M was expended on employee-related costs. A percentage of own source revenue is incorporated in this \$595M.

At 30 June 2000, the Service reported a positive Operating Result of \$0.498M.

Statement of Financial Position

The Statement of Financial Position matches assets against liabilities. Assets owned by the Service include computers, vehicles, aircraft and buildings.

As at 30 June 2000, the Service reported \$608M in fixed assets.

Cash Flow Statement

The Cash Flow Statement provides a record of cash entering and leaving the Service's accounts during the 1999-2000 Financial Year.

Statement of Outputs / Major Activities

The Statements of Outputs/Major Activities are now completed in line with the Managing for Outcomes policy framework. Previously, this information was reported in the form of Program Statements.

The Statement of Outputs/Major Activities describes allocation of expenditure, revenue, assets and liabilities across the Service's first six outputs. The outputs describe the core policing services purchased each year by the Government and can be reconciled to the Service's Operating Statement and Statement of Financial Position.

A number of notes are included with the Service's Annual Financial Statements to comply with legislative and regulatory obligations and to assist in the interpretation of the statements. The notes relate to significant items impacting of the Service's overall financial position and performance.

**Department of Police
Operating Statement
for the year ended 30 June 2000**

	Notes	2000 \$'000	1999 \$'000
Operating revenues	2(b)		
Output revenue	17	726,358	682,557
User charges	2(d), 11	11,726	10,885
Grants and other contributions	2(c), 15	14,103	16,268
Other	16	16,031	20,477
Total operating revenues		768,218	730,187
Operating expenses	2(b)		
Employee expenses	4	595,450	555,570
Supplies and services	5	97,048	99,313
Grants and subsidies	6	262	413
Depreciation and amortisation	2(k), 8	31,256	31,914
Equity return	9	32,051	-
Other	10	11,653	12,846
Total operating expenses		767,720	700,056
OPERATING RESULT	33	498	30,131
Increase in net assets	27	498	30,131

The above operating statement should be read in conjunction with the accompanying notes.

**Department of Police
Operating Statement
for the year ended 30 June 2000**

Expenses and Revenues Administered on Behalf of the Whole of Government

	Notes	2000 \$'000	1999 \$'000
Administered revenues	2(b)		
Commonwealth receipts	12	-	7,500
Taxes, fees and fines	13	824	1,247
Interest	14	-	108
Administered item revenue	17	6,945	-
Other	16	1,501	1,224
Total administered revenues		9,270	10,079
Administered expenses	2(b)		
Grants and subsidies	6	4,030	3,066
Benefit payments	7	1,244	5,856
Total administered expenses		5,274	8,922
OPERATING RESULT		3,996	1,157
Increase (decrease) in net assets before transfers to Government		3,996	1,157
Transfers of administered revenue to Government		-2,101	-1,170
Increase (Decrease) in administered net assets		1,895	-13

The above statement of administered expenses and revenues should be read in conjunction with the accompanying notes.

Department of Police
Statement of Financial Position
as at 30 June 2000

	Notes	2000 \$'000	1999 \$'000
Current assets			
Cash	2(g),18	3,657	438
Receivables	2(h),19	13,168	12,863
Inventories	2(i),20	2,507	2,156
Other	22	2,057	7,641
Total current assets		21,389	23,098
Non-current assets			
Property, plant and equipment	2(j),2(k),2(l),23	607,865	573,008
Intangibles	2(n), 21	4,123	-
Total non-current assets		611,988	573,008
Total assets	2(b)	633,377	596,106
Current liabilities			
Creditors	2(o),24	27,036	11,603
Provisions	2(p),25	62,795	72,683
Other	26	2,536	-
Total current liabilities		92,367	84,286
Non-current liabilities			
Provisions	2(p),25	-	92,844
Other	26	-	487
Total non-current liabilities		-	93,331
Total liabilities	2(b)	92,367	177,617
Net assets		541,010	418,489
Equity			
General Equity	28	121,026	-
Accumulated surplus	27	401,354	402,049
Reserves			
- Asset revaluation reserve	27	18,630	16,440
Total equity		541,010	418,489

The above statement of financial position should be read in conjunction with the accompanying notes.

**Department of Police
Statement of Financial Position
as at 30 June 2000**

Assets and Liabilities Administered on Behalf of Whole of Government

	Notes	2000 \$'000	1999 \$'000
Administered current assets			
Cash	18	3,525	1,672
Receivables	19	60	1
Total administered current assets		3,585	1,673
TOTAL ADMINISTERED ASSETS	2(b)	3,585	1,673
Administered current liabilities			
Creditors	24	43	13
Other	26	1,661	1,674
Total administered current liabilities		1,704	1,687
TOTAL ADMINISTERED LIABILITIES	2(b)	1,704	1,687
ADMINISTERED NET ASSETS (LIABILITIES)		1,881	-14
EQUITY			
General equity		-	-
Accumulated surplus (deficit)		1,881	-14
Reserves			
- Asset revaluation reserve		-	-
TOTAL ADMINISTERED EQUITY		1,881	-14

The above statement of administered assets and liabilities should be read in conjunction with the accompanying notes.

**Department of Police
Statement of Cash Flows
for the year ended 30 June 2000**

	Notes	2000 \$'000	1999 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
User charges		11,726	10,633
Grants and other contributions		7,302	273
Output receipts		731,631	685,073
Sale of government assets		-	1,080
Other		11,304	12,589
<i>Outflows:</i>			
Employee costs		-595,542	-540,629
Supplies and services		-89,679	-102,331
Grants and subsidies		-249	-430
Equity return		-32,051	-
GST paid on purchases		-73	-
Other		-11,677	-
Net cash provided by operating activities	33	32,692	66,258
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Inflows:</i>			
Proceeds from sale of property, plant and equipment		31,963	33,257
<i>Outflows:</i>			
Payments for property, plant and equipment		-79,308	-99,637
Software development expenditure		-4,451	-
Net cash used in investing activities		-51,796	-66,380
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Inflows:</i>			
Equity injections		22,323	-
Net cash provided by financing activities		22,323	-
Net increase/(decrease) in cash held	2(g)	3,219	-122
Cash at beginning of the financial year	2(g),18	438	6,429
Cash transferred on restructuring	16	-	-5,869
Cash at end of the financial year	2(g),18	3,657	438
Non-cash financing and investing activities	34	2,397	210

The above statement of cash flows should be read in conjunction with the accompanying notes.

**Department of Police
Statement of Cash Flows
for the year ended 30 June 2000**

Cash Flows Administered on Behalf of the Whole of Government

	Notes	2000 \$'000	1999 \$'000
Inflows:			
Administered items receipts		6,945	8,909
Grants and other contributions		-	7,500
Taxes, fees and fines		824	1,260
Royalties, property income and other territorial revenues		-	644
Interest received		-	108
Other		1,442	2,252
Outflows:			
Transfers to Government		-2,101	-10,079
Grants and subsidies		-4,030	-3,066
Benefit payments		-1,227	-5,856
Net cash provided by (used in) operating activities		1,853	1,672
Net increase (decrease) in cash held	2(g)	1,853	1,672
Administered cash at beginning of financial year	18	1,672	-
Administered cash at end of financial year	18	3,525	1,672

The above statement of administered cash flows should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES
- CONTROLLED EXPENSES AND REVENUES

for year ended 30 June 2000

	Output - General Duty - Proactive, problem-oriented policing	Output - General Duty - Crime detection, investigation and prosecution	Output - Preservation of public safety	Output - Combating major and organised crime
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Operating Revenues				
Output Revenue	187,485	138,827	113,014	160,598
User charges	3,235	2,233	1,751	2,613
Grants and other contributions	3,414	2,490	2,004	2,888
Other	3,438	3,704	1,776	4,006
Total operating revenues	197,572	147,254	118,545	170,105
Operating Expenses				
Employee expenses	154,003	113,646	92,660	131,596
Supplies and services	23,644	19,591	14,533	22,290
Grants and subsidies	151	27	22	32
Depreciation and amortisation	7,944	5,804	4,889	6,726
Equity return	8,333	6,090	5,128	7,051
Other	3,545	2,105	1,623	2,446
Total operating expenses	197,620	147,263	118,855	170,141
OPERATING RESULT	-48	-9	-310	-36
Increase in net assets	-48	-9	-310	-36

The foregoing Statements of Outputs/Major Activities should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES
- CONTROLLED EXPENSES AND REVENUES

for year ended 30 June 2000

	Output - Traffic policing, speed management and camera operations	Output - Ethical standards and public accountability	General not attributed	Total
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Operating Revenues				
Output Revenue	110,014	16,420	-	726,358
User charges	1,798	96	-	11,726
Grants and other contributions	1,974	1,333	-	14,103
Other	2,856	251	-	16,031
Total operating revenues	116,642	18,100	-	768,218
Operating Expenses				
Employee expenses	90,330	13,215	-	595,450
Supplies and services	14,401	2,589	-	97,048
Grants and subsidies	22	8	-	262
Depreciation and amortisation	5,278	615	-	31,256
Equity return	4,808	641	-	32,051
Other	1,800	134	-	11,653
Total operating expenses	116,639	17,202	-	767,720
OPERATING RESULT	3	898	-	498
Increase in net assets	3	898	-	498

The foregoing Statements of Outputs/Major Activities should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES
- ADMINISTERED EXPENSES AND REVENUES

for year ended 30 June 2000

	Output - General Duty - Proactive, problem-oriented policing	Output - General Duty - Crime detection, investigation and prosecution	Output - Preservation of public safety	Output - Combating major and organised crime
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Revenues				
Taxes, fees and fines	-	-	-	-
Administered item revenue	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
Expenses				
Grants and subsidies	-	-	-	-
Benefit payments	-	-	-	-
Total expenses	-	-	-	-
OPERATING RESULT	-	-	-	-
Increase (Decrease) in net assets before transfers to Government	-	-	-	-
Transfers of administered revenue to Government	-	-	-	-
Increase (Decrease) in net assets	-	-	-	-

The foregoing Statements of Outputs/Major Activities should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES
- ADMINISTERED EXPENSES AND REVENUES

for year ended 30 June 2000

	Output - Traffic policing, speed management and camera operations	Output - Ethical standards and public accountability	General not attributed	Total
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Revenues				
Taxes, fees and fines	-	-	824	824
Administered item revenue	-	-	6,945	6,945
Other	-	-	1,501	1,501
Total revenues	-	-	9,270	9,270
Expenses				
Grants and subsidies	-	-	4,030	4,030
Benefit payments	-	-	1,244	1,244
Total expenses	-	-	5,274	5,274
OPERATING RESULT	-	-	3,996	3,996
Increase (Decrease) in net assets before transfers to Government	-	-	3,996	3,996
Transfers of administered revenue to Government	-	-	-2,101	-2,101
Increase (Decrease) in net assets	-	-	1,895	1,895

The foregoing Statements of Outputs/Major Activities should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES
- CONTROLLED ASSETS AND LIABILITIES

as at 30 June 2000

	Output - General Duty - Proactive, problem-oriented policing	Output - General Duty - Crime detection, investigation and prosecution	Output - Preservation of public safety	Output - Combating major and organised crime
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Current Assets				
Cash	943	699	569	809
Receivables	3,399	2,516	2,049	2,911
Inventories	647	479	390	554
Other	531	393	320	455
Total Current Assets	5,520	4,087	3,328	4,729
Non-Current Assets				
Property, plant and equipment	156,889	116,163	94,584	134,400
Intangibles	1,063	788	642	912
Total Non-Current Assets	157,952	116,951	95,226	135,312
TOTAL ASSETS	163,472	121,038	98,554	140,041
Current Liabilities				
Creditors	6,979	5,166	4,207	5,977
Provisions	16,207	12,000	9,771	13,884
Other	654	485	394	561
Total Current Liabilities	23,840	17,651	14,372	20,422
TOTAL LIABILITIES	23,840	17,651	14,372	20,422
NET ASSETS (LIABILITIES)	139,632	103,387	84,182	119,619
Equity				
General Equity	31,236	23,128	18,832	26,759
Accumulated surplus (deficit)	103,587	76,699	62,451	88,741
Reserves				
- Asset revaluation reserve	4,809	3,560	2,899	4,119
TOTAL EQUITY	139,632	103,387	84,182	119,619

The Statement of Outputs/Major Activities - Assets and Liabilities should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES
- CONTROLLED ASSETS AND LIABILITIES

as at 30 June 2000

	Output - Traffic policing, speed management and camera operations	Output - Ethical standards and public accountability	General not attributed	Total
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Current Assets				
Cash	554	83	-	3,657
Receivables	1,995	298	-	13,168
Inventories	380	57	-	2,507
Other	312	46	-	2,057
Total Current Assets	3,241	484	-	21,389
Non-Current Assets				
Property, plant and equipment	92,092	13,737	-	607,865
Intangibles	625	93	-	4,123
Total Non-Current Assets	92,717	13,830	-	611,988
TOTAL ASSETS	95,958	14,314	-	633,377
Current Liabilities				
Creditors	4,096	611	-	27,036
Provisions	9,513	1,420	-	62,795
Other	385	57	-	2,536
Total Current Liabilities	13,994	2,088	-	92,367
TOTAL LIABILITIES	13,994	2,088	-	92,367
NET ASSETS (LIABILITIES)	81,964	12,226	-	541,010
Equity				
General Equity	18,336	2,735	-	121,026
Accumulated surplus (deficit)	60,806	9,070	-	401,354
Reserves				
- Asset revaluation reserve	2,822	421	-	18,630
TOTAL EQUITY	81,964	12,226	-	541,010

The Statement of Outputs/Major Activities - Assets and Liabilities should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES - ADMINISTERED ASSETS AND LIABILITIES
- ADMINISTERED ASSETS AND LIABILITIES

as at 30 June 2000

	Output - General Duty - Proactive, problem-oriented policing	Output - General Duty - Crime detection, investigation and prosecution	Output - Preservation of public safety	Output - Combating major and organised crime
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Administered assets				
Current Assets				
Cash	-	-	-	-
Receivables	-	-	-	-
Total Current Assets	-	-	-	-
Total Administered Assets	-	-	-	-
Administered liabilities				
Current Liabilities				
Creditors	-	-	-	-
Other	-	-	-	-
Total Current Liabilities	-	-	-	-
Total Administered Liabilities	-	-	-	-
ADMINISTERED NET ASSETS (LIABILITIES)	-	-	-	-
Equity				
Accumulated surplus (deficit)	-	-	-	-
TOTAL ADMINISTERED EQUITY	-	-	-	-

The Statement of Outputs/Major Activities - Assets and Liabilities should be read in conjunction with the accompanying notes.

DEPARTMENT OF POLICE
STATEMENT OF OUTPUTS/MAJOR ACTIVITIES - ADMINISTERED ASSETS AND LIABILITIES
- ADMINISTERED ASSETS AND LIABILITIES

as at 30 June 2000

	Output - Traffic policing, speed management and camera operations	Output - Ethical standards and public accountability	General not attributed	Total
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000
Administered assets				
Current Assets				
Cash	-	-	3,525	3,525
Receivables	-	-	60	60
Total Current Assets	-	-	3,585	3,585
Total Administered Assets	-	-	3,585	3,585
Administered liabilities				
Current Liabilities				
Creditors	-	-	43	43
Other	-	-	1,661	1,661
Total Current Liabilities	-	-	1,704	1,704
Total Administered Liabilities	-	-	1,704	1,704
ADMINISTERED NET ASSETS (LIABILITIES)	-	-	1,881	1,881
Equity				
Accumulated surplus (deficit)	-	-	1,881	1,881
TOTAL ADMINISTERED EQUITY	-	-	1,881	1,881

The Statement of Outputs/Major Activities - Assets and Liabilities should be read in conjunction with the accompanying notes.

Department of Police

Notes to and forming part of the Financial Statements for the year ended 30 June 2000

1. Objective of the Department

The mission of the Department is to serve the people of Queensland by protecting life and property, preserving peace and safety, preventing crime and upholding the law in a manner which has regard for the public good and the rights of the individual.

The Department is predominantly funded by Parliamentary appropriations. It provides, on a fee for service basis, *special services* which include for example, heavy vehicle road escorts, traffic supervision at road works and security services at large sporting events.

2. Summary of Significant Accounting Policies

The significant policies that have been adopted in the preparation of the financial statements are:

(a) Basis of Accounting

The financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997*, Australian Accounting Standards, in particular Australian Accounting Standard AAS 29 "Financial Reporting by Government Departments", Statements of Accounting Concepts, Urgent Issues Group Abstracts, the *Treasurer's Minimum Reporting Requirements for Departmental General Purpose Financial Statements for 1999-2000* and other prescribed requirements. It should be noted that both the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997* have recently been amended and that these financial statements comply with amended legislation.

The following new or revised Australian Accounting Standards became operative during the 1999-2000 year and have been adopted where relevant:

- AAS 6 *Accounting Policies*;
- AAS 19 *Interests in Joint Ventures*; and
- AAS 17 *Leases*.

Except for certain non-current physical assets which are at deprival value, the financial statements have been prepared in accordance with the historical cost convention. The accounting policies adopted are generally consistent with those of the previous year except in respect of Machinery of Government Changes and Long Service Leave. Further disclosure in this regard is provided in notes 16 and 25. The accrual basis of accounting has been adopted for both controlled transactions and balances and those administered on a whole of Government basis.

(b) The Reporting Entity

The financial statements include all assets, liabilities, equities, revenues and expenses of the Department.

Transactions and Balances Administered on a Whole of Government Basis

The Department administers, but does not control, certain resources on behalf of the Government as a whole. It is accountable for the transactions involving such administered resources, but does not have the discretion to deploy the resources for the achievement of the Department's objectives.

Transactions and balances relating to administered resources are identified separately in the shaded administered statements and notes.

Where any significant doubt exists as to whether a particular revenue, expense, asset or liability is either Controlled or Administered, such transactions or balances have been disclosed as Controlled.

(c) Grants and Other Contributions

Grants, donations, gifts which are non-reciprocal in nature are recognised as revenue in the year in which the Department obtains control over them.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature and amounts of those undischarged conditions are disclosed in Note 15. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributions of assets 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.

(d) User Charges, Taxes, Fees and Fines

User charges and fees controlled by the Department are recognised as revenues. User charges and fees are controlled by the Department when they can be deployed for the achievement of departmental objectives.

Taxes, fees and fines collected by the Department but not controlled by it are not recognised as revenues, but are reported as administered revenue in the applicable schedules.

(e) Output Revenue/Administered Item Revenue

Output revenue is recognised in accordance with either the original budget estimate or the most recent performance review, taking into account the delivery of agency outputs and administered items in terms of quality, quantity, timeliness, cost and location.

Amounts appropriated to the department for transfer to other entities in accordance with legislation or other requirements are not controlled by the department and such amounts are reported as administered revenues and expenses.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

(f) Acquisition of Assets

Cost is used for the initial recording of all acquisitions of assets controlled and administered by the Department unless these have been received as a result of an administrative restructure. Assets acquired at no cost or for nominal considerations are recognised at their fair value at date of acquisition. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

(g) Cash

"Cash" is defined in AAS 28 "Statement of Cash Flows". For financial reporting purposes it means cash on hand, imprest account totals, 24-hour call deposits and similar investments that are readily convertible to cash.

(h) Receivables

Receivables are recognised at the amount due at the time of sale or service delivery. The collectability of receivables is assessed periodically with provision being made for doubtful debts. All known bad debts have been written off. Settlement on trade debtors is generally required within 30 days.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average cost formula.

(j) Property, Plant and Equipment

All items of property, plant and equipment with a cost, or other value, in excess of \$1,000 are recognised in the year of acquisition. Items with a lesser value are expensed.

In December 1999, the Australian Accounting Standards Board issued two new accounting standards -AAS38 - Revaluation of Non-Current Assets and AASIO - Recoverable Amount of Non-Current Assets. These standards introduce the concept of valuing non-current assets at 'fair value'. At present, the entity's non-current physical assets are valued in accordance with the deprival value methodology prescribed by the Financial Management Standard. Due to the uncertainty within the accounting profession of the impact of applying a valuation based on fair value in lieu of the deprival value methodology currently prescribed, it is not possible at present to determine the consequential impact of the application of these standards (when prescribed) on asset values as reported in these financial statements.

(k) Depreciation and Amortisation of Property, Plant and Equipment

Land, being an asset with an unlimited useful life, is not depreciated.

Depreciation is calculated on a straight line basis so as to write off the values of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the entity. Leasehold improvements are amortised over the shorter of the period of the lease or the estimated useful life of the asset.

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

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

Class	Depreciation Rates
Buildings	2%
Aircraft	12.5%
Computers	33.3%
Motor vehicles	39%
Vessels	20%
Plant and equipment	
• Office equipment	14%
• Staff amenities	9%
• Scientific equipment	16%
• Photographic equipment	9%
• Audio/visual equipment	14%
• Other	15%
Radio equipment	14.3%
Fixtures and fittings	15%
Leasehold improvements	2%

All rates are averaged except for aircraft, computers and radio equipment.

Department of Police

Notes to and forming part of the Financial Statements for the year ended 30 June 2000

(l) Revaluations of Property, Plant and Equipment

The Department has an Asset Revaluation Threshold for Land, Buildings, Leasehold Improvements, Aircraft and Other Assets of \$1.000 million with other class revaluations of Vessels (\$.5 million) and Computer Equipment (\$.1 million). A comprehensive revaluation is performed at five year intervals with interim revaluations, using suitable indices, being otherwise performed on an annual basis. Regarding land and buildings the Department maintains a three year arrangement for progressive revaluation with the Department of Natural Resources. The Department of Natural Resources revalued 33.3% of land and buildings including leasehold improvements, recorded at in excess of \$1.000 million by inspection and evaluation. The arrangement with the Department of Natural Resources required the assets to be valued as at 1 July 1999. Computer equipment was not revalued due to the absence of a suitable index. All other equipment was not revalued due to the immateriality of the change in the index supplied by the Australian Bureau of Statistics which would have been applied to these assets.

Where assets are revalued, they are valued on a deprival basis in accordance with the *Financial Management Standard 1997* and Treasury's Guidelines on "Recording and Valuation of Non-Current Physical Assets". Under the deprival concept, assets are valued at an amount that represents the entire loss that might be expected to be incurred if the Department was deprived of the future economic benefits of these assets at the reporting date.

(m) Leases

The Department has not entered into any finance leases (which would effectively transfer from the lessor to the Department substantially all the risks and benefits incident to ownership).

The Department has entered into a number of operating leases whereby the lessor retains substantially all the risks and benefits. Non-cancellable operating lease commitments are disclosed under Note 30 Lease Commitments.

Operating lease payments are representative of the patterns of benefits derived from the leased assets and accordingly are charged to the Operating Statement in the periods in which they are incurred.

(n) Intangibles

All intangible assets with a cost or other value greater than \$50,000 are recognised as assets, items with a lesser value are expensed. Each intangible asset is amortised over its estimated useful life.

(o) Creditors

Creditors, including accruals not yet billed, are recognised when the Department becomes obliged to make future payments as a result of a purchase of goods or services. Trade creditors are settled in accordance with the applicable terms of trade which is generally settlement within 30 days.

(p) Provisions - Employee Entitlements

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave are recognised in the Statement of Financial Position as the amount unpaid at reporting date in respect of all employee services and related on-costs.

Long Service Leave

In 1999-2000, a new long service leave scheme became operative whereby a levy is made on the Department to cover this expense and amounts paid to employees for long service leave are claimed from the scheme as a reimbursement. The balance of the provision for long service leave that existed at 30 June 1999 has been adjusted against general equity as at the commencement of the current reporting period. Further disclosure is provided in note 25.

Superannuation

Employer contributions for superannuation expenses are determined by the State Actuary. No liability is recognised for accruing superannuation benefits as this liability is held on a whole of Government basis and reported in the whole of Government financial statements prepared in terms of AAS 31 "Financial Reporting by Governments".

(q) Taxation

The Department's activities are exempt from Commonwealth taxation, except Fringe Benefits Tax and Goods and Services Tax ("GST"). Even though the GST does not commence until 1 July 2000, some transactions that span the current and next financial years will be subject to GST. As such, input tax credits receivable and GST payable from/to the Australian Tax Office will be recognised and accrued in this financial year. (Refer note 19).

(r) Resources Received Free of Charge or for Nominal Value

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

(s) Allocation of Overheads to Departmental Activities

The Queensland Police Service has the necessary information systems to allocate items to outputs/activities and this is reflected in the Statement of Outputs/Major Activities.

Department of Police

Notes to and forming part of the Financial Statements for the year ended 30 June 2000

(t) Rounding

Amounts included in the financial statements have been rounded to the nearest \$1,000 or where the amount is \$500 or less to zero.

(u) Comparative Information

Where applicable, comparatives have been adjusted to agree with changes in presentation in the financial statements for the current reporting period.

3. Outputs/Major Activities of the Department

The identity and purpose of each output/major activity undertaken by the Department during the year is summarised below. Corporate Services expenditure is allocated across the outputs as it is incurred.

• **General Duty - Proactive, Problem-Oriented Policing**

This output places an increasing emphasis on the importance of addressing the causes of crime - not just the symptoms. Strategies for addressing the causes of crime should be multifaceted, frequently involving the community both in their development and implementation.

• **General Duty - Crime Detection, Investigation and Prosecution**

This output involves effectively managing and responding to calls for service from the community through the allocation of human resources and the provision of supporting infrastructure, operational equipment and training necessary for general duties policing.

• **Preservation of Public Safety**

The preservation of public safety during civil disturbance or crisis and special events is a key responsibility of the Queensland Police Service. The provision of effective policing responses minimises these risks and contributes to the development of safer, more supportive communities.

• **Combating Major and Organised Crime**

This output involves the more detailed investigations of offences or groups of offences by specialists in criminal investigation.

• **Traffic Policing, Speed Management and Camera Operations**

This output covers the regulation and control of traffic in Queensland with the aim of improving the safety of all road users.

• **Ethical Standards and Public Accountability**

This output addresses the Queensland Police Service's obligation to ensure that services are provided in an ethical and accountable manner by minimising the risk of corruption and maintaining the highest standards.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
4. Employee Expenses		
Wages, salaries, annual leave and sick leave	483,857	449,045
Employer superannuation contributions	66,514	61,033
Long service leave levy	7,388	11,712
Other related expenses	37,691	33,781
	595,450	555,571

5. Supplies and Services		
Consultants and contractors	2,503	5,719
Materials	20,928	21,677
Repairs and maintenance	22,072	23,405
Transfer costs	4,427	3,587
Travel	6,379	7,491
Communications	14,985	13,457
Accommodation and public utilities	7,625	7,621
Other	18,129	16,356
	97,048	99,313

6. Grants and Subsidies		
Queensland Police-Citizens' Youth Welfare Association	192	180
Queensland Blue Light Association Inc.	25	25
Community Policing Grants - various local authorities	-	-21
Community Policing Grant - Dept. Tourism, Sport and Racing	5	-
Policing Grants - various community groups	40	229
	262	413

Administered Items

Queensland Crime Commission	4,030	3,066
	4,030	3,066

7. Administered Items - Benefit Payments

Weapons compensation payments (Gun Buyback Scheme)	1,244	5,856
	1,244	5,856

8. Depreciation and Amortisation

Buildings	7,350	9,611
Aircraft	2,073	1,084
Vessels	562	603
Computing equipment	10,143	10,934
Motor vehicles	4,489	4,197
Plant and equipment (general)	1,632	1,528
Radio equipment	2,772	2,470
Fixtures and fittings	269	162
Leasehold improvements	538	305
Office Equipment	1,073	993
Staff Amenities	27	27
Internal Use Software	328	-
	31,256	31,914

9. Equity Return

An equity return rate of 6 percent has been set by the Government for 1999-2000. Queensland Treasury invoices the department for this amount on a quarterly basis. The return is calculated on a pro-rata daily basis using the opening net asset position of the department for each quarter, plus or minus equity injections or withdrawals.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
10. Other Expenses		
Audit fees	215	135
Property, plant and equipment write-offs and decrement	902	1,534
Inventory write-offs	23	16
Bad and doubtful debts	86	66
Operating lease rentals	7,067	5,402
Loss on disposal of fixed assets	2,462	4,679
Other*	898	952
	11,653	12,784
<p>Apart from fees associated with the audit of the Department, no fees have been paid or are payable to the Queensland Audit Office for any other purpose.</p> <p>* Includes special payments of (\$0.457m) comprising ex-gratia liability compensation and settlement costs (\$0.272m), spouse payments for one and two person police stations (\$0.177m) and weapons compensation of (\$0.008m).</p>		
11. User Charges		
Special services	7,345	7,384
Traffic incident reporting system	835	1,395
Rental of Government Property	256	300
Sale of other goods and services	3,290	1,806
	11,726	10,885
12. Administered Items - Commonwealth Receipts		
Weapons compensation funding (National Firearm Control)	-	7,500
	-	7,500
13. Administered Items - Taxes, Fees and Fines		
Regulatory fees - licences and permits	676	828
Fines and forfeitures	148	419
	824	1,247
14. Administered Items - Interest Revenue		
Interest	-	108
	-	108
15. Grants and Other Contributions (Revenues)		
Grants	3,334*	1,258
Resources received free of charge or for nominal value	9,337	13,552
Industry contributions	1,432**	1,458
	14,103	16,268
<p>* Included in Grants are contributions of (\$0.605m) for the National Campaign against Drug Abuse, (\$1.133m) for Year 2000 Compliance, (\$1.187m) for Breaking the Unemployment Cycle and (\$0.273m) for Watchhouse Nurses Program.</p> <p>** Included in Industry Contributions is (\$1.263m) from the Motor Accident Insurance Commission towards traffic law enforcement.</p>		

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
16. Other Revenues		
Taxes, fees and fines	107	100
Interest	166	-
Net revenues from restructuring *	-	9,127
Salary related and other reimbursements	13,718	9,971
Gain on sale of property, plant and equipment	2,040	1,279
	16,031	20,477

Administered Items

Expenditure recovered - general	-	36
Sale of unclaimed property	311	380
Restitution ordered by courts	141	164
Superannuation reimbursement	1,049	-
Other goods and services rendered	-	644
	1,501	1,224

As a result of restructuring of administrative arrangements with effect from 1 July 1998, "Office of Racing" was transferred from the Department of Police to Department of Tourism, Sport and Racing. As a consequence of the changes in administrative arrangements, the following assets and liabilities were transferred:

Office of Racing:

Assets transferred to the Department:

Current assets

Cash	-	5,869
Receivables	-	5,484
Total current assets	-	11,353

Non-current assets

Property, plant and equipment	-	14,076
Total non-current assets	-	14,076
Total assets	-	25,429

Liabilities assumed by the Department:

Current liabilities

Creditors	-	1,159
Provisions	-	214
Other	-	2,872
Total current liabilities	-	4,245

Non-current liabilities

Borrowings	-	30,083
Provisions	-	228
Total non-current liabilities	-	30,311
Total liabilities	-	34,556

Net revenues from restructuring	-	9,127
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From 1999-2000 onwards restructuring of administrative arrangements are treated as contributions to/from owners and the resulting assets/liabilities are recognised against General Equity. For comparative purposes, the net revenues from restructuring in 1999 are included as 'other revenue'.

It is not practicable to determine the cumulative financial effect up to the end of the preceding reporting period of the change in accounting policy. Therefore, the new accounting policy is applied from the beginning of the current reporting period.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
17. Reconciliation to Payments from Consolidated Fund		
Output Revenue		
Budgeted output appropriation	719,645	
plus/less transfers from/to other departments (sec.23A)	-	
plus/less transfers from/to other headings (sec.24)	11,986	
plus Treasurer's advances (sec.24A)	-	
less lapsed output appropriation (sec.22A(6))	-	
plus supplementary appropriations (sec.25)	-	
less repayments of incorrectly paid amounts (sec.28)	-	
Total output receipts	731,631	
less opening balance of output revenue receivable	-5,377	
plus closing balance of output revenue receivable	104	
Output revenue recognised in Operating Statement	726,358	
Equity Adjustment (Controlled)		
Budgeted equity adjustment appropriation	35,201	
plus/less transfers from/to other departments (sec.23A)	-	
plus/less transfers from/to other headings (sec.24)	-11,986	
plus Treasurer's advances (sec.24A)	-	
less lapsed equity adjustment appropriation (sec.22A(6))	-892	
plus supplementary appropriations (sec.25)	-	
less repayments of incorrectly paid amounts (sec.28)	-	
Total equity adjustment receipts (payments)	22,323	
less opening balance of equity adjustment receivable	-2,827	
plus closing balance of equity adjustment receivable	5,745	
Equity Injection adjustment recognised in General Equity	25,241	
Equity Withdrawals	-2,594	
Equity adjustment	22,647	

1999-2000 was the first year in which appropriations were paid on the basis of departmental outputs. Accordingly, the amount stated for output revenue in 1999-2000 is not comparable with 1998-1999 as the 1998-1999 total includes appropriations for both the department's operating activities as well as its capital works program.

ADMINISTERED ON A WHOLE OF GOVERNMENT BASIS

Budgeted administered item appropriation	6,945
plus/less transfers from/to other departments	-
plus/less transfers from/to other headings	-
plus Treasurer's advances	-
less lapsed administered item appropriation	-
plus supplementary appropriations	-
less repayments of incorrectly paid amounts	-
Total administered item receipts	6,945
less opening balance of administered item receivable	-
plus closing balance of administered item receivable	-
Total	6,945
This is represented by:	
Administered item revenue recognised in Operating Statement	6,945
Equity adjustment recognised in General Equity	-
	6,945

The reconciliation to payments from Consolidated fund has been prepared in lieu of the Statement of Appropriations which was prepared in 1998-99, but is no longer required.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
18. Cash		
Cash on hand	217	220
Cash at bank	3,440	218
	3,657	438
Administered Items		
Cash at bank	3,525	1,672
	3,525	1,672
19. Receivables		
Current		
Trade debtors	2,736	1,699
Less Provision for doubtful debts	-118	-97
	2,618	1,602
GST input tax credits receivable	72	-
GST payable	-	-
Net receivable	72	-
Long service leave reimbursements	1,587	-
Loans and advances	3,042	3,057
Output revenue receivable	104	8,204
Equity injection receivable	5,745	-
	10,478	11,261
Total Current Receivables	13,168	12,863
Administered Items		
Current		
Trade debtors	60	1
	60	1
20. Inventories		
Current		
Inventory not held for resale		
General inventories	2,507	2,156
	2,507	2,156
21. Intangibles		
Internal Use Software		
At cost	1,460	-
Accumulated amortisation	-328	-
	1,132	-
Internal Use Software Work in Progress		
At cost	2,991	-
	2,991	-
Total intangibles	4,123	-
22. Other Assets		
Current		
Prepayments	1,857	7,641**
Unexpended advances	200	-
	2,057	7,641
** Includes \$5.7 million which relates to prepaid salaries.		

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
23. Property, Plant and Equipment		
Land		
- at cost	4,682	5,415
- gross value	4,682	5,415
- at independent valuation	111,161	111,537
- gross value	111,161	111,537
Buildings		
- at cost	61,405	26,368
- accumulated depreciation	-6,254	-1,542
- written down value	55,151	24,826
- at valuation	416,942	414,490
- accumulated depreciation	-120,584	-128,483
- written down value	296,358	286,007
Aircraft		
- at cost	10,197	10,196
- accumulated depreciation	-1,381	-106
- written down value	8,816	10,090
- at valuation	7,202	7,202
- accumulated depreciation	-3,946	-3,148
- written down value	3,256	4,054
Computing equipment		
- at cost	60,564	53,745
- accumulated depreciation	-45,743	-37,642
- written down value	14,821	16,103
Motor vehicles		
- at cost	51,484	47,927
- accumulated depreciation	-4,866	-3,364
- written down value	46,618	44,563
Plant and equipment (general)		
- at cost	22,298	18,960
- accumulated depreciation	-11,298	-10,134
- written down value	11,000	8,826
Vessels		
- at cost	7,089	6,458
- accumulated depreciation	-1,974	-1,632
- written down value	5,115	4,826
- at valuation	1,192	1,192
- accumulated depreciation	-394	-318
- written down value	798	874
Radio equipment		
- at cost	28,295	26,503
- accumulated depreciation	-14,933	-14,058
- written down value	13,362	12,445
Fixtures and fittings		
- at cost	2,071	1,311
- accumulated depreciation	-604	-323
- written down value	1,467	988
Leasehold improvements		
- at cost	13,679	13,694
- accumulated amortisation	-131	-216
- written down value	13,548	13,478
- at valuation	12,234	10,514
- accumulated amortisation	-4,166	-3,803
- written down value	8,068	6,711
Office Equipment		
- at cost	10,245	9,188
- accumulated depreciation	5,788	-4,836
- written down value	4,457	4,352

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
Property, Plant and Equipment (continued)		
Staff Amenities		
- at cost	770	770
- accumulated depreciation	-392	-369
- written down value	378	401
Capital works in progress		
- Buildings at cost	8,808	16,473
- Marine vessels at cost	1	26
- Other at cost	-	1,013
- gross value	8,809	17,512
Total Property Plant and Equipment		
- gross value at cost	281,588	238,047
- gross value at valuation	548,731	544,935
- total gross value	830,319	782,982
- accumulated depreciation and amortisation at cost	-93,364	-74,222
- accumulated depreciation and amortisation at valuation	-129,090	-135,752
- total accumulated depreciation	-222,454	-209,974
- written down value at cost	188,224	163,825
- written down value at valuation	419,641	409,183
- total written down value	607,865	573,008

Valuations of land, leasehold improvements and buildings, were performed in accordance with Queensland Treasury's guidelines "Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector". Refer also to note 2 (f).

24. Creditors

Long service leave levy payable	1,836	-
Trade creditors	20,343	10,679
Equity withdrawal payable	2,594	-
Other creditors	2,263	924
	27,036	11,603

Administered Items

Creditors	43	13
	43	13

25. Provisions

Employee Entitlements

Current

Annual leave	62,795	67,148
Long service leave #	-	5,535
	62,795	72,683

Non-Current

Long service leave #	-	92,844
	-	92,844

Total

Annual leave	62,795	67,148
Long service leave	-	98,379
	62,795	165,527

Refer note 2(p)-Long Service Leave. The closing balance of the prior period's provision for long service leave has been eliminated against general equity. It is not practicable to determine the cumulative financial effect up to the end of the preceding reporting period of the change in accounting policy.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
26. Other Liabilities		
Current		
Unearned revenues	2,536	-
	2,536	-
Non-current		
Project retention liability	-	487
	-	487
Administered Items		
Current		
Suspense Accounts	1,661	1,674
	1,661	1,674

27. Changes in Equity

	Accumulated Surplus		Asset Revaluation Reserve	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Balance at 1 July	402,049	356,368	16,440	19,634
Increase in net assets	498	30,131	-	-
Transfer to Accum. Surplus				
Disposal of fixed assets	-	10,175	-	-10,175
Fixed assets not previously recognised	2,075	6,239	-	-
Liability not previously recognised	-2,138	-	-	-
Adjustments in accordance with transitional arrangements of AAS29 to correct amounts previously recognised as assets and liabilities	-1,130	-	-	-
Office of Racing adjustments	-	-864	-	-
Increment/(decrement) on revaluation of:				
Vessels	-	-	-	-21
Aircraft	-	-	-	-593
Land and buildings	-	-	745	7,099
Lease improvements	-	-	1,445	496
Balance at 30 June	401,354	402,049	18,630	16,440

28. General Equity

Opening Balance	-	-
Equity injections	25,241	-
Equity withdrawals	-2,594	-
Adjustment due to elimination of opening balance of provision for long service leave	98,379	-
Closing Balance	121,026	-

29. Contingencies

(a) Litigation in progress

Details and estimated amounts of contingent liabilities (for which no provisions are included in the financial statements) arising in respect of:

(i) Reimbursement of legal costs incurred by police officers who have been charged criminally whilst acting in the execution of their duty.	23	31
(ii) Various claims for damages lodged against the Department	3,196	11,779
	3,219	11,810

(b) Financial guarantees and undertakings

The Department has not provided any financial guarantees or undertakings of a material nature to any other entity.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
30. Lease Commitments*		
Commitments under non-cancellable operating leases at the reporting date are follows:		
Not later than one year	3,015	2,687
Later than one year and not later than five years	1,745	2,582
Later than five years	73	4
	4,833	5,273

* There are no lease commitments with individual estimated net present values of \$5 million or more.

31. Capital Expenditure Commitments

Capital expenditure contracted for at the reporting date but not provided for in the financial statements include:

Construction/improvements of police stations, watchhouses and residences	11,934	20,059
Purchase of plant and equipment	46	1,529
Payable as follows:		
Payable no later than one year	11,898	21,197
Payable later than one and not later than five years	82	391
Later than five years	-	-
	11,980	21,588

32. Transactions and Balances Administered on Behalf of Entities Other than the Whole of Government

As the Department performs a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed for information.

Expenses and Revenues Administered on Behalf of Entities Other than the Whole of Government

Total administered expenses	-	-
Administered revenues		
Department of Justice and Attorney General	10,355	7,919
Department of Transport	7,196	6,984
Suncorp Metway	619	999
Other	11	37
Total administered revenues	18,181	15,939

Assets and Liabilities Administered on Behalf of Entities Other than the Whole of Government

Administered current assets		
Cash - Department of Justice and Attorney General	244	492
Cash - Department of Transport	98	66
Cash - other Queensland government departments	27	43
Cash - found moneys	117	59
Cash - exhibit moneys	1,024	2,521
Cash - prisoners' moneys	3	3
Cash - other	2	15
Total administered current assets	1,515	3,199
Total administered assets	1,515	3,199
Total administered liabilities	-	-

Transactions and balances are subject to audit by the Auditor-General.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

	2000	1999
	\$'000	\$'000
33. Reconciliation of Operating Result to Net Cash Provided by (Used in) Operating Activities		
Operating Result	498	30,131
<i>Non-cash items:</i>		
Depreciation and amortisation	31,257	31,914
Bad and doubtful debts	86	66
Profit on sale of non-current assets	-2,040	-1,489
Donations and resources received below fair value	-1,097	-13,343
Inventory transfers and asset write-offs	924	4,492
Cost of goods sold	-	3,671
Loss on sale of non-current assets	2,462	4,679
Work in progress settlement costs	-	703
Decrement - Vessels	-	136
Prior period adjustment to equity	-10,375	-
Other non-cash items	-112	-5,933
Changes in assets and liabilities for operating activities:		
(Increase)/decrease in receivables	-2,601	1,382
(Increase)/decrease in inventories	-351	127
(Increase)/decrease in other assets	-185	2,469
Increase/(decrease) in creditors	196	1,966
Increase/(decrease) in employee provisions	-4,354	5,522
Increase/(decrease) in other liabilities	2,536	-235
(Increase)/decrease in prepayments	5,785	-
(Increase)/decrease in output revenue receivable	5,273	-
(Increase)/decrease in GST input tax credit receivable	-73	-
Increase/(decrease) in accruals	4,863	-
Net cash used in operating activities	32,692	66,258
34. Non-Cash Financing and Investing Activities		
Property, plant and equipment received by donation	2,397	210
	2,397	210

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

35. Financial Instruments

35 (a) Terms, Conditions and Accounting Policies

The Department's accounting policies, including the terms and conditions of each class of financial asset and financial liability at balance date are as follows:

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms & Conditions
<u>Financial Assets</u>			
Cash	2(g), 18	Cash includes cash on hand and imprest account totals.	Cash deposited with the Queensland Treasury Dept. earns interest at 4% calculated on daily balances. Overdraft balances attract an 8% penalty interest charge.
Trade Receivables	2(h), 19	Recognition - upon delivery of goods or provision of services to customers. Measurement - recorded at nominal amounts due less any provision for doubtful debts. Provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
Other Receivables	2(h), 19	Amounts are carried at nominal values.	Other than receivables from Government, terms are 30 days net.
<u>Financial Liabilities</u>			
Trade Creditors and accruals.	2(o), 24	Recognition - upon receipt of goods or services received irrespective of whether an invoice has been received. Measurement - based on agreed purchase/contract costs.	The amounts are unsecured and are normally settled on 30 day terms.

Department of Police
Notes to and forming part of the Financial Statements
for the year ended 30 June 2000

35. Financial Instruments (continued)

35 (b) Interest Rate Risk Exposure

The department is exposed to interest rate risk through financial assets and financial liabilities. The following table summarises interest rate risk for the department, together with effective interest rates at balance date. All other assets and liabilities have no interest rate exposure.

Financial Instruments	Floating Rate	Fixed Rate Maturing			Non Interest Bearing	Total	Weighted Average Effective Interest Rate
		1 Year or Less	1 to 5 years	Greater than 5 years			
	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000	2000 \$'000	2000 %
Financial Assets							
Cash	3,440				217	3,657	4.75
Trade Receivables					2,618	2,618	
Other Receivables					10,550	10,550	
Total Financial Assets	3,440				13,385	16,825	
Financial Liabilities							
Trade Creditors and Accruals					27,036	27,036	
Total Financial Liabilities					27,036	27,036	

(a) Floating interest rate represents the most recently administered market rate applicable to the instrument at 30 June 2000.

35 (c) Net Fair Values

The net fair value is determined as follows:

- The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying value.
- The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists.

	Total Carrying Amount		Aggregate Net Fair Value	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Financial Assets				
Cash	3,657	438	3,657	438
Trade Receivables	2,618	1,602	2,618	1,602
Other Receivables	10,550	8,219	10,550	8,219
Total Financial Assets	16,825	10,259	16,825	10,259
Financial Liabilities				
Trade Creditors and Accruals	27,036	10,656	27,036	10,656
Total Financial Liabilities	27,036	10,656	27,036	10,656

35 (d) Credit Risk Exposures

The credit risk on financial assets which have been recognised in the balance sheet is the carrying amount net of any provisions for doubtful debts.

The foregoing financial statements have been prepared pursuant to section 40 of the *Financial Administration and Audit Act 1977* and other prescribed requirements. We certify that -

- (a) the statements together with other information and notes to and forming part thereof are in the form required by the Treasurer and are in agreement with the accounts of the Department of Police; and
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions and cash flows of the Department of Police for the period 1 July 1999 to 30 June 2000, and of the financial position as at 30 June 2000.

4 October 2000
J.C. JUST
Director, Finance Division

4 October 2000
J.P. O'SULLIVAN
Commissioner

INDEPENDENT AUDIT REPORT

To the Commissioner
Department of Police

Scope

I have audited the General Purpose Financial Statements of the Department of Police prepared by the Accountable Officer for the year ended 30 June 2000 in terms of s.40 of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Operating Statement, Statement of Financial Position, Statement of Cash Flows, Statement of Outputs/Major Activities - Expenses and Revenues, Statement of Outputs/Major Activities – Assets and Liabilities and the Notes to and forming part of the financial statements and certificates given by the Accountable Officer and officer responsible for the financial administration of the Department.

The audit has been conducted in accordance with *GAO Auditing Standards*, which incorporate Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the prescribed requirements and prescribed accounting standards.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 40 of the *Financial Administration and Audit Act* I certify that –

- (a) I have received all the information and explanations I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the Statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards, of the transactions of the Department of Police for the financial year 1 July 1999 to 30 June 2000 and of the financial position as at the end of that year.

9 October 2000
L J SCANLAN
Auditor-General of Queensland

Queensland Audit Office
Brisbane



Office of the
Auditor-General of Queensland

9 October 2000

Mr J P O'Sullivan, APM
Commissioner of the Police Service
GPO Box 1440
BRISBANE QLD 4001



00-4600 JL
Mr John Hanes (07) 3405 1158

Dear Mr O'Sullivan

GENERAL PURPOSE FINANCIAL STATEMENTS – 1999-2000

Department of Police

Your General Purpose Financial Statements for 1999-2000 have been certified without qualification and are enclosed. Copies have been forwarded to your Minister and the Treasurer.

Yours faithfully

L J SCANLAN
Auditor-General of Queensland