

# financial highlights



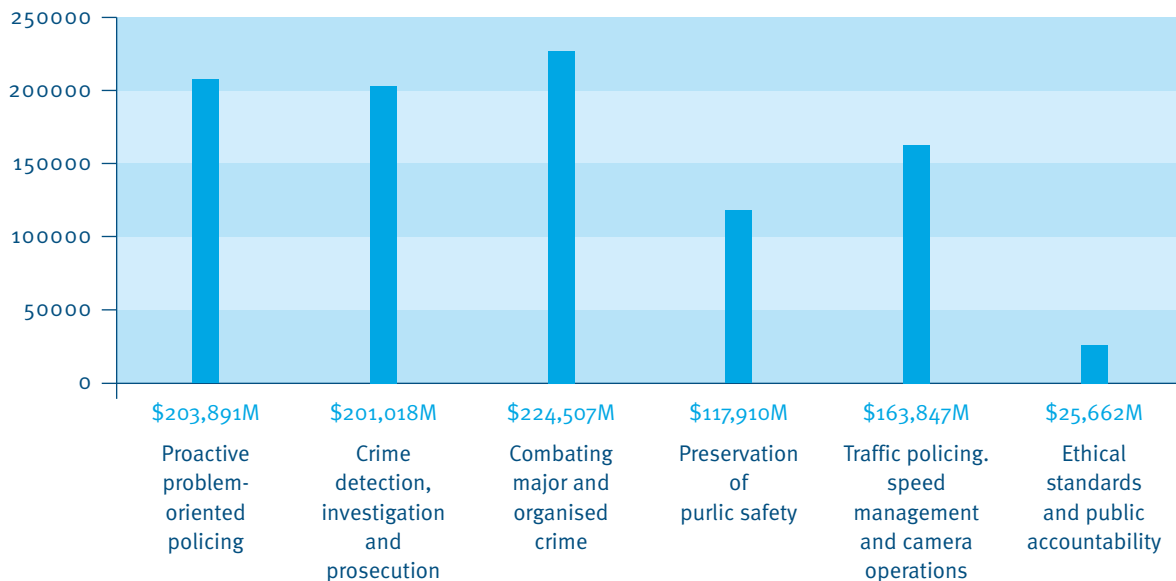
## Key Financial Data

Statement of Financial Performance	2002-03 (\$000)
Total Revenue	933,608
Total Expenses	936,834
Increase in Net Assets	47,953

The change in net assets is largely due to an increase in the valuation reserve for the Service's land and buildings.

Statement of Financial Performance	2002-03 (\$000)
Total Assets	786,230
Total Liabilities	127,881
Equity	658,350

In 2002-03, the Service delivered its departmental outputs at a cost of approximately \$936.8 million. The cost of the Corporate Support output is proportionally spread, for the purposes of determining the cost of each deliverable.



The Service is funded primarily by appropriation from Government. User charges represent 1.6% of total revenue and include payment for special services provided by police (\$8.4 million), fees for access to the Service's information (\$1.1 million) and the sale of other goods and services (\$5.2 million).

Employee expenses remain the major cost of the Service, comprising 78.5% of the Service's total expenses from ordinary activities. This expense item has increased 7% from the previous year, as a result of the increasing number of police employed and salary increases.

For the financial year 2002–03 the Service has reported a small deficit, which was principally due to the loss on sale of the Service's motor vehicles. This deficit represents less than 0.4% of the Service's total revenue.

The Government continued to invest in the Service's infrastructure, and there was an increase of approximately \$57 million in non-current assets.

The Queensland Police Service has confirmed with Queensland Treasury that the Service's financial performance result is measured at the GFS level on the Statement of Financial Performance. For the 2002–03 financial year the Service enjoyed a relatively successful year by achieving a minor deficit of \$3.227M.

The \$3.227M deficit at Australian Accounting Standard level is arrived at through the inclusion of some factors which are beyond the control of the Service. These include but are not limited to Gains and Revaluations of Assets, Assets written off and Loss on Disposal of Assets.

## Financial Statements

The Service's Annual Financial Statements are included in this Annual Report and describe the financial position of the Service as at 30 June 2003.

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 performance.

### Statement of Financial Performance

The Statement of Financial Performance matches revenue against expenses.

### Statement of Financial Position

The Statement of Financial Position matches assets against liabilities and provides a measure of equity.

### Cash Flow Statement

The Cash Flow Statement provides a record of cash entering and leaving the Service's accounts during the 2002–03 financial year.

### Statement of Outputs/Major Activities

The Statement of Outputs/Major Activities is completed in line with the Managing for Outcomes framework. The Statement of Outputs/Major Activities describes the allocation of expenses and revenues across the Service's first six outputs. The outputs describe the core policing services purchased each year by the Government and totals can be reconciled to the Service's Statements of Financial Performance and 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 Statements should be read in conjunction with the relevant notes.

<b>Department of Police</b>			
<b>Statement of Financial Performance</b>	<i>Notes</i>	<i>2003</i>	<i>2002</i>
for the year ended 30 June 2003		<i>\$'000</i>	<i>\$'000</i>
<b>Revenues from ordinary activities</b>			
Output revenue	1	900,671	828,504
User charges	2	15,033	12,924
Grants and other contributions	3	11,999	32,160
Other	4	5,905	6,856
<b>Total revenues from ordinary activities</b>		<u>933,608</u>	<u>880,444</u>
<b>Expenses from ordinary activities</b>			
Employee expenses	5	735,709	686,990
Supplies and services	6	111,720	115,009
Equity return expense	7	38,624	35,846
Depreciation and amortisation	8	35,358	31,817
Grants and subsidies	9	836	884
Other	10	13,378	12,145
<b>Total expenses from ordinary activities</b>		<u>935,624</u>	<u>882,691</u>
<b>excluding borrowing costs</b>			
Borrowing costs	11	1,210	81
<b>Net surplus (deficit)</b>		<u>(3,227)</u>	<u>(2,328)</u>
<b>Non-Owner transaction changes in equity</b>			
Net increase (decrease) in asset revaluation reserve	22	32,826	7,660
Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity	22	1,256	(5,941)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>	22	<u>34,082</u>	<u>1,719</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	22	<u><u>30,855</u></u>	<u><u>(609)</u></u>

*The accompanying notes form part of these statements.*

<b>Department of Police</b>			
<b>Statement of Financial Position</b>	<i>Notes</i>	<i>2003</i>	<i>2002</i>
At 30 June 2003		<i>\$000</i>	<i>\$000</i>
<b>Current assets</b>			
Cash assets	12	10,317	9,436
Receivables	13	10,651	10,831
Inventories	14	2,897	2,779
Other	15	6,130	5,116
<b>Total current assets</b>		<u>29,996</u>	<u>28,162</u>
<b>Non-current asset</b>			
Intangibles	16	12,657	8,757
Property, plant and equipment	17	743,577	690,877
<b>Total non-current assets</b>		<u>756,234</u>	<u>699,634</u>
<b>Total assets</b>		<u>786,230</u>	<u>727,796</u>
<b>Current liabilities</b>			
Payables	18	33,552	32,982
Interest-bearing liabilities	19	232	1,039
Provisions	20	72,076	68,673
Other	21	1,236	1,091
<b>Total current liabilities</b>		<u>107,096</u>	<u>103,785</u>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	19	20,785	13,614
<b>Total non-current liabilities</b>		<u>20,785</u>	<u>13,614</u>
<b>Total liabilities</b>		<u>127,881</u>	<u>117,399</u>
<b>Net assets (liabilities)</b>		<u>658,350</u>	<u>610,397</u>
<b>Equity</b>			
Contributed equity	22	177,362	160,265
Retained surpluses		403,073	405,043
Reserves:			
- Asset revaluation reserve		77,915	45,089
<b>Total equity</b>		<u>658,350</u>	<u>610,397</u>

*The accompanying notes form part of these statements.*

**Department of Police**  
**Statement of Cash Flow**

for the year ended 30 June 2003

	<i>Notes</i>	<i>2003</i> \$000	<i>2002</i> \$000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Output receipts		901,659	827,155
User charges		14,946	12,802
Grants and other contributions		4,518	22,773
GST input tax credits		20,294	20,166
Interest receipts		455	695
Other		4,755	5,022
<i>Outflows:</i>			
Employee expenses		731,285	682,190
Supplies and services		107,789	104,330
Grants and subsidies		884	786
Borrowing costs		1,175	72
Equity return expense		38,955	35,515
Insurance premiums		2,860	1,913
GST remitted to ATO		20,078	19,514
Other		7,104	7,142
<b>Net cash provided by (used in) operating activities</b>	23	<u>36,497</u>	<u>37,151</u>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of property, plant and equipment		25,164	25,880
<i>Outflows:</i>			
Payments for property, plant and equipment		78,634	88,068
Payments for intangibles		5,607	4,233
<b>Net cash provided by (used in) investing activities</b>		<u>(59,077)</u>	<u>(66,421)</u>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Borrowings		8,000	14,653
Equity injections		17,097	20,226
<i>Outflows:</i>			
Borrowing redemptions		1,636	-
<b>Net cash provided by (used in) financing activities</b>		<u>23,461</u>	<u>34,879</u>
<b>Net increase (decrease) in cash held</b>		881	5,609
<b>Cash at beginning of financial year</b>		9,436	3,827
<b>Cash at end of financial year</b>	12	<u><u>10,317</u></u>	<u><u>9,436</u></u>
Non-cash financing and investing activities	24	130	73

*The accompanying notes form part of these statements.*

**Department of Police**  
**Statement of Financial Performance by Outputs / Major Activities**  
for the year ended 30 June 2003

	Proactive problem-oriented policing		Crime detection, investigation and prosecution		Combating major and organised crime	
	2003	2002	2003	2002	2003	2002
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenues from ordinary activities</b>						
Output revenue	195,264	180,245	193,324	186,628	215,908	195,585
User charges	3,223	2,860	3,418	3,067	3,783	3,163
Grants and other contributions	3,280	7,351	2,353	6,912	2,668	7,659
Other	1,424	1,549	1,230	1,520	1,374	1,616
<b>Total revenues from ordinary activities</b>	<b>203,191</b>	<b>192,005</b>	<b>200,325</b>	<b>198,127</b>	<b>223,733</b>	<b>208,023</b>
<b>Expenses from ordinary activities</b>						
Revaluation decrement	-	-	-	-	-	-
Employee expenses	161,014	150,446	158,043	154,602	176,613	162,804
Supplies and services	23,592	24,495	24,090	26,166	26,816	26,971
Equity return expense	8,374	7,799	8,290	8,075	9,259	8,462
Depreciation and amortisation	7,473	6,766	7,410	6,934	8,268	7,309
Grants and subsidies	353	357	135	131	148	149
Other	2,823	2,631	2,790	2,726	3,113	2,857
<b>Total expenses from ordinary activities excluding borrowing costs</b>	<b>203,629</b>	<b>192,494</b>	<b>200,758</b>	<b>198,634</b>	<b>224,217</b>	<b>208,552</b>
Borrowing costs expense	262	17	260	18	290	19
<b>Net Surplus (Deficit)</b>	<b>(700)</b>	<b>(506)</b>	<b>(693)</b>	<b>(525)</b>	<b>(774)</b>	<b>(548)</b>
<b>Non-owner transaction changes in equity</b>						
Net increase (decrease) in asset revaluation reserve	7,711	1,619	7,076	1,755	7,942	1,795
Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity	295	(1,292)	271	(1,338)	304	(1,403)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>	<b>8,006</b>	<b>327</b>	<b>7,347</b>	<b>417</b>	<b>8,246</b>	<b>392</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>7,306</b>	<b>(179)</b>	<b>6,654</b>	<b>(108)</b>	<b>7,472</b>	<b>(156)</b>

*The accompanying notes form part of these statements.*

**Department of Police**  
**Statement of Financial Performance by Outputs / Major Activities**  
for the year ended 30 June 2003

	Preservation of public safety		Traffic policing, speed management and camera operations		Ethical standards and public accountability	
	2003	2002	2003	2002	2003	2002
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenues from ordinary activities</b>						
Output revenue	113,521	102,200	157,868	141,281	24,786	22,565
User charges	1,778	1,558	2,482	2,141	349	135
Grants and other contributions	1,483	4,029	1,921	5,524	294	685
Other	722	890	1,011	1,169	144	112
<b>Total revenues from ordinary activities</b>	<b>117,504</b>	<b>108,677</b>	<b>163,282</b>	<b>150,115</b>	<b>25,573</b>	<b>23,497</b>
<b>Expenses from ordinary activities</b>						
Revaluation decrement	-	-	-	-	-	-
Employee expenses	92,434	84,888	127,387	115,603	20,218	18,647
Supplies and services	14,218	14,193	19,832	20,260	3,172	2,924
Equity return expense	4,868	4,422	6,770	6,112	1,063	976
Depreciation and amortisation	4,393	3,871	6,954	6,113	860	824
Grants and subsidies	77	136	107	108	16	3
Other	1,767	1,443	2,585	2,303	300	186
<b>Total expenses from ordinary activities excluding borrowing costs</b>	<b>117,757</b>	<b>108,953</b>	<b>163,635</b>	<b>150,499</b>	<b>25,629</b>	<b>23,560</b>
Borrowing costs expense	153	10	212	14	33	2
<b>Net Surplus (Deficit)</b>	<b>(406)</b>	<b>(286)</b>	<b>(565)</b>	<b>(398)</b>	<b>(89)</b>	<b>(65)</b>
<b>Non-owner transaction changes in equity</b>						
Net increase (decrease) in asset revaluation reserve	4,172	935	5,776	1,296	149	260
Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity	159	(733)	221	(1,013)	6	(162)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>	<b>4,331</b>	<b>202</b>	<b>5,997</b>	<b>283</b>	<b>155</b>	<b>98</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>3,925</b>	<b>(84)</b>	<b>5,432</b>	<b>(115)</b>	<b>66</b>	<b>33</b>

*The accompanying notes form part of these statements.*

**Department of Police**  
**Statement of Financial Performance by Outputs / Major Activities**  
for the year ended 30 June 2003

	Total	
	2003	2002
	\$000	\$000
<b>Revenues from ordinary activities</b>		
Output revenue	900,671	828,504
User charges	15,033	12,924
Grants and other contributions	11,999	32,160
Other	5,905	6,856
<b>Total revenues from ordinary activities</b>	<b>933,608</b>	<b>880,444</b>
<b>Expenses from ordinary activities</b>		
Revaluation decrement	-	-
Employee expenses	735,709	686,990
Supplies and services	111,720	115,009
Equity return expense	38,624	35,846
Depreciation and amortisation	35,358	31,817
Grants and subsidies	836	884
Other	13,378	12,146
<b>Total expenses from ordinary activities excluding borrowing costs</b>	<b>935,625</b>	<b>882,692</b>
Borrowing costs expense	1,210	80
<b>Net Surplus (Deficit)</b>	<b>(3,227)</b>	<b>(2,328)</b>
<b>Non-owner transaction changes in equity</b>		
Net increase (decrease) in asset revaluation reserve	32,826	7,660
Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity	1,256	(5,941)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>	<b>34,082</b>	<b>1,719</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>30,855</b>	<b>(609)</b>

*The accompanying notes form part of these statements.*

### Objectives of the Department

The objective of the Department of Police 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 funded for the outputs it delivers principally by parliamentary appropriations. Although, it also provides the following on a fee for services basis:

- heavy vehicle road escorts;
- traffic supervision at road works; and
- security services at large sporting events.

### Summary of Significant Accounting Policies

#### (a) Basis of Accounting

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards (principally AAS 29 Financial Reporting by Government Departments), the Treasurer's Financial Reporting Requirements for the year ending 30 June 2003, and other authoritative pronouncements.

Except where stated, the historical cost convention is used.

The accounting policies adopted by the department are materially consistent with those for the previous year except in relation to Provisions for Employee Benefits. Refer to Note (aa).

#### (b) The Reporting Entity

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

The outputs/major activities undertaken by the department are disclosed in paragraph (u). Refer also Note 27.

#### (c) Administered Transactions and Balances

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are disclosed in Note 29. These transactions and balances are not significant in comparison to the department's overall financial performance/ financial position.

#### (d) Trust and Agency Transactions

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

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in Notes 30 and 31 respectively. Applicable audit arrangements also are shown.

**(e) User Charges, Taxes, Fees and Fines**

User charges and fees controlled by the department are recognised as revenues when invoices for the related services are issued. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

Taxes, fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer Note 29.

**(f) Grants and other Contributions**

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

Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

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

**(g) Output Revenue/Administered Revenue**

Appropriations provided under the Annual Appropriation Act are recognised as revenue when received. Appropriations receivable and unearned appropriation revenue are recognised at 30 June as approved by Queensland Treasury.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' revenues.

**(h) Cash Assets**

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. It also includes investments with short periods to maturity that are convertible readily to cash on hand at the department's option and that are subject to a low risk of changes in value.

**(i) Receivables**

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement on these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for doubtful debts. All known bad debts were written-off as at 30 June.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values.

**(j) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

Net realisable value is determined on the basis of the department's normal selling pattern.

**(k) Acquisitions of Assets**

Actual cost is used for the initial recording of all asset acquisitions. 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.

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

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland department, are recognised at their fair value at date of acquisition in accordance with *AAS 21 – Acquisitions of Assets*.

**(l) Property, Plant and Equipment**

All items of property, plant and equipment, except intangibles, with a cost or other value in excess of \$1,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

**(m) Amortisation and Depreciation of Intangibles, Property, Plant and Equipment**

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

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

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the department or the unexpired period of the lease, whichever is the shorter. The unexpired period of leases includes any option period where exercise of the option is probable.

Items comprising the department's technical library are expensed on acquisition.

**(m) Amortisation and Depreciation of Intangibles, Property, Plant and Equipment continued**

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

<b>Class</b>	<b>Rate</b>
	%
Buildings	1.5
Leasehold improvements	10
Aircraft	12.3
Computer equipment	25
Motor vehicles	62.6
Vessels	18
Plant and equipment	11.2
Office equipment	8.1
Radio equipment	12.9
<b>Intangibles</b>	<b>Rate</b>
	%
Internal use software	20

**(n) Revaluations of Non-Current Physical Assets**

Land and buildings assets are measured at fair value in accordance with AASB 1041 Revaluation of *Non-Current Assets* and *Queensland Treasury's Non-Current Asset Accounting Guidelines for the Queensland Public Sector*.

All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

The department commenced a five year program of progressive comprehensive revaluation of land and buildings during 2001-2002, which is being carried out by the Department of Natural Resources and Mines.

Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

**(o) Leases**

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

There were no finance leases held by the department as at 30 June 2003.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

**(p) Intangibles**

Intangible assets with a cost or other value greater than \$50,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life to the department, less any anticipated residual value.

*Internal Use Software*

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the department, namely 5 years.

**(q) Payables**

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

**(r) Interest-Bearing Liabilities**

Loans payable are recognised at the face value of the principal outstanding, interest being expensed or otherwise recognised as it accrues. The fair value of these loans is disclosed in Note 28.

**(s) Employee Benefits**

*Wages, Salaries, Annual Leave and Sick Leave*

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, WorkCover premiums, long service leave levies and employer superannuation contributions.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

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

*Long Service Leave*

Under the Queensland Government's long service leave scheme, a levy is made on the department to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 – *Financial Reporting by Governments*.

*Superannuation*

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 - *Financial Reporting by Governments*.

**(t) Allocation of Revenues and Expenses from Ordinary Activities to Corporate Services**

The department does not allocate revenues and expenses from ordinary activities to corporate services.

The department allocates the revenues and expenses of regions and commands to outputs/major activities based on a state-wide activity survey. All revenues and expenses categorised as direct costs are fully applied to the relevant output/major activity. Overhead revenues and expenses, including those for corporate services, are then allocated to outputs/major activities based on the survey results. Expenses and revenues relating to corporate services are not separately identified.

Allocation of revenues and expenses to corporate services is not disclosed in the department's Ministerial Portfolio Statements.

**(u) Outputs/Major Activities of the Department**

The identity and purpose of the outputs/major activities undertaken by the department during the year are as follows:

**• 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 are 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 the risks to personal and public safety 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.

**Future changes under Shared Services Initiative**

From 1 July 2003, certain corporate support services currently resourced internally by the department will be outsourced to the Department of Justice and Attorney-General under a shared service provider arrangement. As part of this new arrangement, a number of this department's staff and resources will be transferred in 2003-04 to the Department of Justice and Attorney-General. Details of the financial effect of these transfers will be reported in the 2003-04 financial year statements.

**(v) Insurance**

The department's non-current physical assets and other risks are largely insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. The department has privately insured its motor vehicles and its pilots.

In addition, the department pays premiums to Workcover Queensland in respect of its obligations for employee compensation.

**(w) Rounding and Comparatives**

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

**(x) Services Received Free of Charge or for Nominal Value**

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

**(y) Borrowing Costs**

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

The capitalisation rate used to determine borrowing costs is the weighted average interest rate applicable to the department's outstanding borrowings, 5.73% (2002: 6.34%).

Borrowing costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Amortisation of discounts or premiums relating to borrowings; and
- Ancillary administration charges.

**(z) Taxation**

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the ATO are recognised and accrued.

**(aa) Change in Accounting Policy**

(1) In accordance with the Queensland Treasury's *Financial Reporting Requirements for Government Departments* for the financial year ending 30 June 2003, the department recorded wages, salaries and annual leave due but unpaid in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement as required by AASB1028 from 1 July 2002.

The initial increase in the provision for annual leave as at 30 June 2003 of \$2.000 million to report on this basis has been treated as an adjustment against equity. Future changes in the provision will be recorded in the Statement of Financial Performance.

<b>Department of Police</b>	2003	2002
<b>Notes to and forming part of the Financial Statements 2003 Cont'd</b>	\$000	\$000

**1. Reconciliation of Payments from Consolidated Fund to Output Revenue Recognised in Statement of Financial Performance**

Budgeted output appropriation	890,012	833,297
Transfers from/to other headings	11,647	(6,142)
Total output receipts	<u>901,659</u>	<u>827,155</u>
Less: Opening balance of output revenue receivable	(1,349)	-
Plus: Closing balance of output revenue receivable	361	1,349
Output revenue recognised in Statement of Financial Performance	<u>900,671</u>	<u>828,504</u>

**Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity (Note 22)**

Budgeted equity adjustment appropriation	34,202	937
Transfers from/to other headings	(11,647)	6,142
Lapsed equity adjustment	(5,458)	-
Supplementary appropriations#	-	13,149
Total equity adjustment receipts	<u>17,097</u>	<u>20,228</u>
Less: Opening balance of equity adjustment receivable	-	(8,000)
Plus: Closing balance of equity adjustment receivable	-	-
	<u>17,097</u>	<u>12,228</u>
Plus: Opening balance of equity withdrawal payable	-	-
Less: Closing balance of equity withdrawal payable	-	-
Equity adjustment recognised in Contributed Equity (Note 22)	<u>17,097</u>	<u>12,228</u>

# Supplementary includes additional transfers from operating to equity.

**2. User Charges**

Special services	8,416	8,128
Traffic incident reporting system	1,125	1,010
Rental of government property	305	306
Sale of other goods and services	5,187	3,480
Total	<u>15,033</u>	<u>12,924</u>

**3. Grants and Other Contributions**

Grants*	3,883	23,177
Services received at below fair value	7,995	8,972
Industry contributions	121	11
Total	<u>11,999</u>	<u>32,160</u>

\* Included in grants are contributions of (\$0.688M) for the National Campaign against Drug Abuse, and (\$0.474M) for the Community Housing Renewal Project.

<b>Department of Police</b>	2003	2002
<b>Notes to and forming part of the Financial Statements 2003 Cont'd</b>	<b>\$000</b>	<b>\$000</b>

#### 4. Other Revenues

Taxes, fees and fines	98	72
Interest	458	588
Salary related and other reimbursements	4,405	4,049
Gain on sale of property, plant and equipment	627	1,384
Sale of plant and equipment (non-assets)	316	6
Assets not previously recognised	-	757
<b>Total</b>	<b><u>5,905</u></b>	<b><u>6,856</u></b>

#### 5. Employee Expenses/Number of Employees/Chief Executive's Remuneration

##### Employee Expenses

Wages and salaries	593,418	557,862
Employer superannuation contributions	81,503	74,953
Long service leave levy	8,925	8,348
Payroll tax	32,538	30,646
Workers compensation premium	16,735	13,723
Other	1,861	1,458
Voluntary redundancy payments	728	-
<b>Total</b>	<b><u>735,709</u></b>	<b><u>686,990</u></b>

##### Number of Employees

The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.

11,621	11,510
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##### Chief Executive's Remuneration

Level: CEO3      *Min. \$193,866*      *Max. \$210,420*

The Chief Executive is not eligible for a performance bonus as this was removed from the employment contract upon request from the CEO.

The superannuable salary does not include industry and like allowances, leave loading and fringe benefits such as private use of a motor vehicle and employer superannuation contributions.

#### 6. Supplies and Services

Consultants and contractors	3,347	3,419
Materials	26,148	24,899
Repairs and maintenance	23,046	24,528
Transfer costs	5,129	4,280
Travel	6,643	10,966
Communications	18,855	18,870
Accommodation and public utilities	8,480	8,388
Resources received below fair value	6,602	7,457
Contributions to national/state agencies	2,814	1,895
Training fees - courses/membership	1,057	1,238
Other	9,599	9,069
<b>Total</b>	<b><u>111,720</u></b>	<b><u>115,009</u></b>

<b>Department of Police</b>	2003	2002
<b>Notes to and forming part of the Financial Statements 2003 Cont'd</b>	\$000	\$000

#### 7. Equity Return Expense

Equity return expense	38,624	35,846
Total	<u>38,624</u>	<u>35,846</u>

The Queensland Government has set an equity return rate of 6% for 2002-03.  
This represents the opportunity cost of capital invested in the net assets of the department.

#### 8. Depreciation and Amortisation

Depreciation and amortisation incurred in respect of:

Buildings	9,466	7,815
Aircraft	1,066	1,139
Vessels	896	837
Computing equipment	7,919	6,247
Motor vehicles	4,691	5,388
Plant and equipment (general)	2,781	2,527
Radio equipment	4,327	4,063
Office equipment	1,314	1,713
Leasehold improvements	1,030	783
Internal use software	1,869	1,305
Total	<u>35,358</u>	<u>31,817</u>

#### 9. Grants and Subsidies

Queensland Police-Citizens' Youth Welfare Association	437	320
Queensland Blue Light Association Inc.	25	64
Community policing grant - various local authorities	202	259
Policing grants - various community groups	172	241
Total	<u>836</u>	<u>884</u>

#### 10. Other Expenses

Insurance premiums - QGIF	1,089	942
Insurance premiums - Other	1,524	984
External audit fees	182	257
Property, plant and equipment write-offs and decrement	1,460	720
Inventory write-offs	84	23
Bad and doubtful debts	33	37
Operating lease rentals and rental of premises	5,373	5,451
Losses from disposal of non-current assets	2,042	1,496
Special payments:		
- Ex-gratia payments	308	804
- Spouse payments	188	178
Other	1,095	1,253
Total	<u>13,378</u>	<u>12,145</u>

<b>Department of Police</b>	2003	2002
<b>Notes to and forming part of the Financial Statements 2003 Cont'd</b>	\$000	\$000

**11 Borrowing Costs**

Interest	1,190	80
Administration charges	20	1
Total	1,210	81

No borrowing costs were recognised during the period as part of the carrying amount of any qualifying assets.

**12. Cash Assets**

Imprest accounts	196	184
Cash at bank and on hand	10,121	9,252
Total-Cash Assets	10,317	9,436

Cash deposited with the Queensland Treasury Corporation earned interest at rates between 4% and 4.8% (2002: 4.2% to 4.9%).

**13. Receivables**

*Current*

Trade debtors	4,767	4,582
less: provision for doubtful debts	(174)	(224)
	4,593	4,358

GST receivable	3,272	3,569
GST payable	(550)	(564)
Interest receivable	55	52
Long service leave reimbursements	2,800	2,067
Advances	120	-
Appropriation receivable	361	1,349
Total	10,651	10,831

**14. Inventories**

*Current*

Supplies and consumables-at cost	2,897	2,779
Total	2,897	2,779

**15. Other Current Assets**

Prepayments	3,926	1,829
Unexpended advances	2,042	3,042
Other	162	245
Total	6,130	5,116

<b>Department of Police</b>	2003	2002
<b>Notes to and forming part of the Financial Statements 2003 Cont'd</b>	\$000	\$000

## 16. Intangibles

Internal use software (at cost)	11,574	9,947
less: accumulated amortisation	(5,414)	(3,545)
Internal use software work in progress (at cost)	6,497	2,355
Total	<u>12,657</u>	<u>8,757</u>

During 2002-2003 the department adopted a standard costing method for allocating overheads to internally developed software in order to meet changed circumstances caused by the centralisation of ownership of computer assets, which are not necessarily available for use on these projects. In addition a large project team was located in rented premises.

The application of the standard costing method has resulted in capitalisation of overheads of \$0.059 million, compared to \$0.946 million if the original methodology had been used. The resulting reduction in Intangibles is recognised as an expense in the Statement of Financial Performance.

## 17. Property, Plant and Equipment

Land:		
At independent valuation 2003	134,437	125,724
Buildings:		
At independent valuation 2003	646,281	568,975
Less: Accumulated depreciation	<u>(181,839)</u>	<u>(155,001)</u>
	464,442	413,974
Aircraft:		
At cost	22,973	22,904
Less: Accumulated depreciation	<u>(4,116)</u>	<u>(3,050)</u>
	18,858	19,854
Computing equipment:		
At cost	61,382	76,409
Less: Accumulated depreciation	<u>(37,175)</u>	<u>(51,832)</u>
	24,207	24,577
Motor vehicles:		
At cost	56,344	52,150
Less: Accumulated depreciation	<u>(6,366)</u>	<u>(6,300)</u>
	49,978	45,849
Plant and equipment - general:		
At cost	30,450	29,195
Less: Accumulated depreciation	<u>(16,561)</u>	<u>(14,947)</u>
	13,889	14,248
Vessels:		
At cost	12,904	12,698
Less: Accumulated depreciation	<u>(5,543)</u>	<u>(4,996)</u>
	7,361	7,702
Radio equipment:		
At cost	36,242	36,477
Less: Accumulated depreciation	<u>(21,573)</u>	<u>(19,902)</u>
	14,669	16,575

**17. Property, Plant and Equipment continued**

Leasehold improvements:		
At cost	8,630	6,724
Less: Accumulated depreciation	<u>(2,793)</u>	<u>(1,815)</u>
	5,837	4,909
Office equipment:		
At cost	12,334	11,810
Less: Accumulated depreciation	<u>(7,504)</u>	<u>(6,545)</u>
	4,830	5,265
Capital works in progress:		
At cost	<u>5,069</u>	<u>12,201</u>
Total	<u><u>743,577</u></u>	<u><u>690,877</u></u>

Independent Valuations of land and buildings were performed as at 1 July 2002 by the Department of Natural Resources and Mines using 'fair value' principles in accordance with the department's five year program of comprehensive revaluations.

The valuation of land is based on current market values. The valuation of buildings is based on depreciated current replacement cost, unless a market price in an active and liquid market exists.

Plant and equipment and leasehold improvements are valued at cost in accordance with Queensland Treasury's Non-current Assets Accounting Guidelines for the Queensland Public Sector (May 2001). Refer also to Summary of Significant Accounting Policies (n).

The department has assets valued at \$36.974 million with a written down value of zero still being used in the provision of services:

Class	\$000	No. of Assets
1. Buildings	317	4
2. Computer Equipment	22,207	4,703
3. Leasehold Improvements	450	12
4. Motor Vehicles	50	8
5. Office Equipment	2,718	505
6. Plant and Equipment	6,006	1,856
7. Radio Equipment	4,769	1,022
8. Staff Amenities	180	62
9. Vessels	<u>277</u>	<u>37</u>
	<u><u>36,974</u></u>	<u><u>8,209</u></u>

1. There are no plans in place to retire or replace these buildings.
2. The majority of the computer equipment will be replaced within 12 months.
3. The original leases have been extended.
4. There are no specific plans in place to retire or replace these low value assets.
5. The majority of these assets consist of photocopiers and telephone equipment which will be replaced within 12 months.
6. There are no specific plans in place to retire these assets.
7. The majority of the Radio Equipment will be retired during 2003-2004.
8. There are no specific plans in place to retire or replace these low value assets.
9. The majority of these low value assets will be retired within 12 months.

**17. Reconciliation**

	Land	Buildings	Aircraft	Computer Equipment	Motor vehicles	Plant and equipment (general)	Vessels equipment	Radio improvements	Leasehold equipment	Office works in progress	Capital	Total
	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000	2003 \$000
Carrying amount at 1 July	125,724	413,973	19,854	24,577	45,849	14,248	7,702	16,575	4,909	5,265	12,201	690,877
Acquisitions	780	7,807	69	6,970	34,124	2,368	901	2,462	1,474	944	20,107	78,006
Assets not previously recognised	660	3,193	-	2	20	-	-	1	-	14	-	3,890
Donations received	-	-	-	3	5	103	-	48	-	3	-	162
Disposals	(681)	(1,043)	-	(501)	(25,329)	(74)	(335)	(63)	(47)	(34)	(558)	(28,665)
Donations made	-	-	-	(1)	-	-	-	(33)	-	(1)	-	(35)
Transfers between classes	(6)	25,107	-	1,076	-	25	(11)	6	531	(47)	(26,681)	-
Revaluation in crements / (decrements)	7,960	24,871	-	-	-	-	-	-	-	-	-	32,831
Depreciation / Amortisation	-	(9,466)	(1,065)	(7,919)	(4,691)	(2,781)	(896)	(4,327)	(1,030)	(1,314)	-	(33,489)
Carrying amount at 30 June	<b>134,437</b>	<b>464,442</b>	<b>18,858</b>	<b>24,207</b>	<b>49,978</b>	<b>13,889</b>	<b>7,361</b>	<b>14,669</b>	<b>5,837</b>	<b>4,830</b>	<b>5,069</b>	<b>743,577</b>

Department of Police	2003	2002
Notes to and forming part of the Financial Statements 2003 Cont'd	\$000	\$000

### 18. Payables

#### *Current*

Long service leave levy payable	2,333	2,313
Trade creditors	18,997	19,914
Other	12,222	10,755
Total	<u>33,552</u>	<u>32,982</u>

### 19. Interest-bearing Liabilities

#### *Current*

Queensland Treasury Corporation borrowing	232	1,039
Total	<u>232</u>	<u>1,039</u>

#### *Non-Current*

Queensland Treasury Corporation borrowing	20,785	13,614
Total	<u>20,785</u>	<u>13,614</u>

No assets have been pledged as security for any liabilities

All borrowings are in \$A denominated amounts and recognised at their face value, interest being expensed as it accrues. Repayments are due from 15 September 2003 to 15 March 2012.

Principal and interest repayments are made quarterly in arrears at a rate of 5.73%. The market value of borrowings as notified by the Queensland Treasury Corporation was, \$21,624,492.68, (2002: \$14,639,902.97). This represents the value of debt if the department repaid it in full at balance date.

As it is the intention of the department to hold its borrowings for their full term, no adjustment provision is made in these accounts.

At 30 June 2003, there was no approved recoverable funding from Treasury to be drawn down (2002 : \$8.0M).

The current overdraft interest rate is 7.7% (2002: 8.0%)

### 20. Provisions

#### *Current*

Employee benefits: Annual leave	72,076	68,673
Total	<u>72,076</u>	<u>68,673</u>

### 21. Other Current Liabilities

Equity return payable	-	331
Unearned revenue	1,236	760
Total	<u>1,236</u>	<u>1,091</u>

**Department of Police**  
**Notes to and forming part of the Financial Statements 2003 Cont'd**

22. Changes in Equity	Retained Surpluses		Asset Revaluation Reserve		Contributed Equity	
	2003	2002	2003	2002	2003	2002
	\$000	\$000	\$000	\$000	\$000	\$000
Balance 1 July	405,043	413,312	45,089	37,429	160,265	148,037
Net Surplus	(3,227)	(2,328)	-	-	-	-
Non-Owner changes in equity recognised on the face of the Statement of Financial Performance:						
- Increment on revaluation	-	-	32,831	(5,506)	-	-
- Adjustment due to change in AASB 1028	(2,000)	-	-	-	-	-
- Correction of error*	3,205	(5,961)	-	13,166	-	-
- Sale of revalued assets	5	-	(5)	-	-	-
Transactions with Owners as Owners:						
- Equity injections	-	-	-	-	17,097	12,228
- Net leave liabilities transferred to other departments	46	20	-	-	-	-
Balance 30 June	<b>403,073</b>	<b>405,043</b>	<b>77,915</b>	<b>45,089</b>	<b>177,362</b>	<b>160,265</b>
<u>Closing Balance of Asset Revaluation Reserve by Class:</u>			<b>2003</b>	<b>2002</b>		
			<b>\$000</b>	<b>\$000</b>		
Vessels			700	700		
Aircraft			4,579	4,579		
Land			20,610	12,666		
Buildings			52,026	27,144		
Total			<b>77,915</b>	<b>45,089</b>		

**\*Correction of Land and Building Records**

During 2002-2003 a project was commenced to determine the accuracy and completeness of the department's records concerning land and buildings. As a result, a number of land and building assets owned by the department, but not previously recorded were identified. In addition, land and building assets previously recorded as belonging to the department were determined to be owned by another agency.

The following material corrections were made:

	<u>\$000</u>
1. Land and Buildings incorrectly capitalised in 1996 were removed from the accounts by direct adjustment to the Retained Surplus.	(689)
2. Land and Buildings not previously recognised were added to the accounts by direct adjustment to the Retained Surplus.	3853

Further detail is recorded in the Property, Plant and Equipment Reconciliation at note 17.

### 23. Reconciliation of Net Surplus/(Deficit) to Net Cash Provided by Operating Activities

Net surplus (deficit)	(3,227)	(2,328)
Revaluation decrement	-	2
Depreciation expense	32,459	29,730
Amortisation expense	2,899	2,087
Assets donated	(130)	(83)
Loss on sale of property, plant and equipment	2,006	1,369
Gain on sale of property, plant and equipment	(621)	(1,382)
Bad Debts	33	37
Inventory write-offs	84	23
Plant and equipment write-offs	1,457	719
Assets not previously recognised	-	(757)
Change in assets and liabilities:		
(Increase)/decrease in output revenue receivable	988	(1,349)
(Increase)/decrease in GST input tax credits receivable	216	652
(Increase)/decrease in LSL reimbursement receivables	(732)	(3,962)
(Increase)/decrease in trade receivables	(1,089)	3,272
(Increase)/decrease in inventories	(444)	134
(Increase)/decrease in interest receivable	(3)	106
(Increase)/decrease in prepayments	187	1,800
Increase/(decrease) in unearned revenue	(522)	(480)
Increase/(decrease) in employee provisions	1,403	5,574
Increase/(decrease) in accounts payable	(785)	2,318
Increase/(decrease) in long service levy payable	20	313
Increase/(decrease) in accruals	2,298	(644)
<b>Net cash provided by operating activities</b>	<b>36,497</b>	<b>37,151</b>

#### 24. Non-Cash Financing Activities

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses are set out in Notes 3 and 10 respectively.	130	73
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#### 25. Commitments for Expenditure

##### (a) Non-cancellable Operating Lease Commitments

Commitments under non-cancellable operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	4,608	3,438
Later than one year and not later than five years	4,645	4,757
Later than five years	457	500
Total	<u>9,710</u>	<u>8,695</u>

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing and other leasing activities.

##### (b) Capital Expenditure Commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

Construction/improvements of police stations, watchhouses and residences	18,987	15,546
Plant and equipment	7,591	13,610
Total	<u>26,578</u>	<u>29,156</u>
Payable:		
Not later than one year	26,468	29,156
Later than one year and not later than five years	110	-
Total	<u>26,578</u>	<u>29,156</u>

## 26. Contingencies

### (a) Litigation in process

At 30 June 2003, the following cases were filed with the respective jurisdiction naming the Queensland Police Service as defendant:

Supreme Court	31
Magistrates Court	13
District Court	27
<b>Total cases</b>	<b>71</b>

The Department's legal advisors and management believe that it would be misleading to estimate the final amounts payable (if any) in respect of this litigation.

The department also has received notification of a number of other cases that are not yet subject to Court action. These cases may or may not result in subsequent litigation.

### (b) Native title claims over departmental land

At 30 June 2003, 797 native title claims have been made on departmental land but as yet these claims have not been determined by the National Native Title Tribunal.

At reporting date it is not possible to make an estimate of any probable outcome of these claims, or any financial effect.

## 27. Controlled Entities

The Department has no controlled entities

## 28. Financial Instruments

### Interest Rate Risk Exposure

The department's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities are shown in the following table.

	Floating Rate \$000	Contractual Repricing/ Maturity Date:			Non interest bearing \$000	Total \$000	Weighted Average Rate %
		1 Year or less \$000	1-5 years \$000	Greater Than 5 Years \$000			
<b>Financial Assets</b>							
Cash	10,121				196	10,317	3.77
Receivables					10,651	10,651	NA
	10,121	-	-	-	10,847	20,968	3.77
<b>Financial Liabilities</b>							
Payables					33,551	33,551	NA
Interest-bearing liabilities		1,949	8,785	10,306		21,040	5.73
	-	1,949	8,785	10,306	33,551	54,591	5.73

Floating interest rate represents the most recently administered market rate applicable to the instrument at 30 June 2003.

### Credit Risk Exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for doubtful debts as indicated in the Statement of Financial Position. No significant credit risks have been identified.

### 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 amounts.

The carrying amounts and estimated net fair values of financial assets and financial liabilities held at balance date are given below:

Financial Instrument	Total Carrying Amount		Net Fair Value	
	2003 \$000	2002 \$000	2003 \$000	2002 \$000
<b>Financial Assets</b>				
Cash	10,317	9,436	10,317	9,436
Trade receivables	4,593	4,358	4,593	4,358
Other receivables	6,058	9,516	6,058	9,516
Total	20,968	23,310	20,968	23,310
<b>Financial Liabilities</b>				
Payables	33,551	32,982	33,551	32,982
Interest-bearing liabilities	21,040	14,660	21,040	14,660
Total	54,591	47,642	54,591	47,642

**29. Schedule of Administered Items\***

**Administered Revenues**

Taxes, fees and fines	4,590	1,726
Administered item revenue	755	871
Other	610	565
Total	<u>5,955</u>	<u>3,162</u>

**Administered Expenses**

Supplies and Services	168	222
Grants and subsidies	755	871
Total	<u>923</u>	<u>1,093</u>

**Administered Assets**

*Current*

Cash	1,678	1,574
Receivables	-	1
Total	<u>1,678</u>	<u>1,575</u>

**Administered Liabilities**

*Current*

Payables	397	143
Other	36	19
Total	<u>433</u>	<u>162</u>

<b>Transfers to Government of taxes, fees and fines and interest</b>	<u><u>5,200</u></u>	<u><u>2,275</u></u>
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\* The department has only one output for Administered.

<b>Department of Police</b>	2003	2002
<b>Notes to and forming part of the Financial Statements 2003 Cont'd</b>	\$000	\$000

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### 30. Trust Transactions and Balances

As the department performs only a custodial role in respect of these transactions and balances, they are neither controlled nor administered by it and accordingly, are not recognised in the financial statements. They are however, disclosed in these notes for the information of users.

#### Trust Assets and Liabilities

##### Current assets

Cash	5,083	4,152
Total	<u>5,083</u>	<u>4,152</u>

The Queensland Audit Office performed the audit of the department's trust transactions for 2002-03.

### 31. Agency Transactions

The department acts as an agent in the collection and distribution of charges and levies for various public sector agencies and local governments. A reconciliation of amounts collected and distributed follows:

Balance at 1 July	174	145
Collections during reporting period	4,088	3,979
Distributions to principals during reporting period	<u>(4,174)</u>	<u>(3,950)</u>
Balance at 30 June*	<u>88</u>	<u>174</u>

\* Held in the department's collection account.

### 32. Events Occurring after Balance Date

There were no events occurring after balance date which had a material impact on the information provided in these statements.

**Department of Police**  
**Certificate of the Department of Police**  
for the year ended 30 June 2003

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These general purpose financial statements have been prepared pursuant to section 40(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with Section 40(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up 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 ended 30 June 2003 and of the financial position of the department at the end of that year.

J.JUST  
Director, Finance Division  
11/09/2003

R.ATKINSON  
Commissioner  
12/09/2003

## INDEPENDENT AUDIT REPORT

### To the Accountable Officer of Department of Police

#### Matters relating to the electronic presentation of the audited financial statements

The audit report relates to the financial statements of *Department of Police* for the financial year ended 30 June 2003 included on *Department of Police's* web site. The Accountable Officer is responsible for the integrity of the *Department of Police's* web site. The audit report refers only to the financial statements identified below and does not include a review of the integrity of this web site or provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from *Department of Police*, to confirm the information included in the audited financial statements presented on this web site.

These matters also relate to the presentation of the audited financial statements in other electronic media including CD Rom.

#### Scope

##### *The financial statements*

The financial statements of *Department of Police* consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Accountable Officer and officer responsible for the financial administration of *Department of Police*, for the year ended 30 June 2003.

##### *Accountable Officer's responsibility*

The Accountable Officer is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

##### *Audit approach*

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial statements present fairly in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland

##### *Audit procedures included -*

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Accountable Officer,
- obtaining written confirmation regarding the material representations made in conjunction with the audit, and
- reviewing the overall presentation of information in the financial statements.

#### Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

#### Audit opinion

In accordance with section 40 of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which 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 the prescribed accounting standards of the transactions of the Department of Police for the financial year 1 July 2002 to 30 June 2003 and of the financial position as at the end of that year.

V P MANERA, FCPA  
Deputy Auditor-General  
(Delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane

## Your Feedback

The Annual Report has been prepared to provide public information that will clearly describe the financial and non-financial performance of the Queensland Police Service in 2002-03 and an outlook of our performance in 2003-04.

We would value your feedback on this report to help us improve the quality of future publications. All responses will be treated in confidence.

If this feedback form cannot be used, a copy can be completed on our website at [www.police.qld.gov.au](http://www.police.qld.gov.au). Alternatively, you can write to us at:

*Mailing address:*  
Strategic Development Unit  
Office of the Commissioner  
GPO Box 1440  
Brisbane QLD 4001

*Fax number:*  
07 3364 6353

	Excellent	Good	Satisfactory	Poor
Presentation and design				
Language and style of writing				
Content				
Level of detail				

What did you like most about the report?

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What did you like least about the report?

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How can we improve the report?

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Thank you