

South Australia Police

Financial report
for the year ended
30 June 2021



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To the Commissioner of Police South Australia Police

Opinion

I have audited the financial report of the South Australia Police for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australia Police as at 30 June 2021, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2021
- a Statement of Administered Financial Position as at 30 June 2021
- a Statement of Administered Cash Flows for the year ended 30 June 2021
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2021
- a Schedule of Assets and Liabilities attributable to administered activities for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Commissioner of Police and the Director, Business Service.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australia Police. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Commissioner for the financial report

The Commissioner of Police is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Commissioner of Police is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Commissioner of Police is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the South Australia Police for the financial year ended 30 June 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australia Police's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner of Police
- conclude on the appropriateness of the Commissioner of Police's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Commissioner of Police about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

21 September 2021

**South Australia Police
(SAPOL)**

Financial Statements

For the year ended 30 June 2021

We certify that the:

- financial statements of the South Australia Police:
 - are in accordance with the accounts and records of the South Australia Police;
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the South Australia Police at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the South Australia Police for the financial year over its financial reporting and its preparation of financial statements have been effective.



Grant Stevens
Commissioner of Police
17 September 2021



Stephen Johnke
Director, Business Service
17th September 2021

South Australia Police
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Appropriation	2.1	943 140	839 139
Fees and charges	2.2	26 470	23 444
Commonwealth-sourced grants and funding	2.3	2 689	3 562
Resources received free of charge	2.4	4 515	4 664
Net gain/ (loss) from the disposal of non-current and other assets	2.5	1 147	176
SA Government grants, subsidies and transfers	2.6	81 058	107 791
Other income	2.7	5 593	8 632
Total income		1 064 612	987 408
Expenses			
Employee benefits expenses	3.3	801 265	836 310
Supplies and services	4.1	185 701	158 641
Depreciation and amortisation	4.2	44 281	44 155
Write down of non-current assets		306	20
Impairment loss		-	31
Borrowing Costs		1 184	1 762
Total expenses		1 032 737	1 040 919
Net result		31 875	(53 511)
Total comprehensive result		31 875	(53 511)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

South Australia Police
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	214 121	189 913
Receivables	6.2	16 120	16 502
Inventories		237	268
Non-current assets classified as held for sale	5.5	11 714	10 001
Total current assets		242 192	216 684
Non-current assets			
Receivables	6.2	4 134	3 891
Property, plant and equipment	5.1	392 698	407 207
Intangible assets	5.4	30 744	27 413
Total non-current assets		427 576	438 511
Total assets		669 768	655 195
Current liabilities			
Payables	7.1	44 327	45 898
Employee benefits	3.4	77 047	97 364
Provisions	7.3	20 844	16 655
Lease liabilities	7.2	12 919	12 872
Other liabilities	7.4	4 913	5 214
Total current liabilities		160 050	178 003
Non-current liabilities			
Payables	7.1	23 767	24 094
Employee benefits	3.4	206 888	212 388
Provisions	7.3	145 203	139 447
Lease liabilities	7.2	66 332	65 108
Other liabilities	7.4	2 939	3 488
Total non-current liabilities		445 129	444 525
Total liabilities		605 179	622 528
Net assets		64 589	32 667
Equity			
Retained earnings		(162 148)	(194 070)
Asset revaluation surplus		141 517	141 517
Contributed capital		85 220	85 220
Total equity		64 589	32 667

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

South Australia Police
Statement of Changes in Equity
for the year ended 30 June 2021

	Contributed capital	Asset revaluation surplus	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	85 220	141 517	(140 800)	85 937
Changes in accounting policy on adoption of AASB15, 16 and 1058	-	-	(236)	(236)
Prior period adjustment	-	-	477	477
Adjusted balance at 1 July 2019	85 220	141 517	(140 559)	86 178
Net result for 2019-20	-	-	(53 511)	(53 511)
Total comprehensive result for 2019-20	-	-	(53 511)	(53 511)
Balance at 30 June 2020	85 220	141 517	(194 070)	32 667
Prior period adjustment	-	-	47	47
Adjusted balance at 1 July 2020	85 220	141 517	(194 023)	32 714
Net result for 2020-21	-	-	31 875	31 875
Total comprehensive result for 2020-21	-	-	31 875	31 875
Balance at 30 June 2021	85 220	141 517	(162 148)	64 589
8.1				

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

South Australia Police
Statement of Cash Flows
for the year ended 30 June 2021

		2021 (Outflows) Inflows \$'000	2020 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Appropriation		943 140	839 139
Fees and charges		26 854	30 254
Commonwealth-sourced grants and funding		2 689	3 562
GST recovered from the ATO		16 735	13 355
SA Government grants, subsidies and transfers		86 050	95 822
Receipts for paid parental leave scheme		933	1 159
Other receipts		4 289	9 256
Cash generated from operations		1 080 690	992 547
Cash outflows			
Employee benefits payments		(826 952)	(777 770)
Payments for supplies and services		(195 402)	(168 231)
Payments for paid parental leave scheme		(999)	(1 104)
Interest paid		(1 184)	(1 762)
Cash used in operations		(1 024 537)	(948 867)
Net cash provided by / (used in) operating activities	8.2	56 153	43 680
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		666	473
Cash generated from investing activities		666	473
Cash outflows			
Purchase of property, plant and equipment		(18 763)	(21 066)
Cash used in investing activities		(18 763)	(21 066)
Net cash used in investing activities		(18 097)	(20 593)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(13 848)	(16 159)
Cash used by financing activities		(13 848)	(16 159)
Net cash used in financing activities		(13 848)	(16 159)
Net increase in cash and cash equivalents		24 208	6 928
Cash and cash equivalents at the beginning of the reporting period		189 913	182 985
Cash and cash equivalents at the end of the reporting period	6.1	214 121	189 913

The accompanying notes form part of these financial statements.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

1	About South Australia Police.....	6
1.1.	Basis of preparation	6
1.2.	Objectives and programs	7
1.3.	Impact of COVID-19 pandemic on SAPOL	8
1.4.	Budget performance.....	9
1.5.	Significant transactions with government related entities	10
2.	Income	11
2.1.	Appropriation.....	11
2.2.	Fees and charges	11
2.3.	Commonwealth - sourced grants and funding	12
2.4.	Resources received free of charge	12
2.5.	Net gain from the disposal of property, plant and equipment	13
2.6.	SA Government grants, subsidies and transfers	14
2.7.	Other income.....	14
3.	Committees and employees	15
3.1.	Key management personnel	15
3.2.	Tribunal members	15
3.3.	Employee benefits expenses	16
3.4.	Employee benefits liability.....	17
4.	Expenses.....	19
4.1.	Supplies and services	19
4.2.	Depreciation and amortisation	20
5.	Non-financial assets	21
5.1.	Property, plant and equipment by asset class	21
5.2.	Property, plant and equipment owned by SAPOL	22
5.3.	Property, plant and equipment leased by SAPOL	25
5.4.	Intangible assets	26
5.5.	Non-current assets classified as held for sale	27
6.	Financial assets	28
6.1.	Cash and cash equivalents.....	28
6.2.	Receivables.....	29
7.	Liabilities.....	30
7.1.	Payables.....	30
7.2.	Lease Liabilities.....	31
7.3.	Provisions.....	31
7.4.	Other liabilities.....	34
8.	Other disclosures.....	35
8.1.	Equity	35
8.2.	Cash flow.....	35
9.	Outlook.....	36
9.1.	Unrecognised contractual commitments.....	36
9.2.	Contingent assets and liabilities.....	36
9.3.	Impact of standards and statements not yet effective	37
9.4.	COVID-19 pandemic outlook for SAPOL	37
9.5.	Events after reporting period.....	37
10.	Measurement and risk	38
10.1.	Long service leave liability – measurement	38
10.2.	Fair value.....	38
10.3.	Financial instruments	42

South Australia Police

Notes to and forming part of the financial statements

for the year ended 30 June 2021

1 About South Australia Police

South Australia Police (SAPOL) is a not-for-profit government department of the State of South Australia. SAPOL is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

SAPOL does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of SAPOL.

Administered financial statements relating to administered resources are presented separately as part of this report. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for SAPOL's transactions.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements are prepared based on a 12 month reporting period and are presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Significant accounting policies are set out throughout these notes.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2. Objectives and programs

The objective of SAPOL is to prevent crime, uphold the law, preserve the peace, assist the public in emergency situations, coordinate and manage responses to emergencies, regulate road use and prevent vehicle collisions. SAPOL operates under the following programs:

- **Public Safety** – Provides visible and available police services, working in partnership with the community and other agencies. SAPOL helps make South Australia a safer place to live, visit and do business through police response and assistance, management and emergency response, and coordination across the state.
- **Crime and Criminal Justice Services** – SAPOL's crime prevention and reduction and support of the criminal justice system contribute to the achievement of South Australia's strategic priorities. To prevent crime and reduce offending, SAPOL works in partnership with the community and other agencies for an accessible and effective criminal justice system.
- **Road Safety** – Policing for safer roads and road use across the state. SAPOL road safety services include the regulation of road use, education and vehicle collision prevention. Police work in partnership with the community and other agencies to achieve better road safety outcomes for all South Australians and those visiting the state.

The tables on the following pages presents expenses and income attributable to each program, assets and liabilities cannot be reliably attributed to programs. Resources allocated to programs in 2020-21 take into account organisational reform.

Expenses and income by program	Public Safety		Crime and Criminal Justice Services	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income				
Appropriation	399 001	322 086	468 023	440 601
Fees and charges	20 278	18 205	3 622	3 146
Commonwealth-sourced grants and funding	875	1 164	1 415	1 854
Resources received free of charge	1 470	1 524	2 375	2 428
Net gain from the disposal of property, plant and equipment	362	55	606	89
SA Government grants, subsidies and transfers	24 445	34 792	1 825	16 649
Other income	1 774	2 708	2 964	4 675
Total income	448 205	380 534	480 830	469 442
Expenses				
Employee benefit expenses	336 473	330 735	365 963	399 404
Supplies and services	81 063	52 871	78 512	74 294
Depreciation and amortisation	16 925	17 185	21 107	20 034
Write down of non-current assets	96	6	162	10
Net loss from disposal of non-current assets	-	10	-	16
Borrowing costs	223	354	693	923
Total expenses	434 780	401 161	466 437	494 681
Net result	13 425	(20 627)	14 393	(25 239)

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2. Objectives and Programs (continued)

Expenses and income by program	Road Safety		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income				
Appropriation	76 116	76 452	943 140	839 139
Fees and charges	2 570	2 093	26 470	23 444
Commonwealth-sourced grants and funding	399	544	2 689	3 562
Resources received free of charge	670	712	4 515	4 664
Net gain from the disposal of property, plant and equipment	179	32	1 147	176
SA Government grants, subsidies and transfers	54 788	56 350	81 058	107 791
Other income	855	1 249	5 593	8 632
Total income	135 577	137 432	1 064 612	987 408
Expenses				
Employee benefit expenses	98 829	106 171	801 265	836 310
Supplies and services	26 126	31 476	185 701	158 641
Depreciation and amortisation	6 249	6 936	44 281	44 155
Write down of non-current assets	48	4	306	20
Net loss from disposal of non-current assets	-	5	-	31
Borrowing costs	268	485	1 184	1 762
Total expenses	131 520	145 077	1 032 737	1 040 919
Net result	4 057	(7 645)	31 875	(53 511)

1.3. Impact of COVID-19 pandemic on SAPOL

The COVID-19 pandemic has impacted on the operations of SAPOL and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- SAPOL's response to the pandemic has required the redirection of significant resources from across the organisation. Response activities continue and include:
 - Staffing the Police Operations Centre;
 - Providing executive support to SA Health and liaison officers to the State Control Centre Health;
 - Establishing and maintaining checkpoints across the State and at Adelaide airport to regulate cross border travel;
 - Providing a policing and security overlay at hotels used by SA Health for supervised quarantine;
 - Undertaking compliance checking of persons required to self-quarantine;
 - Undertaking compliance checking regarding restrictions to non-essential business, public activities and gatherings;
 - Maintaining an on-line platform to manage cross border travel applications and staff a Central Assessment Unit to administer approvals;

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.3. Impact of COVID-19 pandemic on SAPOL (continued)

- The changes to SAPOL's operational activities has required additional personal protective equipment and additional cleaning (eg facilities and operational equipment, including daily preventative procedures (examples include firearms, body worn video equipment, workstations and vehicles))
- SAPOL has incurred significant unbudgeted COVID-19 expenditure in employee benefits and supplies and services expenditure, including travel and accommodation, vehicles, equipment, temporary facilities, cleaning, IT and communications (including implementation of further work from home capability across SAPOL)
- SAPOL incurred further unbudgeted COVID-19 expenditure with the recruitment of additional Protective Security Officers dedicated for COVID-19 duties and partnered with State Emergency Services to assist with both checkpoints and airport operations.

1.4. Budget performance

The budget performance table compares SAPOL's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Appropriation		897 376	943 140	45 764
Fees and charges		38 506	26 470	(12 036)
Commonwealth-sourced grants and funding		6 713	2 689	(4 024)
Resources received free of charge		-	4 515	4 515
Net gain from the disposal of property, plant and equipment		150	1 147	997
SA Government grants, subsidies and transfers		68 719	81 058	12 339
Other income		3 777	5 593	1 816
Total income		1 015 241	1 064 612	49 371
Expenses				
Employee benefit expenses		802 720	801 265	(1 455)
Supplies and services		156 901	185 701	28 800
Depreciation and amortisation		39 368	44 281	4 913
Write down of non-current assets		-	306	306
Borrowing costs		1 331	1 184	(147)
Total expenses		1 000 320	1 032 737	32 417
Net result		14 921	31 875	16 954
Total comprehensive result		14 921	31 875	16 954

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.4. Budget performance (continued)

	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Investing expenditure summary				
Total major projects	a	21 030	7 294	13 736
Total annual programs	b	9 193	11 774	(2 581)
Total investing expenditure		30 223	19 068	11 155

Explanations are provided for variances where variance exceeds the greater of 10% of the original budgeted amount and 5% of the original budgeted total expenses.

- a) Major projects - the 2020-21 original budget includes the Police Records Management System Stages 2 – 4 project (\$5.133 million), SAPOL Communications Centre (\$4.992 million) and APY Accommodation projects (\$4.888 million), and was adjusted during the year to take account of approved adjustments for carryover and re-profiling of budgets to later financial years to reflect anticipated expenditure.
- b) Annual programs – SAPOL actual spend of \$11.774 million was slightly above the approved revised budget of \$11.580 million due to lower than budgeted spend on supplies and services which was redirected to purchase additional equipment.

1.5. Significant transactions with government related entities

All significant transactions with the SA Government related entities are identifiable in this financial report.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2. Income

The most significant amounts of income received relate to SAPOL's appropriation, contributions from the Community Road Safety Fund and contributions from the Community Emergency Services Fund. This income is all received from other SA Government departments, which assists SAPOL in providing their services to the community.

2.1. Appropriation

	2021	2020
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	943 140	839 139
Total appropriation	943 140	839 139

Appropriations are recognised in accordance with AASB 1058 as income on receipt.

Appropriation pursuant to the *Appropriation Act* provides funding of \$943.140 million for operational and capital projects purposes. Appropriation comprises amounts issued as per Schedule 1 of the *Act*, varied pursuant to section 5 of the *Act* for additional funding relating to SAPOL's COVID activities.

2.2. Fees and charges

	2021	2020
	\$'000	\$'000
Police security services	12 692	11 794
Firearms licence and registration fees	7 016	5 762
Police information requests	2 806	2 515
Hoon legislation fees	1 606	1 426
Escorts - wide load/other	1 644	1 129
Other fees	706	818
Total fees and charges	26 470	23 444

Revenue from fees and charges is recognised from contracts with customers except for Hoon legislation fees.

Fees and charges revenue is recognised at a point in time when SAPOL satisfies performance obligations by transferring the promised goods or services to its customers.

Hoon legislation fees are recognised on receipt. These fees are charged under the *Criminal Law (Clamping, Impounding and Forfeiture of Vehicles) Act 2007* in relation to motor vehicles in connection with certain offences and alleged offences; and for other purposes.

SAPOL recognises revenue from contracts with customers from the following major sources:

Police Security Services

The revenue for police security services is recognised when SAPOL has satisfied its performance obligations by providing services in line with Memorandums of Administrative Arrangements with other SA Government agencies. These services are billed monthly in arrears using the input method using the labour hours expended, resources consumed, and costs incurred.

Firearms licences and registration fees

Firearms licences and registration fees are recorded at a point in time as the low value practical expedient has been applied as licences and registration purchase prices are less than \$15 000.

Police information requests

Revenue from police information requests is recognised at a point in time on provision of the service to the customer. These fees are raised under the Police Act 1998 and are service fees for copies of reports being provided to the customer such as history checks, police information requests and antecedent / apprehension reports.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.3. Commonwealth - sourced grants and funding

	2021	2020
	\$'000	\$'000
Commonwealth-sourced grants and funding	2 689	3 562
Total Commonwealth-sourced grants and funding	2 689	3 562

Commonwealth-sourced grants and funding are usually subject to terms and conditions set out in the contract correspondence or legislation. Revenue from Commonwealth-sourced funding is recognised when the entity obtains control over the granted assets, generally when the cash is received, unless otherwise specified.

In 2020-21 \$237 000 was recognised for the progress made towards constructing SAPOL infrastructure initiative in APY lands, refer to Note 7.4 for remaining unearned revenue in relation to this funding.

During 2020-21 SAPOL recovered costs associated with resources provided at the request of the Commonwealth Government in relation to:

- Australian Criminal Intelligence Commission (ACIC) - Jurisdictional criminal history referrals
- Australian Firearms Information Network
- Operation Midrealm
- ANZCTC Drill Exercise and Training Consumable Program
- Home and Community Care.

Conditions attached to these grants require any unspent funds to be returned to the Commonwealth.

2.4. Resources received free of charge

	2021	2020
	\$'000	\$'000
Services received free of charge - Shared Services SA	3 747	3 644
Services received free of charge - Department of the Premier and Cabinet	379	-
Contributed (donated) asset revenue	389	1 015
Donations	-	5
Total resources received free of charge	4 515	4 664

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.

SAPOL received Financial Accounting, Taxation, Payroll, Accounts Payables, Accounts Receivable and systems support from Shared Services SA free of charge following Cabinet's approval to cease intra-government charging.

Centralised IT and Telecommunication services were provided to SAPOL free of charge by ICT and Digital Government part of the Department of the Premier and Cabinet in 2020-21 due to ceasing the intra-governmental billing for these services.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.5. Net gain from the disposal of property, plant and equipment

	2021	2020
	\$'000	\$'000
Land and buildings held for sale		
Proceeds from disposal	31	316
Less net book value of assets disposed (written off)	(37)	(300)
Net gain/ (loss) from disposal of land and buildings held for sale	<u>(6)</u>	<u>16</u>
Vehicles		
Proceeds from disposal	381	157
Less carrying amount of assets disposed	(76)	(22)
Net gain from disposal of vehicles	<u>305</u>	<u>135</u>
Aircraft		
Proceeds from disposal	244	-
Less carrying amount of assets disposed	(194)	-
Net gain/ (loss) from disposal of aircraft	<u>50</u>	<u>-</u>
Other PPE		
Proceeds from disposal other PPE	10	-
Net gain/ (loss) from disposal of other PPE	<u>10</u>	<u>-</u>
Total assets		
Proceeds from disposal	666	473
Less net book value of assets disposed	(307)	(322)
Net gain/ (loss) from disposal of owned assets	<u>359</u>	<u>151</u>
Net gain / (loss) on modification of right-of-use assets	<u>788</u>	<u>25</u>
Total net gain/ (loss) from disposal of non current assets	<u>1 147</u>	<u>176</u>

Gains/losses on modification of right-of-use (ROU) assets include derecognition of the ROU assets (note 5.3) and associated lease liabilities (note 7.2) where the lease terms and conditions were modified during the current year.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.6. SA Government grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
Contributions from the Community Road Safety Fund ⁽¹⁾	44 437	43 353
DTF Contingency Fund - Other ⁽³⁾	-	28 084
Contributions from the Community Emergency Services Fund ⁽²⁾	24 059	23 473
DTF Contingency Fund - TVSP reimbursement	-	599
Road Safety Development Funding ⁽⁴⁾	10 479	10 495
Prosecution and other court fees ⁽⁵⁾	1 643	1 474
Other intra-government transfers	440	313
Total SA Govt grants subsidies and transfers	81 058	107 791

SA Government grants, subsidies and transfers are primarily recognised as income on receipt.

- ⁽¹⁾ Community Road Safety Fund (CRSF) – SAPOL received \$44.437 million (2020: \$43.353 million) from the Department for Infrastructure and Transport (DIT) to fund road safety initiatives included within SAPOL's Road Safety Program – refer note 1.2.
- ⁽²⁾ Community Emergency Services Fund (CESF) – SAPOL received \$24.059 (2020: \$23.473 million) from South Australia Fire and Emergency Services (SAFECOM) for the provision of emergency services included in SAPOL's Public Safety Program – refer note 1.2.
- ⁽³⁾ Department of Treasury and Finance Contingency – SAPOL received \$28.804 million in 2019-20 related to EB backpay. Not applicable in 2020-21.
- ⁽⁴⁾ Road Safety Development funding - SAPOL receives funding from the Compulsory Third Party Insurance Regulator for the provision of Road Safety Services including the development of data analytic capabilities, implementing road safety strategic communication/engagement programs and Heavy vehicle enforcement activities. Revenue is recognised on delivery of road safety activities which are billed quarterly and in arrears. At 30 June, \$3.122m is within Receivables – refer note 6.2.
- ⁽⁵⁾ Prosecution and other court fees are recognised on receipt from Attorney-General's Department who collect fees on SAPOL's behalf and pass on the fees received to SAPOL monthly.

2.7. Other income

	2021	2020
	\$'000	\$'000
Employee benefits recoveries	2 535	4 806
Goods and services recoveries	978	2 183
Sundry receipts	1 171	386
Rent revenue	260	246
Other sundry revenues	649	1 011
Total other income	5 593	8 632

Recoveries include employee benefits recoveries (i.e. where employees are seconded to other agencies or Commonwealth programs and SAPOL continues to provide the ongoing salary for the employees) and goods and services (that is, where SAPOL incurs expenditure on goods and services and later recovers the expenditure).

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3. Committees and employees

SAPOL Executive Leadership Team (ELT) support the Commissioner of Police and the Deputy Commissioner of Police to achieve the aims of the SAPOL corporate business plan. This includes providing leadership and direction within their respective service areas and contributing to the overall performance of SAPOL.

3.1. Key management personnel

Key management personnel of SAPOL include the Minister for Police, Emergency Services and Correctional Services, the Commissioner of Police and various other members of the SAPOL Executive Leadership Team.

The compensation detailed below excludes the salary and other benefits of the Minister for Police, Emergency Services and Correctional Services receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	2021	2020
	\$'000	\$'000
Salaries and other short-term employee benefits	4 074	3 465
Post-employment benefits	840	680
Total compensation	4 914	4 145

* Although the Commissioner of Police's salary is funded from 'Recurrent Expenditure – Special Acts' which is an administered item his remuneration has been included in the figures above.

Transactions with key management personnel and other related parties

SAPOL did not enter into any transactions with key management personnel or their close family during the reporting period that were not consistent with normal procurement arrangements.

3.2. Tribunal members

The Police Review Tribunal hears appeals arising from a selection of decisions for positions between the rank of Senior Constable and Senior Sergeant.

Tribunal remuneration

Mr Swain, David
 Mr Field, Frederick

The number of members whose remuneration received or receivable falls within the following bands:

	2021	2020
\$0 - \$19 999	2	2
Total number of members	2	2

The total remuneration received or receivable by members was \$0.022 million (2020: \$0.021 million). Remuneration of members reflects all costs of performing Tribunal duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.3. Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	576 342	571 064
Employment on-costs - superannuation	74 533	81 128
Annual leave	73 053	76 971
Workers compensation	25 764	38 376
Employment on-costs - other	35 680	36 974
Additional compensation	2 412	15 441
Police Service Leave	1 318	11 119
Long service leave	10 745	3 760
Other employment related expenses	869	686
Targeted voluntary separation packages	153	484
Skills and experience retention leave	396	307
Total employee benefits expenses	801 265	836 310

Employment on-costs – superannuation

The superannuation employment on-cost charge represents SAPOL's contributions to superannuation plans in respect of current services of current employees. There are no liabilities for payments to beneficiaries recognised by SAPOL as they have been assumed by the respective superannuation schemes.

Employee remuneration

	2021	2020
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$154 001 - \$174 000	702	658
\$174 001 - \$194 000	238	150
\$194 001 - \$214 000	74	62
\$214 001 - \$234 000	38	43
\$234 001 - \$254 000	23	34
\$254 001 - \$274 000	10	5
\$274 001 - \$294 000	3	5
\$294 001 - \$314 000	4	6
\$314 001 - \$334 000	6	4
\$334 001 - \$354 000	5	-
\$374 001 - \$394 000	-	2
\$454 001 - \$474 000	1	-
\$474 001 - \$494 000	1	-
Total	1 105	969
Police	1 093	959
Public Servant	12	10
Total	1 105	969

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year is \$195.7 million (2020: \$170.3 million).

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.3. Employee benefits expenses (continued)

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 2 (2020: 8).

	2021	2020
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	153	484
Leave paid to separated employees	77	100
Recovery from the Department of Treasury and Finance	-	(599)
Net return to SAPOL	230	(15)

3.4. Employee benefits liability

	2021	2020
	\$'000	\$'000
Current		
Annual leave	52 109	52 067
Accrued salaries and wages	5 398	24 343
Long service leave	15 515	16 315
Police service leave	3 103	3 752
Skills and experience retention leave	588	534
Leave bank	334	353
Total current employee benefits	77 047	97 364
Non-current		
Long service leave	197 319	202 337
Police service leave	8 079	8 489
Leave bank	1 490	1 562
Total non-current employee benefits	206 888	212 388
Total employee benefits	283 935	309 752

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salary and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.4. Employee benefits liability (continued)

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

Leave bank

Leave Bank Fund is a departmentally sponsored sickness and accident 'safety net' type scheme for police officers. It operates in circumstances where injury or illness has exhausted a member's own sick leave and supplements it from a bank of donated annual leave days. Members become eligible for benefits once they have contributed one day of their first allocated annual leave. Ongoing, members donate one day of their annual leave when called upon. Leave bank is recorded at nominal amount using the average daily rate of remuneration at reporting date.

Police service leave

Police Service Leave is prescribed in Clause 34 of the South Australia Police enterprise Agreement 2011 and came into effect 1 July 2014 to recognise and retain the knowledge and experience of long serving officers. The liability for police service leave is measured at nominal amounts using current salary rates and the short-term salary inflation rate of 2%. Police service leave is accrued at the rate of 4 weeks leave every five years and is to be used within those 5 years.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4. Expenses

4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Accommodation	35 983	29 793
Communication and computing	37 253	35 139
Administration	23 210	19 335
Motor vehicle related	17 530	18 592
Employee programs & housing subsidies	11 548	11 914
Temporary agency staff	10 411	1 881
Cleaning	6 304	3 901
Minor equipment	6 229	6 744
CTP Regulator funded Road Safety Campaigns	5 595	5 862
Utilities	4 825	5 253
Shared Services SA	3 806	3 776
Aviation costs	4 087	2 440
SES CFS resources	3 100	-
Insurance	1 916	1 831
Uniforms	2 225	1 695
Legal costs	1 692	1 554
Collection costs	807	749
Consultants	182	327
Short term leases	366	458
Variable lease payments	734	16
Other	7 898	7 381
Total supplies and services	185 701	158 641

Accommodation

SAPOL has a number of accommodation arrangements provided by the Department for Infrastructure and Transport (DIT) under a Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. Information about accommodation incentives relating to this arrangement is shown in note 7.4.

Insurance

SAPOL is a participant in the SA Government's Insurance Program. SAPOL pays an insurance premium through South Australian Government Financing Authority (SAFA). SAPOL is responsible for the payment of claim amounts up to an agreed amount (the deductible). SAFA provides the balance of the funding for claims in excess of the deductible.

Covid-19

Various categories of supplies and services have increased in 2020-21 due to \$29.8 million of Covid-19 related expenditure.

Other

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act 1987* were \$0.365 million (2020: \$0.345 million). No other services were provided by the Auditor-General's Department.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4.2. Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Depreciation		
Right-of-use buildings	7 811	7 876
Right-of-use vehicles	6 975	6 650
Right-of-use plant and equipment	1 476	1 426
Total depreciation for right-of-use assets	16 262	15 952
Buildings and improvements	6 540	6 500
Computing and communications equipment	4 455	4 278
Internally generated computer software	4 286	4 076
Accommodation and leasehold improvements	2 880	2 849
Other computer software	2 481	2 799
Vehicles	1 396	1 266
Transport vessels	62	890
Aircraft	579	458
Other PPE	5 340	5 087
Total depreciation and amortisation for PPE	28 019	28 203
Total depreciation and amortisation	44 281	44 155

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and improvements	1 - 60
Vehicles and transport vessels	1 - 10
Aircraft	3 - 35
Computing & communications equipment	1 - 60
Other property, plant and equipment	2 - 38
Accommodation and leasehold improvements	Remaining life of lease
Computer software	1 - 10
Right-of-use buildings	1 - 14
Right-of-use vehicles	3 - 5
Right-of-use property, plant and equipment	3

Review of accounting estimates

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises tangible owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	2021	2020
	\$'000	\$'000
Land and buildings		
Land at fair value	69 422	71 092
Buildings at fair value	189 025	183 826
Accumulated depreciation at the end of the period	<u>(13 007)</u>	<u>(6 481)</u>
Total land and buildings	<u>245 440</u>	<u>248 437</u>
Accommodation and leasehold improvements		
Accommodation and leasehold improvements at fair value	33 956	33 921
Accumulated depreciation at the end of the period	<u>(5 737)</u>	<u>(2 857)</u>
Total accommodation and leasehold improvements	<u>28 219</u>	<u>31 064</u>
Computing and communications equipment		
Computing and communications equipment at cost (deemed fair value)	56 474	64 200
Accumulated depreciation at the end of the period	<u>(46 827)</u>	<u>(50 944)</u>
Total computing and communications equipment	<u>9 647</u>	<u>13 256</u>
Vehicles		
Vehicles at cost (deemed fair value)	9 033	9 305
Accumulated depreciation at the end of the period	<u>(6 152)</u>	<u>(5 744)</u>
Total vehicle	<u>2 881</u>	<u>3 561</u>
Transport vessels		
Transport vessels at fair value	1 578	981
Accumulated depreciation at the end of the period	<u>(913)</u>	<u>(891)</u>
Total transport vessels	<u>665</u>	<u>90</u>
Other property, plant and equipment		
Other at cost (deemed fair value)	62 368	63 010
Accumulated depreciation at the end of the period	<u>(41 899)</u>	<u>(41 084)</u>
Total other property, plant and equipment	<u>20 469</u>	<u>21 926</u>
Aircraft		
Aircraft at fair value	4 211	4 381
Accumulated depreciation at the end of the period	<u>(1 032)</u>	<u>(459)</u>
Total aircraft	<u>3 179</u>	<u>3 922</u>
Capital works in progress		
Capital works in progress at cost	<u>4 366</u>	<u>6 764</u>
Total capital works in progress	<u>4 366</u>	<u>6 764</u>
Total owned property, plant and equipment	<u>314 866</u>	<u>329 020</u>

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.1 Property, plant and equipment (continued)

	2021	2020
	\$'000	\$'000
Right-of-use buildings		
Right-of-use buildings at cost	74 045	73 135
Accumulated depreciation	<u>(8 908)</u>	<u>(7 876)</u>
Total right-of-use buildings	<u>65 137</u>	<u>65 259</u>
Right-of-use vehicles		
Right-of-use vehicles at cost	18 286	15 429
Accumulated depreciation	<u>(8 641)</u>	<u>(5 479)</u>
Total right-of-use vehicles	<u>9 645</u>	<u>9 950</u>
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	5 952	4 404
Accumulated depreciation	<u>(2 902)</u>	<u>(1 426)</u>
Total right-of-use plant and equipment	<u>3 050</u>	<u>2 978</u>
Total leased property, plant and equipment	<u>77 832</u>	<u>78 187</u>
Total property, plant and equipment	<u>392 698</u>	<u>407 207</u>

5.2. Property, plant and equipment owned by SAPOL

Property, plant and equipment owned by SAPOL with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by SAPOL is initially recorded on a cost basis and subsequently measured at fair value. Where assets are acquired at no value or minimal value they are recorded at fair value in the Statement of Financial Position. Detail about SAPOL's approach to fair value is set out in note 10.2.

Property, plant and equipment owned by SAPOL includes \$60.431 million (2020: \$64.107 million) of fully depreciated plant and equipment still in use.

Impairment

Property, plant and equipment owned by SAPOL has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Revaluation of property, plant and equipment owned by SAPOL is undertaken on a regular cycle as detailed in note 10.2. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.2. Property, plant and equipment owned by SAPOL (continued)

Reconciliation 2020-21

2021	Buildings		Accommodati	Computing	Vehicles	Transport	Other	Aircraft	Total	Capital	Total
	Land	& improv'ts	on and leasehold improv'ts	& comms equipment		vessels	PPE		property plant and equipme nt	works in progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	71 092	177 345	31 064	13 256	3 561	90	21 926	3 922	322 256	6 764	329 020
Additions	-	-	-	-	-	-	16	-	16	8 954	8 970
Transfers from capital works in progress	-	5 253	35	754	792	637	3 892	30	11 393	(11 393)	-
Depreciation and amortisation	-	(6 540)	(2 880)	(4 455)	(1 396)	(62)	(5 340)	(579)	(21 252)	-	(21 252)
Donated assets	-	40	-	92	-	-	257	-	389	-	389
Disposals	-	-	-	-	(76)	-	-	(194)	(270)	-	(270)
Assets written off	-	-	-	-	-	-	(306)	-	(306)	-	(306)
Transfers to assets held for sale	(1 670)	(80)	-	-	-	-	-	-	(1 750)	-	(1 750)
Other Movement	-	-	-	-	-	-	24	-	24	41	65
Carrying amount at 30 June 2021	69 422	176 018	28 219	9 647	2 881	665	20 469	3 179	310 500	4 366	314 866

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.2. Property, plant and equipment owned by SAPOL (continued)

Reconciliation 2019-20

2020	Land	Buildings & improv'ts	Accommodation and leasehold improv'ts	Computing & comms equipment	Vehicles	Transport vessels	Other PPE	Aircraft	Total property plant and equipment	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	71 086	182 983	32 229	11 921	2 595	940	19 997	3 589	325 340	6 544	331 884
Additions	-	-	1 000	-	-	-	-	-	1 000	16 419	17 419
Transfers from capital works in progress	21	998	684	5 479	1 844	40	6 417	791	16 274	(16 274)	-
Depreciation and amortisation	-	(6 500)	(2 849)	(4 278)	(1 266)	(890)	(5 087)	(458)	(21 328)	-	(21 328)
Donated assets	-	-	-	60	410	-	545	-	1 015	-	1 015
Disposals	-	-	-	-	(22)	-	-	-	(22)	-	(22)
Assets recognised through stocktake	-	-	-	74	-	-	68	-	142	-	142
Assets written off	-	-	-	-	-	-	(14)	-	(14)	-	(14)
Transfers to assets held for sale	(15)	(136)	-	-	-	-	-	-	(151)	-	(151)
Other Movements	-	-	-	-	-	-	-	-	-	75	75
Carrying amount at 30 June 2020	71 092	177 345	31 064	13 256	3 561	90	21 926	3 922	322 256	6 764	329 020
Gross carrying amount											
Gross carrying amount	71 092	183 826	33 921	64 200	9 305	981	63 010	4 381	430 716	6 764	437 480
Accumulated depreciation	-	(6 481)	(2 857)	(50 944)	(5 744)	(891)	(41 084)	(459)	(108 460)	-	(108 460)
Carrying amount at the end of the period	71 092	177 345	31 064	13 256	3 561	90	21 926	3 922	322 256	6 764	329 020

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.3. Property, plant and equipment leased by SAPOL

Right-of-use assets leased by SAPOL as lessee are measured at cost and there were no indications of impairment of right-of-use assets.

Additions to leased property, plant and equipment during 2020-21 were \$36.167 million (2019-20 \$6.997 million).

Interest expense paid on lease liabilities during 2020-21 was \$1.132 million (2019-20 \$1.762 million)

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

SAPOL has the following leases:

- 1076 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 1 year (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 1 building lease is held with DIT but is not governed by Premier and Cabinet Circular PC018, with rental payments in arrears. Building lease terms range from 1 year to 4 years. No contingent rental provisions exist within the lease agreements but there are options to renew the leases at the end of their term.
- 22 building leases held with external lessors with rental payments monthly in arrears. Building lease terms range from 1 year to 12 years. No contingent rental provisions exist within the lease agreements but there are options to renew the leases at the end of their term.
- A building lease held with Plenary Justice (SA) Pty Ltd under a Public-Private Partnership Agreement (PPP) for regional police stations for SAPOL which is non-cancellable, with rental payments quarterly in arrears. Initial lease was signed in June 2005 for 25 years with a 5 year extension option that is more likely than not to be exercised. No residual value guarantee.
- A plant and equipment lease held with NEC IT Services Australia Pty Ltd is non-cancellable, with rental payments monthly in arrears.
- A plant and equipment lease held with Aviair Pty Ltd is non-cancellable, with rental payments monthly in arrears. Initial lease was for 18 month term from March 2019. No residual value guarantee.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. SAPOL's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in notes 4.2 and 4.1. Cash outflows related to leases are disclosed in note 8.2. SAPOL has not committed to any lease arrangements that have not commenced from 1 July.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.4. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

The internally developed computer software includes software modules of SAPOL's Project Shield which are operational. SAPOL will continue to recognise software associated with Project Shield as it becomes operational.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

	Internally developed computer software	Other computer software	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2020-21				
Carrying amount at the beginning of the period	17 695	5 399	4 319	27 413
Additions	-	-	10 098	10 098
Transfers to/(from) capital works in progress	3 383	441	(3 824)	-
Amortisation	(4 286)	(2 481)	-	(6 767)
Carrying amount at the end of the period	16 792	3 359	10 593	30 744

Gross carrying amount				
Gross carrying amount	53 547	26 358	10 593	90 498
Accumulated amortisation	(36 755)	(22 999)	-	(59 754)
Carrying amount at the end of the period	16 792	3 359	10 593	30 744

	Internally developed computer software	Other computer software	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2019-20				
Carrying amount at the beginning of the period	18 208	7 679	3 849	29 736
Additions	-	-	4 300	4 300
Transfers to/(from) capital works in progress	3 563	267	(3 830)	-
Amortisation	(4 076)	(2 799)	-	(6 875)
Asset recognised through stocktake	-	283	-	283
Impairment loss	-	(31)	-	(31)
Carrying amount at the end of the period	17 695	5 399	4 319	27 413

Gross carrying amount				
Gross carrying amount	50 164	25 947	4 319	80 430
Accumulated amortisation	(32 469)	(20 548)	-	(53 017)
Carrying amount at the end of the period	17 695	5 399	4 319	27 413

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.5. Non-current assets classified as held for sale

	2021 \$'000	2020 \$'000
Land	11 520	9 865
Buildings and improvements	194	136
Total non-current assets classified as held for sale	11 714	10 001

Reconciliation of non-current assets classified as held for sale movement

Carrying amount at the beginning of the period	10 001	10 156
Assets written off	-	(6)
Disposals	(37)	(300)
Transfers from land	1 670	15
Transfers from building	80	136
Total non-current assets classified as held for sale	11 714	10 001

Non-current assets classified as held for sale represents land, buildings and vehicles which have been declared surplus to SAPOL's requirements.

SAPOL has measured the assets held for sale at the lower of its carrying amount and fair value less costs to sell. Detail about SAPOL's approach to fair value is set out in note 10.2.

Independent site valuations have been provided for the properties upon their classification as held for sale. The valuations are based on recent market transactions for similar unrestricted land and buildings in the area and includes adjustment for factors specific to the land and building such as size and location.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

6. Financial assets

6.1. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
SAPOL operating account	45 274	32 011
Accrual Appropriation Excess Funds	168 483	157 595
Total deposits with the Treasurer (Special deposit accounts)	<u>213 757</u>	<u>189 606</u>
Imprest account/cash on hand	364	307
Total cash and cash equivalents	<u><u>214 121</u></u>	<u><u>189 913</u></u>

Cash is measured at nominal amounts. The Government has a policy to align agency cash balances with the appropriation and expenditure authority.

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Some of SAPOL's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although SAPOL controls the money in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer. SAPOL does not earn interest on its deposits with the Treasurer.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

6.2. Receivables

	2021	2020
	\$'000	\$'000
Current		
From government entities	1 813	10 302
From non-government entities	1 131	1 029
Less impairment loss on receivables	(23)	(18)
Total receivables	2 921	11 313
GST input tax recoverable	3 466	2 036
Prepayments	3 800	891
Accrued revenue	5 561	1 976
Workers compensation and additional compensation recoveries	372	286
Total current receivables	16 120	16 502
Non-current		
Workers compensation and additional compensation recoveries	4 134	3 891
Total non-current receivables	4 134	3 891
Total receivables	20 254	20 393

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivables on demand. There is no concentration of credit risk. Refer to note 10.3 for further information on risk management.

The net amount of GST recoverable from the ATO is included as part of receivables.

Impairment of receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	18	19
Impact from changes in accounting treatment	-	(6)
Amounts recovered during the year	(1)	(1)
Increase/(Decrease) in the allowance recognised in profit or loss	6	6
Carrying amount at end of the period	23	18

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

7. Liabilities

7.1. Payables

	2021 \$'000	2020 \$'000
Current		
Creditors	26 839	22 272
Employment on-costs	16 104	20 870
Accrued expenses	1 342	2 640
Paid Parental Leave Scheme payable	42	116
Total current payables	<u>44 327</u>	<u>45 898</u>
Non-current		
Employment on-costs	<u>23 767</u>	<u>24 094</u>
Total non-current payables	<u>23 767</u>	<u>24 094</u>
Total payables	<u><u>68 094</u></u>	<u><u>69 992</u></u>

Payables are measured at nominal amounts. Payables and accruals are raised for all amounts owing but unpaid. Creditors are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

SAPOL makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the average factor for the calculation of employer superannuation cost on-costs has increased to 10.1% compared from 2019-20 rate of 9.8%. The average proportion of long service leave taken as leave over the past 3 years changed from the 2020 rate (57.88%) to 59.18% for police and changed from the 2020 rate (53.83%) to 54.90% for non-police. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year was deemed to be immaterial.

Paid parental leave scheme

Paid Parental Leave Scheme payable represents amounts which SAPOL has received from the Commonwealth Government to forward onto eligible employees via SAPOL's standard payroll processes. That is, SAPOL is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

7.2. Lease Liabilities

All material cash outflows are reflected in the lease liabilities disclosed below.

	2021	2020
	\$'000	\$'000
Current		
Lease building	6 331	6 609
Lease vehicle	5 233	5 396
Lease property plant and equipment	1 355	867
Total current lease liabilities	<u>12 919</u>	<u>12 872</u>
Non-current		
Lease building	61 553	60 501
Lease vehicle	4 464	4 607
Lease property plant and equipment	315	-
Total non-current lease liabilities	<u>66 332</u>	<u>65 108</u>
Total lease liabilities	<u><u>79 251</u></u>	<u><u>77 980</u></u>

SAPOL measures lease liabilities at discounted future lease payments using either the interest rate implicit in the lease or the Department of Treasury and Finance's incremental borrowing rate. There were no defaults or breaches throughout the year. The extension options are included in the lease liabilities as SAPOL is reasonably certain to extend the leases.

7.3. Provisions

	2021	2020
	\$'000	\$'000
Current		
Workers compensation	17 212	14 413
Additional compensation	2 336	1 736
Death in course of employment	26	29
Civil actions against police	293	477
Provision for replacement of aluminium cladding	977	-
Total current provisions	<u>20 844</u>	<u>16 655</u>
Non-current		
Workers compensation	85 476	80 260
Additional compensation	58 775	59 187
Provision for replacement of aluminium cladding	952	-
Total non-current provisions	<u>145 203</u>	<u>139 447</u>
Total provisions	<u><u>166 047</u></u>	<u><u>156 102</u></u>
Movement in provisions	2021	2020
	\$'000	\$'000
Workers' compensation		
Carrying amount at the beginning of the period	94 673	74 184
Increase/(decrease) resulting from re-measurement	25 753	38 371
Reduction due to payments	(17 738)	(17 882)
Carrying amount at the end of the period	<u>102 688</u>	<u>94 673</u>

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

7.3 Provisions (continued)

Additional compensation

Carrying amount at the beginning of the period	60 923	47 028
Increase/(decrease) resulting from re-measurement	2 412	15 441
Reduction due to payments	(2 224)	(1 546)
Carrying amount at the end of the period	61 111	60 923

Death in course of employment

Carrying amount at the beginning of the period	29	32
Reduction due to payments	(3)	(3)
Carrying amount at the end of the period	26	29

Civil actions against police

Carrying amount at the beginning of the period	477	236
Increase/(decrease) in the provision due to revision of estimates	434	533
Reduction due to payments	(618)	(292)
Carrying amount at the end of the period	293	477

Workers compensation

SAPOL, as a self-insurer, is responsible for the payment of workers compensation claims.

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The liability was calculated in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

The increase in the workers compensation liability in 2021 was impacted by:

- significant increase of \$7.697m across the workers compensation scheme in the amount of payments for income support, other payments and lump sum benefits.

There is a significant degree of uncertainty associated with estimating future claim and expense payments. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

Additional Compensation for Certain Work-Related Injuries or Illnesses (Additional Compensation)

SAPOL has recognised an Additional Compensation provision since 30 June 2018 in line with the Police Officers Award.

The additional compensation provision provides continuing benefits to workers who have suffered eligible work-related injuries and illnesses and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation. If an employee is deemed seriously injured under the *Return to Work Act 2014* (RTW Act), the Additional Compensation provisions under the Award do not apply.

The Additional Compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged by the Office of the Commissioner for Public Sector Employment. The liability was calculated in accordance with *AASB 137* as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. The liability comprises an estimate for known claims and an estimate of incurred but not reported (IBNR) applications. No risk margin is included in the estimate.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

7.3. Provisions (continued)

The increase in additional compensation liability in 2021 was impacted by:

- a change in the average outstanding claim size based on the profile of the claimants and their recent payment history and also an increase in the number of successful applications. This resulted in a \$3.299 million increase (net of claim payments).
- a change in the assumed inflation indices, future inflation and discount rates since the previous valuation in 2020. This resulted in a \$3.111 million decrease.

Key assumptions in the estimate include:

- application frequency
- the probability of applications becoming successful claims
- projections of annual claim payments
- rates of benefit continuance
- retirement age and mortality rates.

There is a significant degree of uncertainty associated with this estimate. In addition to the general uncertainties associated with estimating future claim and expense payments, the Additional Compensation provision is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria.

Given these uncertainties, the actual cost of Additional Compensation claims may differ materially from the estimate. The assumptions used will continue to be refined to reflect emerging experience.

Replacement of aluminium cladding

Liabilities are reported to reflect remediation of aluminium cladding on a number of SAPOL owned buildings.

Civil actions against Police

Liabilities are reported to reflect unsettled actions against SAPOL.

Death in course of employment

A liability was reported to recognise those claims where an employee has died out of or in the course of employment.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

7.4. Other liabilities

	2021	2020
	\$'000	\$'000
Current		
Unearned revenue	4 364	4 665
Accommodation incentive	549	549
Total current other liabilities	<u>4 913</u>	<u>5 214</u>
Non-current		
Accommodation incentive	2 939	3 488
Total non-current other liabilities	<u>2 939</u>	<u>3 488</u>
Total other liabilities	<u><u>7 852</u></u>	<u><u>8 702</u></u>

Accommodation incentives

Accommodation incentives relate to arrangements with the Department for Infrastructure and Transport (DIT) for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided accommodation improvements free of charge. The benefit of this incentive(s) is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

See note 5.2 for information about the accommodation improvements provided by DIT.

Unearned revenue

SAPOL recognises unearned revenue for consideration received in excess of obligations performed by SAPOL. The main component at 30 June 2021 is for capital works grants received to fund SAPOL infrastructure initiatives in APY lands. The unearned portion represents the consideration proportionate to the progress of the planning and construction of the facility.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2021

8. Other disclosures

8.1. Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

8.2. Cash flow

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Total cash outflows for leases for SAPOL were \$15.398 million (2019-20: \$18.379 million).

Cash Flow Reconciliation	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	214 121	189 913
Balance as per the Statement of Cash Flows	214 121	189 913
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	56 153	43 680
Add / (less) non-cash items		
Depreciation and amortisation	(44 281)	(44 155)
Donated assets	389	1 015
Net gain / (loss) from the disposal of non-current and other assets	1 147	176
Impairment of non-current assets	(306)	(20)
Impairment loss	-	(31)
Capital accruals	305	1 379
Movement in assets and liabilities		
Increase/(decrease) in receivables	(2 456)	9 503
Increase/(decrease) in inventories	(31)	42
(Increase)/decrease in payables	(2 889)	(12 494)
(Increase)/decrease in other liabilities	850	(100)
(Increase)/decrease in employee benefits	24 739	(17 884)
(Increase)/decrease in provisions	(1 745)	(34 622)
Net result	31 875	(53 511)

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

9. Outlook

9.1. Unrecognised contractual commitments

Commitments include operating, capital and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Capital commitments

	2021	2020
	\$'000	\$'000
Within one year	1 740	692
Later than one year but not later than five years	229	-
Total capital commitments	1 969	692

SAPOL's capital commitments are for major capital projects which includes motorcycle replacement and Shield stage 3.

Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	39 058	28 797
Later than one year but not later than five years	85 194	78 314
Later than five years	231 417	285 725
Total expenditure commitments	355 669	392 836

Major expenditure commitments include MoAAs with the Department for Infrastructure and Transport for accommodation.

9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Contingent assets

SAPOL is not aware of any contingent assets.

Contingent liabilities

Claims for property damage or personal injury

As at 30 June 2021, SAPOL has possible exposures resulting from litigation (or pending litigation) in respect of claims for property damage or personal injury/death.

Rewards for unsolved murders

As at 30 June 2021 the value of outstanding rewards for unsolved murders was \$38.4 million (2020: \$38.6 million). No provision has been made in the financial statements for this amount as considerable doubt exists as to the amount and timing of rewards that will actually be paid.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

9.3. Impact of standards and statements not yet effective

SAPOL has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to SAPOL, this amending standard is not expected to have an impact on SAPOL's general purpose financial statements. SAPOL will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. SAPOL continues to assess liabilities eg LSL and whether or not SAPOL has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

9.4. COVID-19 pandemic outlook for SAPOL

The COVID-19 pandemic will continue to impact on the operations of SAPOL in 2021-22. The key expected impacts are difficult to quantify and are influenced by the timing of when the State returns to business as usual post COVID-19. However key expected impacts are increases to employee benefits and supplies and services expenditure associated with maintaining a safe work environment and responding to the pandemic.

9.5. Events after reporting period

SAPOL are not aware of any events after reporting period.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10. Measurement and risk

10.1. Long service leave liability – measurement

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and emergency services sector across government.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (1%) to 1.5% in 2021.

This change in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in both the long service leave liability and employee benefits expense of \$9.589 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on the average proportion of long service leave taken or paid over the last 3 years.

10.2. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The revaluation process is reviewed by SAPOL each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.2. Fair value (continued)

Fair value hierarchy

SAPOL classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

SAPOL's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2021 and 2020, SAPOL had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Fair value classification – non-financial assets at 30 June 2021

		Level 2	Level 3	Total
	Note	\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	5.1	69 422	-	69 422
Buildings & improvements	5.1	-	176 018	176 018
Accommodation and leasehold improvements	5.1	-	28 219	28 219
Computing & communications equipment	5.1	-	9 647	9 647
Vehicles	5.1	-	2 881	2 881
Transport vessels	5.1	665	-	665
Other PPE	5.1	-	20 469	20 469
Aircraft	5.1	3 179	-	3 179
Total recurring fair value measurements		73 266	237 234	310 500
Non- recurring fair value measurements				
Land held for sale	5.5	11 520	-	11 520
Buildings held for sale	5.5	-	194	194
Total non-recurring fair value measurements		11 520	194	11 714
Total fair value measurements		84 786	237 428	322 214

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.2. Fair value (continued)

Fair value classification – non-financial assets at 30 June 2020

		Level 2	Level 3	Total
	Note	\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	5.1	71 092	-	71 092
Buildings & improvements	5.1	-	177 345	177 345
Accommodation and leasehold improvements	5.1	-	31 064	31 064
Computing & communications equipment	5.1	-	13 256	13 256
Transport vessels	5.1	90	-	90
Vehicles	5.1	-	3 561	3 561
Other PPE	5.1	-	21 926	21 926
Aircraft	5.1	3 922	-	3 922
		75 104	247 152	322 256
Non- recurring fair value measurements				
Land held for sale	5.5	9 865	-	9 865
Buildings held for sale	5.5	-	136	136
Total non-recurring fair value measurements		9 865	136	10 001
Total fair value measurements		84 969	247 288	332 257

Land and buildings

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pacific, as at 30 June 2019.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, adjustments were applied to reflect the restriction.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from building costs guides, internal records such as procurement documents, and the estimated useful life due to age and condition of the building.

SAPOL undertook a desktop valuation of its assets as at 30 June 2020, any movements were deemed immaterial.

Plant and equipment, transport vessels and aircraft

All items of plant and equipment, transport vessels and aircraft with a fair value at the time of acquisition less than \$1 million and an estimated useful life less than three years has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

An independent valuation of plant and equipment, transport vessels and aircraft with a fair value of greater than \$1 million was performed by a Certified Practising Valuer from Liquid Pacific, as at 30 June 2019.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.2. Fair value (continued)

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

Reconciliation of level 3 recurring fair value measurements at 30 June 2021

	Buildings & improv'ts	Accommodation and leasehold improv'ts	Computing & comms equipment	Vehicles	Other PPE
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	177 345	31 064	13 256	3 561	21 926
Prior year adjustments	-	-	-	-	24
Additions	-	-	-	-	16
Transfers from capital work in progress	5 253	35	754	854	3 892
Classified as held for sale	(194)	-	-	-	-
Donated assets	40	-	92	-	257
Transfer between classes	114	-	-	-	-
Disposals/written off	-	-	-	(76)	(306)
Gains/(losses) for the period recognised in net result:					
Depreciation and amortisation	(6 540)	(2 880)	(4 455)	(1 458)	(5 340)
Total gains/(losses) recognised in net result	(6 540)	(2 880)	(4 455)	(1 458)	(5 340)
Carrying amount at the end of the period	176 018	28 219	9 647	2 881	20 469

Reconciliation of level 3 recurring fair value measurements at 30 June 2020

	Buildings & improv'ts	Accommodation and leasehold improv'ts	Computing & comms equipment	Vehicles	Other PPE
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	182 983	32 229	11 921	2 595	19 997
Additions	-	1 000	-	-	-
Asset - recognised through stocktake	-	-	74	-	67
Transfers from capital work in progress	998	684	5 479	1 844	6 417
Classified as held for sale	(136)	-	-	-	-
Donated assets	-	-	60	410	546
Disposals/written off	-	-	-	(22)	(14)
Gains/(losses) for the period recognised in net result:					
Depreciation and amortisation	(6 500)	(2 849)	(4 278)	(1 266)	(5 087)
Total gains/(losses) recognised in net result	(6 500)	(2 849)	(4 278)	(1 266)	(5 087)
Carrying amount at the end of the period	177 345	31 064	13 256	3 561	21 926

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.3. Financial instruments

Financial risk management

Financial risk management is managed by SAPOL's Financial Management Services Branch. SAPOL's risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

SAPOL's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of financial instruments held.

Liquidity risk

SAPOL is funded principally from appropriation by the SA Government. SAPOL works with Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 1.2 and 2.1 for further information.

Credit risk

SAPOL has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by SAPOL.

Impairment of financial assets

Loss allowances for receivables are not measured and recognised using the simplified expected credit loss approach prescribed in AASB 9. Instead, SAPOL undertakes a comprehensive review of all non-SAG outstanding debtors on a case-by-case basis with a view to collectability of monies owed.

Receivables from non-government debtors comprise a large number of small balances. A listing is maintained of debtors where recoveries are unlikely and a loss allowance is created.

SAPOL receives the Debtors Management Report monthly from the Accounts Receivable (AR) Invoicing Team at Shared Services SA (SSSA). As per the arrangement between the two agencies, SSSA initially undertake recovery actions via monthly statements, phone calls and demand letters to customers that have overdue SAPOL invoices, where the debt is less than 180 days overdue.

Once SSSA have exhausted all avenues for recovery, receivables aged greater than 180 days are referred back to SAPOL for action. Once a debtor has been referred to the agency, the matter is appraised and either managed internally or progressed to a mercantile debt collection agency for recovery.

There were no material impairment losses recognised in the year.

Credit loss of Government debtors is considered to be nil based on the nature of counterparties and external credit ratings. Nonetheless inter-agency receivables are assessed individually and confirmed with the relevant public authority to ensure agreement between the public authorities on the quantum of the debt.

Cash and debt investments

SAPOL considers that its cash and cash equivalents have low credit risk based on the external credit rating of the counterparties and therefore the expected credit loss is nil.

All of SAPOL's debt investments at amortised cost are considered to have low credit risk and consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.3. Financial instruments (continued)

Market risk

SAPOL does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. SAPOL does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in TI 23 Management of Foreign Currency Exposures.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. As at 30 June 2021, SAPOL had no borrowings.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

SAPOL measures all financial instruments at amortised cost.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10.3. Financial instruments (continued)

Maturity analysis of financial instruments

	Note	2021	2021 Contract maturities *		
		Carrying amount \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	6.1	214 121	-	-	-
Receivables **	6.2	7 734	7 734	-	-
Total financial assets		221 855	7 734	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables **	7.1	26 403	26 403	-	-
Lease liabilities	7.2	87 003	13 034	30 789	43 180
Total financial liabilities		113 406	39 437	30 789	43 180

	Note	2020	2020 Contract maturities *		
		Carrying amount \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	6.1	189 913	189 913	-	-
Receivables **	6.2	12 630	12 630	-	-
Total financial assets		202 543	202 543	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables **	7.1	23 742	23 742	-	-
Lease liabilities	7.2	77 980	12 872	65 108	-
Total financial liabilities		101 722	36 614	65 108	-

* Maturities analysis is presented using undiscounted cash flow and therefore may not be total to equal the carrying amount / fair value of the financial instruments.

** Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayment as these are not financial instruments. Prepayments are presented in note 6.2.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables such as payroll tax, fringe benefits tax and pay as you go withholding. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

**South Australia Police
(SAPOL)**

Administered Financial Statements

For the year ended 30 June 2021

South Australia Police
Statement of Administered Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Administered income			
Appropriation	A5.1	687	551
Fees and charges	A5.2	86 242	76 173
Total administered income		86 929	76 724
Administered expenses			
Employee benefits expenses	A6.1	649	491
Supplies and services	A7.1	2 467	2 713
SA Government transfers		12 811	9 756
Payments to Consolidated Account		71 033	63 774
Total administered expenses		86 960	76 734
Net result		(31)	(10)
Total comprehensive result		(31)	(10)

The accompanying notes form part of these financial statements.

South Australia Police
Statement of Administered Financial Position
as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Administered current assets			
Cash and cash equivalents	A8.1	20 451	14 285
Receivables	A8.2	231	226
Total current assets		<u>20 682</u>	<u>14 511</u>
Total assets		<u>20 682</u>	<u>14 511</u>
Administered current liabilities			
Payables		4 666	4 852
Other current liabilities	A9.1	15 443	9 055
Total current liabilities		<u>20 109</u>	<u>13 907</u>
Total liabilities		<u>20 109</u>	<u>13 907</u>
Net assets		<u>573</u>	<u>604</u>
Administered equity			
Retained earnings		573	604
Total equity		<u>573</u>	<u>604</u>

The accompanying notes form part of these financial statements.

South Australia Police
Statement of Administered Cash Flows
for the year ended June 2021

	2021	2020
	\$'000	\$'000
Cash flows from operating activities	Note	
Cash inflows		
Appropriation	687	551
Fees and charges	86 237	76 196
Exhibit monies	6 376	397
Unclaimed property	12	3
Cash generated from operations	93 312	77 147
Cash outflows		
Employee benefits payments	(649)	(491)
Supplies and services	(2 462)	(2 764)
SA Government transfers	(12 443)	(9 761)
Payments to consolidated account	(71 592)	(63 276)
Cash used in operations	(87 146)	(76 292)
Net cash provided by / (used in) operations	A10.1	6 166
Net increase / (decrease) in cash and cash equivalents		855
Cash and cash equivalents at the beginning of the period		14 285
Cash and cash equivalents at the end of the period	A8.1	14 285

The accompanying notes form part of these financial statements.

South Australia Police
Schedule of Assets and Liabilities attributable to Administered Items
as at 30 June 2021

Schedule of Expenses and Income attributable to Administered Items

Activities - refer note A2	Victims of Crime				Public Private Partnership (PPP)			
	Expiation Fees		Levy		Special Acts		Partnership (PPP)	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered income								
Appropriation	-	-	-	-	624	490	-	-
Fees and charges	71 034	63 774	12 618	9 568	-	-	2 467	2 713
Total administered income	71 034	63 774	12 618	9 568	624	490	2 467	2 713
Administered expenses								
Employee benefits expenses	-	-	-	-	649	491	-	-
Supplies and services	-	-	-	-	-	-	2 467	2 713
SA Government transfers	-	-	12 618	9 568	-	-	-	-
Payments to Consolidated Account	71 033	63 774	-	-	-	-	-	-
Total administered expenses	71 033	63 774	12 618	9 568	649	491	2 467	2 713
Net result	1	-	-	-	(25)	(1)	-	-

Activities - refer note A2	Firearms Safety Training Levy		Other		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
	Administered income					
Appropriation	-	-	63	61	687	551
Fees and charges	123	118	-	-	86 242	76 173
Total administered income	123	118	63	61	86 929	76 724
Administered expenses						
Employee benefits expenses	-	-	-	-	649	491
Supplies and services	-	-	-	-	2 467	2 713
SA Government transfers	123	118	70	70	12 811	9 756
Payments to Consolidated Account	-	-	-	-	71 033	63 774
Total administered expenses	123	118	70	70	86 960	76 734
Net result	-	-	(7)	(9)	(31)	(10)

South Australia Police
Schedule of Assets and Liabilities attributable to Administered Items
as at 30 June 2021

Schedule of Assets and Liabilities attributable to Administered Items

Activities - refer note A2	Unclaimed Property		Exhibit Monies		Expiation Fees	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash and cash equivalents	362	350	15 081	8 705	3 275	3 833
Receivables	-	-	-	-	-	-
Total current assets	362	350	15 081	8 705	3 275	3 833
Total administered assets	362	350	15 081	8 705	3 275	3 833
Administered current liabilities						
Payables	-	-	-	-	3 274	3 833
Other current liabilities	362	350	15 081	8 705	-	-
Total current liabilities	362	350	15 081	8 705	3 274	3 833
Total administered liabilities	362	350	15 081	8 705	3 274	3 833
Net assets	-	-	-	-	1	-

Activities - refer note A2	Victims of Crime Levy		Special Acts		Public Private Partnership (PPP)	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash and cash equivalents	1 161	793	48	72	-	-
Receivables	-	-	-	-	231	226
Total current assets	1 161	793	48	72	231	226
Total administered assets	1 161	793	48	72	231	226
Administered current liabilities						
Payables	1 161	793	-	-	231	226
Other current liabilities	-	-	-	-	-	-
Total current liabilities	1 161	793	-	-	231	226
Total administered liabilities	1 161	793	-	-	231	226
Net assets	-	-	48	72	-	-

South Australia Police
Schedule of Assets and Liabilities attributable to Administered Items
as at 30 June 2021

Schedule of Assets and Liabilities attributable to Administered Items (continued)

Activities - refer note A2	Firearms Safety		Other		Total	
	Training Levy		2021	2020	2021	2020
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash and cash equivalents	-	-	524	532	20 451	14 285
Receivables	-	-	-	-	231	226
Total current assets	-	-	524	532	20 682	14 511
Total administered assets	-	-	524	532	20 682	14 511
Administered current liabilities						
Payables	-	-	-	-	4 666	4 852
Other current liabilities	-	-	-	-	15 443	9 055
Total current liabilities	-	-	-	-	20 109	13 907
Total administered liabilities	-	-	-	-	20 109	13 907
Net assets	-	-	524	532	573	604

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

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

A1.	Basis of preparation and accounting policies	8
A2.	Objectives/Activities of SAPOL's administered items	8
A3.	Impact of COVID-19 pandemic on the administered activities	9
A4.	Budget performance	10
A5.	Income	11
A5.1	Appropriation	11
A5.2	Fees and charges	11
A6.	Employee Benefits Expenses	11
A6.1	Employee benefits	11
A7.	Expenses	12
A7.1	Supplies and services	12
A8.	Financial assets	12
A8.1	Cash and cash equivalents	12
A8.2	Receivables	12
A9.	Liabilities	12
A9.1	Other liabilities	12
A10.	Other disclosures	13
A10.1	Cash flow reconciliation	13
A11.	Outlook	13
A11.1	COVID-19 pandemic outlook	13

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2021

A1. Basis of preparation and accounting policies

The basis of preparation for the administered financial statements is the same as the basis outlined in note 1.1. SAPOL applies the same accounting policies to the administered financial statements as set out in the notes to SAPOL's financial statements.

Departures from SAPOL's 'basis of preparation'

Income from expiation fees, Victims of Crime Levy and firearms safety training levy are recognised on a cash basis. All other elements of SAPOL's Statement of Administered Comprehensive Income and Statement of Administered Financial Position have been prepared on an accrual basis.

A2. Objectives/Activities of SAPOL's administered items

SAPOL's administered items are structured to contribute to these main activities:

Unclaimed property

SAPOL holds unclaimed monies and proceeds from disposal of found properties. These monies are held for a period of six months and are then passed to government. SAPOL treats these items in accordance with *Police Regulations 2014*.

Exhibit monies

SAPOL holds cash being confiscated at the time of an offence (that is, items found at a crime scene or which were part of a theft). These items are held as an exhibit which may be presented to the court as evidence at the time the offence is heard. The court may decide that the items are returned or confiscated and passed to the government.

Expiation fees

SAPOL, as a central processing agency of expiation notices, collects expiation revenue arising from expiation notices issued by police officers and other authorised officers. SAPOL treats the collected expiation revenue pursuant to the requirements of the *Expiation of Offences Act 1996*. Monies collected are paid into the consolidated account or to the Government agency accountable for the fees. This includes collection of expiation revenue relating to a zero-tolerance approach to Protect SA's Fruit Fly Free Status under the *Plant Health Act 2009*.

Victims of Crime Levy

SAPOL, as a central processing agency of expiation notices, collects Victims of Crime expiation revenue arising from the expiation of offences included on expiation notices issued by police officers and other authorised officers. SAPOL treats the collected Victims of Crime Levy revenue pursuant to the requirements of the *Victims of Crime Act 2001*. Monies collected are paid into the Victims of Crime Fund operated by the Attorney-General's Department. These are shown as intra-government transfers in the Statement of Administered Comprehensive Income.

Special Acts

SAPOL receives separate appropriation for the payment of salaries in relation to the Commissioner of Police. Funding is provided under 'Recurrent Expenditure - Special Acts'. Employee related expenditure in administered items reflects cash payments only. The liabilities are recorded as SAPOL controlled items.

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2021

A2. Objectives/Activities of SAPOL's administered items (continued)

Public Private Partnership

In June 2005 the Minister of Infrastructure executed a 25-year agreement with Plenary Justice Pty Ltd (Plenary) for regional police stations for SAPOL and courts for the Courts Administration Authority (CAA).

The public private partnership (PPP) includes court facilities at Port Lincoln, Victor Harbor, Berri and Port Pirie.

Under the PPP agreement, SAPOL is responsible for paying lease payments to Plenary for sites occupied by both SAPOL and CAA. SAPOL invoices CAA for the sites that they occupy.

Only the income and expenditure associated with the sites occupied by CAA are recognised as administration items. The resulting revenue is not off-set against expenditure.

Firearms Safety Training Levy

SAPOL collects the Firearms Safety Training Levy as part of firearms licence fees. The Firearms Safety Training Levy is transferred to TAFE SA. The levy subsidises compulsory Firearms Safety Training, run by TAFE SA that all applicants for firearms licences must undertake before being issued with their firearms licence.

Other

SAPOL receives appropriation with respect to a grant payment for a Community Service Obligation payment to South Australian Water Corporation. The Community Service Obligation payment covers the cost of water and sewage rates forgone on emergency service-related properties.

SAPOL has no control over the use of the funds listed above.

A3. Impact of COVID-19 pandemic on the administered activities

The COVID-19 pandemic has impacted on the administered activities of SAPOL. The impacts have been difficult to quantify and have included lower than budgeted expiation and Victim of Crime Levy revenue as a result of fewer vehicles on the roads.

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2021

A4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4, Volume 3). Appropriation reflects appropriation issued to special deposit accounts (and deposit accounts) controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Statement of Administered Comprehensive Income			
Administered Income			
Appropriation	553	687	134
SA Government transfers	140	-	(140)
Fees and charges	89 935	86 242	(3 693)
Total administered income	90 628	86 929	(3 699)
Administered Expenses			
Employee benefits	490	649	159
Supplies and services	2 487	2 467	(20)
SA Government transfers	13 422	12 811	(611)
Payments to Consolidated Account	74 229	71 033	(3 196)
Total administered expenses	90 628	86 960	(3 668)
Net result	-	(31)	(31)

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses. SAPOL has no such variances.

SAPOL has no budget or actual investing expenditure under Administered Items.

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2021

A5. Income

A5.1 Appropriation

	2021	2020
	\$'000	\$'000
Appropriation from consolidated account pursuant to the <i>Police Act 1998</i>	624	490
Appropriation from consolidated account pursuant to the <i>Appropriation Act</i>	63	61
Total revenues from appropriation	687	551

Appropriations are recognised on receipt.

Appropriation pursuant to the Appropriation Act consists of operational funding. This appropriation comprises money issued and applied to the department as per Schedule 1 of the act, varied pursuant to section 5 of the act for changed functions and duties of the department.

A5.2 Fees and charges

	2021	2020
	\$'000	\$'000
Expiation revenue	71 034	63 774
Victims of Crime Levy	12 618	9 568
PPP cost recovery *	2 467	2 713
Firearms Safety Training Levy	123	118
Total fees and charges	86 242	76 173

* This amount includes cost recovery from the Courts Administration Authority for PPP lease payments (refer to note A2).

A6. Employee Benefits Expenses

A6.1 Employee benefits

	2021	2020
	\$'000	\$'000
Salaries and wages	649	491
Total employee benefits expenses	649	491

The total salaries and wages paid was funded from the consolidated account pursuant to the *Police Act 1998*.

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2021

A7. Expenses

The below expenses relate to PPP lease payments paid by SAPOL on behalf of CAA. The expenditure is offset by cost recovery from CAA. Refer to note A5.2

A7.1 Supplies and services

	2021	2020
	\$'000	\$'000
PPP lease payments	2 467	2 713
Total supplies and services	2 467	2 713

A8. Financial assets

A8.1 Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	20 451	14 285
Total cash and cash equivalents	20 451	14 285

A8.2 Receivables

	2021	2020
	\$'000	\$'000
Current		
Receivables	231	226
Total current receivables	231	226
Total receivables	231	226

A9. Liabilities

A9.1 Other liabilities

	2021	2020
	\$'000	\$'000
Current		
Exhibit monies held	15 081	8 705
Unclaimed property held for SA Government	362	350
Total current other liabilities	15 443	9 055
Total other liabilities	15 443	9 055

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2021

A10. Other disclosures

A10.1 Cash flow reconciliation

	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	20 451	14 285
Balance as per the Statement of Cash Flows	20 451	14 285
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	6 166	855
Movement in assets and liabilities		
Increase/(decrease) in receivables	5	(23)
(Increase)/decrease in payables	186	(442)
(Increase)/decrease in other liabilities	(6 388)	(400)
Net result	(31)	(10)

A11. Outlook

A11.1 COVID-19 pandemic outlook

The COVID-19 pandemic will continue to impact the administered activities of SAPOL in 2021-22. The key expected impacts are difficult to quantify and are influenced by the timing of when the State returns to business as usual post COVID-19. However key expected impacts are likely to include lower expiation and Victim of Crime Levy revenue as a result of fewer vehicles on the roads.