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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 2022.

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 2022, 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2022
- a Statement of Administered Financial Position as at 30 June 2022
- a Statement of Administered Cash Flows for the year ended 30 June 2022
- a Schedule of Expenses and Income attributable to Administered Items for the year ended 30 June 2022
- a Schedule of Assets and Liabilities attributable to Administered Items as at 30 June 2022
- notes, comprising material accounting policies and other explanatory information for administered items
- a Certificate from the Commissioner of Police and the Executive 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 of Police 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 2022.

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

20 September 2022

**South Australia Police
(SAPOL)**

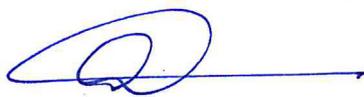
Financial Statements

For the year ended 30 June 2022

South Australia Police
Certification of the Financial Statements
for the year ended 30 June 2022

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
19 September 2022



Stephen Johnke
Executive Director, Business Service
19th September 2022

South Australia Police
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Appropriation	2.1	971 647	943 140
Fees and charges	2.2	30 028	26 470
Commonwealth-sourced grants and funding	2.3	2 882	2 689
Resources received free of charge	2.4	4 659	4 515
Net gain from the disposal of non-current and other assets	2.5	6 025	1 147
SA Government grants, subsidies and transfers	2.6	84 619	81 058
Other income	2.7	6 073	5 593
Total income		1 105 933	1 064 612
Expenses			
Employee benefits expenses	3.3	783 808	801 265
Supplies and services	4.1	193 182	185 701
Depreciation and amortisation	4.2	44 605	44 281
Write down of non-current assets		1 609	306
Payments to Consolidated Account	2.5	13 945	-
Borrowing Costs		1 265	1 184
Total expenses		1 038 414	1 032 737
Net result		67 519	31 875
Total comprehensive result		67 519	31 875

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 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	246 665	214 121
Receivables	6.2	14 242	16 120
Inventories		197	237
Non-current assets classified as held for sale	5.5	500	11 714
Total current assets		261 604	242 192
Non-current assets			
Receivables	6.2	4 216	4 134
Property, plant and equipment	5.1	384 330	392 698
Intangible assets	5.4	24 781	30 744
Total non-current assets		413 327	427 576
Total assets		674 931	669 768
Current liabilities			
Payables	7.1	36 270	44 327
Employee benefits	3.4	76 611	77 047
Provisions	7.3	21 041	20 844
Lease liabilities	7.2	13 018	12 919
Other liabilities	7.4	4 475	4 913
Total current liabilities		151 415	160 050
Non-current liabilities			
Payables	7.1	20 736	23 767
Employee benefits	3.4	165 217	206 888
Provisions	7.3	144 509	145 203
Lease liabilities	7.2	62 349	66 332
Other liabilities	7.4	2 837	2 939
Total non-current liabilities		395 648	445 129
Total liabilities		547 063	605 179
Net assets		127 868	64 589
Equity			
Retained earnings		(98 870)	(162 148)
Asset revaluation surplus	8.1	141 518	141 517
Contributed capital		85 220	85 220
Total equity		127 868	64 589

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 2022

		Contributed capital	Asset revaluation surplus	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 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
Prior period adjustment*		-	1	(4 241)	(4 240)
Adjusted balance at 1 July 2021		85 220	141 518	(166 389)	60 349
Net result for 2021-22		-	-	67 519	67 519
Total comprehensive result for 2021-22		-	-	67 519	67 519
Balance at 30 June 2022	8.1	85 220	141 518	(98 870)	127 868

* There have been prior period adjustments made on the retained earnings at 30 June 2021. The adjustment include expense of several items that were previously capitalised as intangibles assets. In 2021-22 the International Accounting Standards Board endorsed an IFRS Interpretations Committee agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement. Therefore, SAPOL commenced a review of intangible assets to ensure SAPOL's intangible programs are in line with AASB 138 *Intangible Assets*. As part of review it was determined that SAPOL should expense several items previously capitalised as intangible assets.

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 2022

		2022	2021
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		971 647	943 140
Fees and charges		29 788	26 854
Commonwealth-sourced grants and funding		2 882	2 689
GST recovered from the ATO		18 721	16 735
SA Government grants, subsidies and transfers		82 216	86 050
Receipts for paid parental leave scheme		1 063	933
Other receipts		12 563	4 289
Cash generated from operations		1 118 880	1 080 690
Cash outflows			
Employee benefits payments		(828 255)	(826 952)
Payments for supplies and services		(222 677)	(195 402)
Cash alignment transfers to Consolidated Account		(13 945)	-
Payments for paid parental leave scheme		(1 037)	(999)
Interest paid		(1 265)	(1 184)
Cash used in operations		(1 067 179)	(1 024 537)
Net cash provided by operating activities	8.2	51 701	56 153
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		17 530	666
Cash generated from investing activities		17 530	666
Cash outflows			
Purchase of property, plant and equipment		(21 915)	(18 763)
Cash used in investing activities		(21 915)	(18 763)
Net cash used in investing activities		(4 385)	(18 097)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(14 772)	(13 848)
Cash used by financing activities		(14 772)	(13 848)
Net cash used in financing activities		(14 772)	(13 848)
Net increase in cash and cash equivalents		32 544	24 208
Cash and cash equivalents at the beginning of the reporting period		214 121	189 913
Cash and cash equivalents at the end of the reporting period	6.1	246 665	214 121

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 2022

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South Australia Police

Notes to and forming part of the financial statements

for the year ended 30 June 2022

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.

Significant accounting policies are set out throughout these notes.

SAPOL is liable for fringe benefits tax (FBT) and goods and services (GST).

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 (ATO), 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST components 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.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

Income and expenses by program	Public Safety		Crime and Criminal Justice Services		Road Safety		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income								
Appropriation	408 223	399 001	481 678	468 023	81 746	76 116	971 647	943 140
Fees and charges	21 572	20 278	5 302	3 622	3 154	2 570	30 028	26 470
Commonwealth-sourced grants and funding	940	875	1 507	1 415	435	399	2 882	2 689
Resources received free of charge	1 518	1 470	2 437	2 375	704	670	4 659	4 515
Net gain from the disposal of property, plant and equipment	1 862	362	3 221	606	942	179	6 025	1 147
SA Government grants, subsidies and transfers	25 611	24 445	2 619	1 825	56 389	54 788	84 619	81 058
Other income	1 937	1 774	3 181	2 964	955	855	6 073	5 593
Total income	461 663	448 205	499 945	480 830	144 325	135 577	1 105 933	1 064 612
Expenses								
Employee benefit expenses	326 806	336 473	359 882	365 963	97 120	98 829	783 808	801 265
Supplies and services	84 597	81 063	79 091	78 512	29 494	26 126	193 182	185 701
Depreciation and amortisation	16 745	16 925	21 558	21 107	6 302	6 249	44 605	44 281
Write down of non-current assets	498	96	860	162	251	48	1 609	306
Payments to Consolidated Account	4 545	-	7 294	-	2 106	-	13 945	-
Borrowing costs	200	223	766	693	299	268	1 265	1 184
Total expenses	433 391	434 780	469 451	466 437	135 572	131 520	1 038 414	1 032 737
Net result	28 272	13 425	30 494	14 393	8 753	4 057	67 519	31 875

South Australia Police

Notes to and forming part of the financial statements for the year ended 30 June 2022

1.3. New and amended standards adopted

SAPOL has early adopted AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the SAPOL's financial statements.

1.4. 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 2021-22 were:

- SAPOL's response to the pandemic has required the redirection of significant resources from across the organisation; and the acquisition and deployment of additional resources from external sources. 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 isolation and quarantine;
 - Undertaking compliance checking of persons required to self-isolate or self-quarantine;
 - Undertaking compliance checking regarding restrictions to various businesses, public activities and gatherings;
 - Developing, implementing and maintaining various on-line platforms to manage cross border travel applications and compliance checking regimes;
 - Employing a cohort of contracted State Emergency Service volunteer members to assist SAPOL's coordination of the state-wide COVID-19 response;
- Staffing a Central Assessment Unit to administer cross border travel approvals; In 2021-22 SAPOL's COVID-19 expenditure totalled \$51.9 million comprised of employee entitlements of \$24.1 million and supplies and services of \$27.8 million. That expenditure occurred against funding of \$61.8 million.
- The changes to SAPOL's operational activities have required additional personal protective equipment and additional cleaning (e.g. facilities and operational equipment, including daily preventative procedures (examples include firearms, body worn video equipment, workstations and vehicles)).
- SAPOL has incurred significant COVID-19 expenditure in employee benefits and supplies and services expenditure, including travel and accommodation, vehicles, equipment, temporary facilities, IT and communications (including implementation of further work from home capability across SAPOL).
- SAPOL incurred further COVID-19 expenditure with the recruitment of additional Protective Security Officers (PSOs) dedicated for COVID-19 duties and partnered with State Emergency Service to assist with both road border checkpoints and airport operations.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.5. Budget performance

The budget performance table compares SAPOL's outcomes against budget information presented to Parliament (2021-22 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.

	Original budget	Actual	Variance
	2022	2022	
	\$'000	\$'000	\$'000
Statement of Comprehensive Income			
Income			
Appropriation	956 986	971 647	14 661
Fees and charges	28 173	30 028	1 855
Commonwealth-sourced grants and funding	1 678	2 882	1 204
Resources received free of charge	-	4 659	4 659
Net gain from the disposal of property, plant and equipment	-	6 025	6 025
SA Government grants, subsidies and transfers	85 169	84 619	(550)
Other income	3 044	6 073	3 029
Total income	1 075 050	1 105 933	30 883
Expenses			
Employee benefit expenses	831 753	783 808	(47 945)
Supplies and services	156 855	193 182	36 327
Depreciation and amortisation	46 097	44 605	(1 492)
Write down of non-current assets	-	1 609	1 609
Cash alignment transfers to Consolidated Account	-	13 945	13 945
Borrowing costs	1 536	1 265	(271)
Total expenses	1 036 241	1 038 414	2 173
Net result	38 809	67 519	28 710
Total comprehensive result	38 809	67 519	28 710

	Note	Original budget	Actual	Variance
		2022	2022	
		\$'000	\$'000	\$'000
Investing expenditure summary				
Total major projects	a	44 618	6 099	38 519
Total annual programs	b	11 318	15 751	(4 433)
Total investing expenditure		55 936	21 850	34 086

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 2021-22 original budget includes the Police Records Management System Stages 2 – 4 projects (\$13.652 million), SAPOL Communications Centre (\$9.868 million) and APY Accommodation projects (\$4.789 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 \$15.751 million was above the approved revised budget of \$12.647 million due to additional building works and ICT expenditure offset by the sale of surplus assets.

1.6. 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 2022

2. Income

2.1. Appropriation

Appropriations are recognised as income on receipt.

Appropriation pursuant to the *Appropriation Act* (the *Act*) provides funding of \$971.647 million (2021: \$943.140 million) for operational and capital projects purposes. Appropriation as per Schedule 1 of the *Act*, varied pursuant to section 5 of the *Act* for additional funding.

2.2. Fees and charges

	2022	2021
	\$'000	\$'000
Police security services	13 278	12 692
Firearms licence and registration fees	6 558	7 016
Police information requests	2 808	2 806
Clamping and impound fees	4 972	1 606
Escorts - wide load/other	1 727	1 644
Other fees	685	706
Total fees and charges	30 028	26 470

All revenue from fees and charges is recognised from contracts with customers except for Clamping and impound fees.

Clamping and impound 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 all revenue from contracts with customers at a point in time from the following major sources:

Police security services

The revenue for police security services is recognised when SAPOL has provided 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 less than \$15 000 and the low value practical expedient has been applied. Revenue is recognised when fees are paid.

Police information requests

Revenue from police information requests are fees 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. Revenue is recognised when fees are paid.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.3. Commonwealth - sourced grants and funding

Commonwealth-sourced grants and funding \$2.882 million (\$2.689 million) 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 2021-22 \$0.800 million (2021: \$0.237 million) 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 2021-22 SAPOL recovered costs associated with resources provided at the request of the Commonwealth Government in relation to:

- Family Law Information Sharing Program
- ANZCTC Drill Exercise and Training Consumable Program
- Australian Criminal Intelligence Commission (ACIC) - Jurisdictional criminal history referrals
- Umuwa Multi-Agency Police Facility
- National Criminal Intelligence System (NCIS) Engagement with ACIC
- Operation Midrealm
- Australian Federal Police

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

2.4. Resources received free of charge

	2022	2021
	\$'000	\$'000
Services received free of charge - Shared Services SA	3 678	3 747
Services received free of charge - Department of the Premier and Cabinet	389	379
Contributed (donated) asset revenue	592	389
Total resources received free of charge	4 659	4 515

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 receives Financial Accounting, Taxation, Payroll, Accounts Payables, Accounts Receivable and systems support from Shared Services SA and centralised IT and telecommunication services from the Department of the Premier and Cabinet free of charge.

In 2021-22 SAPOL received assets free of charge from Commonwealth Government.

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

	2022	2021
	\$'000	\$'000
Land and buildings held for sale		
Proceeds from disposal	17 000	31
Less net book value of assets disposed (written off)	(11 214)	(37)
Less Disposal costs	(376)	-
Net gain from disposal of land and buildings held for sale	5 410	(6)
Vehicles		
Proceeds from disposal	630	381
Less carrying amount of assets disposed	(7)	(76)
Net gain from disposal of vehicles	623	305
Aircraft		
Proceeds from disposal	-	244
Less carrying amount of assets disposed	-	(194)
Net gain from disposal of aircraft	-	50
Other PPE		
Proceeds from disposal other PPE	-	10
Less carrying amount of assets disposed	-	-
Net gain from disposal of other PPE	-	10
Total assets		
Proceeds from disposal	17 630	666
Less net book value of assets disposed	(11 221)	(307)
Less disposal costs	(376)	-
Net gain from disposal of owned assets	6 033	359
Net gain / (loss) on modification of right-of-use assets	(8)	788
Total net gain from disposal of non current assets	6 025	1 147

In 2021-22, SAPOL sold part of the former Fort Largs Police Academy and the former Stirling Police Station which were held for sale in 2020-21. Net proceeds from disposal of Fort Largs Police Academy and Stirling Police were transferred to DTF in line with State Budget approvals.

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.

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2.6. SA Government grants, subsidies and transfers

	2022	2021
	\$'000	\$'000
Contributions from the Community Road Safety Fund ⁽¹⁾	45 548	44 437
DTF Contingency Fund - Other ⁽⁵⁾	942	-
Contributions from the Community Emergency Services Fund ⁽²⁾	24 660	24 059
Road Safety Development Funding ⁽³⁾	10 820	10 479
Prosecution and other court fees ⁽⁴⁾	1 714	1 643
Other intra-government transfers	935	440
Total SA Govt grants subsidies and transfers	84 619	81 058

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

- (1) Community Road Safety Fund (CRSF) – SAPOL received \$45.548 million (2021: \$44.437 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 \$24.660 million (2021: \$24.059 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) 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 2022, \$3.424 million (2021: \$3.122 million) is within Receivables – refer note 6.2.
- (4) 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.
- (5) DTF Contingency Fund – SAPOL received \$0.710 million from the Government Energy Building Fund and \$0.232 million related to Enterprise Agreement in 2021-22.

2.7. Other income

	2022	2021
	\$'000	\$'000
Employee benefits recoveries	3 258	2 535
Goods and services recoveries	1 299	978
Sundry receipts	837	1 171
Rent revenue	225	260
Other sundry revenues	454	649
Total other income	6 073	5 593

South Australia Police
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3. Committees and employees

SAPOL's 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*.

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	4 265	4 074
Post-employment benefits	937	840
Total compensation	5 202	4 914

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.

3.2. Board and Committees

Police Review Tribunal

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

Mr Swain, David
 Mr Field, Frederick Robert
 Ms Dymphna, Saunders

Mobile Workforce Transformation Program Board

The Mobile Workforce Transformation Program Board is responsible for providing oversight, direction and key decision making for the Program.

Mr Cochrane, Rob (Appointed 18/01/2022)
 Ms Williams, Linda*
 Mr Cameron, Hamish*
 Mr Parrott, Ian*
 Mr Johnke, Stephen*
 Ms Summers, Kim-Sherie*

* In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

South Australia Police
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3.2 Board and Committees (continued)

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

	2022	2021
\$0 - \$19 999	9	2
Total number of members	9	2

The total remuneration received or receivable by members was \$0.023 million (2021: \$0.022 million). Remuneration of members reflects all costs of performing Tribunal and Board duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

3.3. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	589 552	576 342
Employment on-costs - superannuation	74 702	74 533
Annual leave	72 678	73 053
Workers compensation	17 901	25 764
Employment on-costs - other	35 361	35 680
Additional compensation	6 285	2 412
Police Service Leave	1 196	1 318
Long service leave	(15 332)	10 745
Other employment related expenses	1 051	869
Targeted voluntary separation packages	90	153
Skills and experience retention leave	324	396
Total employee benefits expenses	783 808	801 265

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

	2022	2021
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$154 001 - \$157 000*	n/a	160
\$157 001 - \$177 000	663	542
\$177 001 - \$197 000	230	238
\$197 001 - \$217 000	92	74
\$217 001 - \$237 000	54	38
\$237 001 - \$257 000	32	23
\$257 001 - \$277 000	10	10
\$277 001 - \$297 000	6	3
\$297 001 - \$317 000	5	4
\$317 001 - \$337 000	6	6
\$337 001 - \$357 000	4	5
\$357 001 - \$377 000	3	-
\$437 001 - \$457 000	1	-
\$457 001 - \$477 000	-	1
\$477 001 - \$497 000	1	1
\$497 001 - \$517 000	1	-
Total	1 108	1 105

South Australia Police
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Police	1 093	1 093
Public Servant	15	12
Total	1 108	1 105

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

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 \$202.5 million (2021: \$195.7 million).

Targeted voluntary separation packages and SA Government Workforce Rejuvenation Program

The number of employees who received a TVSP during the reporting period was 1 (2021: 2) and the SA Government Workforce Rejuvenation was 47 (2021: nil).

	2022 \$'000	2021 \$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	90	153
Rejuvenation Program*	2 083	-
Leave paid to separated employees	1 294	77
Net cost to SAPOL	3 467	230

* This has been included to disclose separation resulting from the SA Government Workforce Rejuvenation Program.

3.4. Employee benefits liability

	2022 \$'000	2021 \$'000
Current		
Annual leave	50 365	52 109
Accrued salaries and wages	7 281	5 398
Long service leave	16 441	15 515
Police service leave	1 714	3 103
Skills and experience retention leave	599	588
Leave bank	211	334
Total current employee benefits	76 611	77 047
Non-current		
Long service leave	156 627	197 319
Police service leave	7 225	8 079
Leave bank	1 365	1 490
Total non-current employee benefits	165 217	206 888
Total employee benefits	241 828	283 935

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.

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3.4 Employee benefits liability (continued)

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.

The actuarial assessment performed by the Department of Treasury and Finance determined the salary inflation for short term employee benefits rate at 1.5% (2%).

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.

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.

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 2021 (1.5%) to 3.75% in 2022.

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 by \$32.582 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.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation 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.

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 38 of the South Australia Police enterprise Agreement, effective 1 January 2021 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 1.5% (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
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4. Expenses

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Accommodation	31 369	35 983
Communication and computing	36 389	37 253
Administration *	24 124	23 210
Motor vehicle related	18 745	17 530
Employee programs & housing subsidies	13 432	11 548
Temporary agency staff	9 541	10 411
Cleaning	5 549	6 304
Minor equipment	5 604	6 229
CTP Regulator funded Road Safety Campaigns	6 685	5 595
Utilities	4 901	4 825
Shared Services SA	3 762	3 806
Aviation costs	6 333	4 087
SES CFS resources	2 403	3 100
Insurance	2 137	1 916
Uniforms	8 636	2 225
Legal costs	2 004	1 692
Collection costs	834	807
Consultants	172	182
Short term leases	-	366
Variable lease payments	1 064	734
Other	9 498	7 898
Total supplies and services	193 182	185 701

Accommodation

SAPOL's accommodation is managed by SAPOL and also is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangements (MoAAs) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and are accordingly expensed. 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 due to COVID-19 is \$ 27.8 million (2021: \$29.8 million).

Administration

* Administration includes Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act 1987*. The audit fees in 2021-22 were \$0.390 million (2021: \$0.365 million). No other services were provided by the Auditor-General's Department.

South Australia Police
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4.2. Depreciation and amortisation

	2022	2021
	\$'000	\$'000
Depreciation		
Buildings and improvements	6 622	6 540
Vehicles and aircraft	2 130	2 037
Accommodation and leasehold improvements	2 868	2 880
Plant and equipment	8 786	9 795
Total depreciation for property, plant and equipment	20 406	21 252
Right-of-use assets depreciation		
Right-of-use buildings	8 773	7 811
Right-of-use vehicles	6 274	6 975
Right-of-use plant and equipment	1 607	1 476
Total depreciation for Right-of-use assets	16 654	16 262
Intangible assets amortisation		
Internally generated computer software	6 102	4 286
Other computer software	1 443	2 481
Total amortisation for intangible assets	7 545	6 767
Total depreciation and amortisation	44 605	44 281

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 aircraft	1 - 15
Plant and equipment	1 - 60
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 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
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5. Non-financial assets

5.1. Property, plant and equipment

Reconciliation of property, plant and equipment 2021-22

Property, plant and equipment comprises tangible owned and right-of-use (leased) assets.

2022	Buildings & Accommodation and		Vehicles and aircraft	Plant and Equipment	ROU		ROU Buildings	ROU Vehicles	Capital works in progress	Total
	Land	improv'ts leasehold improv'ts			Plant and equipment	Plant and equipment				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2021	69 422	176 018	28 219	6 725	30 116	3 050	65 137	9 645	4 366	392 698
Prior year adjustment	-	-	-	-	-	-	-	-	1 498	1 498
Carrying amount at 1 July 2021	69 422	176 018	28 219	6 725	30 116	3 050	65 137	9 645	5 864	394 196
Additions	-	18	-	-	-	580	5 718	5 699	15 155	27 170
Transfers from capital works in progress	-	2 377	424	1 762	4 739	-	-	-	(9 302)	-
Donated assets	-	-	-	97	495	-	-	-	-	592
Transfer between classes	-	-	-	-	2 009	(1 710)	-	-	-	299
Asset recognised through stocktake	-	-	-	-	30	-	-	-	-	30
Disposals	-	-	-	(7)	-	-	(210)	(66)	-	(283)
Assets written off	-	-	(228)	-	(107)	-	-	-	-	(335)
Other Movement	-	(1)	(2)	-	-	-	-	-	(276)	(279)
Depreciation and amortisation	-	(6 622)	(2 868)	(2 130)	(8 786)	(1 607)	(8 773)	(6 274)	-	(37 060)
Carrying amount at the end of the period	69 422	171 790	25 545	6 447	28 496	313	61 872	9 004	11 441	384 330
Gross carrying amount										
Gross carrying amount	69 422	191 415	34 090	15 704	118 902	1 704	78 806	19 050	11 441	540 534
Accumulated depreciation	-	(19 625)	(8 545)	(9 257)	(90 406)	(1 391)	(16 934)	(10 046)	-	(156 204)
Carrying amount at the end of the period	69 422	171 790	25 545	6 447	28 496	313	61 872	9 004	11 441	384 330

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land, transport vessels and aircraft which are valued at \$72.632 million (classified as level 2) and capital works in progress (not classified). Vehicles and aircraft also contain vehicles which are level 3 assets valued at \$3.237 million. Refer to note 7.2 for details about the lease liability for right-of-use assets.

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5.1. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment 2020-21

2021	Buildings & improv'ts		Accommodation and leasehold improv'ts	Vehicles and aircraft	Plant and Equipment	ROU Plant and equipment	ROU Buildings	ROU Vehicles	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	71 092	177 345	31 064	7 573	35 182	2 978	65 259	9 950	6 764	407 207
Additions	-	-	-	-	16	1 548	27 672	6 948	8 954	45 138
Transfers from capital works in progress	-	5 253	35	1 459	4 646	-	-	-	(11 393)	-
Donated assets	-	40	-	-	349	-	-	-	-	389
Disposals	-	-	-	(270)	-	-	(19 983)	(278)	-	(20 531)
Assets written off	-	-	-	-	(306)	-	-	-	-	(306)
Transfers to assets held for sale	(1 670)	(80)	-	-	-	-	-	-	-	(1 750)
Other Movement	-	-	-	-	24	-	-	-	41	65
Depreciation and amortisation	-	(6 540)	(2 880)	(2 037)	(9 795)	(1 476)	(7 811)	(6 975)	-	(37 514)
Carrying amount at the end of the period	69 422	176 018	28 219	6 725	30 116	3 050	65 137	9 645	4 366	392 698
Gross carrying amount										
Gross carrying amount	69 422	189 025	33 956	14 822	118 842	5 952	74 045	18 286	4 366	528 716
Accumulated depreciation	-	(13 007)	(5 737)	(8 097)	(88 726)	(2 902)	(8 908)	(8 641)	-	(136 016)
Carrying amount at the end of the period	69 422	176 018	28 219	6 725	30 116	3 050	65 137	9 645	4 366	392 698

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land, transport vessels and aircraft which are valued at \$73.266 million (classified as level 2) and capital works in progress (not classified). Vehicles and aircraft also contain vehicles which are level 3 assets valued at \$2.881 million. Refer to note 7.2 for details about the lease liability for right-of-use assets.

South Australia Police
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5.2. Property, plant and equipment owned by SAPOL

Property, plant and equipment comprises tangible owned and right-of-use (leased) assets.

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 10.1.

Property, plant and equipment owned by SAPOL includes \$66.884 million (2021: \$60.431 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 10.1. 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.

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 2021-22 were \$11.997 million (2020-21: \$36.168 million).

Interest expense paid on lease liabilities is disclosed in note 7.2.

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:

- 1193 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.
- 3 building leases are held with DIT but are not governed by Premier and Cabinet Circular PC018, with rental payments monthly 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.
- 23 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 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. Expenses related to leases, including short term and variable lease payment 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.

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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 2021-22				
Carrying amount at 30 June 2021	16 792	3 359	10 593	30 744
Prior year adjustment*	(2 086)	-	(3 915)	(6 001)
Adjusted carrying amount at the beginning of the period	14 706	3 359	6 678	24 743
Additions	-	-	9 156	9 156
Transfers to/(from) capital works in progress	13 419	1 454	(14 873)	-
Assets written off	(1 274)	-	-	(1 274)
Transfer between classes	(93)	(206)	-	(299)
Amortisation	(6 102)	(1 443)	-	(7 545)
Carrying amount at the end of the period	20 656	3 164	961	24 781
Gross carrying amount				
Gross carrying amount	62 675	27 334	961	90 970
Accumulated amortisation	(42 019)	(24 170)	-	(66 189)
Carrying amount at the end of the period	20 656	3 164	961	24 781

	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

* In 2021-22 the International Accounting Standards Board endorsed an IFRS Interpretations Committee agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement. Therefore, SAPOL commenced a review of intangible assets to ensure SAPOL's intangible programs are in line with AASB 138 *Intangible Assets*. As part of the review it was determined that SAPOL should expense several items previously capitalised as intangible assets. As a result, there has been prior year adjustment on the retained earnings at 30 June 2021 by \$2.086 million.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

5.5. Non-current assets classified as held for sale

	2022	2021
	\$'000	\$'000
Land	500	11 520
Buildings and improvements	-	194
Total non-current assets classified as held for sale	500	11 714

	2022	2021
	\$'000	\$'000
Reconciliation of non-current assets classified as held for sale movement		
Carrying amount at the beginning of the period	11 714	10 001
Disposals	(11 214)	(37)
Transfers from land	-	1 670
Transfers from building	-	80
Total non-current assets classified as held for sale	500	11 714

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 carrying amount or fair value less costs to sell. Detail about SAPOL's approach to fair value is set out in note 10.1.

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 2022

6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
SAPOL operating account	51 970	45 274
Accrual Appropriation Excess Funds	194 331	168 483
Total deposits with the Treasurer (Special deposit accounts)	246 301	213 757
Imprest account/cash on hand	364	364
Total cash and cash equivalents	246 665	214 121

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

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.

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
From government entities	1 836	1 813
From non-government entities	1 754	1 131
Less impairment loss on receivables	(101)	(23)
Total receivables	3 489	2 921
GST input tax recoverable	3 467	3 466
Prepayments	2 848	3 800
Accrued revenue	3 987	5 561
Workers compensation and additional compensation recoveries	451	372
Total current receivables	14 242	16 120
Non-current		
Workers compensation and additional compensation recoveries	4 216	4 134
Total non-current receivables	4 216	4 134
Total receivables	18 458	20 254

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 10.2 for further information on risk management.

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

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

6.2. Receivables (continued)

Impairment of receivables

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	23	18
Amounts recovered during the year	(2)	(1)
Increase/(Decrease) in the allowance recognised in profit or loss	80	6
Carrying amount at end of the period	101	23

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

Refer to note 10.2 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 2022

7. Liabilities

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors	20 988	28 181
Employment on-costs	15 214	16 104
Paid Parental Leave Scheme payable	68	42
Total current payables	36 270	44 327
Non-current		
Employment on-costs	20 736	23 767
Total non-current payables	20 736	23 767
Total payables	57 006	68 094

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 DTF, the average factor for the calculation of employer superannuation cost on-costs has increased to 10.6% compared from 2020-21 rate of 10.1%. The average proportion of long service leave taken as leave over the past 3 years changed from the 2021 rate (59.18%) to 65.27% for police and changed from the 2021 rate (54.90%) to 61.20% 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.

7.2. Lease Liabilities

SAPOL measures lease liabilities \$75.367 million (2021: \$79.251 million) at discounted future lease payments using the DTF'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. Interest expense paid on lease liabilities during 2021-22 was \$1.265 million (2020-21: \$1.184 million).

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2022	2021
	\$'000	\$'000
Lease liabilities		
within 1 year	10 390	13 034
1 to 5 years	27 287	30 789
more than 5 years	38 331	43 180
Total lease liabilities (undiscounted)	76 008	87 003

Refer to note 5.3 for details about the right-of-use assets for lease liability.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

7.3. Provisions

	2022	2021
	\$'000	\$'000
Current		
Workers compensation	17 866	17 212
Additional compensation	2 942	2 336
Death in course of employment	-	26
Civil actions against police	233	293
Provision for replacement of aluminium cladding	-	977
Total current provisions	21 041	20 844
Non-current		
Workers compensation	82 389	85 476
Additional compensation	62 120	58 775
Provision for replacement of aluminium cladding	-	952
Total non-current provisions	144 509	145 203
Total provisions	165 550	166 047
Movement in provisions	2022	2021
	\$'000	\$'000
Workers' compensation		
Carrying amount at the beginning of the period	102 688	94 673
Increase/(decrease) resulting from re-measurement	17 891	25 753
Reduction due to payments	(20 324)	(17 738)
Carrying amount at the end of the period	100 255	102 688
Additional compensation		
Carrying amount at the beginning of the period	61 111	60 923
Increase/(decrease) resulting from re-measurement	6 285	2 412
Reduction due to payments	(2 334)	(2 224)
Carrying amount at the end of the period	65 062	61 111
Death in course of employment		
Carrying amount at the beginning of the period	26	29
Reduction due to payments	(26)	(3)
Carrying amount at the end of the period	-	26
Civil actions against police		
Carrying amount at the beginning of the period	293	477
Increase/(decrease) in the provision due to revision of estimates	184	434
Reduction due to payments	(244)	(618)
Carrying amount at the end of the period	233	293

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2022

7.3. Provisions (continued)

Workers compensation provision (statutory and additional compensation schemes)

SAPOL is a self-funded crown agency, responsible for funding and managing its own workers compensation and rehabilitation services pursuant to the *Return to Work Act 2014*. Further, SAPOL is responsible for administering Additional Compensation claims under the Police Officers Award.

The additional compensation provision provides continuing benefits to injured workers who have suffered eligible work – related injuries whose entitlements have ceased under the Return to Work scheme. Eligible injuries are injuries sustained in circumstances which involved, the commission of a criminal offence, or which arose from a dangerous situation.

SAPOL is directly responsible for meeting the costs of loss of income, medical expenses, costs associated with return to work, permanent impairment, economic loss and loss of life.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory entitlements and additional compensation schemes).

The workers compensation liability is based on an actuarial assessment of outstanding expenditure as at 30 June 2022. An external consulting actuarial agency is engaged through the Office of the Commissioner of Public Sector Employment to provide this service.

Measurement of the provision for worker's compensation as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision).

Legislation to reform the Return to Work Act 2014 was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the provision for workers compensation across government will be considered when measuring the provision as at 30 June 2023.

There is a significant degree of uncertainty associated with estimating future scheme liability in particular the timing of future payments (i.e. permanent impairment) due to the varying circumstances. Scheme liability is impacted by claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

Replacement of aluminium cladding

Liabilities were reported in 2020-21 to reflect remediation of aluminium cladding on a number of SAPOL owned buildings. The liabilities have been settled in 2021-22.

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 2022

7.4. Other liabilities

	2022	2021
	\$'000	\$'000
Current		
Unearned revenue	3 926	4 364
Accommodation incentive	549	549
Total current other liabilities	4 475	4 913
Non-current		
Accommodation incentive	2 837	2 939
Total non-current other liabilities	2 837	2 939
Total other liabilities	7 312	7 852

Accommodation incentives

Accommodation incentives relate to MoAA arrangements with 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 5.3 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 2022 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 2022

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 Flow Reconciliation	2022	2021
	\$'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	246 665	214 121
Balance as per the Statement of Cash Flows	246 665	214 121
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	51 701	56 153
Add / (less) non-cash items		
Depreciation and amortisation	(44 605)	(44 281)
Donated assets	592	389
Net gain / (loss) from the disposal of non-current and other assets	6 025	1 147
Impairment of non-current assets	(1 609)	(306)
Capital accruals	879	305
Movement in assets and liabilities		
Increase/(decrease) in receivables	(2 008)	(2 456)
Increase/(decrease) in inventories	(40)	(31)
(Increase)/decrease in payables	9 045	(2 889)
(Increase)/decrease in other liabilities	540	850
(Increase)/decrease in employee benefits	46 502	24 739
(Increase)/decrease in provisions	497	(1 745)
Net result	67 519	31 875

Total cash outflows for leases for SAPOL were \$15.284 million (2020-21: \$15.398 million).

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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

	2022	2021
	\$'000	\$'000
Within one year	3 796	1 740
Later than one year but not later than five years	-	229
Total capital commitments	3 796	1 969

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

Expenditure commitments

	2022	2021
	\$'000	\$'000
Within one year	50 208	39 058
Later than one year but not later than five years	87 173	85 194
Later than five years	207 047	231 417
Total expenditure commitments	344 428	355 669

Major expenditure commitments include MoAAs with DIT 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 2022, 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 2022 the value of outstanding rewards for unsolved murders was \$39.0 million (2021: \$38.4 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.

9.3. Impact of Standards not yet implemented

SAPOL continues to assess 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.

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.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9.4. COVID-19 pandemic outlook for SAPOL

The COVID-19 pandemic will continue to impact on the operations of SAPOL in 2022-23. The key expected impacts are difficult to quantify and will depend upon whether or not a new COVID-19 variant of concern emerges in 2022-23. If so key expected impacts are increases to employee benefits and supplies and services expenditure associated with maintaining a safe work environment and delivering on SAPOL's key objectives.

9.5. Events after reporting period

SAPOL are not aware of any events after reporting period.

10. Measurement and risk

10.1. 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.

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 2022 and 2021, 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.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.1. Fair Value (continued)

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.

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.

10.2. 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 DTF 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.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.2. Financial instruments (continued)

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.

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 2022, 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 except for lease liabilities which are measured at the present value of future lease payments, refer to note 7.2.

**South Australia Police
(SAPOL)**

Administered Financial Statements

For the year ended 30 June 2022

South Australia Police
Statement of Administered Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Administered income			
Appropriation	A5.1	619	687
Fees and charges	A5.2	89 709	86 242
Total administered income		90 328	86 929
Administered expenses			
Employee benefits expenses		559	649
Supplies and services	A6.1	2 561	2 467
SA Government transfers		15 297	12 811
Payments to Consolidated Account		71 919	71 033
Total administered expenses		90 336	86 960
Net result		(8)	(31)
Total comprehensive result		(8)	(31)

The accompanying notes form part of these financial statements.

South Australia Police
Statement of Administered Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Administered current assets			
Cash and cash equivalents		24 063	20 451
Receivables		238	231
Total current assets		<u>24 301</u>	<u>20 682</u>
Total assets		<u>24 301</u>	<u>20 682</u>
Administered current liabilities			
Payables		6 003	4 666
Other liabilities	A7.1	17 733	15 443
Total current liabilities		<u>23 736</u>	<u>20 109</u>
Total liabilities		<u>23 736</u>	<u>20 109</u>
Net assets		<u>565</u>	<u>573</u>
Administered equity			
Retained earnings		565	573
Total equity		<u>565</u>	<u>573</u>

The accompanying notes form part of these financial statements.

South Australia Police
Statement of Administered Cash Flows
for the year ended June 2022

		2022	2021
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		619	687
Fees and charges		89 702	86 237
Exhibit monies		2 144	6 376
Unclaimed property		146	12
Cash generated from operations		<u>92 611</u>	<u>93 312</u>
Cash outflows			
Employee benefits payments		(559)	(649)
Supplies and services		(2 554)	(2 462)
SA Government transfers		(15 124)	(12 443)
Payments to consolidated account		(70 762)	(71 592)
Cash used in operations		<u>(88 999)</u>	<u>(87 146)</u>
Net cash provided by / (used in) operations	A8.1	<u>3 612</u>	<u>6 166</u>
Net increase / (decrease) in cash and cash equivalents		<u>3 612</u>	<u>6 166</u>
Cash and cash equivalents at the beginning of the period		20 451	14 285
Cash and cash equivalents at the end of the period		<u>24 063</u>	<u>20 451</u>

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 2022

Schedule of Income and Expenses attributable to Administered Items

Activities - refer note A2	Victims of Crime				Public Private Partnership (PPP)			
	Expiation Fees		Levy		Special Acts		Partnership (PPP)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered income								
Appropriation	-	-	-	-	554	624	-	-
Fees and charges	71 924	71 034	15 103	12 618	-	-	2 561	2 467
Total administered income	71 924	71 034	15 103	12 618	554	624	2 561	2 467
Administered expenses								
Employee benefits expenses	-	-	-	-	559	649	-	-
Supplies and services	-	-	-	-	-	-	2 561	2 467
SA Government transfers	-	-	15 103	12 618	-	-	-	-
Payments to Consolidated Account	71 919	71 033	-	-	-	-	-	-
Total administered expenses	71 919	71 033	15 103	12 618	559	649	2 561	2 467
Net result	5	1	-	-	(5)	(25)	-	-

Activities - refer note A2	Firearms Safety Training Levy		Other		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
	Administered income					
Appropriation	-	-	65	63	619	687
Fees and charges	121	123	-	-	89 709	86 242
Total administered income	121	123	65	63	90 328	86 929
Administered expenses						
Employee benefits expenses	-	-	-	-	559	649
Supplies and services	-	-	-	-	2 561	2 467
SA Government transfers	121	123	73	70	15 297	12 811
Payments to Consolidated Account	-	-	-	-	71 919	71 033
Total administered expenses	121	123	73	70	90 336	86 960
Net result	-	-	(8)	(7)	(8)	(31)

South Australia Police
Schedule of Assets and Liabilities attributable to Administered Items
as at 30 June 2022

Schedule of Assets and Liabilities attributable to Administered Items

Activities - refer note A2	Unclaimed Property		Exhibit Monies		Expiation Fees	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered current assets						
Cash and cash equivalents	508	362	17 225	15 081	4 437	3 275
Receivables	-	-	-	-	-	-
Total current assets	508	362	17 225	15 081	4 437	3 275
Total administered assets	508	362	17 225	15 081	4 437	3 275
Administered current liabilities						
Payables	-	-	-	-	4 431	3 274
Other current liabilities	508	362	17 225	15 081	-	-
Total current liabilities	508	362	17 225	15 081	4 431	3 274
Total administered liabilities	508	362	17 225	15 081	4 431	3 274
Net assets	-	-	-	-	6	1

Activities - refer note A2	Victims of Crime Levy		Special Acts		Public Private Partnership (PPP)	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered current assets						
Cash and cash equivalents	1 334	1 161	43	48	-	-
Receivables	-	-	-	-	238	231
Total current assets	1 334	1 161	43	48	238	231
Total administered assets	1 334	1 161	43	48	238	231
Administered current liabilities						
Payables	1 334	1 161	-	-	238	231
Other current liabilities	-	-	-	-	-	-
Total current liabilities	1 334	1 161	-	-	238	231
Total administered liabilities	1 334	1 161	-	-	238	231
Net assets	-	-	43	48	-	-

South Australia Police
Schedule of Assets and Liabilities attributable to Administered Items
as at 30 June 2022

Activities - refer note A2	Firearms Safety		Other		Total	
	Training Levy					
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash and cash equivalents	-	-	516	524	24 063	20 451
Receivables	-	-	-	-	238	231
Total current assets	-	-	516	524	24 301	20 682
Total administered assets	-	-	516	524	24 301	20 682
Administered current liabilities						
Payables	-	-	-	-	6 003	4 666
Other current liabilities	-	-	-	-	17 733	15 443
Total current liabilities	-	-	-	-	23 736	20 109
Total administered liabilities	-	-	-	-	23 736	20 109
Net assets	-	-	516	524	565	573

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

South Australia Police
Schedule of Income and Expenses attributable to Administered Items
For the year ended 30 June 2022

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South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2022

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 2022

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 administered 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

Since commencing, the COVID-19 pandemic has impacted on the administered activities of SAPOL with lower than budgeted expiation revenue as a result of fewer vehicles on the roads. The impact has been difficult to quantify with total expiations higher than 2020-21.

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2022

A4. Budget performance

The budget performance table compares the SAPOL's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4, Volume 3). Appropriation reflects appropriation issued to special deposit accounts (and deposit accounts) controlled by SAPOL. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Statement of Administered Comprehensive Income			
Administered Income			
Appropriation	562	619	57
Fees and charges	97 778	89 709	(8 069)
Total administered income	98 340	90 328	(8 012)
Administered Expenses			
Employee benefits	497	559	62
Supplies and services	2 590	2 561	(29)
SA Government transfers	16 145	15 297	(848)
Payments to Consolidated Account	79 108	71 919	(7 189)
Total administered expenses	98 340	90 336	(8 004)
Net result	-	(8)	(8)

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 administered investing expenditure budget or actual expenditure.

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2022

A5. Income

A5.1 Appropriation

	2022	2021
	\$'000	\$'000
Appropriation from consolidated account pursuant to the <i>Police Act 1998</i>	554	624
Appropriation from consolidated account pursuant to the <i>Appropriation Act</i>	65	63
Total revenues from appropriation	619	687

Appropriations are recognised on receipt.

Appropriation pursuant to the Appropriation Act consists of only operational funding.

A5.2 Fees and charges

	2022	2021
	\$'000	\$'000
Expiation revenue	71 924	71 034
Victims of Crime Levy	15 103	12 618
PPP cost recovery *	2 561	2 467
Firearms Safety Training Levy	121	123
Total fees and charges	89 709	86 242

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

A6. Expenses

A6.1 Supplies and services

	2022	2021
	\$'000	\$'000
PPP lease payments	2 561	2 467
Total supplies and services	2 561	2 467

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. Liabilities

A7.1 Other liabilities

	2022	2021
	\$'000	\$'000
Current		
Exhibit monies held	17 225	15 081
Unclaimed property held for SA Government	508	362
Total other liabilities	17 733	15 443

South Australia Police
Notes to and forming part of the Administered financial statements
For the year ended 30 June 2022

A8. Other disclosures

A8.1 Cash flow reconciliation

	2022	2021
	\$'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	24 063	20 451
Balance as per the Statement of Cash Flows	24 063	20 451
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	3 612	6 166
Movement in assets and liabilities		
Increase/(decrease) in receivables	7	5
(Increase)/decrease in payables	(1 337)	186
(Increase)/decrease in other liabilities	(2 290)	(6 388)
Net result	(8)	(31)

A9. Outlook

A9.1 COVID-19 pandemic outlook

The COVID-19 pandemic may continue to impact the administered activities of SAPOL in 2022-23. The expected impacts are difficult to quantify and will depend upon whether or not a new COVID-19 variant of concern emerges in 2022-23.