

# South Australia Police

Financial report  
for the year ended  
30 June 2019



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## To the Commissioner of Police South Australia Police

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 2019.

### Opinion

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 2019, its financial performance and its cash flows for year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2019
- a Statement of Administered Financial Position as at 30 June 2019
- a Statement of Administered Cash Flows for the year ended 30 June 2019
- a Schedule of Expenses and Income attributable to administered items for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Commissioner of Police and the Director, Business Service.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australia Police. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the

relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

I believe that the audit evidence 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 the 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.

### **Auditor's responsibilities for the audit of the financial report**

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.

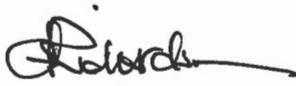
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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

- 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**  
17 September 2019

We certify that the attached general purpose financial statements for the South Australia Police:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the South Australia Police; and
- present a true and fair view of the financial position of the South Australia Police as at 30 June 2019 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the South Australia Police for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



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Grant Stevens  
Commissioner of Police  
13 September 2019



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Stephen Johnke  
Director, Business Service  
13<sup>th</sup> September 2019

**South Australia Police**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

	Note	2019 \$'000	2018 \$'000
<b>Expenses</b>			
Employee benefits expenses	2.3	749 707	750 374
Supplies and services	3.1	153 475	151 794
Depreciation and amortisation	3.2	28 034	28 079
Write down of non-current assets		130	7
<b>Total expenses</b>		<b>931 346</b>	<b>930 254</b>
<b>Income</b>			
Fees and charges	4.2	24 534	27 179
Commonwealth grants and payments	4.3	1 946	1 867
Interest	4.4	3	3
Resources received free of charge	4.5	2 778	2 762
Net gain from disposal of property, plant and equipment	4.6	158	397
Other income	4.7	5 902	7 177
<b>Total income</b>		<b>35 321</b>	<b>39 385</b>
<b>Net cost of providing services</b>		<b>896 025</b>	<b>890 869</b>
<b>Revenues from / (payments to) SA Government</b>			
Revenues from SA Government	4.1	832 996	812 085
Contributions from the Community Emergency Services Fund	4.1	22 900	22 343
Contributions from the Community Road Safety Fund	4.1	42 296	41 264
Payments to SA Government	4.1	(9 743)	(34 895)
<b>Net result</b>		<b>(7 576)</b>	<b>(50 072)</b>
<b>Other comprehensive income</b>			
Changes in property, plant and equipment asset revaluation surplus		(5 499)	5 185
<b>Total comprehensive result</b>		<b>(13 075)</b>	<b>(44 887)</b>

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 2019*

	Note	2019 \$'000	2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	182 985	153 940
Receivables	6.2	7 905	9 735
Inventories	5.4	226	280
Non-current assets classified as held for sale	5.5	10 156	10 384
<b>Total current assets</b>		<b>201 272</b>	<b>174 339</b>
<b>Non-current assets</b>			
Receivables	6.2	2 960	3 301
Capital works in progress	5.3	10 392	16 251
Property, plant and equipment	5.1	325 340	340 283
Intangible assets	5.2	25 887	17 726
<b>Total non-current assets</b>		<b>364 579</b>	<b>377 561</b>
<b>Total assets</b>		<b>565 851</b>	<b>551 900</b>
<b>Current liabilities</b>			
Payables	7.1	35 057	33 440
Employee benefits	2.4	75 102	78 502
Provisions	7.2	11 963	13 085
Other current liabilities	7.3	5 431	534
<b>Total current liabilities</b>		<b>127 553</b>	<b>125 561</b>
<b>Non-current liabilities</b>			
Payables	7.1	22 907	20 551
Employee benefits	2.4	216 766	195 121
Provisions	7.2	109 517	108 077
Other non-current liabilities	7.3	3 171	3 578
<b>Total non-current liabilities</b>		<b>352 361</b>	<b>327 327</b>
<b>Total liabilities</b>		<b>479 914</b>	<b>452 888</b>
<b>Net assets</b>		<b>85 937</b>	<b>99 012</b>
<b>Equity</b>			
Contributed capital		85 220	85 220
Asset revaluation surplus		141 517	147 016
Retained earnings		(140 800)	(133 224)
<b>Total equity</b>		<b>85 937</b>	<b>99 012</b>

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 2019*

	Contributed capital	Asset Revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2017</b>	<b>85 220</b>	<b>141 831</b>	<b>(83 152)</b>	<b>143 899</b>
Net result for 2017-18	-	-	(50 072)	(50 072)
Gain/loss on revaluation of property plant and equipment during 2017-18	-	5 185	-	5 185
<b>Total comprehensive result for 2017-18</b>	<b>-</b>	<b>5 185</b>	<b>(50 072)</b>	<b>(44 887)</b>
<b>Balance at 30 June 2018</b>	<b>85 220</b>	<b>147 016</b>	<b>(133 224)</b>	<b>99 012</b>
<b>Net result for 2018-19</b>	<b>-</b>	<b>-</b>	<b>(7 576)</b>	<b>(7 576)</b>
Gain/loss on revaluation of property plant and equipment during 2018-19	-	(5 276)	-	(5 276)
Net income or expense relating to non- current assets classified as held for sale	-	(223)	-	(223)
<b>Total comprehensive result for 2018-19</b>	<b>-</b>	<b>(5 499)</b>	<b>(7 576)</b>	<b>(13 075)</b>
<b>Balance at 30 June 2019</b>	<b>85 220</b>	<b>141 517</b>	<b>(140 800)</b>	<b>85 937</b>

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 2019*

		2019 \$'000	2018 \$'000
		(Outflows) Inflows	(Outflows) Inflows
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash outflows</b>			
Employee benefits payments		(728 700)	(718 951)
Payments for supplies and services		(164 038)	(174 822)
<b>Cash used in operations</b>		<u>(892 738)</u>	<u>(893 773)</u>
<b>Cash inflows</b>			
Fees and charges		27 390	30 371
Interest received		3	3
GST recovered from the ATO		12 063	11 174
Other receipts		14 324	10 246
<b>Cash generated from operations</b>		<u>53 780</u>	<u>51 794</u>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		897 684	876 036
Payments to SA Government		(9 743)	(34 895)
<b>Cash generated from SA Government</b>		<u>887 941</u>	<u>841 141</u>
<b>Net cash provided by / (used in) operating activities</b>	<b>8.2</b>	<u>48 983</u>	<u>(838)</u>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(20 167)	(19 885)
<b>Cash used in investing activities</b>		<u>(20 167)</u>	<u>(19 885)</u>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		229	438
<b>Cash generated from investing activities</b>		<u>229</u>	<u>438</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>(19 938)</u>	<u>(19 447)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>29 045</u>	<u>(20 285)</u>
Cash and cash equivalents at the beginning of the period		153 940	174 225
<b>Cash and cash equivalents at the end of the period</b>	<b>6.1</b>	<u>182 985</u>	<u>153 940</u>

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 2019*

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>1</b>	<b>About the South Australia Police .....</b>	<b>9</b>
1.1.	Basis of preparation .....	9
1.2.	Objectives and programs .....	10
1.3.	Budget performance.....	12
<b>2.</b>	<b>Board, committees and employees.....</b>	<b>14</b>
2.1.	Key management personnel .....	14
2.2.	Tribunal members .....	15
2.3.	Employee benefits expenses .....	15
2.4.	Employee benefits liability .....	17
<b>3.</b>	<b>Expenses.....</b>	<b>18</b>
3.1.	Supplies and services .....	18
3.2.	Depreciation and amortisation .....	19
<b>4.</b>	<b>Income.....</b>	<b>20</b>
4.1.	Net revenues from SA Government.....	20
4.2.	Fees and charges .....	21
4.3.	Commonwealth grants and payments .....	22
4.4.	Interest .....	22
4.5.	Resources received free of charge .....	22
4.6.	Net gain from the disposal of property, plant and equipment .....	23
4.7.	Other income.....	23
<b>5.</b>	<b>Non-financial assets .....</b>	<b>24</b>
5.1.	Property, plant and equipment.....	24
5.2.	Intangible assets .....	27
5.3.	Capital works in progress.....	28
5.4.	Inventories.....	28
5.5.	Non-current assets classified as held for sale .....	29
<b>6.</b>	<b>Financial assets .....</b>	<b>29</b>
6.1.	Cash and cash equivalents.....	29
6.2.	Receivables.....	30
<b>7.</b>	<b>Liabilities.....</b>	<b>31</b>
7.1.	Payables.....	31
7.2.	Provisions.....	32
7.3.	Other liabilities.....	34
<b>8.</b>	<b>Other disclosures.....</b>	<b>35</b>
8.1.	Equity .....	35
8.2.	Cash flow.....	35
<b>9.</b>	<b>Changes in accounting policy .....</b>	<b>36</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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9.1.	Treasurer's Instructions (Accounting Policy Statements) .....	36
9.2.	AASB 9 Financial Instruments .....	36
<b>10.</b>	<b>Outlook</b> .....	<b>38</b>
10.1.	Unrecognised contractual commitments.....	38
10.2.	Contingent assets and liabilities.....	39
10.3.	Impact of standards and statements not yet effective .....	39
10.4.	Events after reporting period.....	42
<b>11.</b>	<b>Measurement and risk</b> .....	<b>43</b>
11.1.	Long service leave liability – measurement .....	43
11.2.	Fair value.....	43
11.3.	Financial instruments .....	47

# South Australia Police

## Notes to and forming part of the financial statements

for the year ended 30 June 2019

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### 1 About the South Australia Police

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

The department 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 the department.

Administered financial statements relating to administered resources are presented separately as part of this report.

#### 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.

For the 2018-19 financial statements the department adopted AASB 9 – *Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

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.

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

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

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.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**1.2. Objectives and programs**

The objective of South Australia Police (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.

- **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 of major events, and emergency response, management 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. Resources allocated to programs in 2018-19 take into account organisational reform.

**Expenses and income by program**

	Public Safety		Crime and Criminal Justice Services	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Employee benefits expenses	301 109	303 545	355 877	363 207
Supplies and services	54 052	53 766	70 795	73 360
Depreciation and amortisation	12 278	11 641	11 145	11 755
Write down of non-current assets	51	3	61	3
<b>Total expenses</b>	<b>367 490</b>	<b>368 955</b>	<b>437 878</b>	<b>448 325</b>
<b>Income</b>				
Fees and charges	17 118	17 158	4 042	5 786
Commonwealth grants and payments	657	640	1 001	980
Interest	1	1	1	2
Resources received free of charge	938	947	1 429	1 450
Net gain from disposal of property, plant and equipment	56	137	72	186
Other income	2 002	2 462	3 007	3 754
<b>Total income</b>	<b>20 772</b>	<b>21 345</b>	<b>9 552</b>	<b>12 158</b>
<b>Net cost of providing services</b>	<b>346 718</b>	<b>347 610</b>	<b>428 326</b>	<b>436 167</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government	347 019	360 845	429 775	413 475
Payments to SA Government	(3 289)	(33 100)	(5 012)	(1 434)
<b>Total net revenues from SA Government</b>	<b>343 730</b>	<b>327 745</b>	<b>424 763</b>	<b>412 041</b>
<b>Net result</b>	<b>(2 988)</b>	<b>(19 865)</b>	<b>(3 563)</b>	<b>(24 126)</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**1.2. Objectives and Programs (continued)**

Expenses and income by program

	Road Safety		Total	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Employee benefits expenses	92 721	83 622	749 707	750 374
Supplies and services	28 628	24 668	153 475	151 794
Depreciation and amortisation	4 611	4 683	28 034	28 079
Write down of non-current assets	18	1	130	7
<b>Total expenses</b>	<b>125 978</b>	<b>112 974</b>	<b>931 346</b>	<b>930 254</b>
<b>Income</b>				
Fees and charges	3 374	4 235	24 534	27 179
Commonwealth grants and payments	288	247	1 946	1 867
Interest	1	-	3	3
Resources received free of charge	411	365	2 778	2 762
Net gain from disposal of property, plant and equipment	30	74	158	397
Other income	893	961	5 902	7 177
<b>Total income</b>	<b>4 997</b>	<b>5 882</b>	<b>35 321</b>	<b>39 385</b>
<b>Net cost of providing services</b>	<b>120 981</b>	<b>107 092</b>	<b>896 025</b>	<b>890 869</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government	121 398	101 372	898 192	875 692
Payments to SA Government	(1 442)	(361)	(9 743)	(34 895)
<b>Total net revenues from SA Government</b>	<b>119 956</b>	<b>101 011</b>	<b>888 449</b>	<b>840 797</b>
<b>Net result</b>	<b>(1 025)</b>	<b>(6 081)</b>	<b>(7 576)</b>	<b>(50 072)</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**1.3. Budget performance**

The budget performance table compares the department's outcomes against budget information presented to Parliament (2018-19 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 2019 \$'000	Actual 2019 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>			
<b>Expenses</b>			
Employee benefits expenses	752 821	749 707	(3 114)
Supplies and services	141 257	153 475	12 218
Depreciation and amortisation	27 926	28 034	108
Write down of non-current assets	-	130	130
<b>Total expenses</b>	<b>922 004</b>	<b>931 346</b>	<b>9 342</b>
<b>Income</b>			
Fees and charges	26 336	24 534	(1 802)
Interest	-	3	3
Commonwealth grants and payments	1 979	1 946	(33)
Net gain from disposal of property, plant and equipment	-	158	158
Resources received free of charge	-	2 778	2 778
Other income	10 050	5 902	(4 148)
<b>Total income</b>	<b>38 365</b>	<b>35 321</b>	<b>(3 044)</b>
<b>Net cost of providing services</b>	<b>883 639</b>	<b>896 025</b>	<b>12 386</b>
<b>Revenues from / (payments to) SA government</b>			
Revenues from SA Government	833 967	832 996	(971)
Contributions from the Community Emergency Services Fund	22 903	22 900	(3)
Contributions from the Community Road Safety Fund	42 296	42 296	-
Payments to SA Government	-	(9 743)	(9 743)
<b>Total net revenues from SA Government</b>	<b>899 166</b>	<b>888 449</b>	<b>(10 717)</b>
<b>Net result</b>	<b>15 527</b>	<b>(7 576)</b>	<b>(23 103)</b>
<b>Total comprehensive result</b>	<b>15 527</b>	<b>(13 075)</b>	<b>(28 602)</b>

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.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1.3. Budget performance (continued)**

Investing expenditure summary	Note	Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Total major project	a	11 471	8 347	(3,124)
Total annual program	b	10 149	11 672	1,523
<b>Total investing expenditure</b>		<b>21 620</b>	<b>20 019</b>	<b>(1 601)</b>

- a) Major projects - the 2018-19 original budget includes the Police Records Management Stages 2 – 4 project (\$8.034 million) and was adjusted during the year to take account of approved adjustments including additional budget of \$1.712 million for the Umuwa Police Station – Multi Agency Facility project. The actual spend of \$8.347 million is below the approved revised budget of \$11.504 million due to delays in the projects. SAPOL will seek carryover of committed under expenditure balances with the Department of Treasury and Finance (DTF) as part of the budget carryover process
- b) Annual programs – SAPOL actual spend of \$11.672 million was above the approved revised budget of \$10.149 million due to lower actual spend on supplies and services in 2018-19 which was redirected to purchase additional equipment.

**1.4. Significant transactions with government related entities**

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- Approximately 88% of lease payments relate to accommodation supplied by Department of Planning, Transport and Infrastructure (DPTI) and leased cars supplied by Fleet SA.
- Insurance services are provided by SAICORP and Shared Services SA provide a range of transactional and financial services to government agencies.
- Appropriation funding received from DTF (note 4.1).

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2. Board, committees and employees**

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

**2.1. Key management personnel**

Key management personnel of SAPOL include:

- \* Minister for Police, Emergency Services and Correctional Services
- \* Commissioner of Police \*
- \* Deputy Commissioner of Police
- \* Assistant Commissioner, Crime Service
- \* Assistant Commissioner, Governance and Capability Service
- \* Assistant Commissioner, Human Resources Service
- \* Assistant Commissioner, Metropolitan Operations Service
- \* Assistant Commissioner, Operations Support Service
- \* Assistant Commissioner, Security & Emergency Management Service
- \* Assistant Commissioner, State Operations Service
- \* Director, Business Service
- \* Director, Information Systems & Technology Service

Total compensation for key management personnel was \$4.417 million in 2018-19 and \$4.260 million in 2017-18.

The compensation detailed below excludes salaries and other benefits 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 DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Compensation</b>		
Salaries and other short term employee benefits	3 422	3 397
Post-employment benefits	600	572
Other long-term employment benefits	-	291
Termination benefits	395	-
<b>Total</b>	<b>4 417</b>	<b>4 260</b>

- \* Commissioner Stevens is a KMP for SAPOL and is funded from 'Recurrent Expenditure – Special Acts' that is an Administered Item where his remuneration payments are reported

**Transactions with key management personnel and other related parties**

SAPOL had no material transactions or balances with key management personnel outside normal day-to-day operations to disclose.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2.2. Tribunal members**

Members during the 2019 financial year were:

**Police Review Tribunal**

David Swain	Presiding Officer		
Frederick Field	Deputy Presiding Officer	Appointed	13/11/2018

***Tribunal remuneration***

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

	2019	2018
\$0 - \$19 999	2	1
<b>Total number of members</b>	<b>2</b>	<b>1</b>

The total remuneration received or receivable by members was \$0.019 million (2018: \$0.014 million). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**2.3. Employee benefits expenses**

	2019	2018
	\$'000	\$'000
Salaries and wages	518 817	522 043
Employment on-costs - superannuation	71 344	67 345
Annual leave	64 600	67 622
Long service leave	42 187	21 549
Employment on-costs - other	34 666	33 128
Workers compensation	28 728	(9 080)
Targeted voluntary separation packages	1 371	-
Other employment related expenses	754	751
Skills and experience retention leave	320	37
Police Service Leave	300	212
Additional compensation	(13 380)	46 767
<b>Total employee benefits</b>	<b>749 707</b>	<b>750 374</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**2.3. Employee benefits expenses (continued)**

***Employment on-costs – superannuation***

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees.

***Executive remuneration***

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
\$149 000 - \$151 000	N/A	72
\$151 001 - \$171 000	349	386
\$171 001 - \$191 000	81	79
\$191 001 - \$211 000	62	53
\$211 001 - \$231 000	38	40
\$231 001 - \$251 000	12	10
\$251 001 - \$271 000	5	1
\$271 001 - \$291 000	7	6
\$291 001 - \$311 000	3	3
\$311 001 - \$331 000	2	1
\$331 001 - \$351 000	1	-
\$351 001 - \$371 000	-	2
\$371 001 - \$391 000	2	-
\$671 001 - \$691 000	1	-
<b>Total</b>	<b>563</b>	<b>653</b>

The \$149 000 to \$151 000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2017-18.

The table includes all employees who received remuneration 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, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year is \$99.600 million. This was \$111.200 million in 2018.

***Targeted voluntary separation packages***

The number of employees who received a TVSP during the reporting period was 21 (2018: 0).

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Amount paid to separated employees:		
Targeted voluntary separation packages	1 371	-
Leave paid to separated employees	486	-
Recovery from the DTF	(1 903)	-
<b>Net cost to the department</b>	<b>(46)</b>	<b>-</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**2.4. Employee benefits liability**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Annual leave	37 178	38 882
Accrued salaries and wages	19 357	21 970
Long service leave	16 630	15 410
Police service leave	1 052	1 292
Skills and experience retention leave	509	529
Leave bank	376	419
<b>Total current employee benefits</b>	<b>75 102</b>	<b>78 502</b>
<b>Non-current</b>		
Long service leave	215 151	192 189
Police service leave	1 591	2 434
Leave bank	24	498
<b>Total non-current employee benefits</b>	<b>216 766</b>	<b>195 121</b>
<b>Total employee benefits</b>	<b>291 868</b>	<b>273 623</b>

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

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

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

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

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

***Long service leave***

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

***Leave bank***

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

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**3. Expenses**

Employee benefits expenses are disclosed in note 2.3.

**3.1. Supplies and services**

	2019	2018
	\$'000	\$'000
Accommodation and property related *	36 511	34 641
Communication and computing	31 234	33 305
Motor vehicle related	26 437	24 399
Administration	19 248	19 348
Employee programs & housing subsidies	11 325	11 296
Other	8 610	7 477
Utilities	5 582	5 335
Minor equipment	3 665	5 018
Shared Services SA	2 799	2 762
Insurance	1 907	1 790
Uniforms	1 766	2 621
Helicopter costs	1 724	1 561
Legal costs	1 599	849
Collection costs	805	833
Consultants	263	559
<b>Total supplies and services</b>	<b>153 475</b>	<b>151 794</b>

- \* Pursuant to the contract arrangements with Plenary Justice Pty Ltd (Plenary), the Public Private Partnership (PPP) partner, SAPOL pays lease charges to Plenary for sites occupied by both SAPOL and the Courts Administration Authority (CAA). SAPOL on-charges the CAA for lease costs associated with CAA sites. The income and expenditure associated with the sites occupied by CAA are recognised as administration items. The resulting revenue is not off-set against expenditure.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

**Insurance**

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

**Operating leases payments**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**3.1. Supplies and services (continued)**

**Consultants**

The number of consultancies and dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2019 Number	2019 \$'000	2018 Number	2018 \$'000
Below \$10 000	-	-	28	56
\$10 000 or above	5	263	10	503
<b>Total</b>	<b>5</b>	<b>263</b>	<b>38</b>	<b>559</b>

**Other**

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act* were \$0.355 million (2018: \$0.363 million). No other services were provided by the AGD.

**3.2. Depreciation and amortisation**

	2019 \$'000	2018 \$'000
<b>Depreciation</b>		
Buildings and improvements	6 531	6 402
Computing and communications equipment	4 576	4 582
Vehicles	1 185	1 092
Transport vessels	973	481
Aircraft	324	237
Other	5 102	5 149
Leasehold improvements	2 818	4 209
Internally generated computer software	3 508	2 955
Other computer software	3 017	2 972
<b>Total depreciation and amortisation</b>	<b>28 034</b>	<b>28 079</b>

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.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

SAPOL revalued its buildings downward at 30 June 2019. Future depreciation expense will reduce by \$1.130 million per annum as a result.

Land and non-current assets held for sale are not depreciated.

**Review of accounting estimates**

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

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**3.2. Depreciation and amortisation (continued)**

*Useful life*

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	20-60
Vehicles and transport vessels	3-10
Aircraft	5-35
Computing & communications equipment	2-10
Sub class:	
<i>Radio masts</i>	2-60
Other	2-20
Sub class:	
<i>Generators</i>	2-38
Leasehold improvements	Remaining life of lease
Intangible assets	2-10

**4. Income**

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

**4.1. Net revenues from SA Government**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	829 381	812 085
Transfers from contingencies	3 615	-
Contributions from the Community Emergency Services Fund	22 900	22 343
Contributions from the Community Road Safety Fund	42 296	41 264
<b>Total revenues from SA Government</b>	<b>898 192</b>	<b>875 692</b>
<b>Payments to SA Government</b>		
Return of surplus cash pursuant to cash alignment policy	(9 743)	(34 895)
<b>Total payments to SA Government</b>	<b>(9 743)</b>	<b>(34 895)</b>
<b>Net revenues from SA Government</b>	<b>888 449</b>	<b>840 797</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4.1. Net revenues from SA Government (continued)**

***Appropriations***

Appropriations are recognised on receipt.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

Total revenues from Government consist of \$820.063 million (2018: \$796.767 million) for operational funding and \$9.318 million (2018: \$15.318 million) for capital projects.

**4.2. Fees and charges**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Police security services	10 973	10 567
Firearms licence and registration fees	5 474	5 234
Police information requests	2 393	2 601
Escorts - wide load/other	2 361	2 978
Prosecution and other court fees	1 365	2 217
Hoon legislation recoveries	1 147	2 682
Other fees	821	900
<b>Total fees and charges</b>	<b>24 534</b>	<b>27 179</b>

Income from fees and charges is derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**4.3. Commonwealth grants and payments**

	2019	2018
	\$'000	\$'000
Commonwealth grants and payments	1 946	1 867
<b>Total Commonwealth grants and payments</b>	<b>1 946</b>	<b>1 867</b>

Contributions are recognised as an asset and income when SAPOL obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

During 2018-19 SAPOL recovered costs associated with resources provided at the request of the Commonwealth Government in relation to:

- Australian Criminal Intelligence Commission (ACIC) - Jurisdictional criminal history referrals
- Home and Community Care
- Operation Midrealm
- ANZCTC activity Funding Agreement - Exercise Neighbour
- ANZCTC Drill Exercise and Training Consumable Program

Grants which have conditions of expenditure still to be met as at reporting date were \$0.024 million (2018: \$0.027 million). These contributions relate to ANZCTC Drill Exercise and Training Consumable Program.

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

**4.4. Interest**

	2019	2018
	\$'000	\$'000
Interest on deposit accounts	3	3
<b>Total interest revenues</b>	<b>3</b>	<b>3</b>

**4.5. Resources received free of charge**

	2019	2018
	\$'000	\$'000
Services received free of charge - Shared Services SA	2 778	2 762
<b>Total resources received free of charge</b>	<b>2 778</b>	<b>2 762</b>

Resources received free of charge - whole of government change in accounting treatment for Shared Services SA payments. Now treated as supplies and services with an income offset - resources received free of charge. On the 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA to general government sector agencies. As a result of this change, effective from 2017-18, Shared Services SA is directly appropriation funded for the services provided by Shared Services SA to general government agencies.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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

	2019	2018
	\$'000	\$'000
<b>Vehicles</b>		
Proceeds from disposal	229	438
Less carrying amount of assets disposed	(64)	(41)
<b>Net gain from disposal of plant and equipment</b>	<u>165</u>	<u>397</u>
<b>Computing and communication equipment</b>		
Less carrying amount of assets disposed	(7)	-
<b>Net gain / (loss) from disposal of land and buildings</b>	<u>(7)</u>	<u>-</u>
<b>Total assets</b>		
Proceeds from disposal	229	438
Less carrying amount of assets disposed	(71)	(41)
<b>Total net gain from disposal of assets</b>	<u>158</u>	<u>397</u>

**4.7. Other income**

	2019	2018
	\$'000	\$'000
Intra-Government transfers	1 394	1 207
Employee benefits recoveries	1 347	3 289
Goods and services recoveries	1 092	1 032
Sundry receipts	657	531
Contributed (donated) asset revenue	505	224
Rent revenue	264	301
Other sundry revenues	643	593
<b>Total other income</b>	<u>5 902</u>	<u>7 177</u>

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

In 2018-19 the intra-government transfer comprises:

- \$0.579 million for a traffic training and promotion program from the Motor Accident Commission (2018: \$0.562 million)
- \$0.313 million for SE Freeway project from DPTI (2018: \$0)
- \$0.186 million for the Rural Highway Saturation Program from DPTI (2018: \$0.182 million)
- \$0.145 million for Thebarton Heritage Works (Compass House Brickworks and Stair Replacement from DPTI (2018: \$0.100 million)
- \$0.065 million National Motor Vehicle Theft Reduction program from DPTI & Attorney General's Department (2018: \$0.065 million)
- \$0.052 million Duggan review – funding for the administrative support from Department of the Premier and Cabinet (DPC) (2018: \$0)
- \$0.037 million for COMCEN – Installation of Gallagher Systems from DPC (2018: \$0)
- \$0.017 million for Home & Community Care from the Department of Human Services (2018: \$0.016 million)

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5. Non-financial assets**

The department's non-financial assets predominantly relate to buildings, these buildings house a variety of police stations used to facilitate the safety of a wider community across South Australia.

**5.1. Property, plant and equipment**

	2019	2018
	\$'000.	\$'000
<b>Land and buildings <sup>(1)</sup></b>		
Land at fair value	71 086	63 047
Buildings at fair value	182 983	211 343
Accumulated depreciation at the end of the period	-	(12 782)
<b>Total land and buildings</b>	<b>254 069</b>	<b>261 608</b>
<b>Leasehold improvements <sup>(1)</sup></b>		
Leasehold improvements at fair value	32 229	34 982
<b>Total leasehold improvements</b>	<b>32 229</b>	<b>34 982</b>
<b>Computing and communications equipment</b>		
Computing and communications equipment at cost (deemed fair value)	58 985	57 198
Accumulated depreciation at the end of the period	(47 064)	(43 070)
<b>Total computing and communications equipment</b>	<b>11 921</b>	<b>14 128</b>
<b>Vehicles</b>		
Vehicles at cost (deemed fair value)	7 575	6 988
Accumulated depreciation at the end of the period	(4 980)	(4 398)
<b>Total vehicle</b>	<b>2 595</b>	<b>2 590</b>
<b>Transport vessels <sup>(1)</sup></b>		
Transport vessels at cost (deemed fair value)	940	1 999
Accumulated depreciation at the end of the period	-	-
<b>Total transport vessels</b>	<b>940</b>	<b>1 999</b>
<b>Other property plant and equipment</b>		
Other at cost (deemed fair value)	57 108	57 679
Accumulated depreciation at the end of the period	(37 111)	(35 258)
<b>Total other</b>	<b>19 997</b>	<b>22 421</b>
<b>Aircraft <sup>(1)</sup></b>		
Aircraft at fair value	3 589	2 555
<b>Total aircraft</b>	<b>3 589</b>	<b>2 555</b>
<b>Total property, plant and equipment</b>	<b>325 340</b>	<b>340 283</b>

<sup>(1)</sup> Land and buildings, leasehold improvements, transport vessels and aircraft were revalued as at 30 June 2019 following a site independent valuation by Liquid Pacific. Refer note 11.2.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.1. Property, plant and equipment (continued)**

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note 11.2.

Plant and equipment include \$0 of temporarily idle plant and equipment; \$55.574 million of fully depreciated plant and equipment still in use; and \$0 of plant and equipment retired from active use but not classified as held for sale.

**Impairment**

Property, plant and equipment have 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 and are subject to regular revaluation.

**Reconciliation 2018-19**

2019	Buildings & Leasehold		Computing	Transport		Other	
	Land	improv'ts	& comms equipment	Vehicles	vessels		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying amount at 1 July 2018	63 047	198 561	34 982	14 128	2 590	1 999	22 421
Additions	-	-	100	-	-	-	-
Transfers from capital works in progress	-	4 269	118	2 380	1 139	-	2 661
Depreciation	-	(6 531)	(2 818)	(4 576)	(1 185)	(973)	(5 102)
Net revaluation increment/(decrement)	7 953	(13 318)	(153)	-	-	(86)	-
Donated assets	-	-	-	-	95	-	126
Disposals	-	-	-	(7)	(64)	-	-
Assets written off	-	-	-	(4)	-	-	(109)
Other Movement	86	2	-	-	20	-	-
<b>Carrying amount at 30 June 2019</b>	<b>71 086</b>	<b>182 983</b>	<b>32 229</b>	<b>11 921</b>	<b>2 595</b>	<b>940</b>	<b>19 997</b>

**Reconciliation 2018-19**

2019	Total property plant and equipment		Capital works in progress	Total
	Aircraft	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	2 555	340 283	16 251	356 534
Additions	-	100	20 033	20 133
Transfers from capital works in progress	1 030	11 597	(26 016)	(14 419)
Depreciation	(324)	(21 509)	-	(21 509)
Net revaluation increment/(decrement)	328	(5 276)	-	(5 276)
Donated assets	-	221	-	221
Disposals	-	(71)	-	(71)
Assets written off	-	(113)	-	(113)
Other Movement	-	108	124	232
<b>Carrying amount at 30 June 2019</b>	<b>3 589</b>	<b>325 340</b>	<b>10 392</b>	<b>335 732</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.1. Property, plant and equipment (continued)**

*Reconciliation 2017-18*

2018	Buildings & Leasehold improv'ts		Computing & comms equipment		Transport Vehicles vessels		Other
	Land \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying amount at 1 July 2017	62 524	202 768	35 496	13 749	2 790	1 474	24 226
Revaluation increment/(decrement)	-	-	3 674	-	-	1 006	-
Transfers from capital works in progress	523	2 209	7	4 961	939	-	3 111
Depreciation	-	(6 402)	(4 209)	(4 582)	(1 092)	(481)	(5 149)
Donated assets	-	-	-	-	-	-	224
Transfer between classes	-	(14)	14	-	-	-	-
Asset recognised through stocktake	-	-	-	-	-	-	11
Disposals	-	-	-	-	(41)	-	-
Assets written off	-	-	-	-	-	-	(2)
Transfers to assets held for sale	-	-	-	-	(6)	-	-
<b>Carrying amount at 30 June 2018</b>	<b>63 047</b>	<b>198 561</b>	<b>34 982</b>	<b>14 128</b>	<b>2 590</b>	<b>1 999</b>	<b>22 421</b>

*Reconciliation 2017-18*

2018	Total property plant and equipment		Capital works in progress	Total
	Aircraft \$'000	\$'000	\$'000	
Carrying amount at 1 July 2017	2 287	345 314	9 121	354 435
Additions	-	-	20 855	20 855
Revaluation increment/(decrement)	505	5 185	-	5 185
Transfers from capital works in progress	-	11 750	(13 725)	(1 975)
Depreciation	(237)	(22 152)	-	(22 152)
Donated assets	-	224	-	224
Asset recognised through stocktake	-	11	-	11
Disposals	-	(41)	-	(41)
Assets written off	-	(2)	-	(2)
Transfers to assets held for sale	-	(6)	-	(6)
<b>Carrying amount at 30 June 2018</b>	<b>2 555</b>	<b>340 283</b>	<b>16 251</b>	<b>356 534</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.2. Intangible assets**

	2019 \$'000	2018 \$'000
<b>Computer software</b>		
Internally developed computer software	46 599	33 556
Accumulated amortisation	(28 391)	(25 141)
Purchased computer software	25 688	25 902
Accumulated amortisation	(18 009)	(16 591)
<b>Total other computer software</b>	<b>25 887</b>	<b>17 726</b>

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 \$0.010 million.

The internally developed computer software includes software modules of the department's Project Shield that 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.

**Reconciliation 2018-19**

2019	Intangible assets (internally generated)	Intangible assets (other computer software)	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	8 415	9 311	17 726
Transfers from capital works in progress	13 302	1 117	14 419
Amortisation	(3 508)	(3 017)	(6 525)
Donated assets	-	284	284
Assets written off	(1)	(16)	( 17)
<b>Carrying amount at 30 June 2019</b>	<b>18 208</b>	<b>7 679</b>	<b>25 887</b>

**Reconciliation 2017-18**

2018	Intangible assets (internally generated)	Intangible assets (other computer software)	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2017	10 665	11 018	21 683
Transfers from capital works in progress	705	1 270	1 975
Amortisation	(2 955)	(2 972)	(5 927)
Assets written off	-	(5)	( 5)
<b>Carrying amount at 30 June 2018</b>	<b>8 415</b>	<b>9 311</b>	<b>17 726</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**5.3. Capital works in progress**

	2019	2018
	\$'000	\$'000
Property, plant and equipment in progress at cost (deemed fair value)	10 392	16 251
<b>Total capital works in progress</b>	<b>10 392</b>	<b>16 251</b>

**5.4. Inventories**

	2019	2018
	\$'000	\$'000
<b>Current inventories</b>		
Inventories held for distribution at cost	226	280
<b>Total inventories</b>	<b>226</b>	<b>280</b>

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost is assigned to land held for sale and to other high value, low volume inventory items on a specific identification of cost basis.

Cost for all other inventory is measured on the basis of the first in, first out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

**Cost of inventories**

The cost recognised as an expense for raw materials and consumables is \$0.044 million. The net change in inventories held for distribution and other inventory for the period is \$0.073 million and \$0 respectively.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.5. Non-current assets classified as held for sale**

	2019	2018
	\$'000	\$'000
Land	10 150	10 330
Buildings and improvements	-	43
Vehicles	6	11
<b>Total non-current assets classified as held for sale</b>	<b>10 156</b>	<b>10 384</b>

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

Carrying amount at the beginning of the period	10 384	10 378
Transfers from vehicles	(5)	6
Net revaluation increment/(decrement)	(223)	-
<b>Total non-current assets classified as held for sale</b>	<b>10 156</b>	<b>10 384</b>

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

The department has measured the assets held for sale at the lower of its carrying amount and fair value less costs to sell. Detail about the department's approach to fair value is set out in note 11.2.

An independent site valuation was provided by a Certified Practising Valuer for the property upon its classification as held for sale. The valuation was 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.

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	182 679	153 636
Imprest account/cash on hand	306	304
<b>Total cash and cash equivalents</b>	<b>182 985</b>	<b>153 940</b>

***Deposits with the Treasurer***

The department has two deposit accounts with the Treasurer:

- a general operating account; and
- an Accrual Appropriation Excess Funds Account.

Although SAPOL controls the money in the Accrual Appropriation Account, its use must be approved by the Treasurer. SAPOL does not earn interest on its deposits with the Treasurer.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**6.2. Receivables**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	1 505	991
From non-government entities	840	1 016
Less allowance for doubtful debts	(19)	(23)
<b>Total trade receivables</b>	<u>2 326</u>	<u>1 984</u>
Accrued revenue	389	426
Prepayments	1 894	3 440
GST input tax recoverable	2 990	3 375
Workers compensation recoveries	306	510
<b>Total current receivables</b>	<u>7 905</u>	<u>9 735</u>
<b>Non-current</b>		
Workers compensation recoveries	2 960	3 301
<b>Total non-current receivables</b>	<u>2 960</u>	<u>3 301</u>
<b>Total receivables</b>	<u><u>10 865</u></u>	<u><u>13 036</u></u>

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. The net amount of GST payable to the ATO is included as part of receivables.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 11.3 for further information on risk management.

***Impairment of receivables***

	2019	2018
	\$'000	\$'000
Carrying amount at the beginning of the period	23	35
Increase/(Decrease) in the allowance	(2)	21
Amounts written off	-	(30)
Amounts recovered during the year	(2)	(3)
<b>Carrying amount at the end of the period</b>	<u>19</u>	<u>23</u>

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**7. Liabilities**

Employee benefits liabilities are disclosed in note 2.4

**7.1. Payables**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Trade payables	20 718	19 939
Employment on-costs	11 925	12 004
Accrued expenses	2 354	1 414
Paid Parental Leave Scheme payable	60	83
<b>Total current payables</b>	<b>35 057</b>	<b>33 440</b>
<b>Non-current</b>		
Employment on-costs	22 907	20 551
<b>Total non-current payables</b>	<b>22 907</b>	<b>20 551</b>
<b>Total payables</b>	<b>57 964</b>	<b>53 991</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables 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.

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

***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 decreased from the 2018 rate (9.9%) to 9.8%. The average proportion of long service leave taken as leave over the past 3 years increased from the 2018 rate (50.64%) to 53.76% for police and decreased from the 2018 rate (67.80%) to 56.33% 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 is an increase in employment on-cost of \$0.284 million and employee benefits expense of \$0.284 million.

***Paid parental leave scheme***

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

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**7.2. Provisions**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Workers compensation	10 301	9 992
Additional compensation	1 394	3 093
Death in course of employment	32	-
Civil actions against police	236	-
<b>Total current provisions</b>	<b>11 963</b>	<b>13 085</b>
<b>Non-current</b>		
Workers compensation	63 883	49 718
Additional compensation	45 634	58 359
<b>Total non-current provisions</b>	<b>109 517</b>	<b>108 077</b>
<b>Total provisions</b>	<b>121 480</b>	<b>121 162</b>
<b>Workers compensation</b>		
Carrying amount at the beginning of the period	59 710	81 154
Increase/(decrease) resulting from re-measurement	28 738	(9 238)
Reduction due to payments	(14 264)	(12 206)
<b>Carrying amount at the end of the period</b>	<b>74 184</b>	<b>59 710</b>
<b>Additional compensation</b>		
Carrying amount at the beginning of the period	61 452	15 235
Increase/(decrease) resulting from re-measurement	(13 380)	46 767
Reduction due to payments	(1 044)	(550)
<b>Carrying amount at the end of the period</b>	<b>47 028</b>	<b>61 452</b>
<b>Death in course of employment</b>		
Carrying amount at the beginning of the period	-	40
Increase/(decrease) in the provision due to revision of estimates	32	(40)
<b>Carrying amount at the end of the period</b>	<b>32</b>	<b>-</b>
<b>Civil actions against police</b>		
Carrying amount at the beginning of the period	-	348
Increase/(decrease) in the provision due to revision of estimates	370	(194)
Reduction due to payments	(134)	(154)
<b>Carrying amount at the end of the period</b>	<b>236</b>	<b>-</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**7.2. Provisions (continued)**

**Workers' compensation**

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

A liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged through the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

The increase in the workers' compensation liability in 2019 was impacted by:

- a change in the average outstanding claim size based on the profile of the claimants and their recent payment history. This resulted in a \$9.100 million increase.
- a decrease in the government bond rate, resulting in a \$5.400 million increase in the liability.

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

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

Following changes to the Police Officers Award, SAPOL has recognised an Additional Compensation provision from 30 June 2018.

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

The Additional Compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged by the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. The liability comprises an estimate for known claims and an estimate of incurred but not reported (IBNR) applications. No risk margin is included in the estimate.

Key assumptions in the estimate include:

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

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**7.2. Provisions (continued)**

The decrease in the Additional Compensation liability in 2019 was impacted by:

- a decrease in the projected number of known claims, offset by changes in average outstanding claim size based on the profile of the claimant and their recent payment history. This resulted in a \$12.700 million reduction.
- a decrease in the projected number of incurred but not reported claims, based on the history of successful known claims, offset by changes in average outstanding claim size based on the profile of the claimant and their recent payment history. This resulted in a \$6.400 million reduction.
- a decrease in the government bond rate, resulting in a \$4.700 million increase in the liability.

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

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

**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.

**7.3. Other liabilities**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Lease incentive	499	499
Unearned revenue	4 932	35
<b>Total current other liabilities</b>	<u>5 431</u>	<u>534</u>
<b>Non-current</b>		
Lease incentive	3 171	3 578
<b>Total non-current other liabilities</b>	<u>3 171</u>	<u>3 578</u>
<b>Total other liabilities</b>	<u><u>8 602</u></u>	<u><u>4 112</u></u>

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**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.

For information about equity contributions see note 4.1.

**8.2. Cash flow**

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

**Cash flow reconciliation**

	2019 \$'000	2018 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	182 985	153 940
Balance as per the Statement of Cash Flows	182 985	153 940
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>		
Net cash provided by/(used in) operating activities	48 983	(838)
Add payments to SA Government	9 743	34 895
Less revenues from SA Government	(832 996)	(812 085)
Contribution from the Community Emergency Services Fund	(22 900)	(22 343)
Contribution from Community Road Safety Fund	(42 296)	(41 264)
<b>Add / (less) non-cash Items</b>		
Depreciation and amortisation	(28 034)	(28 079)
Donated assets	505	224
Gain/loss from disposal of non-current assets	158	397
Write off of non-current assets	(130)	(7)
Capital accruals	(44)	981
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(2 171)	2 795
Increase/(decrease) in inventories	(54)	(210)
(Increase)/decrease in payables	(3 736)	10 544
(Increase)/decrease in other liabilities	(4 490)	495
(Increase)/decrease in employee benefits	(18 245)	(11 989)
(Increase)/decrease in provisions	(318)	(24 385)
<b>Net cost of providing services</b>	<b>(896 025)</b>	<b>(890 869)</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**9. Changes in accounting policy**

**9.1. Treasurer's Instructions (Accounting Policy Statements)**

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- removal of the additional requirement to report a statement of equity for administered items.
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

**9.2. AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* replaces the provisions of AASB 139 *Financial Instrument Recognition and Measurement* that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, SAPOL adopted consequential amendments to other accounting standards and the Treasurer's Instructions (Accounting Policy Statements) arising from the issue of AASB 9 as follows:

- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, AASB 9 *Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**9.2. AASB 9 Financial Instruments (continued)**

On 1 July 2018, the department has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale. On assessment the department found no material changes.

***Impairment of financial assets***

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the department are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services
- debt investments carried at amortised cost (i.e. bonds and debentures with SAFA)

This model generally results in earlier recognition of credit losses than the previous one.

***Trade receivables***

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The department has adopted the simplified approach under AASB 9 *Financial Instruments* and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**10. Outlook**

**10.1. 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**

	2019	2018
	\$'000	\$'000
Within one year	882	11
Later than one year but not longer than five years	295	133
<b>Total capital commitments</b>	<b>1 177</b>	<b>144</b>

The department's capital is for major capital commitments in 2018-19 which includes RADARS Capital Replacement and the red light camera replacement program.

**Other commitments**

	2019	2018
	\$'000	\$'000
Within one year	3 844	2 667
Later than one year but not longer than five years	2 408	784
<b>Total other commitments</b>	<b>6 252</b>	<b>3 451</b>

Major other expenditure commitments for 2017-18 and 2018-19 include Cleaning Services (Zippy), Magenta Technologies Pty Ltd, Australian Security Intelligence Organisation and Helicopter Standing Charges (SHRS Services).

**Operating lease commitments**

	2019	2018
	\$'000	\$'000
Within one year	31 514	35 173
Later than one year but not longer than five years	105 479	115 728
Later than five years	357 421	123 025
<b>Total operating lease commitments</b>	<b>494 414</b>	<b>273 926</b>

The department's operating leases are for office accommodation and equipment.

The majority of office accommodation is leased from DPTI. The leases are non-cancellable with terms ranging between one and greater than five years with some leases having the right of renewal. Rent is payable in arrears.

SAPOL has entered into a number of operating lease agreements for buildings and vehicles where the lessors effectively retain all of the risks and benefits incidental to ownership of the items. Operating lease payments are representative of the pattern of benefits to be derived from the leased items and accordingly are charged to the Statement of Comprehensive Income in the period in which they are incurred.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**10.1. Unrecognised contractual commitments (continued)**

The property leases are non-cancellable with rental payable in advance. Contingent rental provisions within the lease agreements require minimum lease payments to be increased periodically and generally in line with CPI movements and market conditions. Options exist to renew property leases at the end of the term of the leases. In May 2005 Cabinet approved the execution of a 25 year service contract with Plenary Justice Pty Ltd (Plenary) for regional police stations for SAPOL and courts for the Courts Administration Authority (CAA).

The PPP includes police stations at Mt Barker and Gawler, police stations and court facilities at Port Lincoln, Victor Harbor and Berri, and court facilities at Port Pirie.

For accounting purposes the leases are operating leases.

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 they occupy.

Operating lease commitments include commitments for PPP leases related to SAPOL occupancies only.

**10.2. 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**

SAPOL is not aware of any contingent liabilities.

***Rewards for unsolved murders***

As at 30 June 2019 the value of outstanding rewards for unsolved murders was \$39 million (2018: \$39 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. The amount is not recognised in the Statement of Financial Position.

**10.3. Impact of standards and statements not yet effective**

SAPOL has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

*Treasurer's Instructions (Accounting Policy Statements) 2019* issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

The material impacts on the department are outlined below.

***AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities***

SAPOL will adopt AASB 15 – *Revenue from Contracts with Customers* and AASB 1058 – *Income of Not for Profit Entities* from 1 July 2019.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**10.3. Impact of standards and statements not yet effective (continued)**

**Objective**

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. AASB 15 – *Revenue from Contracts* replaces AASB 111 – *Construction Contracts* and AASB 118 – *Revenue*.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of AASB 1004 – *Contributions*.

**Impact on 2019-20 financial statements**

SAPOL has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective and deem it immaterial to the department.

**Related accounting policies**

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the department must adopt for the transition to AASB 15 – *Revenue from Contracts with Customers* and AASB 1058 – *Income of Not for Profit Entities*. These requirements include that the department will:

- apply AASB 15 and AASB 1058 retrospectively. The cumulative effect of initially applying the Standards will be recognised at 1 July 2019. Comparatives will not be restated
- not apply the AASB 15 and the AASB 1058 completed contracts practical expedient.
- apply the AASB 15 practical expedient for all contract modifications that occur before the date of initial application.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that department will:

- apply, where permitted, the short-term licences recognition exemption.
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences.
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

SAPOL will adopt AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not for Profit Entities* from 1 July 2019. Under AASB 15, recognition for fees for service are recognised at the point where good/service is provided. Minor timing differences exist between the recognition of revenue and the posting of the transaction into the general ledger. There is no change required in the treatment for these transactions as the difference has no material impact for 2019-20.

**AASB 16 – Leases**

SAPOL will adopt AASB 16 – *Leases* from 1 July 2019.

**Objective**

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. AASB 16 *Leases* replaces AASB 117 *Leases* and Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives and Interpretation*, and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**10.3. Impact of standards and statements not yet effective (continued)**

***Impact on 2019-20 financial statements***

SAPOL has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the Treasurer's Instructions (Accounting Policy Statements).

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The department has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the department prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below.

	<b>as at 1 July 2019 \$'000</b>
<b><u>Assets</u></b>	393 023
Right-of-use assets	
<b><u>Liabilities</u></b>	
Lease liabilities	393 023
Other liabilities (lease incentive liabilities)	3 670
<b>Net impact on equity</b>	<b><u>(3 670)</u></b>

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	<b>2020 \$'000</b>
Depreciation and amortisation	30 704
Supplies and services	(31 514)
Borrowing costs	9 378
<b>Net impact on net cost of providing services</b>	<b><u>8 568</u></b>

The amounts disclosed are current estimates only. SAPOL is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**10.3. Impact of standards and statements not yet effective (continued)**

***Related accounting policies***

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the department must adopt for the transition from AASB 117 *Leases* to AASB 16 *Leases*. These requirements include that the department will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that the department will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$0.015 million as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the DTF.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the department to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

**10.4. Events after reporting period**

On 22 October 2018, the State Government announced that the Motor Accident Commission (MAC) would cease operations effective 30 June 2019, with a shift of functions to SAPOL and the DPTI. From 1 July 2019 SAPOL assumed responsibility for road safety media campaigns while DPTI is responsible for the sponsorship of other initiatives. The SAPOL controlled expenditure and appropriation budget increased by \$8.2 million in 2019-20 for these new and ongoing functions.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**11. Measurement and risk**

**11.1. Long service leave liability – measurement**

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

The actuarial assessment performed by the DTF 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 decreased from 2018 (2.75%) to 2019 (1.25%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$27.612 million and an increase in employee benefits expense of \$27.612 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 DTF left the salary inflation rate at 4% 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.

**11.2. Fair value**

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

***Initial recognition***

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

***Revaluation***

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the department 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 \$1.5 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.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

**11.2. Fair value (continued)**

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***

The department 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.

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

During 2019 and 2018, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

***Fair value classification – non-financial assets at 30 June 2019***

		Level 2	Level 3	Total
	Note	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>				
Land	5.1	71 086	-	71 086
Buildings & improvements	5.1	-	182 983	182 983
Leasehold improvements	5.1	-	32 229	32 229
Computing & communications equipment	5.1	-	11 921	11 921
Transport vessels	5.1	940	-	940
Vehicles	5.1	-	2 595	2 595
Other	5.1	-	19 997	19 997
Aircraft	5.1	3 589	-	3 589
<b>Total recurring fair value measurements</b>		<b>75 615</b>	<b>249 725</b>	<b>325 340</b>
<b>Non-recurring fair value measurements</b>				
Land held for sale	5.5	10 150	-	10 150
Vehicles held for sale	5.5	-	6	6
<b>Total non-recurring fair value measurements</b>		<b>10 150</b>	<b>6</b>	<b>10 156</b>
<b>Total fair value measurement</b>		<b>85 765</b>	<b>249 731</b>	<b>335 496</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

**11.2. Fair value (continued)**

*Fair value classification – non-financial assets at 30 June 2018*

		Level 2	Level 3	Total
		\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>				
Land	5.1	63 047	-	63 047
Buildings & improvements	5.1	-	198 561	198 561
Leasehold improvements	5.1	-	34 982	34 982
Computing & communications equipment	5.1	-	14 128	14 128
Transport vessels	5.1	1 999	-	1 999
Vehicles	5.1	-	2 590	2 590
Other	5.1	-	22 421	22 421
Aircraft	5.1	2 555	-	2 555
<b>Total recurring fair value measurements</b>		<b>67 601</b>	<b>272 682</b>	<b>340 283</b>
<b>Non-recurring fair value measurements</b>				
Land held for sale	5.5	10 330	-	10 330
Buildings held for sale	5.5	-	43	43
Vehicles held for sale	5.5	-	11	11
<b>Total non-recurring fair value measurements</b>		<b>10 330</b>	<b>54</b>	<b>10 384</b>
<b>Total fair value measurement</b>		<b>77 931</b>	<b>272 736</b>	<b>350 667</b>

***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***

All items of plant and equipment had a fair value at the time of acquisition less than \$1.500 million and had an estimated useful life less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

**11.2. Fair value (continued)**

*Reconciliation of level 3 recurring fair value measurements as at 30 June 2019*

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

	Buildings and improv'ts	Leasehold improv'ts	Computing & comms equipment	Vehicles	Other
2019	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	198 561	34 982	14 128	2 590	22 421
Transfers from capital work in progress	4 269	118	2 380	1 139	2 661
Donated assets	-	-	-	95	126
Other	2	100	-	20	-
Disposals/written off	-	-	(11)	(64)	(109)
Gains/(losses) for the period recognised in net result:					
Depreciation	(6 531)	(2 818)	(4 576)	(1 185)	(5 102)
Revaluation increment/(decrement)	(13 318)	(153)	-	-	-
Total gains/(losses) recognised in net result	(19 849)	(2 971)	(4 576)	(1 185)	(5 102)
<b>Carrying amount at the end of the period</b>	<b>182 983</b>	<b>32 229</b>	<b>11 921</b>	<b>2 595</b>	<b>19 997</b>

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

**11.2. Fair value (continued)**

*Reconciliation of level 3 recurring fair value measurements as at 30 June 2018*

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

	Buildings and improv'ts	Leasehold improv'ts	Computing & comms equipment	Vehicles	Other
2018	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	202 768	35 496	13 749	2 790	24 226
Asset - recognised through stocktake	-	-	-	-	11
Transfers from capital work in progress	2 209	7	4 961	939	3 111
Classified as held for sale and/or disposals	-	-	-	(6)	-
Donated assets	-	-	-	-	224
Transfer between classes	(14)	14	-	-	-
Disposals/written off	-	-	-	(41)	(2)
Gains/(losses) for the period recognised in net result:					
Depreciation	(6 402)	(4 209)	(4 582)	(1 092)	(5 149)
Revaluation increment/(decrement)	-	3 674	-	-	-
Total gains/(losses) recognised in net result	(6 402)	( 535)	(4 582)	(1 092)	(5 149)
<b>Carrying amount at the end of the period</b>	<b>198 561</b>	<b>34 982</b>	<b>14 128</b>	<b>2 590</b>	<b>22 421</b>

**11.3. Financial instruments**

*Financial risk management*

Risk management is managed by SAPOL's Financial Management Services Branch (FMSB) and SAPOL's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer 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 appropriations 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 7.1 and 7.2 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**  
*as at 30 June 2019*

**11.3. Financial instruments (continued)**

***Impairment of financial assets***

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. SAPOL uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, SAPOL considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	<b>Debtor gross carrying amount</b>	<b>Loss %</b>	<b>Lifetime expected losses</b>
	<b>\$'000</b>		<b>\$'000</b>
Current (not past due)	263		
1 - 30 days past due	70	0.81	1
31 - 60 days past due	28	4.02	1
61 - 90 days past due	15	27.33	4
More than 90 days past due	70	18.01	13
<b>Loss allowance</b>	<b>446</b>		<b>19</b>

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the department's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with SAPOL and a failure to make contractual payments for a period of greater than 180 days past due.

No receivables were written off during the year.

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

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

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**11.3. Financial instruments (continued)**

***Market risk***

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

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. As at 30 June 2019, SAPOL have 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 applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement***

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments
- Loan and receivables
- Financial liabilities measured at cost.

SAPOL does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer to notes 6.2 and 7.1).

***Classification applicable from 1 July 2018 under AASB 9 Financial Instruments***

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

SAPOL measures all financial instruments at amortised cost.

**South Australia Police**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2019*

**11.3. Financial instruments (continued)**

Category of financial asset and financial liability	Note	2019 Carrying amount/Fair Value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents					
Cash and cash equivalents	6.1	182 985	182 985	-	-
Loans and receivables					
Receivables <sup>(1)(2)</sup>		2 321	2 321	-	-
<b>Total financial assets</b>		<b>185 306</b>	<b>185 306</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Financial liabilities at cost					
Payables <sup>(1)</sup>		19 468	19 468	-	-
<b>Total financial liabilities</b>		<b>19 468</b>	<b>19 468</b>	<b>-</b>	<b>-</b>

Category of financial asset and financial liability	Note	2018 Carrying amount/Fair Value \$'000	2018 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents					
Cash and cash equivalents	6.1	153 940	153 940	-	-
Loans and receivables					
Receivables <sup>(1)(2)</sup>		2 116	2 116	-	-
<b>Total financial assets</b>		<b>156 056</b>	<b>156 056</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Financial liabilities at cost					
Payables <sup>(1)</sup>		18 131	18 131	-	-
<b>Total financial liabilities</b>		<b>18 131</b>	<b>18 131</b>	<b>-</b>	<b>-</b>

***Receivables and payables***

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2

**South Australia Police  
(SAPOL)**

**Administered Financial Statements**

For the year ended 30 June 2019

**South Australia Police**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2019*

**Statement of Administered Comprehensive Income**

	Note	2019 \$'000	2018 \$'000
<b>Administered expenses</b>			
Employee benefits expenses	4.1	478	619
Supplies and services	5.1	2 477	2 384
Intra-government transfers		10 281	11 475
Payments to consolidated account	6.1	61 677	68 775
<b>Total administered expenses</b>		<b>74 913</b>	<b>83 253</b>
<b>Administered income</b>			
Revenues from SA Government	6.1	576	655
Fees, fines and charges	6.2	75 103	81 613
<b>Total administered income</b>		<b>75 679</b>	<b>82 268</b>
<b>Net result</b>		<b>766</b>	<b>(985)</b>
<b>Net result and total comprehensive result</b>		<b>766</b>	<b>(985)</b>

The accompanying notes form part of these financial statements.

**South Australia Police**  
**Statement of Administered Financial Position**  
*as at 30 June 2019*

**Statement of Administered Financial Position**

	Note	2019 \$'000	2018 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	7.1	13 430	14 969
Receivables	7.2	249	224
<b>Total current assets</b>		<u>13 679</u>	<u>15 193</u>
<b>Total assets</b>		<u>13 679</u>	<u>15 193</u>
<b>Administered current liabilities</b>			
Payables		28	-
Other liabilities	8.1	13 037	15 345
<b>Total current liabilities</b>		<u>13 065</u>	<u>15 345</u>
<b>Total liabilities</b>		<u>13 065</u>	<u>15 345</u>
<b>Net assets</b>		<u>614</u>	<u>(152)</u>
<b>Administered equity</b>			
Retained earnings		614	(152)
<b>Total equity</b>		<u>614</u>	<u>(152)</u>

The accompanying notes form part of these financial statements.

**South Australia Police**  
**Statement of Administered Cash Flows**  
*for the year ended June 2019*

**Statement of Administered Cash Flows**

		2019	2018
		\$'000	\$'000
		Inflows	Inflows
	Note	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(478)	(619)
Supplies and services		(2 424)	(2 376)
Intra-government transfers		(10 281)	(11 475)
Payments to SA Government		(63 470)	(68 974)
Exhibit monies		(477)	-
Unclaimed property		(63)	-
<b>Cash used in operations</b>		<b>(77 193)</b>	<b>(83 444)</b>
<b>Cash inflows</b>			
Receipts from SA Government		551	647
Fees, fines and charges		75 103	81 613
Exhibit monies		-	1 777
Unclaimed property		-	268
<b>Cash generated from operations</b>		<b>75 654</b>	<b>84 305</b>
<b>Net cash provided by / used in operations</b>	9.1	<b>(1 539)</b>	<b>861</b>
<b>Net increase / decrease in cash and cash equivalents</b>		<b>(1 539)</b>	<b>861</b>
Cash and cash equivalents at the beginning of the period		14 969	14 108
<b>Cash and cash equivalents at the end of the period</b>	7.1	<b>13 430</b>	<b>14 969</b>

The accompanying notes form part of these financial statements.

**South Australia Police**  
**Schedule of Expenses and Income attributable to Administered Items**  
*for the year ended June 2019*

**Schedule of Expenses and Income attributable to Administered Items**

Activities - refer note A2	Victims of Crime				Public Private Partnership (PPP)			
	Expiation Fees		Levy		Special Acts		Partnership (PPP)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Administered expenses</b>								
Employee benefits expenses	-	-	-	-	478	619	-	-
Supplies and services	-	-	-	-	-	-	2 477	2 384
Intra-government transfers	-	-	10 086	11 293	-	-	-	-
Payments to consolidated account	61 452	68 775	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>61 452</b>	<b>68 775</b>	<b>10 086</b>	<b>11 293</b>	<b>478</b>	<b>619</b>	<b>2 477</b>	<b>2 384</b>
<b>Administered income</b>								
Revenues from SA Government	-	-	-	-	517	596	-	-
Fees, fines and charges	62 412	67 815	10 086	11 293	-	-	2 477	2 384
<b>Total administered income</b>	<b>62 412</b>	<b>67 815</b>	<b>10 086</b>	<b>11 293</b>	<b>517</b>	<b>596</b>	<b>2 477</b>	<b>2 384</b>
<b>Net result</b>	<b>960</b>	<b>(960)</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>(23)</b>	<b>-</b>	<b>-</b>

Activities - refer note A2	Firearms Safety					
	Training Levy		Other		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Administered expenses</b>						
Employee benefits expenses	-	-	-	-	478	619
Supplies and services	-	-	-	-	2 477	2 384
Intra-government transfers	128	121	67	61	10 281	11 475
Payments to consolidated account	-	-	225	-	61 677	68 775
<b>Total administered expenses</b>	<b>128</b>	<b>121</b>	<b>292</b>	<b>61</b>	<b>74 913</b>	<b>83 253</b>
<b>Administered income</b>						
Revenues from SA Government	-	-	59	59	576	655
Fees, fines and charges	128	121	-	-	75 103	81 613
<b>Total administered income</b>	<b>128</b>	<b>121</b>	<b>59</b>	<b>59</b>	<b>75 679</b>	<b>82 268</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>(233)</b>	<b>(2)</b>	<b>766</b>	<b>(985)</b>

**South Australia Police**  
**Schedule of Assets and Liabilities attributable to Administered Items**  
*as at 30 June 2019*

**Schedule of Assets and Liabilities attributable to Administered Items**

Activities - refer note A2	Unclaimed						Victims of			
	Property		Exhibit Monies		Expiation Fees		Crime Levy		Special Acts	
	2019 \$'000	2018 \$'000								
<b>Administered current assets</b>										
Cash and cash equivalents	347	410	8 308	8 785	3 335	4 023	798	944	74	35
<b>Total current assets</b>	<b>347</b>	<b>410</b>	<b>8 308</b>	<b>8 785</b>	<b>3 335</b>	<b>4 023</b>	<b>798</b>	<b>944</b>	<b>74</b>	<b>35</b>
<b>Total assets</b>	<b>347</b>	<b>410</b>	<b>8 308</b>	<b>8 785</b>	<b>3 335</b>	<b>4 023</b>	<b>798</b>	<b>944</b>	<b>74</b>	<b>35</b>
<b>Administered current liabilities</b>										
Payables	-	-	-	-	-	-	-	-	-	-
Other liabilities	347	410	8 308	8 785	3 335	4 982	798	944	-	-
<b>Total current liabilities</b>	<b>347</b>	<b>410</b>	<b>8 308</b>	<b>8 785</b>	<b>3 335</b>	<b>4 982</b>	<b>798</b>	<b>944</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>347</b>	<b>410</b>	<b>8 308</b>	<b>8 785</b>	<b>3 335</b>	<b>4 982</b>	<b>798</b>	<b>944</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(959)</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>35</b>

Activities - refer note A2	Public Private		Firearms Safety		Other		Total	
	Partnership (PPP)		Training Levy					
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Administered current assets</b>								
Cash and cash equivalents	-	-	28	-	540	772	13 430	14 969
Receivables	249	224	-	-	-	-	249	224
<b>Total current assets</b>	<b>249</b>	<b>224</b>	<b>28</b>	<b>-</b>	<b>540</b>	<b>772</b>	<b>13 679</b>	<b>15 193</b>
<b>Total assets</b>	<b>249</b>	<b>224</b>	<b>28</b>	<b>-</b>	<b>540</b>	<b>772</b>	<b>13 679</b>	<b>15 193</b>
<b>Administered current liabilities</b>								
Payables	-	-	28	-	-	-	28	-
Other liabilities	249	224	-	-	-	-	13 037	15 345
<b>Total current liabilities</b>	<b>249</b>	<b>224</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 065</b>	<b>15 345</b>
<b>Total liabilities</b>	<b>249</b>	<b>224</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 065</b>	<b>15 345</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540</b>	<b>772</b>	<b>614</b>	<b>(152)</b>

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

**South Australia Police**  
**Notes to and forming part of the Administered financial statements**  
*as at 30 June 2019*

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NOTES TO THE FINANCIAL STATEMENTS

<b>A1.</b>	<b>Basis of preparation and accounting policies .....</b>	<b>9</b>
<b>A2.</b>	<b>Objectives/Activities of SAPOL's administered items .....</b>	<b>9</b>
<b>A3.</b>	<b>Budget performance .....</b>	<b>11</b>
<b>A4.</b>	<b>Employee Benefits Expense .....</b>	<b>12</b>
A4.1	Employee benefits .....	12
<b>A5.</b>	<b>Expenses .....</b>	<b>12</b>
A5.1	Supplies and services .....	12
<b>A6.</b>	<b>Income .....</b>	<b>12</b>
A6.1	Revenues from / (payments to) SA Government .....	12
A6.2	Fees, fines and charges .....	13
<b>A7.</b>	<b>Financial assets .....</b>	<b>13</b>
A7.1	Cash and cash equivalents .....	13
A7.2	Receivables .....	13
<b>A8.</b>	<b>Liabilities .....</b>	<b>13</b>
A8.1	Other liabilities .....	13
<b>A9.</b>	<b>Other disclosures .....</b>	<b>14</b>
A9.1	Cash flow reconciliations .....	14

**South Australia Police**  
**Notes to and forming part of the Administered financial statements**  
*as at 30 June 2019*

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**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 the department's financial statements.

**Departures from SAPOL 'basis of financial statement'**

Income from expiation fees, Victims of Crime Levy, fees and appropriations from the consolidated account are recognised on a cash basis. All other elements of SAPOL 's Statement of Administered Comprehensive Income, Statement of Administered Financial Position and Statement of Administered Changes in Equity have been prepared on an accrual basis.

**A2. Objectives/Activities of SAPOL's administered items**

The department'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 exhibit property being items 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.

**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**  
*as at 30 June 2019*

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

**Public Private Partnership**

In May 2005 Cabinet approved the execution of a 25-year service contract with Plenary Justice Pty Ltd (Plenary) for regional police stations for SAPOL and courts for the Courts Administration Authority (CAA).

In June 2005 the Minister of Infrastructure signed a project agreement.

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

For accounting purposes, the lease is an operating lease.

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.

**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.

**South Australia Police**  
**Notes to and forming part of the Administered financial statements**  
*as at 30 June 2019*

**A3. Budget performance**

The budget performance table compares the department's outcomes against budget information presented to Parliament (2018-19 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 2019 \$'000	Actual 2019 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>				
<b>Expenses</b>				
		474	478	4
Employee benefits expense				
		2 514	2 477	(37)
Supplies and services				
		14 054	10 281	(3 773)
Intra-government transfers				
	a	70 531	61 677	(8 854)
Payments to consolidated account				
<b>Total expenses</b>		<b>87 573</b>	<b>74 913</b>	<b>(12 660)</b>
<b>Income</b>				
		533	576	43
Revenue from SA Government				
	b	87 040	75 103	(11 937)
Fees, fines and charges				
<b>Total income</b>		<b>87 573</b>	<b>75 679</b>	<b>(11 894)</b>
<b>Net cost of providing services</b>				
		-	766	766
<b>Net result</b>				
		-	766	766

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.

- a) The 2018-19 original budget for payments to the consolidated account was revised downwards during the year mainly due to the volume adjustment as a result of expiated revenue detections being lower overall. The actual payments of \$61.677 million was lower than the revised budget of \$64.760 million.
- b) The 2018-19 original budget was revised downwards during the year for approved adjustments, mainly due to a volume adjustment based on expiated revenue detections being lower overall. The actual income of \$75.103 million was lower than the approved revised budget of \$78.899 million.

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

**South Australia Police**  
**Notes to and forming part of the Administered financial statements**  
*as at 30 June 2019*

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**A4. Employee Benefits Expense**

**A4.1 Employee benefits**

	2019	2018
	\$'000	\$'000
Salaries and wages	478	619
<b>Total employee benefits</b>	<b>478</b>	<b>619</b>

The total salaries and wages paid was funded from consolidated account pursuant to the *Police Act 1998*. The 2017-18 expenses included leave paid as a lump sum in lieu of taken long service leave.

**A5. Expenses**

The below expenses relate to PPP lease payments on behalf of CAA. The expenditure is offset by cost recovery from CAA. Refer to note A6.2

**A5.1 Supplies and services**

	2019	2018
	\$'000	\$'000
PPP lease payments	2 477	2 384
<b>Total supplies and services</b>	<b>2 477</b>	<b>2 384</b>

**A6. Income**

**A6.1 Revenues from / (payments to) SA Government**

	2019	2018
	\$'000	\$'000
<b>Revenues from SA Government</b>		
Appropriations from consolidated account pursuant to the <i>Appropriation Act</i>	59	59
Appropriations from consolidated account pursuant to the <i>Police Act 1998</i>	517	596
<b>Total revenues from SA Government</b>	<b>576</b>	<b>655</b>
<b>Payments to SA Government</b>		
Payments to the consolidated account	(61 677)	(68 775)
<b>Total payments to SA Government</b>	<b>(61 677)</b>	<b>(68 775)</b>
<b>Net revenues from SA Government</b>	<b>(61 101)</b>	<b>(68 120)</b>

Appropriations are recognised on receipt.

**South Australia Police**  
**Notes to and forming part of the Administered financial statements**  
*as at 30 June 2019*

**A6.2 Fees, fines and charges**

	2019	2018
	\$'000	\$'000
Expiation revenue	62 412	67 815
Victims of Crime Levy	10 086	11 293
PPP cost recovery *	2 477	2 384
Firearms Safety Training Levy	128	121
<b>Total fees, fines and charges</b>	<b>75 103</b>	<b>81 613</b>

\* This amount includes cost recovery from the CAA for PPP lease payments (refer to note A2)

The income received through expiation revenue has decreased from previous years due to changes in driver behaviour and payment behaviour, these funds are then returned to Department of Treasury and Finance (DTF) through payments to the consolidated account.

**A7. Financial assets**

**A7.1 Cash and cash equivalents**

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	13 430	14 969
<b>Total cash and cash equivalents</b>	<b>13 430</b>	<b>14 969</b>

**A7.2 Receivables**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Receivables	249	224
<b>Total current receivables</b>	<b>249</b>	<b>224</b>
<b>Total receivables</b>	<b>249</b>	<b>224</b>

**A8. Liabilities**

**A8.1 Other liabilities**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Funds payable to SA Government	4 133	5 926
Exhibit monies held	8 308	8 785
Unclaimed property held for SA Government	347	410
Other payable to non-SA government	249	224
<b>Total current other liabilities</b>	<b>13 037</b>	<b>15 345</b>
<b>Total other liabilities</b>	<b>13 037</b>	<b>15 345</b>

All payable amounts disclosed above are expected to be paid within 12 months after reporting date.

**South Australia Police**  
**Notes to and forming part of the Administered financial statements**  
*as at 30 June 2019*

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**A9. Other disclosures**

**A9.1 Cash flow reconciliations**

	2019	2018
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	13 430	14 969
Balance as per the Statement of Administered Cash Flows	13 430	14 969
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>		
Net cash provided by/(used in) operating activities	(1 539)	861
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	25	8
(Increase)/decrease in payables and employee benefits	(28)	-
(Increase)/decrease in other liabilities	2 308	(1 854)
<b>Net result</b>	<b>766</b>	<b>(985)</b>