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To the Commissioner of Police South Australia Police

Opinion

I have audited the financial report of the South Australia Police for the financial year ended 30 June 2023.

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 2023, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- Notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2023
- a Statement of Administered Financial Position as at 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- a Schedule of Income and Expenses attributable to Administered Items for the year ended 30 June 2023
- a Schedule of Assets and Liabilities attributable to Administered Items as at 30 June 2023
- Notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Commissioner of Police and the Executive Director, Business Service.

Basis for opinion

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

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

Responsibilities of the Commissioner of Police for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the South Australia Police for the financial year ended 30 June 2023.

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

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

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

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

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



Andrew Richardson
Auditor-General

18 September 2023

**South Australia Police
(SAPOL)**

Financial Statements

For the year ended 30 June 2023

South Australia Police
Certification of the Financial Statements
for the year ended 30 June 2023

We certify that the:

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



Grant Stevens
Commissioner of Police

14 September 2023



Stephen Johnke
Executive Director, Business Service

14 September 2023

South Australia Police
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriation	2.1	938 578	971 647
Fees and charges	2.2	31 417	30 028
Commonwealth-sourced grants and funding	2.3	4 888	2 882
Resources received free of charge	2.4	5 681	4 659
Net gain from the disposal of non-current and other assets	2.5	443	6 025
SA Government grants, subsidies and transfers	2.6	86 696	84 619
Other income	2.7	4 874	6 073
Total income		1 072 577	1 105 933
Expenses			
Employee benefits expenses	3.3	836 864	783 808
Supplies and services	4.1	181 027	193 207
Depreciation and amortisation	4.2	45 423	44 605
Write down of non-current assets		233	1 609
Payments to Consolidated Account		-	13 920
Borrowing Costs		2 113	1 265
Total expenses		1 065 660	1 038 414
Net result		6 917	67 519
Total comprehensive result		6 917	67 519

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 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	259 804	246 665
Receivables	6.2	26 488	14 242
Inventories		255	197
Non-current assets classified as held for sale	5.4	500	500
Total current assets		287 047	261 604
Non-current assets			
Receivables	6.2	4 325	4 216
Property, plant and equipment	5.1	426 016	384 330
Intangible assets	5.4	27 423	24 781
Total non-current assets		457 764	413 327
Total assets		744 811	674 931
Current liabilities			
Payables	7.1	44 529	36 270
Employee benefits	3.4	79 196	76 611
Provisions	7.3	23 394	21 041
Financial liabilities	7.2	15 273	13 018
Other liabilities	7.4	8 014	4 475
Total current liabilities		170 406	151 415
Non-current liabilities			
Payables	7.1	18 939	20 736
Employee benefits	3.4	155 076	165 217
Provisions	7.3	158 878	144 509
Financial liabilities	7.2	105 326	62 349
Other liabilities	7.4	2 199	2 837
Total non-current liabilities		440 418	395 648
Total liabilities		610 824	547 063
Net assets		133 987	127 868
Equity			
Retained earnings		(92 751)	(98 870)
Asset revaluation surplus	8.1	141 518	141 518
Contributed capital		85 220	85 220
Total equity		133 987	127 868

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 2023

	Contributed capital	Asset revaluation surplus	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	85 220	141 518	(162 148)	64 590
Prior period adjustment*	-	-	(4 241)	(4 241)
Adjusted balance at 1 July 2021	85 220	141 518	(166 389)	60 349
Net result for 2021-22	-	-	67 519	67 519
Total comprehensive result for 2021-22	-	-	67 519	67 519
Balance at 30 June 2022	85 220	141 518	(98 870)	127 868
Prior period adjustment**	-	-	(798)	(798)
Adjusted balance at 1 July 2022	85 220	141 518	(99 668)	127 070
Net result for 2022-23	-	-	6 917	6 917
Total comprehensive result for 2022-23	-	-	6 917	6 917
Balance at 30 June 2023	85 220	141 518	(92 751)	133 987

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

** There has been a prior period adjustment made on the retained earnings at 30 June 2022. The adjustment relates to a duplicate payable from 2019 for Regulatory fees & fines impacting the cash alignment between controlled and administered.

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 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		938 578	971 647
Fees and charges		29 689	29 788
Commonwealth-sourced grants and funding		4 888	2 882
GST recovered from the ATO		17 899	18 721
SA Government grants, subsidies and transfers		85 930	82 216
Receipts for paid parental leave scheme		1 230	1 063
Other receipts		4 374	12 563
Cash generated from operations		1 082 588	1 118 880
Cash outflows			
Employee benefits payments		(827 496)	(828 255)
Payments for supplies and services		(198 591)	(222 677)
Cash alignment transfers to Consolidated Account		-	(13 945)
Payments for paid parental leave scheme		(1 177)	(1 037)
Interest paid		(2 113)	(1 265)
Prior Period Cash Error		(798)	-
Cash used in operations		(1 030 175)	(1 067 179)
Net cash provided by operating activities	8.2	52 413	51 701
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		463	17 530
Cash generated from investing activities		463	17 530
Cash outflows			
Purchase of property, plant and equipment		(24 855)	(21 915)
Cash used in investing activities		(24 855)	(21 915)
Net cash used in investing activities		(24 392)	(4 385)
Cash outflows			
Repayment of principal portion of lease liabilities		(14 882)	(14 772)
Cash used by financing activities		(14 882)	(14 772)
Net cash used in financing activities		(14 882)	(14 772)
Net increase in cash and cash equivalents		13 139	32 544
Cash and cash equivalents at the beginning of the reporting period		246 665	214 121
Cash and cash equivalents at the end of the reporting period	6.1	259 804	246 665

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 2023

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South Australia Police

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1 About South Australia Police

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

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

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

1.1. Basis of preparation

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

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

No Australian Accounting Standards have been early adopted other than AASB 2021-2 which was adopted from 1 July 2021.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Significant accounting policies are set out throughout these notes.

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

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

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

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

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

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.2. Objectives and programs

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

- **Public Safety** – Provides visible and available police services, working in partnership with the community and other agencies. SAPOL helps make South Australia a safer place to live, visit and do business through police response and assistance, management and emergency response, and coordination across the state.
- **Crime and Criminal Justice Services** – SAPOL's crime prevention and reduction and support of the criminal justice system contribute to the achievement of South Australia's strategic priorities. To prevent crime and reduce offending, SAPOL works in partnership with the community and other agencies.
- **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 table on the following pages presents income and expenses attributable to each program, assets and liabilities cannot be reliably attributed to programs.

South Australia Police
Schedule of Income and Expenses
for the year ended 30 June 2023

Income and expenses by program	Public Safety		Crime and Criminal Justice Services		Road Safety		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income								
Appropriation	338 320	408 223	496 169	481 678	104 089	81 746	938 578	971 647
Fees and charges	22 671	21 572	4 512	5 302	4 234	3 154	31 417	30 028
Commonwealth-sourced grants and funding	1 791	940	2 329	1 507	768	435	4 888	2 882
Resources received free of charge	2 083	1 518	2 706	2 437	892	704	5 681	4 659
Net gain from the disposal of property, plant and equipment	172	1 862	188	3 221	83	942	443	6 025
SA Government grants, subsidies and transfers	26 375	25 611	2 761	2 619	57 560	56 389	86 696	84 619
Other income	1 787	1 937	2 274	3 181	813	955	4 874	6 073
Total income	393 199	461 663	510 939	499 945	168 439	144 325	1 072 577	1 105 933
Expenses								
Employee benefit expenses	305 237	326 806	412 503	359 882	119 124	97 120	836 864	783 808
Supplies and services	66 912	84 622	74 750	79 091	39 365	29 494	181 027	193 207
Depreciation and amortisation	17 620	16 745	19 278	21 558	8 525	6 302	45 423	44 605
Write down of non-current assets	90	498	99	860	44	251	233	1 609
Payments to Consolidated Account	-	4 520	-	7 294	-	2 106	-	13 920
Borrowing costs	806	200	1 009	766	298	299	2 113	1 265
Total expenses	390 665	433 391	507 639	469 451	167 356	135 572	1 065 660	1 038 414
Net result	2 534	28 272	3 300	30 494	1 083	8 753	6 917	67 519

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.3. Impact of COVID-19 pandemic on SAPOL

SAPOL incurred \$7.3 million in COVID-19 expenditure relating to employee entitlements (\$5.0 million) and supplies and services (\$2.3 million) in early 2022-23.

- Employee expenses primarily consisted of unsworn salaries for the PSO's expansion initiative, sworn penalties and allowances (mainly Voluntary Return to Service up to December 2022) and unsworn penalties and allowances;
- Supplies and services expenses primarily consisted of accommodation related expenditure (mainly contract cleaning), SES/-CFS resources and external staffing.

SAPOL ceased COVID-19 related functions in December 2022. No material costs associated with COVID-19 are anticipated in 2023-24.

1.4. Budget performance

The budget performance table compares SAPOL's outcomes against budget information presented to Parliament (2022 - 23 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget	Actual	Variance
	2023	2023	
	\$'000	\$'000	\$'000
Statement of Comprehensive Income			
Income			
Appropriation	955 110	938 578	(16 532)
Fees and charges	29 017	31 417	2 400
Commonwealth-sourced grants and funding	4 874	4 888	14
Resources received free of charge	-	5 681	5 681
Net gain from the disposal of property, plant and equipment	-	443	443
SA Government grants, subsidies and transfers	86 694	86 696	2
Other income	3 531	4 874	1 343
Total income	1 079 226	1 072 577	(6 649)
Expenses			
Employee benefit expenses	836 709	836 864	155
Supplies and services	153 389	181 027	27 638
Depreciation and amortisation	46 607	45 423	(1 184)
Write down of non-current assets	-	233	233
Cash alignment transfers to Consolidated Account	26	-	(26)
Borrowing costs	1 570	2 113	543
Total expenses	1 038 301	1 065 660	27 359
Net result	40 925	6 917	(34 008)
Total comprehensive result	40 925	6 917	(34 008)

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.4 Budget performance (continued)

	Note	Original budget	Actual	Variance
		2023	2023	
		\$'000	\$'000	\$'000
Investing expenditure summary				
Total major projects	a	33 572	12 877	20 695
Total annual programs		12 948	15 515	(2 567)
Total investing expenditure		46 520	28 392	18 128

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

- a. Major projects – the 2022-23 original budget includes the Police Records Management System Stages 2 – 4 projects (\$12.800 million), Mobile Workforce Transformation Program (\$10.442 million), Expiation Notice Branch System Replacement (\$4.952 million) and APY Accommodation projects (\$4.242 million), and was adjusted during the year to take account of:
- approved adjustments for carryover and re-profiling of budgets to later financial years to reflect anticipated expenditure.
 - reclassification of budgets from Capital to Operating for Intangible projects in line with Accounting Standards.

1.5. Significant transactions with government related entities

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

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2. Income

2.1. Appropriation

Appropriations are recognised as income on receipt.

Appropriation pursuant to the *Appropriation Act 2022* (the *Act*) provided funding of \$938.578 million (2022: \$971.647 million) for operational and capital projects purposes. Appropriation as per Schedule 1 of the *Act*, varied pursuant to section 5 of the *Act* for additional funding.

2.2. Fees and charges

	2023	2022
	\$'000	\$'000
Police security services	14 279	13 278
Firearms licences and registration fees	6 122	6 558
Police information requests	2 865	2 808
Clamping and impound fees	5 442	4 972
Escorts - wide load/other	1 996	1 727
Other fees	713	685
Total fees and charges	31 417	30 028

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

Clamping and impound fees are recognised on receipt under AASB 1058 *Income of Not-For-Profit Entities*. These fees are charged under the *Criminal Law (Clamping, Impounding and Forfeiture of Vehicles) Act 2007* in relation to motor vehicles in connection with certain offences and alleged offences, and for other purposes.

SAPOL recognises all revenue from contracts with customers at a point in time under AASB 15 *Revenue from Contracts with Customers* (AASB 15), from the following major sources:

Police security services

Revenue from police security services is recognised when SAPOL has provided services in line with Memorandums of Administrative Arrangements with other SA Government agencies. These services are billed monthly in arrears using the input method using the labour hours expended, resources consumed, and costs incurred.

Firearms licences and registration fees

Firearms licences and registration fees are less than \$15 000. In accordance with *Treasurer's Instructions (Accounting Policy Statements)*, SAPOL has adopted the low value recognition exemption Aus8.1 under AASB 15, for firearms licences and registration fees. Revenue is recognised when fees are paid.

Police information requests

Revenue from police information requests are fees raised under the *Police Act 1998* and are service fees for copies of reports being provided to the customer such as history checks, police information requests and antecedent / apprehension reports. Revenue is recognised when fees are paid.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2.3. Commonwealth - sourced grants and funding

Commonwealth-sourced grants and funding \$4.888 million (2022: \$2.882 million) are usually subject to terms and conditions set out in the contract correspondence or legislation. Revenue from Commonwealth-sourced funding is recognised when the entity obtains control over the granted assets, generally when the cash is received, unless otherwise specified.

In 2022-23 \$2.186 million (2022: \$0.800 million) was recognised for the progress made towards constructing SAPOL infrastructure in APY lands, refer to note 7.4 for remaining unearned revenue in relation to this funding.

During 2022-23 SAPOL recovered costs associated with resources provided at the request of the Commonwealth Government in relation to:

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

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

2.4. Resources received free of charge

	2023	2022
	\$'000	\$'000
Services received free of charge - Shared Services SA	3 821	3 678
Services received free of charge - Department of the Premier and Cabinet	456	389
Contributed (donated) asset revenue	1 404	592
Total resources received free of charge	5 681	4 659

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

SAPOL receives Financial Accounting, Taxation, Payroll, Accounts Payable, Accounts Receivable and systems support from Shared Services SA free of charge. In addition information, communication and telecommunications and media monitoring services are received free of charge from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

In 2022-23 SAPOL received assets free of charge from State and Commonwealth Governments.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Land and buildings held for sale		
Proceeds from disposal	-	17 000
Less net book value of assets disposed (written off)	-	(11 214)
Less Disposal costs	-	(376)
Net gain from disposal of land and buildings held for sale	<u>-</u>	<u>5 410</u>
Vehicles		
Proceeds from disposal	449	630
Less carrying amount of assets disposed	-	(7)
Net gain from disposal of vehicles	<u>449</u>	<u>623</u>
Other PPE		
Proceeds from disposal other PPE	4	-
Net gain from disposal of other PPE	<u>4</u>	<u>-</u>
Total assets		
Proceeds from disposal	453	17 630
Less net book value of assets disposed	-	(11 221)
Less disposal costs	-	(376)
Net gain from disposal of owned assets	<u>453</u>	<u>6 033</u>
Net gain / (loss) on modification of right-of-use assets	<u>(10)</u>	<u>(8)</u>
Total net gain from disposal of non current assets	<u><u>443</u></u>	<u><u>6 025</u></u>

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

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

South Australia Police
Notes to and forming part of the financial statements
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2.6. SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
Contributions from the Community Road Safety Fund ⁽¹⁾	46 687	45 548
DTF Contingency Fund - Other ⁽⁵⁾	3	942
Contributions from the Community Emergency Services Fund ⁽²⁾	25 276	24 660
Road Safety Development Funding ⁽³⁾	10 705	10 820
Prosecution and other court fees ⁽⁴⁾	1 706	1 714
Other intra-government transfers	2 319	935
Total SA Govt grants subsidies and transfers	86 696	84 619

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

- ⁽¹⁾ Community Road Safety Fund (CRSF) – SAPOL received \$46.687 million (2022: \$45.548 million) from the Department for Infrastructure and Transport (DIT) to fund road safety initiatives included within SAPOL's Road Safety Program – refer note 1.2.
- ⁽²⁾ Community Emergency Services Fund (CESF) – SAPOL received \$25.276 million (2022: \$24.660 million) from South Australia Fire and Emergency Services (SAFECOM) for the provision of emergency services included in SAPOL's Public Safety Program – refer note 1.2.
- ⁽³⁾ Road Safety Development funding - SAPOL receives funding from the Compulsory Third Party Insurance Regulator for the provision of Road Safety Services including the development of data analytic capabilities, implementing road safety strategic communication/engagement programs and heavy vehicle enforcement activities. Revenue is recognised on delivery of road safety activities which are billed quarterly and in arrears. At 30 June 2023, \$4.697 million (2022: \$3.424 million) is within Receivables – refer note 6.2.
- ⁽⁴⁾ Prosecution and other court fees are recognised on receipt from the Attorney-General's Department who collect fees on SAPOL's behalf and pass on the fees received to SAPOL monthly.
- ⁽⁵⁾ DTF Contingency Fund – SAPOL received \$0.710 million from the Government Energy Building Fund and \$0.232 million related to Enterprise Agreement adjustments in 2021-22.

2.7. Other income

	2023	2022
	\$'000	\$'000
Employee benefits recoveries	2 394	3 258
Goods and services recoveries	979	1 299
Sundry receipts	793	837
Rent revenue	392	225
Other sundry revenues	316	454
Total other income	4 874	6 073

South Australia Police
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3. Committees and employees

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

3.1. Key management personnel

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

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

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	4 384	4 265
Post-employment benefits	909	937
Total compensation	5 293	5 202

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

Transactions with key management personnel and other related parties

SAPOL did not enter into any transactions with key management personnel or their close family during the reporting period.

3.2. Board and Committees

Police Review Tribunal

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

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

Mobile Workforce Transformation Program Board

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

Mr Cochrane, Rob
 Ms Williams, Linda*
 Mr Cameron, Hamish*
 Mr Parrott, Ian*
 Mr Johnke, Stephen*
 Ms Summers, Kim-Sherie*
 Ms Vaiju, Joshi*

South Australia Police
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3.2 Board and Committees (continued)

SAPOL Risk and Performance Committee

Mr Brenton, Scroop
 Mr Kyffin, Thompson
 Mr Watkins, Simon*
 Ms Kameniar, Narelle*
 Mr Johnke, Stephen*
 Ms Summers, Kim-Sherie*
 Mr Worth, Peter*

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

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

	2023	2022
\$0	10	8
\$1 - \$19 999	6	6
Total number of members	16	14

The total remuneration received or receivable by members was \$0.025 million (2022: \$0.028 million). Remuneration of members reflects all costs of performing Tribunal and Board duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

3.3. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	585 763	589 552
Employment on-costs - superannuation	78 986	74 702
Annual leave	74 824	72 678
Workers compensation	27 374	17 901
Employment on-costs - other	37 038	35 361
Additional compensation	13 798	6 285
Police Service Leave	1 718	1 196
Long service leave	15 971	(15 332)
Other employment related expenses	996	1 051
Targeted voluntary separation packages	66	90
Skills and experience retention leave	330	324
Total employee benefits expenses	836 864	783 808

Employment on-costs – superannuation

SAPOL employee are employed under part 7 of the *Public Sector Act 2009*. Superannuation employment on-cost charge represents SAPOL's contributions to superannuation plans in respect of current services of current employees.

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3.3 Employee benefits expenses (continued)

<i>Employee remuneration</i>	2023	2022
The number of employees whose remuneration received or receivable falls within the following bands:	Number	Number
\$157 001 - \$160 000*	n/a	154
\$160 001 - \$180 000	559	565
\$180 001 - \$200 000	142	195
\$200 001 - \$220 000	84	80
\$220 001 - \$240 000	46	48
\$240 001 - \$260 000	28	33
\$260 001 - \$280 000	5	8
\$280 001 - \$300 000	3	4
\$300 001 - \$320 000	4	6
\$320 001 - \$340 000	3	6
\$340 001 - \$360 000	2	4
\$360 001 - \$380 000	-	2
\$400 001 - \$420 000	1	-
\$420 001 - \$440 000	1	-
\$440 001 - \$460 000	-	1
\$460 001 - \$480 000	1	-
\$480 001 - \$500 000	1	1
\$500 001 - \$520 000	-	1
Total	880	1 108
Police	865	1 093
Public Servant	15	15
Total	880	1 108

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year is \$162.5 million (2022: \$202.5 million).

South Australia Police
Notes to and forming part of the financial statements
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3.3 Employee benefits expenses (continued)

Targeted voluntary separation packages (TVSP) and SA Government Workforce Rejuvenation Program

The number of employees who received a TVSP during the reporting period was 1 (2022: 1) and the SA Government Workforce Rejuvenation was nil (2022: 47).

	2023	2022
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	66	90
Rejuvenation Program*	-	2 083
Leave paid to separated employees	-	1 294
Net cost to SAPOL	66	3 467

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

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	49 232	50 365
Accrued salaries and wages	8 563	7 281
Long service leave	18 521	16 441
Police service leave	2 060	1 714
Skills and experience retention leave	552	599
Leave bank	268	211
Total current employee benefits	79 196	76 611
Non-current		
Long service leave	148 234	156 627
Police service leave	5 343	7 225
Leave bank	1 198	1 365
Other employee entitlements	301	-
Total non-current employee benefits	155 076	165 217
Total employee benefits	234 272	241 828

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

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3.4 Employee benefits liability (continued)

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

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

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

The actuarial assessment performed by the Department of Treasury and Finance determined the salary inflation for short term employee benefits rate at 2% (2022: 1.5%).

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

Long service leave

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

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

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

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 3.75% in 2022 to 4% in 2023.

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in both the long service leave liability and employee benefits expense by \$2.967 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance increased the salary inflation rate to 3.5% (2022: 2.5%) for long service leave liability.

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

Leave bank

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

Police service leave

Police Service Leave is prescribed in Clause 38 of the South Australia Police Enterprise Agreement, effective 1 January 2021 to recognise and retain the knowledge and experience of long serving officers. The liability for police service leave is measured at nominal amounts using current salary rates and the short-term salary inflation rate of 2% (2022: 1.5%). Police service leave is accrued at the rate of 4 weeks leave every five years and is to be used within those 5 years.

South Australia Police
Notes to and forming part of the financial statements
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4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Accommodation	34 152	31 369
Communication and computing	35 646	36 389
Administration *	17 508	22 437
Motor vehicle related	22 633	20 432
Employee programs & housing subsidies	13 559	13 432
CTP Regulator funded Road Safety Campaigns	6 124	6 685
Aviation costs	7 101	6 333
Minor equipment	5 353	5 604
Temporary agency staff	4 876	9 541
Utilities	4 811	4 901
Cleaning	4 651	5 549
Uniforms	4 541	8 636
Shared Services SA	3 920	3 762
Insurance	2 496	2 137
Legal costs	1 838	2 004
Variable lease payments	1 125	1 064
Collection costs	831	834
SES/CFS resources	615	2 428
Consultants	412	172
Other	8 835	9 498
Total supplies and services	181 027	193 207

Accommodation

SAPOL's accommodation is managed by SAPOL and also is provided by the DIT under Memoranda of Administrative Arrangements (MoAAs) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and are accordingly expensed. Information about accommodation incentives relating to this arrangement is shown in note 7.4.

Insurance

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

COVID-19

SAPOL incurred \$7.3 million (2022: \$27.8 million) in COVID-19 expenditure relating to employee entitlement and supplies and services as detailed in note 1.3.

Administration

* Administration includes Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act 1987*. The audit fees in 2022-23 were \$0.350 million (2022: \$0.390 million). No other services were provided by the Auditor-General's Department.

South Australia Police
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4.2. Depreciation and amortisation

	2023	2022
	\$'000	\$'000
Depreciation		
Buildings and improvements	7 112	6 622
Vehicles and aircraft	2 035	2 130
Accommodation and leasehold improvements	2 909	2 868
Plant and equipment	8 604	8 786
Total depreciation for property, plant and equipment	20 660	20 406
Right-of-use assets depreciation		
Right-of-use buildings	9 681	8 773
Right-of-use vehicles	6 338	6 274
Right-of-use plant and equipment	443	1 607
Total depreciation for Right-of-use assets	16 462	16 654
Intangible assets amortisation		
Internally generated computer software	6 754	6 102
Other computer software	1 547	1 443
Total amortisation for intangible assets	8 301	7 545
Total depreciation and amortisation	45 423	44 605

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

Useful life

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

Class of asset	Useful life (years)
Buildings and improvements	1 - 60
Vehicles and aircraft	1 - 15
Plant and equipment	1 - 60
Accommodation and leasehold improvements	Remaining life of lease
Computer software	1 - 10
Right-of-use buildings	1 -14
Right-of-use vehicles	3 - 5
Right-of-use plant and equipment	3

Review of accounting estimates

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

South Australia Police
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5. Non-financial assets

5.1. Property, plant and equipment

Reconciliation of property, plant and equipment 2022-23

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

2023	Accommodation				ROU		ROU		Capital	Total
	Land	Buildings & improv'ts	and leasehold improv'ts	Vehicles and aircraft	Plant and Equipment	Plant and equipment	Buildings	Vehicles	works in progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2022	69 422	171 790	25 545	6 447	28 496	313	61 872	9 004	11 441	384 330
Additions	1 939	104	-	-	99	1 309	50 434	8 370	15 328	77 583
Transfers from capital works in progress	-	3 756	543	2 062	6 483	-	-	-	(12 844)	-
Donated assets	-	-	-	-	1 404	-	-	-	-	1 404
Transfer between classes	-	-	-	(615)	615	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(10)	-	(10)
Assets written off	-	(104)	-	(23)	(42)	-	-	-	-	(169)
Depreciation and amortisation	-	(7 112)	(2 909)	(2 035)	(8 604)	(443)	(9 681)	(6 338)	-	(37 122)
Carrying amount at the end of the period	71 361	168 434	23 179	5 836	28 451	1 179	102 625	11 026	13 925	426 016
Gross carrying amount										
Gross carrying amount	71 361	195 171	34 633	16 006	122 087	1 845	128 221	20 114	13 925	603 363
Accumulated depreciation	-	(26 737)	(11 454)	(10 170)	(93 636)	(666)	(25 596)	(9 088)	-	(177 347)
Carrying amount at the end of the period	71 361	168 434	23 179	5 836	28 451	1 179	102 625	11 026	13 925	426 016

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land, transport vessels and aircraft which are valued at \$73.440 million (classified as level 2) and capital works in progress (not classified). Vehicles and aircraft also contain vehicles which are level 3 assets valued at \$3.719 million. Refer to note 7.2 for details about the lease liability for right-of-use assets.

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5.1. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment 2021-22

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

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land, transport vessels and aircraft which are valued at \$72.632 million (classified as level 2) and capital works in progress (not classified). Vehicles and aircraft also contain vehicles which are level 3 assets valued at \$3.327 million. Refer to note 7.2 for details about the lease liability for right-of-use assets.

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5.2. Property, plant and equipment owned by SAPOL

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

Property, plant and equipment owned by SAPOL with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by SAPOL is initially recorded on a cost basis and subsequently measured at fair value. Where assets are acquired at no value or minimal value they are recorded at fair value in the Statement of Financial Position. Detail about SAPOL's approach to fair value is set out in note 10.1.

Property, plant and equipment owned by SAPOL includes \$73.7 million (2022: \$66.884 million) of fully depreciated plant and equipment still in use.

Impairment

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

Revaluation of property, plant and equipment owned by SAPOL is undertaken on a regular cycle as detailed in note 10.1. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

5.3. Property, plant and equipment leased by SAPOL

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

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

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

SAPOL has the following leases:

- 1251 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 1 year (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 3 building leases are held with DIT but are not governed by Premier and Cabinet Circular PC018, with rental payments monthly in arrears. Building lease terms range from 1 year to 4 years. No contingent rental provisions exist within the lease agreements but there are options to renew the leases at the end of their term.
- 27 building leases held with external lessors with rental payments monthly in arrears. Building lease terms range from 1 year to 23 years. No contingent rental provisions exist within the lease agreements but there are options to renew the leases at the end of their term.
- A building lease held with Plenary Justice (SA) Pty Ltd under a Public-Private Partnership Agreement (PPP) for regional police stations for SAPOL which is non-cancellable, with rental payments quarterly in arrears. Initial lease was signed in June 2005 for 25 years with a 5 year extension option that is more likely than not to be exercised. No residual value guarantee.
- A plant and equipment lease held with Aviair Pty Ltd is non-cancellable, with rental payments monthly in arrears. No residual value guarantee.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Expenses related to leases, including short term and variable lease payment expenses, are disclosed in notes 4.2 and 4.1. Cash outflows related to leases are disclosed in note 8.2. SAPOL has not committed to any lease arrangements that have not commenced from 1 July.

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5.4. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

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

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

	Internally developed computer software	Other computer software	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2022-23				
Carrying amount at 30 June 2022	20 656	3 164	961	24 781
Prior year adjustment*	(21)	-	-	(21)
Adjusted carrying amount at the beginning of the period	20 635	3 164	961	24 760
Additions	-	-	11 028	11 028
Transfers to/(from) capital works in progress	7 882	1 633	(9 515)	-
Assets written off	-	(64)	-	(64)
Amortisation	(6 754)	(1 547)	-	(8 301)
Carrying amount at the end of the period	21 763	3 186	2 474	27 423

Gross carrying amount				
Gross carrying amount	70 210	28 327	2 474	101 011
Accumulated amortisation	(48 447)	(25 141)	-	(73 588)
Carrying amount at the end of the period	21 763	3 186	2 474	27 423

	Internally developed computer software	Other computer software	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2021-22				
Carrying amount at the beginning of the period	16 792	3 359	10 593	30 744
Prior year adjustment*	(2 086)	-	(3 915)	(6 001)
Adjusted carrying amount at the beginning of the period	14 706	3 359	6 678	24 743
Additions	-	-	9 156	9 156
Transfers to/(from) capital works in progress	13 419	1 454	(14 873)	-
Assets written off	(1 274)	-	-	(1 274)
Transfer between classes	(93)	(206)	-	(299)
Amortisation	(6 102)	(1 443)	-	(7 545)
Carrying amount at the end of the period	20 656	3 164	961	24 781

Gross carrying amount				
Gross carrying amount	62 675	27 334	961	90 970
Accumulated amortisation	(42 019)	(24 170)	-	(66 189)
Carrying amount at the end of the period	20 656	3 164	961	24 781

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for the year ended 30 June 2023

5.4. Intangible Asset (continued)

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

Intangibles assets owned by SAPOL includes \$53.1 million (2022: \$47.8 million) of fully depreciated intangible assets still in use.

5.5. Non-current assets classified as held for sale

	2023 \$'000	2022 \$'000
Land	500	500
Total non-current assets classified as held for sale	500	500
	2023 \$'000	2022 \$'000
Reconciliation of non-current assets classified as held for sale movement		
Carrying amount at the beginning of the period	500	11 714
Disposals	-	(11 214)
Total non-current assets classified as held for sale	500	500

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

SAPOL has measured the assets held for sale at the lower of carrying amount or fair value less costs to sell. Detail about SAPOL's approach to fair value is set out in note 10.1.

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

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
SAPOL operating account	47 941	51 970
Accrual Appropriation Excess Funds	211 494	194 331
Total deposits with the Treasurer (Special deposit accounts)	259 435	246 301
Imprest account/cash on hand	369	364
Total cash and cash equivalents	259 804	246 665

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

Deposits with the Treasurer

Although SAPOL controls the money in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer.

6.2. Receivables

	2023	2022
	\$'000	\$'000
Current		
From government entities	3 429	1 836
From non-government entities	2 018	1 754
Less impairment loss on receivables	(76)	(101)
Total receivables	5 371	3 489
GST input tax recoverable	3 952	3 467
Prepayments	4 873	2 848
Accrued revenue	5 883	3 987
Workers compensation and additional compensation recoveries	490	451
Lease incentive	5 919	-
Total current receivables	26 488	14 242
Non-current		
Workers compensation and additional compensation recoveries	4 325	4 216
Total non-current receivables	4 325	4 216
Total receivables	30 813	18 458

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

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivables on demand. There is no concentration of credit risk. Refer to note 10.2 for further information on risk management.

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

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6.2. Receivables (continued)

Impairment of receivables

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	101	23
Amounts written off	(5)	-
Amounts recovered during the year	-	(2)
Increase/(Decrease) in the allowance recognised in profit or loss	(20)	80
Carrying amount at end of the period	76	101

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

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors	28 449	20 988
Employment on-costs	15 959	15 214
Paid Parental Leave Scheme payable	121	68
Total current payables	44 529	36 270
Non-current		
Employment on-costs	18 939	20 736
Total non-current payables	18 939	20 736
Total payables	63 468	57 006

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

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. The proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by the DTF, the average factor for the calculation of employer superannuation cost on-costs has increased to 11.1% compared from 2021-22 rate of 10.6%. The average proportion of long service leave taken as leave over the past 3 years changed from the 2022 rate (65.27%) to 66.6% for police and changed from the 2022 rate (61.20%) to 66.8% for non-police. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year was deemed to be immaterial.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7.2. Financial Liabilities

SAPOL measures lease liabilities \$120.599 million (2022: \$75.367 million) at discounted future lease payments using the DTF's incremental borrowing rate. There were no defaults or breaches throughout the year. The extension options are included in the lease liabilities as SAPOL is reasonably certain to extend the leases. Interest expense paid on lease liabilities during 2022-23 was \$2.113 million (2022: \$1.265 million).

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

	2023	2022
	\$'000	\$'000
Lease liabilities		
within 1 year	13 655	10 390
1 to 5 years	49 384	27 287
more than 5 years	95 862	38 331
Total lease liabilities (undiscounted)	158 901	76 008

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

7.3. Provisions

	2023	2022
	\$'000	\$'000
Current		
Workers compensation	19 978	17 866
Additional compensation	3 273	2 942
Civil actions against police	143	233
Total current provisions	23 394	21 041
Non-current		
Workers compensation	86 432	82 389
Additional compensation	72 446	62 120
Total non-current provisions	158 878	144 509
Total provisions	182 272	165 550

	2023	2022
	\$'000	\$'000
Movement in provisions		
Workers' compensation		
Carrying amount at the beginning of the period	100 255	102 688
Increase resulting from re-measurement	27 368	17 891
Reduction due to payments	(21 213)	(20 324)
Carrying amount at the end of the period	106 410	100 255
Additional compensation		
Carrying amount at the beginning of the period	65 062	61 111
Increase resulting from re-measurement	13 808	6 285
Reduction due to payments	(3 151)	(2 334)
Carrying amount at the end of the period	75 719	65 062
Civil actions against police		
Carrying amount at the beginning of the period	233	293
Increase in the provision due to revision of estimates	147	184
Reduction due to payments	(237)	(244)
Carrying amount at the end of the period	143	233

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7.2. Provisions (continued)

Workers compensation provision (statutory and additional compensation schemes)

SAPOL is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, SAPOL is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

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

The workers compensation provision is based on an actuarial assessment of outstanding expenditure as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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

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

Civil actions against Police

Liabilities are reported to reflect unsettled actions against SAPOL.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7.4. Other liabilities

	2023	2022
	\$'000	\$'000
Current		
Unearned revenue	1 501	3 926
Accommodation incentive	594	549
Lease incentive	5 919	-
Total current other liabilities	8 014	4 475
Non-current		
Accommodation incentive	2 199	2 837
Total non-current other liabilities	2 199	2 837
Total other liabilities	10 213	7 312

Lease incentive

The lease incentive relates to SAPOL's contractual agreement for fit-out to Blackburn House.

Accommodation incentives

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

See note 5.3 for information about the accommodation improvements provided by DIT.

Unearned revenue

SAPOL recognises unearned revenue for consideration received in excess of obligations performed by SAPOL. The main component at 30 June 2023 is for capital works grants received to fund SAPOL infrastructure initiatives in APY lands. The unearned portion represents the consideration proportionate to the progress of the planning and construction of the infrastructure.

South Australia Police
Notes to and forming part of the financial statements
for the year ended 30 June 2023

8. Other disclosures

8.1. Equity

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

8.2. Cash flow

Cash Flow Reconciliation	2023	2022
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	259 804	246 665
Balance as per the Statement of Cash Flows	259 804	246 665
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	52 413	51 701
Add / (less) non-cash items		
Depreciation and amortisation	(45 423)	(44 605)
Donated assets	1 404	592
Net gain from the disposal of non-current and other assets	443	6 025
Impairment of non-current assets	(233)	(1 609)
Capital accruals	3 622	879
Movement in assets and liabilities		
Increase/(decrease) in receivables	3 721	(2 008)
Increase/(decrease) in inventories	58	(40)
(Increase)/decrease in payables	(3 196)	9 045
(Increase)/decrease in other liabilities	3 017	540
(Increase)/decrease in employee benefits	7 813	46 502
(Increase)/decrease in provisions	(16 722)	497
Net result	6 917	67 519

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2023

9. Outlook

9.1. Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant and equipment

	2023	2022
	\$'000	\$'000
Within one year	7 743	3 796
Total capital commitments	7 743	3 796

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

Other contractual commitments

	2023	2022
	\$'000	\$'000
Within one year	82 118	50 208
Later than one year but not later than five years	88 444	87 173
Later than five years	131 835	207 047
Total expenditure commitments	302 397	344 428

Major other commitments include MoAAs with DIT for accommodation.

9.2. Contingent assets and liabilities

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

Contingent assets

SAPOL is not aware of any contingent assets.

Contingent liabilities

Claims for property damage or personal injury

As at 30 June 2023, SAPOL has possible exposures resulting from litigation (or pending litigation) in respect of claims for property damage or personal injury/death.

Rewards for unsolved murders

As at 30 June 2023 the value of outstanding rewards for unsolved murders was \$37.8 million (2022: \$39.0 million). No provision has been made in the financial statements for this amount as considerable doubt exists as to the amount and timing of rewards that will actually be paid.

9.3. Impact of Standards not yet implemented

SAPOL has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on SAPOL's financial statements.

9.4. Events after reporting period

SAPOL are not aware of any events after reporting period.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2023

10. Measurement and risk

10.1. Fair value

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

The revaluation process is reviewed by SAPOL each year.

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

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

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

Fair value hierarchy

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

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

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

During 2023 and 2022, SAPOL had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2023

10.1. Fair Value (continued)

Plant and equipment, transport vessels and aircraft

All items of plant and equipment, transport vessels and aircraft with a fair value at the time of acquisition less than \$1.5 million and an estimated useful life less than three years has not been revalued in accordance with APS 116D. The carrying value of these items are deemed to approximate fair value.

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

10.2. Financial instruments

Financial risk management

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

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

Liquidity risk

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

Refer to notes 1.2 and 2.1 for further information.

Credit risk

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

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

Impairment of financial assets

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

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

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

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

There were no material impairment losses recognised in the year.

South Australia Police
Notes to and forming part of the financial statements
For the year ended 30 June 2023

10.2. Financial instruments (continued)

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

Cash and debt investments

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

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

Market risk

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

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. As at 30 June 2023, SAPOL had no borrowings.

Categorisation of financial instruments

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

Classification of financial instruments

SAPOL measures all financial instruments at amortised cost except for lease liabilities which are measured at the present value of future lease payments, refer to note 7.2.

**South Australia Police
(SAPOL)**

Administered Financial Statements

For the year ended 30 June 2023

South Australia Police
Statement of Administered Comprehensive Income
for the year ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Administered income			
Appropriation	A4.1	646	619
Fees and charges	A4.2	94 187	89 709
Total administered income		94 833	90 328
Administered expenses			
Employee benefits expenses		600	559
Supplies and services	A5.1	2 682	2 561
SA Government transfers		16 054	15 297
Payments to Consolidated Account		75 526	71 919
Total administered expenses		94 862	90 336
Net result		(29)	(8)
Total comprehensive result		(29)	(8)

The accompanying notes form part of these financial statements.

South Australia Police
Statement of Administered Financial Position
as at 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Administered current assets			
Cash and cash equivalents		26 540	24 861
Receivables		254	238
Total current assets		<u>26 794</u>	<u>25 099</u>
Total assets		<u>26 794</u>	<u>25 099</u>
Administered current liabilities			
Payables		6 743	6 801
Other liabilities	A6.1	19 515	17 733
Total current liabilities		<u>26 258</u>	<u>24 534</u>
Total liabilities		<u>26 258</u>	<u>24 534</u>
Net assets		<u>536</u>	<u>565</u>
Administered equity			
Retained earnings		536	565
Total equity		<u>536</u>	<u>565</u>

The accompanying notes form part of these financial statements.

A prior period adjustment has been made for \$798 000 to the 30 June 2022 payables and cash and cash equivalents. The adjustment relates to a duplicate payable from 2019 for Regulatory fees and fines - Expiation fees, impacting the cash alignment between controlled and administered.

South Australia Police
Statement of Administered Cash Flows
for the year ended June 2023

	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Appropriation	646	619
Fees and charges	94 171	89 702
Exhibit monies	1 881	2 144
Unclaimed property	-	146
Prior period cash adjustment	-	798
Cash generated from operations	96 698	93 409
Cash outflows		
Employee benefits payments	(600)	(559)
Supplies and services	(2 666)	(2 554)
SA Government transfers	(16 064)	(15 124)
Payments to consolidated account	(75 590)	(70 762)
Unclaimed property	(99)	-
Cash used in operations	(95 019)	(88 999)
Net cash provided by operations	1 679	4 410
	A7.1	
Net increase in cash and cash equivalents	1 679	4 410
Cash and cash equivalents at the beginning of the period	24 861	20 451
Cash and cash equivalents at the end of the period	26 540	24 861

The accompanying notes form part of these financial statements.

South Australia Police
Schedule of Income and Expenses attributable to Administered Items
for the year ended 30 June 2023

Schedule of Income and Expenses attributable to Administered Items

Activities - refer note A2	Victims of Crime				Public Private Partnership (PPP)			
	Expiation Fees		Levy		Special Acts		Partnership (PPP)	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered income								
Appropriation	-	-	-	-	579	554	-	-
Fees and charges	75 526	71 924	15 839	15 103	-	-	2 682	2 561
Total administered income	75 526	71 924	15 839	15 103	579	554	2 682	2 561
Administered expenses								
Employee benefits expenses	-	-	-	-	600	559	-	-
Supplies and services	-	-	-	-	-	-	2 682	2 561
SA Government transfers	-	-	15 839	15 103	-	-	-	-
Payments to Consolidated Account	75 526	71 919	-	-	-	-	-	-
Total administered expenses	75 526	71 919	15 839	15 103	600	559	2 682	2 561
Net result	-	5	-	-	(21)	(5)	-	-

Activities - refer note A2	Firearms Safety				Total	
	Training Levy		Other		2023	2022
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	67	65	646	619
Fees and charges	140	121	-	-	94 187	89 709
Total administered income	140	121	67	65	94 833	90 328
Administered expenses						
Employee benefits expenses	-	-	-	-	600	559
Supplies and services	-	-	-	-	2 682	2 561
SA Government transfers	140	121	75	73	16 054	15 297
Payments to Consolidated Account	-	-	-	-	75 526	71 919
Total administered expenses	140	121	75	73	94 862	90 336
Net result	-	-	(8)	(8)	(29)	(8)

South Australia Police
Schedule of Assets and Liabilities attributable to Administered Items
as at 30 June 2023

Schedule of Assets and Liabilities attributable to Administered Items

Activities - refer note A2	Unclaimed Property		Exhibit Monies		Expiation Fees	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered current assets						
Cash and cash equivalents	409	508	19 106	17 225	5 171	5 235
Total current assets	409	508	19 106	17 225	5 171	5 235
Total administered assets	409	508	19 106	17 225	5 171	5 235
Administered current liabilities						
Payables	-	-	-	-	5 165	5 229
Other current liabilities	409	508	19 106	17 225	-	-
Total current liabilities	409	508	19 106	17 225	5 165	5 229
Total administered liabilities	409	508	19 106	17 225	5 165	5 229
Net assets	-	-	-	-	6	6

Activities - refer note A2	Victims of Crime Levy		Special Acts		Public Private Partnership (PPP)	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered current assets						
Cash and cash equivalents	1 291	1 334	22	43	-	-
Receivables	-	-	-	-	254	238
Total current assets	1 291	1 334	22	43	254	238
Total administered assets	1 291	1 334	22	43	254	238
Administered current liabilities						
Payables	1 291	1 334	-	-	254	238
Total current liabilities	1 291	1 334	-	-	254	238
Total administered liabilities	1 291	1 334	-	-	254	238
Net assets	-	-	22	43	-	-

South Australia Police
Schedule of Assets and Liabilities attributable to Administered Items
as at 30 June 2023

Activities - refer note A2	Firearms Safety		Other		Total	
	Training Levy					
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash and cash equivalents	33	-	508	516	26 540	24 861
Receivables	-	-	-	-	254	238
Total current assets	33	-	508	516	26 794	25 099
Total administered assets	33	-	508	516	26 794	25 099
Administered current liabilities						
Payables	33	-	-	-	6 743	6 801
Other current liabilities	-	-	-	-	19 515	17 733
Total current liabilities	33	-	-	-	26 258	24 534
Total administered liabilities	33	-	-	-	26 258	24 534
Net assets	-	-	508	516	536	565

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

South Australia Police
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2023

A1. Basis of preparation and accounting policies

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

Departures from SAPOL's 'basis of preparation'

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

A2. Objectives/Activities of SAPOL's administered items

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

Unclaimed property

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

Exhibit monies

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

Expiation fees

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

Victims of Crime Levy

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

Special Acts

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

South Australia Police
Notes to and forming part of the Administered Financial Statements
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A2. Objectives/Activities of SAPOL's administered items (continued)

Public Private Partnership

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

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

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

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

Firearms Safety Training Levy

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

Other

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

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

South Australia Police
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A3. Budget performance

The budget performance table compares SAPOL's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4, Volume 3). Appropriation reflects appropriation issued to special deposit accounts (and deposit accounts) controlled by SAPOL. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Statement of Administered Comprehensive Income			
Administered Income			
Appropriation	571	646	75
Fees and charges	100 200	94 187	(6 013)
Total administered income	100 771	94 833	(5 938)
Administered Expenses			
Employee benefits	504	600	96
Supplies and services	2 677	2 682	5
SA Government transfers	16 529	16 054	(475)
Payments to Consolidated Account	81 061	75 526	(5 535)
Total administered expenses	100 771	94 862	(5 909)
Net result	-	(29)	(29)

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

SAPOL has no administered investing expenditure budget or actual expenditure.

South Australia Police
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A4. Income

A4.1 Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from consolidated account pursuant to the <i>Police Act 1998</i>	579	554
Appropriation from consolidated account pursuant to the <i>Appropriation Act 2022</i>	67	65
Total revenues from appropriation	646	619

Appropriations are recognised on receipt. Appropriation pursuant to the *Appropriation Act 2022* consists of only operational funding.

A4.2 Fees and charges

	2023	2022
	\$'000	\$'000
Expiation revenue	75 526	71 924
Victims of Crime Levy	15 839	15 103
PPP cost recovery *	2 682	2 561
Firearms Safety Training Levy	140	121
Total fees and charges	94 187	89 709

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

Expiation revenue, Victims of Crime Levy and Firearms Safety Training Levy are recognised on receipt.

A5. Expenses

A5.1 Supplies and services

	2023	2022
	\$'000	\$'000
PPP lease payments	2 682	2 561
Total supplies and services	2 682	2 561

Expenses relate to PPP lease payments paid by SAPOL on behalf of CAA. The expenditure is offset by cost recovery from CAA. Refer to note A2 and note A4.2.

A6. Liabilities

A6.1 Other liabilities

	2023	2022
	\$'000	\$'000
Current		
Exhibit monies held	19 106	17 225
Unclaimed property held for SA Government	409	508
Total other liabilities	19 515	17 733

South Australia Police
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A7. Other disclosures

A7.1 Cash flow reconciliation

	2023	2022
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	26 540	24 861
Balance as per the Statement of Cash Flows	26 540	24 861
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	1 679	4 410
Movement in assets and liabilities		
Increase/(decrease) in receivables	16	7
(Increase)/decrease in payables	58	(2 135)
(Increase)/decrease in other liabilities	(1 782)	(2 290)
Net result	(29)	(8)