



Financial summary 2010-11

During 2010-11 the Queensland Police Service received \$1 786.4 million for the delivery of policing services to the Queensland community. At the end of the 2010-11 financial year the QPS was in a sound financial position, achieving an operating surplus from continuing operations of \$1.242 million. This financial summary provides a snapshot of the income, expenditure, assets and liabilities for the 2010-11 financial year and can be read in conjunction with the financial statements.

The table below provides a summary of comparative financial results over the last five years.

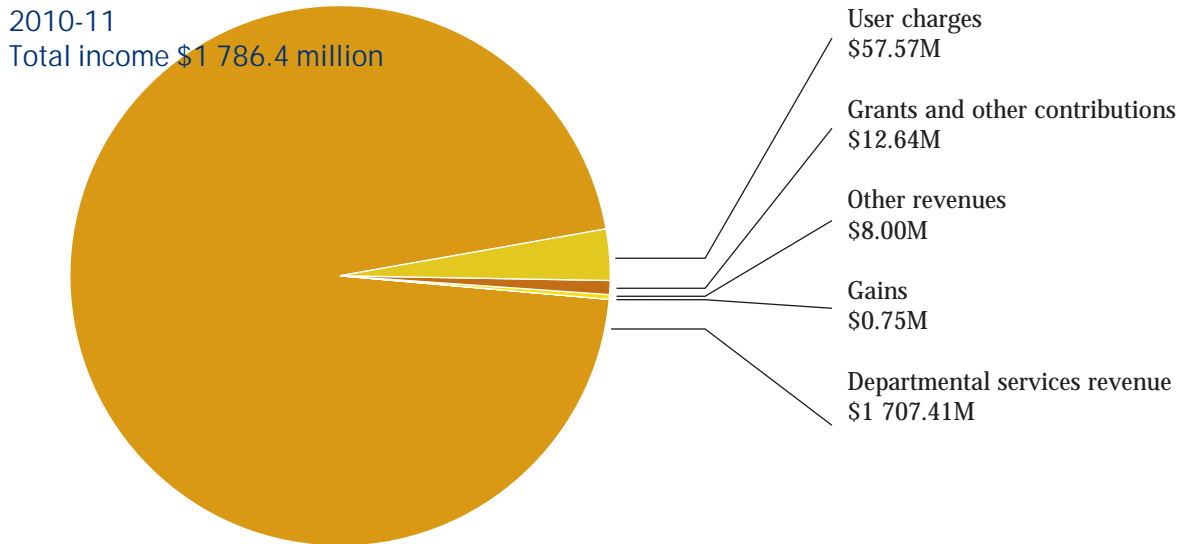
Statement of comprehensive income	2010-11 \$'000	2009-10 \$'000	2008-09* \$'000	2007-08* \$'000	2006-07 \$'000
Total income from continuing operations	1 786 375	1 673 862	1 519 929	1 427 648	1 280 146
Total expenses from continuing operations	1 785 133	1 672 136	1 526 901	1 412 768	1 279 570
Statement of financial position	2010-11 \$'000	2009-10 \$'000	2008-09* \$'000	2007-08* \$'000	2006-07 \$'000
Total assets	1 926 219	1 911 479	1 932 506	1 837 222	1 652 370
Total liabilities	130 116	132 511	103 378	194 596	201 155
Total equity	1 796 102	1 778 968	1 829 127	1 642 626	1 451 215

* Recast figures due to prior year adjustments

Financial performance

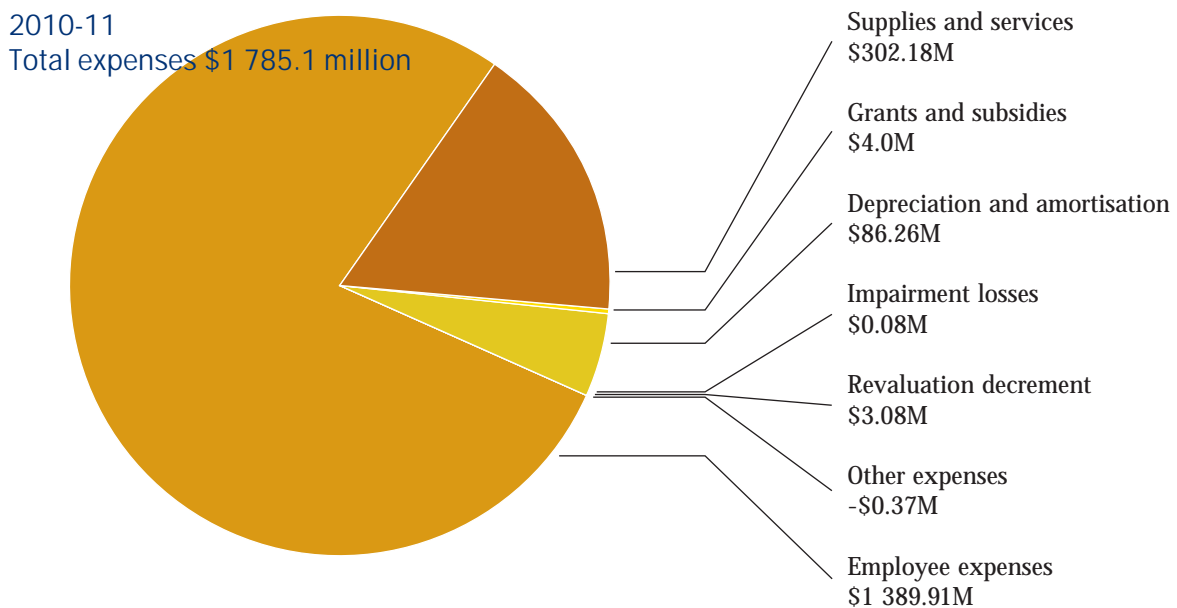
Income from continuing operations

For the 2010-11 financial year, the QPS received income from continuing operations of \$1 786.4 million, an increase of \$112.5 million (6.72%) from 2009-10. This increase comprised an additional \$106.9 million being received from departmental services revenue, a \$5.7 million increase in user charges, an increase in other revenues of \$2.5 million and a decrease of \$2.6 million in gains on the sale of property, plant and equipment and revaluations of major plant and equipment.



Expenses from continuing operations

For the 2010-11 financial year, the QPS' total expenditure from continuing operations was \$1 785.1 million, an increase of \$113.0 million (6.76%) from 2009-10. This increase comprised a \$97.6 million increase in employee expenses, an additional \$16.2 million in supplies and services, a \$1.1 million increase in grants and subsidies, an increase of \$18.5 million in depreciation and amortisation, an increase of \$3.1 million in revaluation decrement and a \$23.4 million decrease in other expenses. The increase in employee expenses is mainly attributed to enterprise bargaining agreement salary increases and the recruitment of additional police officers.



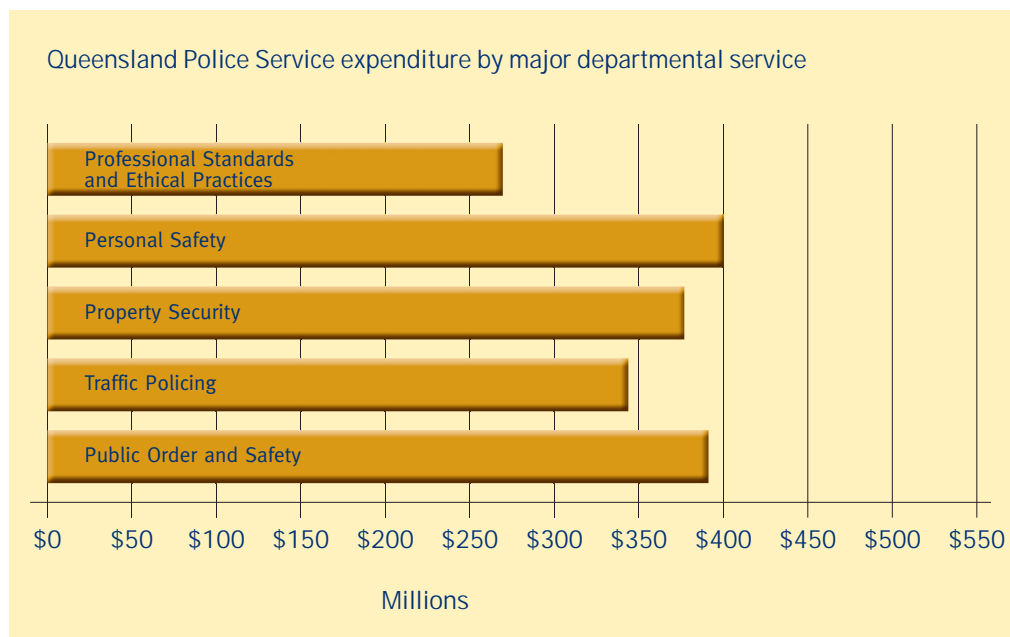
Budget appropriation

The 2010-11 Queensland Police budget delivered on the Government's commitment to the safety and security of Queensland by placing more police on the frontline, targeting crime and deterring irresponsible behaviour in the community. The funding contribution to Queensland Police by the State Government increased by 6.68% from 2009-10.

The below table represents the 2010-11 funding appropriated by State Government and the expenditure for each major departmental service.

Major departmental service	State contribution 2010-11 \$'000	% of State contribution 2010-11	QPS expenditure 2010-11 \$'000	% of QPS expenditure 2010-11
Professional Standards and Ethical Practices	262 196	15%	271 257	15%
Personal Safety	382 475	23%	400 707	23%
Property Security	359 676	21%	376 821	21%
Traffic Policing	328 939	19%	344 389	19%
Public Order and Safety	374 126	22%	391 959	22%
	1 707 413	100%	1 785 133	100%

In addition to the State contribution, the QPS receives revenue from other sources including user charges, grants and contributions, other revenues and gains on the sale and revaluation of property, plant and equipment. This additional revenue was used to fund the \$77.7 million variance between the State contribution and QPS' expenditure for 2010-11.



The Queensland Police Service delivers its services across five major departmental service areas as outlined in the table above. The costs for service delivery support are proportionally spread across each major departmental service area for the purpose of determining the full cost of each deliverable.

Financial position

Assets

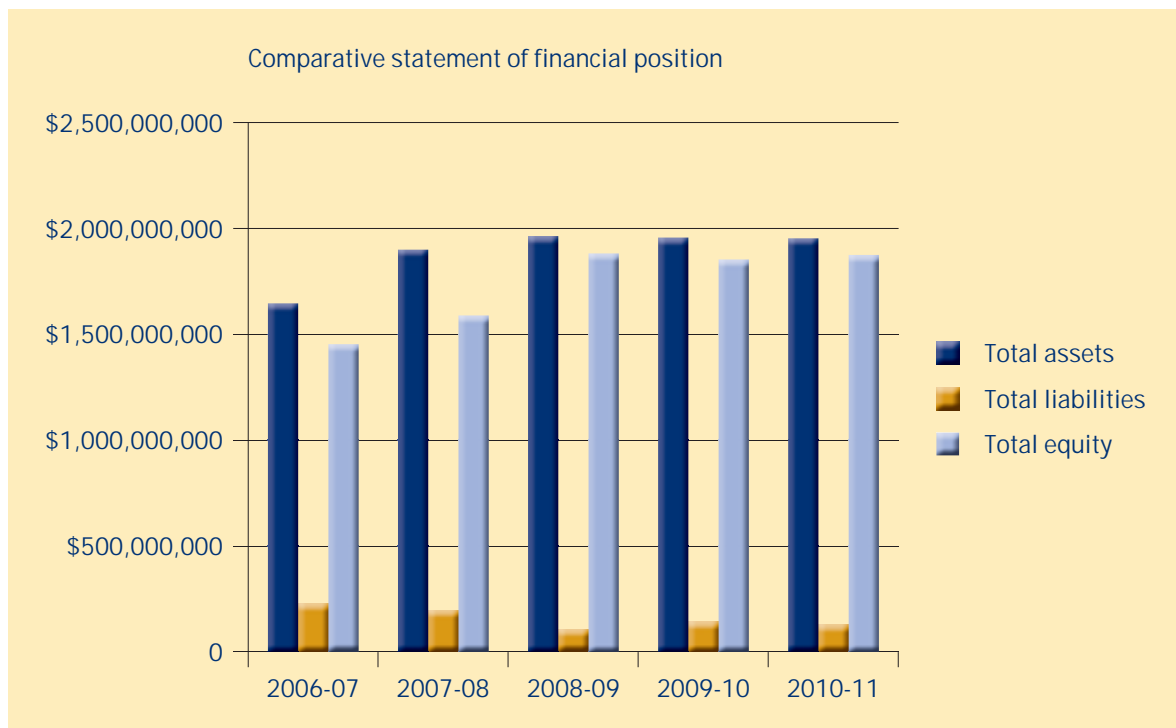
As at 30 June 2011, total assets were valued at \$1 926.2 million, which represents an increase of \$14.7 million (0.77%) from the previous year. This change was largely the result of a decrease of \$9.2 million in property, plant and equipment, an increase of \$10.6 million in intangible assets, a decrease of \$1.1 million in other current assets and an increase in cash and cash equivalents of \$14.3 million.

Liabilities

As at 30 June 2011, total liabilities were valued at \$130.1 million, a decrease of \$2.4 million from the previous year. This change was the result of an increase in payables of \$2.2 million, an increase of accrued employee benefits of \$22.4 million and a decrease in other current liabilities of \$26.9 million. Of the increase in accrued employee benefits, \$18.7 million is attributed to outstanding wages as at 30 June 2011 payable to Queensland Police Service employees. The reason for the significant increase in this liability is due to the decision by the Queensland Industrial Relations Commission to award for the 2010-11 financial year a 3.8% salary increase to police officers and other officers covered by the Queensland Police Service Certified Agreement 6, 2010, in replacement of the interim wage increase of 2.5%, which has resulted in a \$15.3 million increase in current liabilities for the QPS.

Net assets

The net asset position of the department (assets minus liabilities) at the end of 2010-11 was \$1 796.1 million. This was an increase of \$17.1 million on the 2009-10 net asset position. This represents the increase in total assets of \$14.7 million together with the decrease in liabilities of \$2.4 million.



Costs and risks in relation to liabilities and contingent liabilities

Liabilities

Total liabilities for the QPS were valued at \$130.1 million as at 30 June 2011. To minimise exposure to liquidity risk arising from these liabilities, the QPS follows a liquidity management strategy to ensure sufficient funds are available to meet employee and supplier obligations as they fall due.

The Queensland Police Service has not undertaken any borrowings from Queensland Treasury Corporation in 2010-11 and therefore any risks in relation to liquidity risk or market risk are minimal.

A more comprehensive analysis regarding the QPS' costs and risks in relation to its financial instruments is set out in the financial statements (note 31).

Contingent liabilities

The QPS' exposure to contingent liabilities comprises litigation in process and native title claims over departmental land.

As at 30 June 2011, thirty-six litigation cases were filed and in progress with the Queensland Police Service named as the defendant. The QPS has implemented a contingent liability management system to actively manage litigation cases and to minimise the costs associated with these cases.

With regard to native title claims over departmental land, the QPS' exposure to liability claims is considered to be minimal as most of the affected land is community infrastructure developed in accordance with the gazetted purpose of the land as Reserves.

A more comprehensive analysis regarding the QPS' costs and risks in relation to its contingent liabilities is set out in the financial statements (note 29).

Chief Finance Officer (CFO) Statement

For the financial year ended 30 June 2011, the Queensland Police Service acknowledges the minimum responsibilities of the Chief Finance Officer as specified under section 77(1)(b) of the *Financial Accountability Act 2009*. The Chief Finance Officer provided a statement to the Accountable Officer prior to certification of the 2010-11 financial statements, regarding the efficiency, effectiveness and economical operations of financial internal controls operating within the department.