

QUEENSLAND POLICE SERVICE

FINANCIAL STATEMENTS 2014-15

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General Information

These financial statements cover the Queensland Police Service.

The Queensland Police Service is a Queensland Government Department under the *Public Service Act 2008*. The department was first established by the *Police Act of 1863*.

The department is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the department is:

200 Roma Street
Brisbane QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department's financial statements please call (07) 3364 6542 or visit the departmental internet site www.police.qld.gov.au

Amounts shown in this financial report may not add to the correct sub-totals or totals due to rounding.

**QUEENSLAND POLICE SERVICE
STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2015

		2015	2014
		\$'000	\$'000
Income from Continuing Operations			
Departmental services revenue	2	1,678,009	1,925,179
User charges	3	40,799	61,133
Grants and other contributions	4	321,316	18,792
Other revenue	5	2,896	4,719
Total Revenue		2,043,020	2,009,822
Gains			
Gains on disposal/remeasurement of assets	6	36	1,239
Total Income from Continuing Operations		2,043,056	2,011,061
Expenses from Continuing Operations			
Employee expenses	7	1,498,007	1,582,445
Supplies and services	9	202,468	300,851
Grants and subsidies	10	3,724	5,102
Depreciation and amortisation	11	11,551	97,336
Impairment losses	12	60	(428)
Revaluation decrement		-	784
Other expenses	13	326,252	24,115
Total Expenses from Continuing Operations		2,042,061	2,010,205
Operating Result from Continuing Operations		996	856
Other Comprehensive Income			
<u>Items that will not be reclassified subsequently to Operating Result:</u>			
Increase (decrease) in asset revaluation surplus*	26	381	(25,211)
Total items that will not be reclassified subsequently to Operating Result		381	(25,211)
Total Other Comprehensive Income		381	(25,211)
Total Comprehensive Income		1,377	(24,355)

* This amount represents an increase or decrease in the asset revaluation surplus as a result of revaluations and is not part of the department's operating result.

The accompanying notes form part of these statements.

**QUEENSLAND POLICE SERVICE
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
Current Assets			
Cash and cash equivalents	14	78,682	86,553
Receivables	15	57,445	76,408
Inventories	16	4,537	4,475
Other current assets	17	7,130	15,281
		<u>147,794</u>	<u>182,717</u>
Non-current assets classified as held for sale	18	-	4,123
Total Current Assets		<u>147,794</u>	<u>186,840</u>
Non-Current Assets			
Intangible assets	19	23,927	61,182
Property, plant and equipment	20	38,123	1,683,298
		<u>62,050</u>	<u>1,744,480</u>
Total Non-Current Assets		<u>62,050</u>	<u>1,744,480</u>
Total Assets		<u>209,844</u>	<u>1,931,320</u>
Current Liabilities			
Payables	21	30,104	64,987
Accrued employee benefits	22	68,084	68,295
Other current liabilities	23	5,054	14,331
		<u>103,242</u>	<u>147,613</u>
Total Current Liabilities		<u>103,242</u>	<u>147,613</u>
Total Liabilities		<u>103,242</u>	<u>147,613</u>
Net Assets		<u>106,602</u>	<u>1,783,707</u>
Equity			
Contributed equity		-	670,995
Accumulated surplus		106,221	403,847
Asset revaluation surplus	26	381	708,865
		<u>106,602</u>	<u>1,783,707</u>
Total Equity		<u>106,602</u>	<u>1,783,707</u>

The accompanying notes form part of these statements.

**QUEENSLAND POLICE SERVICE
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015**

	Contributed Equity	Accumulated Surplus	Asset Revaluation Surplus (Note 26)	TOTAL
Balance as at 1 July 2013	721,060	396,349	734,076	1,851,485
Operating result from continuing operations	-	856	-	856
<i>Other Comprehensive Income</i>				
- Increase (decrease) in asset revaluation surplus	-	-	(25,211)	(25,211)
<i>Total Comprehensive Income for the Year</i>	-	856	(25,211)	(24,355)
<i>Transactions with Owners as Owners:</i>				
- Appropriated equity injections (Note 2)	(30,265)	-	-	(30,265)
- Net transfers in/(out) (transferred via machinery-of-Government change)	(19,800)	6,642	-	(13,158)
<i>Net Transactions with Owners as Owners</i>	(50,065)	6,642	-	(43,423)
Balance as at 30 June 2014	670,995	403,847	708,865	1,783,707
Balance as at 1 July 2014	670,995	403,847	708,865	1,783,707
Operating result from continuing operations	-	996	-	996
<i>Other Comprehensive Income</i>				
- Increase (decrease) in asset revaluation surplus	-	-	381	381
<i>Total Comprehensive Income for the Year</i>	-	996	381	1,377
<i>Transactions with Owners as Owners:</i>				
- Appropriated equity injections (Note 2)	(578,528)	-	-	(578,528)
- Net transfers in/(out) (transferred via machinery-of-Government change)	7,095	-	-	7,095
- Net transfers in/(out) from restructuring	(99,562)	(298,622)	(708,865)	(1,107,049)
<i>Net Transactions with Owners as Owners</i>	(670,995)	(298,622)	(708,865)	(1,678,482)
Balance as at 30 June 2015	-	106,221	381	106,602

The accompanying notes form part of these statements.

**QUEENSLAND POLICE SERVICE
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Departmental services receipts		1,659,503	1,961,502
User charges		44,306	58,770
Grants and other contributions		4,393	9,248
GST input tax credits from ATO		24,062	34,954
GST collected from customers		7,705	8,731
Interest receipts		524	358
Other		10,361	2,986
<i>Outflows:</i>			
Employee expenses		(1,500,466)	(1,566,751)
Supplies and services		(212,462)	(297,923)
Grants and subsidies		(3,724)	(4,015)
GST paid to suppliers		(23,822)	(40,733)
GST remitted to ATO		(6,657)	(10,330)
Other		(9,210)	(21,831)
Net cash provided by (used in) operating activities	24	(5,487)	134,966
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		1,205	12,420
<i>Outflows:</i>			
Payments for property, plant and equipment		(7,981)	(67,538)
Payments for intangibles		(1,623)	(610)
Net cash provided by (used in) investing activities		(8,399)	(55,728)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		10,585	24,086
<i>Outflows:</i>			
Equity withdrawals		(1,612)	(54,351)
Net cash provided by (used in) financing activities		8,973	(30,265)
Net increase (decrease) in cash and cash equivalents		(4,913)	48,973
Adjustment due to machinery-of-Government change		(2,958)	-
Cash and cash equivalents at beginning of financial year		86,553	37,580
Cash and cash equivalents at end of financial year	14	78,682	86,553

The accompanying notes form part of these statements.

QUEENSLAND POLICE SERVICE
STATEMENT OF COMPREHENSIVE INCOME BY MAJOR DEPARTMENTAL SERVICES
For the year ended 30 June 2015

	Crime and Public Order**		Road Safety**		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income from Continuing Operations *						
Appropriation Revenue	1,340,729	1,574,339	337,280	350,840	1,678,009	1,925,179
User charges and fees	32,598	34,781	8,201	26,352	40,799	61,133
Grants and other contributions	256,731	14,666	64,585	4,126	321,316	18,792
Other revenues	2,314	4,007	582	712	2,896	4,719
	<u>1,632,373</u>	<u>1,627,792</u>	<u>410,647</u>	<u>382,030</u>	<u>2,043,020</u>	<u>2,009,822</u>
Gains						
Gain on sale/revaluation of assets	29	997	7	242	36	1,239
Total Income from Continuing Operations	<u>1,632,402</u>	<u>1,628,789</u>	<u>410,654</u>	<u>382,272</u>	<u>2,043,056</u>	<u>2,011,061</u>
Expenses from Continuing Operations *						
Employee expenses	1,196,908	1,278,029	301,099	304,417	1,498,007	1,582,445
Supplies and services	161,772	243,269	40,696	57,582	202,468	300,851
Grants and subsidies	2,975	4,124	749	978	3,724	5,102
Depreciation and amortisation	9,229	78,140	2,322	19,196	11,551	97,336
Impairment losses	48	356	12	-	60	356
Other expenses	260,675	21,930	65,577	2,185	326,252	24,115
Total Expenses	<u>1,631,607</u>	<u>1,624,875</u>	<u>410,454</u>	<u>385,330</u>	<u>2,042,061</u>	<u>2,010,205</u>
Net (Surplus)/Deficit	<u>796</u>	<u>3,914</u>	<u>200</u>	<u>(3,058)</u>	<u>996</u>	<u>856</u>
Other Comprehensive Income						
Increase (decrease) in asset revaluation surplus	304	(20,242)	77	(4,969)	381	(25,211)
Total Other Comprehensive Income	<u>304</u>	<u>(20,242)</u>	<u>77</u>	<u>(4,969)</u>	<u>381</u>	<u>(25,211)</u>
Total Comprehensive Income	<u>1,100</u>	<u>(16,329)</u>	<u>277</u>	<u>(8,026)</u>	<u>1,377</u>	<u>(24,355)</u>
<i>* Allocation of income and expenses to service delivery support (disclosure only):</i>						
Income	319,623	335,929	80,406	79,379	400,029	415,308
Expenses	319,514	335,786	80,378	79,345	399,893	415,131

** The Department has systems in place to allocate income and expenses by departmental service. Crime and Public Order includes service standards related to personal safety, property security and public order and safety. Road Safety includes service standards related to traffic policing.

QUEENSLAND POLICE SERVICE
STATEMENT OF ASSETS AND LIABILITIES BY MAJOR DEPARTMENTAL SERVICES
For the year ended 30 June 2015

	Crime and Public Order**		Road Safety**		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current Assets						
Cash and cash equivalents	62,867	70,781	15,815	15,772	78,682	86,553
Receivables	45,899	61,867	11,546	14,541	57,445	76,408
Inventories	3,625	3,619	912	856	4,537	4,475
Other current assets	5,697	12,373	1,433	2,908	7,130	15,281
	118,087	148,640	29,707	34,077	147,794	182,717
Non-current assets classified as held for sale	-	3,331	-	792	-	4,123
Total Current Assets	118,087	151,971	29,707	34,869	147,794	186,840
Non Current Assets						
Intangible assets	19,118	49,116	4,809	12,066	23,927	61,182
Property, plant and equipment	30,460	1,351,334	7,663	331,964	38,123	1,683,298
Total Non Current Assets	49,578	1,400,450	12,472	344,030	62,050	1,744,480
Total Assets	167,665	1,552,421	42,179	378,899	209,844	1,931,320
Current Liabilities						
Payables	24,053	53,457	6,051	11,530	30,104	64,987
Accrued employee benefits	54,399	55,176	13,685	13,119	68,084	68,295
Other current liabilities	4,038	10,556	1,016	3,775	5,054	14,331
Total Current Liabilities	82,490	119,189	20,752	28,424	103,242	147,613
Total Liabilities	82,490	119,189	20,752	28,424	103,242	147,613

** The Department has systems in place to allocate assets and liabilities by departmental service. Crime and Public Order includes service standards related to personal safety, property security and public order and safety. Road Safety includes service standards related to traffic policing.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

Objectives and Principal Activities of the Department

The Queensland Police Service is a Queensland Government department responsible for preserving peace and good order in all areas of Queensland, preventing and detecting crime, protecting the Queensland community, upholding the law, administering the law fairly and efficiently and bringing offenders to justice.

The department is funded for the departmental services it delivers principally by parliamentary appropriations. The department also cost recovers on a fee for service basis for special services including:

- heavy vehicle road escorts;
- traffic control at road works; and
- additional policing services at large sporting, entertainment and public events.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The department has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2015 and other authoritative pronouncements.

(b) The Reporting Entity

The department has no controlled entities and is a non-for profit department. Unless otherwise stated, the financial statements have been prepared in accordance with the historical cost convention.

The major departmental services undertaken by the department are disclosed in Note 1(y).

(c) Administered Transactions and Balances

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are disclosed in Note 30. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

(d) Trust/Agency Transactions and Balances

The department undertakes certain trustee transactions and maintains related balances on behalf of various parties and also performs certain agency transactions.

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in Note 32.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(e) Departmental Services Revenue/Administered Revenue

QPS recognises appropriation revenue when received or receivable under the *Appropriation Act 2014 (Qld)*.

(f) User Charges, Taxes, Fees and Fines

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. User charges and fees are controlled by the department where they can be utilised for the achievement of departmental objectives.

Taxes, fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer to Note 30.

(g) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements as it is earned.

Contributed assets are recognised at their fair value. 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. Where this is the case an equal amount is recognised as revenue and an expense.

(h) Special Payments

Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties.

The total of all special payments is disclosed separately within Other Expenses (Note 13). However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

(i) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include cash on hand, all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

(j) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. The department's standard settlement terms is 30 days from invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts were written-off as at 30 June. Increases in the provision for impairment loss are based on loss events as disclosed in Note 29(c).

Other receivables generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(k) Inventories

Inventories held for distribution are valued at cost.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

(l) Non-Current Assets Classified as Held for Sale

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

Non-current assets held for sale are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated while held for sale.

(m) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Actual cost is determined as the value provided as consideration plus costs incidental to the acquisition and costs incurred in getting the asset ready for use.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the accounts of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(n) Property, Plant and Equipment Thresholds

Items of property, plant and equipment, with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Buildings	\$10,000
Infrastructure	\$10,000
Land	\$1
Major Plant and Equipment	\$5,000
Plant and Equipment	\$5,000
Heritage & Cultural	\$5,000

Items purchased or acquired for a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the department are included with buildings.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(o) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

Land is not depreciated as it has an unlimited useful life.

All intangible assets are amortised on a straight line basis.

Property, plant and equipment is depreciated on a straight-line basis less its estimated residual value, progressively over its estimated useful life to the department.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant asset classes within property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rate (%)
Buildings	2% to 3%
Major Plant and Equipment	4% to 10%*
Plant and Equipment	2.5% to 50%
Heritage and Cultural Assets	1%
Intangible Assets	8% to 20%

* Aircraft are classified as major plant and equipment.

(p) Revaluations of Non-Current Physical and Intangible Assets

Buildings, major plant and equipment and heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

All other non-current assets, principally plant and equipment and intangible assets, are measured at cost in accordance with the Non-Current Asset Policies.

Non-current physical assets are measured at fair value and revalued on an annual basis by appraisals undertaken by an independent professional valuer. Major plant and equipment assets such as aircraft are independently revalued on an annual basis.

Details of how fair value was determined as at 30 June 2015 are reported in Note 20.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(p) (cont'd)

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of the asset's remaining useful life.

Materiality concepts (according to the *Framework for the Preparation and Presentation of Financial Statements*) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(q) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price).

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

Level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

Level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and

Level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the department's Property, Plant and Equipment is outlined in Note 20.

(r) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the department. The residual value is zero for all the department's intangible assets.

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group of assets held for sale.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(r) (cont'd)

Purchased Software

The purchase cost of software equal to or above the intangible asset threshold has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to the department.

Internally Generated Software

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software classed as intangible assets have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the department.

(s) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis.

An impairment loss, if applicable, is recognised immediately in the Statement of Comprehensive Income, unless the asset is measured at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

(t) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

There were no finance leases held by the department as at 30 June 2015.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

(u) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(v) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(v) (cont'd)

The department has not entered into transactions for speculative purposes, nor for hedging in 2014-15. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are included in Note 29.

(w) Employee Benefits

Employee benefits comprise employer superannuation contributions, annual leave levies and long service leave levies.

Workers' compensation insurance is not included as part of an employee's total remuneration package but is recognised separately as employee related expenses.

The department became exempt from payroll tax in Queensland from 1 July 2014.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months of reporting date, the liabilities are recognised at their undiscounted values.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave and Long Service Leave

The department is a member of the Queensland Government's Annual Leave Central Scheme (ALCS). A levy is payable to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 8 for the disclosures on key executive management personnel and remuneration.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(x) Allocation of Revenues and Expenses from Ordinary Activities to Corporate Services

The department discloses income and expenses attributable to service delivery support in the Statement of Comprehensive Income by Major Departmental Services.

Direct expenses are fully allocated to the relevant major departmental service. However indirect expenses are reported as service delivery support and are allocated to major departmental services based on the results of a state-wide activity survey. Income is distributed based on the allocation of expenses.

The expenses attributable to service delivery support includes information and technology costs, property and transport related operating and maintenance costs, Queensland Shared Services charges and other support costs.

(y) Major Departmental Services of the Department

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

Crime and Public Order

Crime and Public Order services:

- protect personal safety and prevent and detect related offences including homicide, assault, sexual assault and robbery
- protect property and prevent and detect related offences including unlawful entry, other property damage, motor vehicle theft, and other theft (excluding unlawful entry)
- maintain public order and safety during major events and natural disasters - from planning to recovery; address public space enjoyment, street and nuisance offences, and liquor licensing issues; and environmental design to reduce crime including alcohol fuelled violence.

Road Safety

Road safety services enforce traffic law and reduce road trauma including through the prevention and detection of speeding, red light offences, driving under the influence of alcohol or drugs, driving while fatigued and not wearing seatbelts.

(z) Insurance

The majority of the department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. The department privately insures its Air-wing pilots where applicable.

In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(aa) Other Presentation Matters

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

In addition, the classification of 'Services received at below fair value' was reviewed during 2014-15, with the comparative figures being restated. Further information on this can be found in note 9 (Supplies and Services) and note 13 (Other Expenses).

The reporting period covered by these financial statements is 1 July 2014 to 30 June 2015.

(ab) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(ac) Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable and GST payable to the Australian Tax Office (ATO) are recognised and disclosed in Note 15.

(ad) Issuance of Financial Statements

The financial statements are authorised for issue by the Commissioner of Police (as Accountable Officer) and the Chief Finance Officer at the date of signing the Management Certificate.

(ae) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect on the financial statements are outlined in the following financial statement notes:

Valuation of Property, Plant and Equipment - Note 20

Contingencies - Note 28

Depreciation and Amortisation - Note 11

(af) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

(ag) Machinery of Government changes

As a result of the *Public Service Departmental Arrangements Notice (No.1) 2014*, effective 1 July 2014, functions of the Queensland Police Service responsible for providing corporate, business services and education and training services was transferred to the Public Safety Business Agency (PSBA). The PSBA has continued to provide these services to the Queensland Police Service from this date.

As agreed between the Commissioner for the Queensland Police Service and the Chief Executive Officer for the Public Safety Business Agency as a result of this machinery-of-Government (moG) change the following assets and liabilities were transferred out of the Queensland Police Service effective 1 July 2014.

	2015
	\$'000
Assets	
Cash	11,910
Receivables	3,728
Inventories	217
Other current assets	10,820
Non-financial assets held for sale	3,002
Intangibles	34,150
Property, plant and equipment	1,640,986
Total assets	<u>1,704,814</u>
Liabilities	
Payables	15,611
Other current liabilities	6
Total liabilities	<u>15,617</u>
Net assets	<u>1,689,196</u>

This resulted in \$1,689M in net assets being transferred to the Public Safety Business Agency.

The cash balance has been calculated on the basis of funding the total of the current payables (less receivables) balances and petty cash imprest accounts as at moG date.

(ah) New and Revised Accounting Standards

The department did not voluntarily change any of its accounting policies during 2014-15. The Australian Accounting Standard changes applicable for the first time as from 2014-15 that have had a significant impact on the department's financial statements are those arising from AASB 1055 *Budgetary Reporting*, as included in note 34.

At the date of authorisation of the financial report, all Australian accounting standards and interpretations with future commencement dates are either not applicable or have no material impact on the department.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
2. Reconciliation of Payments from Consolidated Fund to Departmental Services Revenue Recognised in Statement of Comprehensive Income		
Budgeted appropriation revenue	1,704,904	1,923,604
Transfers from/(to) other headings	-	24,202
Unforeseen expenditure	-	13,696
Lapsed appropriation revenue	(45,401)	-
Total appropriation receipts	1,659,503	1,961,502
Less: Opening balance of Departmental services revenue receivable	-	(22,135)
Plus: Closing balance of Departmental services revenue receivable	4,318	-
Plus: Opening balance of Departmental services revenue payable	14,188	-
Less: Closing balance of Departmental services revenue payable	-	(14,188)
Appropriation revenue recognised in Statement of Comprehensive Income	1,678,009	1,925,179
Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity		
Budgeted equity adjustment appropriation	6,157	(3,369)
Transfers from/(to) other headings	(583,183)	(26,896)
Lapsed equity adjustment	-	-
Unforeseen expenditure	2,816	-
Equity adjustment receipts (payments)	(574,210)	(30,265)
Less: Opening balance of equity adjustment receivable	-	-
Plus: Closing balance of equity adjustment receivable	(4,318)	-
Plus: Opening balance of equity withdrawal payable	-	-
Less: Closing balance of equity withdrawal payable	-	-
Equity Adjustment Recognised In Contributed Equity	(578,528)	(30,265)
3. User Charges		
Special services	26,952	36,534
Incident reporting	1,233	1,233
Rental of government property	145	223
Sale of goods and services	12,368	12,380
Network user charges	101	10,764
Total	40,799	61,133
4. Grants and Other Contributions		
Grants*	4,292	8,641
Industry contributions	103	442
Services received at below fair value**	316,921	9,709
Total	321,316	18,792

* Included in 2014-15 Grants are Natural Disaster Relief and Recovery Arrangements Assistance (\$1.657M), CrimTrac National Police Competency Standards Funding (\$947K), National Standards Commission Funding (\$251K), and Police Diversion Program (\$132K).

** Included in the 2014-15 Services received at below fair value is \$310.865M representing Public Safety Business Agency services provided to the Queensland Police Service.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
5. Other Revenue		
Interest	531	366
Taxes, fees and fines	86	74
Insurance compensation - QGIF and other	261	928
Sale of plant and equipment (non assets)	22	92
General Recoveries	1,151	1,006
Recognition of post capitalised assets	-	1,286
FBT Employee Contributions	497	582
Restitution	283	332
Other	65	53
Total	<u>2,896</u>	<u>4,719</u>
6. Gains on Disposal/Remeasurement of Assets		
Gain on sale of property, plant and equipment	36	1,239
Total	<u>36</u>	<u>1,239</u>
7. Employee Expenses		
Employee Benefits		
Wages and salaries	1,146,174	1,131,280
Employer superannuation contributions*	171,661	172,248
Long service leave levy*	26,147	26,338
Annual leave levy*	135,764	150,241
Voluntary redundancy payments	7	1,537
Other employee benefits	6,445	6,504
Employee Related Expenses		
Payroll tax*	159	69,072
Workers compensation premium*	11,650	25,225
Total	<u>1,498,007</u>	<u>1,582,445</u>

* Refer to Note 1(w).

Number of Employees

The number of employees as at 30 June, including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2015	2014
Number of Employees	14,089	14,874

**QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**
For the year ended 30 June 2015

8. Key Executive Management Personnel and Remuneration

a) Key Executive Management Personnel

The following details for key executive management personnel, being the members of the QPS Board of Management* include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position
Commissioner	The Commissioner is responsible for strategic leadership of the Queensland Police Service consistent with Government legislation and policy directions.	CEO level as agreed with the Minister and Premier. <i>Police Service Administration Act 1990</i>	Appointed 01/11/2012
Deputy Commissioner (Strategy, Policy and Performance)	The Deputy Commissioner (Strategy, Policy and Performance) is responsible for strategic leadership of the Queensland Police Service consistent with Government legislation and policy directions.	SES 4 Equivalent <i>Police Service Administration Act 1990</i>	Appointed 01/07/2013
Deputy Commissioner (Specialist Operations)	The Deputy Commissioner (Specialist Operations) is responsible for the strategic management and direction of police specialist operations throughout Queensland consistent with Government legislation and policy directions.	SES 4 Equivalent <i>Police Service Administration Act 1990</i>	Appointed 04/10/2010
Deputy Commissioner (Regional Operations)	The Deputy Commissioner (Regional Operations) is responsible for the strategic management and direction of police regional operations throughout Queensland consistent with Government legislation and policy directions.	SES 4 Equivalent <i>Police Service Administration Act 1990</i>	Appointed 01/01/2013

* An external member was appointed to the QPS Board of Management commencing 5 June 2014. For 2014-15 the external member was remunerated at the standard government rate of \$660 per meeting.

**QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015**

Note 8 (cont'd)

b) Remuneration Expenses

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment (including motor vehicle entitlements) for the key management personnel are specified in employment contracts.

For the 2014-15 year, remuneration packages of key executive management personnel increased by 2.2% in accordance with government policy.

The following disclosures focus on the expenses incurred by the agency during the respective reporting periods, that is attributable to key management positions. Therefore the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee benefits which include:
 - Salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
 - Performance payments recognised as an expense during the year.
 - Non-monetary benefits - consisting of provision of a motor vehicle if applicable and fringe benefits tax payable on benefits received.
- Long term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- Post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- Performance payments are not paid under the contracts in place.

1 July 2014 - 30 June 2015

Position (Date resigned if applicable)	Short Term Employee Benefits**		Long Term Employee Benefits*		Post Employment Benefits	Termination Benefits	Total Remuneration***
	Monetary Expenses*	Non-Monetary Benefits	Monetary Expenses*	Non-Monetary Benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Commissioner	453	25	10	52	-	-	540
Deputy Commissioner (Strategy, Policy and Performance)	252	-	5	37	-	-	294
Deputy Commissioner (Specialist Operations)	252	-	5	37	-	-	294
Deputy Commissioner (Regional Operations)	200	-	4	29	-	-	233
Acting Deputy Commissioner (Regional Operations) - (acting 01/07/2014 - 03/08/2014)	26	1	1	3	-	-	31
Total Remuneration	1,183	26	25	158	-	-	1,392

* Calculations for the current year reflect long service leave levies and annual leave levies paid by the department as per Queensland Treasury guidelines.

** Cashable benefits includes higher duty payments if applicable, allowance entitlements included in executive remuneration packages and annual leave entitlements earned.

*** The amount calculated as total remuneration includes the direct remuneration received, as well as items not directly received by senior executives, such as the movement in leave accruals and fringe benefits tax paid

**QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015**

Note 8 (cont'd)

1 July 2013 - 30 June 2014

Position (Date resigned if applicable)	Short Term Employee Benefits		Long Term Employee Benefits		Post Employment Benefits		Termination Benefits		Total Remuneration
	Monetary Expenses* \$'000	Non-Monetary Benefits \$'000	Monetary Expenses* \$'000	Non-Monetary Benefits \$'000	Monetary Expenses* \$'000	Non-Monetary Benefits \$'000	Monetary Expenses* \$'000	Non-Monetary Benefits \$'000	
Commissioner	436	30	14	67	-	-	-	-	548
Deputy Commissioner (Strategy, Policy and Performance) - appointed 01/07/2013	237	6	7	36	36	-	-	-	287
Deputy Commissioner (Specialist Operations)	232	-	7	36	36	-	-	-	275
Deputy Commissioner (Regional Operations)	95	4	3	14	14	-	-	-	116
Acting Deputy Commissioner (Regional Operations) - (acting 14/10/2013 - 30/06/2014)	146	21	5	15	15	-	-	-	187
Deputy Chief Executive (Resource Management) - retired 02/12/2013	93	3	8	11	11	-	-	427	542
Total Remuneration	1,240	65	43	180	427	180	427	1,954	

* Monetary expenses was returned in 2013-14 from cashable benefits.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
9. Supplies and Services		
Consultancy and contractors	4,691	12,824
Materials	38,071	47,215
Repairs and maintenance	33,994	71,041
Transfer costs	1,052	5,949
Travel	31,421	16,004
Communications	12,143	26,945
Accommodation and public utilities	16,344	17,009
Shared service provider charges	576	20,224
Equipment below asset threshold levels	9,284	16,175
Operating lease rentals and rental of premises	22,341	17,308
Crimtrac name search	7,257	7,018
Other	25,294	43,139
Total	202,468	300,851

During 2014-15, the department reviewed the classification of 'Services received at below fair value' previously reported as Supplies and Services. As a consequence of the department's review, approximately \$9.59M of expenses for 2013-14 has been reclassified to Other Expenses from Supplies and Services. Comparative figures for Supplies and Services have been restated accordingly.

10. Grants and Subsidies		
Grants – recurrent	3,538	4,716
Natural disaster payments	58	64
Subsidy payments	128	322
Total	3,724	5,102

11. Depreciation and Amortisation		
Buildings	4	37,466
Infrastructure	-	222
Plant and equipment	7,221	47,162
Heritage and cultural assets	18	1,925
Major plant and equipment	82	362
Software purchased	269	637
Software internally generated	3,957	9,562
Total	11,551	97,336

12. Impairment Losses		
Impairment losses on trade receivables	60	264
Capital work in progress	-	(692)
Total	60	(428)

13. Other Expenses		
Bad debts	17	43
Loss on disposal of non current assets	182	3,241
Audit fees*	226	312
Insurance premiums - QGIF	6,740	5,770
Insurance premiums - Other	56	84
Ex-gratia payments**	1,308	348
Property plant and equipment write off	-	1,134
Inventory write on	(484)	14
Gifts	-	5
Plaintiff damages and costs	118	1,125
Motor vehicle expenses	643	1,505
Services received at below fair value***	316,542	9,590
Other	905	942
Total	326,252	24,115

* Total external audit fees paid to the Queensland Audit Office relating to the 2014-15 financial statements are estimated to be \$299K (2014: \$304K). There are no non-audit services included in this amount.

** The department made ex-gratia payments to individuals in relation to the department's policing operations.

*** Included in the 2014-15 Services received at below fair value is \$310.865M representing Public Safety Business Agency services provided to the Queensland Police Service.

As explained in note 9 above, during 2014-15 the department reviewed the classification of 'Services received at below fair value' previously reported as Supplies and Services. As a consequence of the department's review, approximately \$9.59M of expenses for 2013-14 has been reclassified to Other Expenses from Supplies and Services.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
14. Cash and Cash Equivalents		
Imprest accounts	212	236
Cash at bank	78,470	86,316
Total	78,682	86,553
15. Receivables		
Current		
Trade debtors	13,439	27,395
Less: Allowance for impairment loss*	(663)	(608)
	12,776	26,786
GST receivables	2,443	4,906
GST payables	(9)	(6)
	2,434	4,900
Interest	43	36
Long service leave reimbursement	5,048	5,112
Annual leave reimbursement	36,964	38,901
Loans and advances	68	16
Other receivables	112	657
	42,235	44,721
Total	57,445	76,408
* Refer to Note 29(c) Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance for impairment loss.		
16. Inventories		
Supplies and consumables - at cost	4,537	4,475
Total	4,537	4,475
17. Other Current Assets		
Prepayments	5,496	12,816
Other	1,634	2,464
Total	7,130	15,281
18. Non-Current Assets Classified as Held for Sale		
Property plant and equipment	-	4,123
Total	-	4,123
19. Intangible Assets		
Software purchased		
At cost	1,191	5,625
Less: accumulated amortisation	(944)	(4,346)
	247	1,279
Software internally generated		
At cost	38,821	109,692
Less: accumulated amortisation	(15,141)	(51,004)
	23,680	58,688
Work in progress	-	1,215
Total	23,927	61,182

The department has 4 intangible assets with a written down value of zero still being used in the provision of services.

All intangible assets of the department have finite useful lives and are amortised on a straight line basis. Refer to Note 1(r).

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

19. Intangible Assets (cont'd)

Intangibles Reconciliation	Work in Progress		Software Internally Generated		Software Purchased		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	1,215	543	58,688	66,830	1,279	1,916	61,182	69,289
Acquisitions	1,388	672	235	1,420	-	-	1,623	2,092
Transfers through machinery-of-Government Change	(2,602)	-	(31,286)	-	(764)	-	(34,652)	-
Amortisation	-	-	(3,957)	(9,562)	(269)	(637)	(4,226)	(10,199)
Carrying amount at 30 June	-	1,215	23,680	58,688	246	1,279	23,927	61,182

Impairment losses and reversals of impairment losses are shown as separate line items in the Statement of Comprehensive Income.

Amortisation of intangibles is included in the line item 'Depreciation and amortisation' in the Statement of Comprehensive Income.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
20. Property, Plant and Equipment		
Land		
At fair value	-	446,989
Less: accumulated impairment losses	-	-
	<u>-</u>	<u>446,989</u>
Buildings		
At fair value	37	2,034,180
Less: accumulated depreciation	(1)	(1,064,562)
Less: accumulated impairment losses	-	(100)
	<u>36</u>	<u>969,518</u>
Infrastructure		
At fair value	-	9,260
Less: Accumulated depreciation	-	(828)
Less: Accumulated impairment losses	-	-
	<u>-</u>	<u>8,432</u>
Plant and equipment		
At cost	82,083	438,165
Less: accumulated depreciation	(47,663)	(234,338)
Less: accumulated impairment losses	-	-
	<u>34,421</u>	<u>203,827</u>
Heritage and cultural assets		
At fair value	18	84,568
Less: accumulated depreciation	-	(50,236)
Less: accumulated impairment losses	-	-
	<u>18</u>	<u>34,332</u>
Major plant and equipment		
At fair value	3,052	2,285
Less: accumulated depreciation	(1,535)	(1,077)
Less: accumulated impairment losses	-	-
	<u>1,517</u>	<u>1,208</u>
Work in progress		
At cost	2,131	53,289
Less: accumulated impairment losses	-	(34,297)
	<u>2,131</u>	<u>18,992</u>
Total	<u>38,123</u>	<u>1,683,298</u>

Following machinery-of-Government changes effective 1 July 2014, Queensland Police Service property, plant and equipment asset classes relating to corporate services and educational functions were transferred to the Public Safety Business Agency. The department has several minor buildings remaining which will transfer in 2015-16.

Major plant and equipment was independently revalued by Bruce A McKenzie (AVAA Practising Valuer Number: 464) of JD Dodds Plant & Machinery Valuers as at 30 June 2015. The revaluations were determined using current market values.

Plant and equipment is valued at cost in accordance with Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

The department has 1,098 items of plant and equipment with an original cost of \$18.7M that have been written down to their residual value of \$0.137M and are still being used in the provision of services. It is expected that these assets will either be replaced in the 2015-16 financial year or their useful life reassessed to reflect their remaining service potential.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

Property, Plant and Equipment Reconciliation	Land		Buildings		Major Plant and Equipment		Heritage and Cultural		Infrastructure		Work in Progress		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	446,989	466,487	969,518	977,446	1,208	12,077	203,827	203,866	8,432	9,308	18,992	54,831	1,683,298	1,760,302
Acquisitions	-	346	-	4,298	-	308	6,608	55,782	-	64	1,006	11,555	7,614	72,352
Donations Received	-	-	-	-	-	-	370	129	-	-	-	-	370	129
Disposals	-	(167)	-	(115)	-	-	(365)	(14,170)	-	-	-	-	(365)	(14,452)
Assets reclassified as held for sale	-	(6,049)	-	-	-	-	(4,293)	-	-	-	-	-	(10,341)	(10,341)
Donations Made	-	-	-	(1)	-	-	-	-	-	-	-	-	-	(1)
Transfers between classes	-	-	-	37,853	-	-	-	9,716	-	-	-	-	-	7,548
Transfers through machinery-of-Government Change	(446,989)	-	(969,478)	-	10	(10,795)	(168,800)	(91)	(8,432)	110	(17,867)	(39,142)	(16,445,852)	(19,800)
Net revaluation increments/(decrements) (Note 26)	-	(13,628)	-	(12,498)	381	(20)	-	(61)	(764)	-	-	(8,943)	381	(25,994)
Impairment losses recognised in operating result (Note 12)	-	-	-	-	-	-	-	-	-	-	-	692	-	692
Depreciation/amortisation	-	-	(4)	(37,466)	(82)	(362)	(7,220)	(47,162)	-	(222)	-	-	(7,324)	(87,137)
Carrying amount at 30 June	446,989	446,989	36	969,518	1,517	1,208	34,421	203,827	18	34,332	2,131	18,992	38,123	1,683,298

20. Property, Plant and Equipment (cont'd)

Categorisation of Fair Values Recognised as at 30 June 2015 (refer to Note 1(q))

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2015	2014	2015	2014	2015	2014
Land	-	-	-	446,989	-	446,989
Buildings	-	-	36	969,518	36	969,518
Heritage and Cultural Assets	-	-	18	34,332	18	34,332
Major Plant and Equipment	1,517	1,208	-	-	1,517	1,208
Infrastructure	-	-	-	8,432	-	8,432

Level 2 Significant Valuation Inputs and Relationship to Fair Value

Major plant and equipment including aircraft are valued using the direct comparison valuation method. Aircraft have been valued with regard to the amount considered achievable (fair market) if sold on the open market, after investigating and analysing the sale prices of similar second-hand aircraft. particular regard has been given to the aircrafts general appearance, condition and remaining time left to run on all major components.

Level 3 Significant Valuation Inputs and Relationship to Fair Value

Heritage and cultural assets are valued using the depreciated replacement cost method taking into account the replication cost that reflects the heritage value or quality embodied in the asset.

QUEENSLAND POLICE SERVICE
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	2015	2014
	\$'000	\$'000
21. Payables		
Trade creditors	9,699	29,556
Other payables	20,405	35,431
Total	30,104	64,987
22. Accrued Employee Benefits		
Current		
Recreation leave	22	11
Wages outstanding	21,855	17,632
Long service leave levy payable	7,160	6,831
Annual leave levy payable	34,084	39,336
Other employee entitlements	4,963	4,484
Total	68,084	68,295
23. Other Current Liabilities		
Current		
Unearned revenue	67	14,255
Other	4,987	75
Total	5,054	14,331
	2015	2014
	\$'000	\$'000
24. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating surplus/(deficit)	996	856
Depreciation expense	7,325	87,137
Amortisation expense	4,226	10,199
Donated assets received	(370)	(129)
Revaluation decrement	-	784
Loss on sale of property, plant and equipment	182	3,241
Gain on sale of property, plant and equipment	(36)	(1,239)
Impairment losses	60	(428)
Inventory write-offs	(484)	14
Plant and equipment write-offs	-	1,134
Change in assets and liabilities:		
(Increase)/decrease in GST input tax credits receivable	2,466	(50)
(Increase)/decrease in LSL reimbursement receivables	65	9,291
(Increase)/decrease in AL reimbursement receivables	1,937	(714)
(Increase)/decrease in trade receivables	14,010	(13,658)
(Increase)/decrease in inventories	61	(54)
(Increase)/decrease in appropriation receivable	-	22,135
(Increase)/decrease in loans and advances	(53)	(12)
(Increase)/decrease in interest receivable	(7)	(8)
(Increase)/decrease in other receivables	545	(177)
(Increase)/decrease in prepayments/other	8,151	(3,852)
Increase/(decrease) in payables	(34,883)	(8,552)
Increase/(decrease) in accrued employee benefits	(211)	10,923
Increase/(decrease) in other current liabilities	(9,276)	14,233
Increase/(decrease) in accruals	(191)	3,892
Net cash from operating activities	(5,487)	134,966
25. Non-Cash Financing and Investing Activities		

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses are included in Notes 4 and 13.

QUEENSLAND POLICE SERVICE
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26. Asset Revaluation Surplus by Class

	Land \$'000	Buildings \$'000	Major Plant & Equipment \$'000	Heritage & Cultural Assets \$'000	Total \$'000
Balance 1 July 2014	308,722	399,042	-	1,101	708,865
Revaluation increments	-	-	381	-	381
Revaluation decrements	-	-	-	-	-
Increase/(decrease) in reserves from restructuring*	(308,722)	(399,042)	-	(1,101)	(708,865)
Balance 30 June 2015	-	-	381	-	381

	Land \$'000	Buildings \$'000	Major Plant & Equipment \$'000	Heritage & Cultural Assets \$'000	Total \$'000
Balance 1 July 2013	322,351	411,540	-	186	734,076
Revaluation increments	10,567	25,399	-	3,407	39,374
Sale of revalued assets	799	(1,424)	-	(52,622)	(53,247)
Revaluation decrements	(24,994)	(36,473)	-	50,130	(11,338)
Balance 30 June 2014	308,722	399,042	-	1,101	708,865

* The decrease in the asset revaluation reserves for the relevant asset classes is due to the reduction in total equity as a result of the machinery-of-Government changes.

27. Commitments for Expenditure

(a) Non-Cancellable Operating Lease Commitments

Commitments under non-cancellable operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	2015 \$'000	2014 \$'000
Not later than one year	27,190	23,257
Later than one year and not later than five years	34,493	35,373
Later than five years	1,989	3,127
Total	63,672	61,757

Finance leases are entered into as a means of funding the acquisition of certain plant and equipment. Lease payments are generally fixed. Leases for photocopiers have a contingent rental obligation dependent on the volume of usage.

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

The department has no financial lease commitments for the 2014-15 financial year.

(b) Capital Expenditure Commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	Buildings* \$'000	Plant and Equipment** \$'000	Intangibles*** \$'000
2015			
<i>Payable:</i>			
Not later than one year	-	2,393	86
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Total	-	2,393	86
2014			
<i>Payable:</i>			
Not later than one year	2,593	5,989	-
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Total	2,593	5,989	-

* Buildings has decreased due to transfers to the Public Safety Business Agency as a result of machinery-of-Government changes.

QUEENSLAND POLICE SERVICE
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For the year ended 30 June 2015

28. Contingencies

(a) Financial Guarantees

The department has no guarantees or undertakings that have not been recognised in the financial statements.

(b) Litigation in Process

As at 30 June 2015, the following cases were filed with the respective jurisdiction naming the Queensland Police Service as the defendant:

	2015	2014
	Number	Number
Supreme Court	3	6
Magistrates Court	1	4
District Court	2	8
Total cases	6	18

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time.

The Queensland Police Service is a member of the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back, less a \$10K deductible, the amount paid to successful litigants.

(c) Contingent Revenue

The Queensland Police Service incurred extra costs in the 2014-15 year due to the impact of a severe thunderstorm event in Brisbane on 24 November 2014. The department may be able to recover funds under the Natural Disaster Relief and Recovery Arrangements (NDRRA) through the Queensland Reconstruction Authority. The recoverable amount, estimated to be up to \$28K is to be recognised as revenue in the year of receipt which is expected to be in the 2015-16 financial year.

The Queensland Police Service incurred extra costs in the 2014-15 year due to the impact of TC Marcia and SE QLD Low between 19 and 22 February 2015. The department may be able to recover funds under the Natural Disaster Relief and Recovery Arrangements (NDRRA) through the Queensland Reconstruction Authority. The recoverable amount, estimated to be up to \$487K is to be recognised as revenue in the year of receipt which is expected to be in the 2015-16 financial year.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

29. Financial Instruments

(a) Categorisation of Financial Instruments

The department has the following categories of financial assets and financial liabilities:

Category	Note	2015 \$'000	2014 \$'000
Financial Assets			
Cash and cash equivalents	14	78,682	86,553
Receivables	15	57,445	76,408
Total		136,127	162,961
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	21	30,104	64,987
Total		30,104	64,987

(b) Financial Risk Management

The Police Service's departmental activities expose it to credit risk and liquidity risk.

Financial risk management is implemented pursuant to Government and Queensland Police Service departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under policies approved by the department.

The department measures risk exposure using a variety of methods as follows -

Risk exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the department may incur a financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date is the gross carrying amount of each class of recognised financial assets inclusive of any provisions for impairment.

Financial Assets

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

The department manages credit risk through the use of a credit management strategy which aims to reduce the exposure to credit default by investing in secure assets and monitoring all funds owed on a timely basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. The main factors affecting the current calculation for provisions are disclosed below as loss events. These economic and geographic changes form part of the department's documented risk analysis assessment in conjunction with historic experience and associated industry data.

The recognised impairment loss is \$55K for the current year. This is a decrease of \$209K from 2014 and is due to a number of events, including business units transferred to the Public Safety Business Agency as a result of the machinery of Government changes, which resulted in a significant reduction in trade debtors remaining with the Queensland Police Service.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

29. Financial Instruments (cont'd)

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2015 Financial Assets Past Due But Not Impaired

	Overdue				Total Financial	
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total	Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Receivables	56,269	110	66	1,000	57,445	57,445
Total	56,269	110	66	1,000	57,445	57,445

2014 Financial Assets Past Due But Not Impaired

	Overdue				Total Financial	
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total	Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Receivables	75,051	56	89	1,212	76,408	76,408
Total	75,051	56	89	1,212	76,408	76,408

2015 Impaired Financial Assets

	Overdue				Total Financial	
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total	Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Receivables (gross)	-	-	-	670	670	670
Allowance for impairment	-	-	-	663	663	663
Carrying Amount	-	-	-	7	7	7

2014 Impaired Financial Assets

	Overdue				Total Financial	
	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total	Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Receivables (gross)	-	-	-	618	618	618
Allowance for impairment	-	-	-	608	608	608
Carrying Amount	-	-	-	10	10	10

	2015	2014
	\$'000	\$'000
Movements in Allowance for Impairment		
Balance at 1 July	608	344
Increase/decrease in allowance recognised in operating result	55	264
Balance at 30 June	663	608

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015
29. Financial Instruments (cont'd)

(d) Liquidity Risk

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by cash or another financial asset.

The department is exposed to liquidity risk in respect of its payables.

The department manages liquidity risk through the use of a liquidity management strategy which aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. As a result, these undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

		2015 Payable in			
Note		< 1 year	1 - 5 years	> 5 years	Total
		\$'000	\$'000	\$'000	\$'000
Financial Liabilities					
Payables	21	30,104	-	-	30,104
Total		30,104	-	-	30,104

		2014 Payable in			
Note		< 1 year	1 - 5 years	> 5 years	Total
		\$'000	\$'000	\$'000	\$'000
Financial Liabilities					
Payables	21	64,987	-	-	64,987
Total		64,987	-	-	64,987

(e) Market Risk

The department has not traded in foreign currency in 2014-15 and is not materially exposed to commodity price changes. The department is not exposed to interest rate risk and has not undertaken any hedging in relation to interest risk.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
30. Schedule of Administered Items		
Administered Income		
Taxes, fees and fines	13,493	12,735
Administered item revenue	-	708
Other	179	205
Total	13,672	13,648
Administered Expenses		
Grants and subsidies	-	708
Total	-	708
Administered Assets		
<i>Current</i>		
Cash	1,964	1,752
Receivables	(5)	(14)
<i>Non-Current</i>		
Property, Plant and Equipment	-	8,943
Total	1,958	10,682
Administered Liabilities		
<i>Current</i>		
Other payables	896	961
Payables to Government	1,031	776
Other current liabilities	31	1
Total	1,958	1,739
Administered Equity		
Contributed Equity	-	8,943
Total	-	8,943
Transfers to Government of Taxes, Fees and Fines	13,672	12,940

31. Reconciliation of Payments from Consolidated Fund to Administered Revenue

	2015 \$'000	2014 \$'000
Budgeted appropriation	-	708
Total administered receipts	-	708
Less: Adjustment for Administered revenue payable	-	-
Plus: Opening balance of administered revenue payable	-	-
Administered revenue recognised in Note 30.	-	708

32. Trust Transactions and Balances

The department holds various suspense monies temporarily before being transferred to appropriate parties (e.g. exhibits or drug money held pending determination by a court), unclaimed and returned Queensland Police Service cheques.

As the department performs only a custodial role in respect of these transactions and balances, they are neither controlled nor administered by the department and accordingly, are not recognised in the financial statements. They are however, disclosed in these notes for the information of users.

	2015 \$'000	2014 \$'000
Trust Assets and Liabilities		
<i>Current Assets</i>		
Cash	17,898	15,241
Total	17,898	15,241
<i>Current Liabilities</i>		
Total Current Liabilities	17,898	15,241
Total	17,898	15,241

The Queensland Auditor-General performed the audit of the department's trust transactions for 2014-15.

33. Events Occurring After Balance Date

In April 2015, the Queensland Government announced that it would review the Public Safety Business Agency, which provides corporate support activities to the three state government entities including the Queensland Police Service. As at the date of certification of these financial statements, this review is in progress. The outcomes of the review are expected to be released in late 2015.

There were no events occurring after balance date, including the event described above, that management considers would have a material impact on the information disclosed in these financial statements.

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

Note 34. Budget vs Actual Comparison

NB. A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

Statement of Comprehensive Income

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Income from Continuing Operations					
Appropriation revenue		1,704,904	1,678,009	(26,895)	-2%
User charges and fees	34(a)	60,885	40,799	(20,086)	-33%
Grants and other contributions	34(b)	301,764	321,316	19,552	6%
Interest		550	531	(19)	-3%
Other revenue		2,221	2,365	144	6%
Total Revenue		2,070,324	2,043,020	(27,304)	-1%
Gains					
Gains on disposal/remeasurement of assets		-	36	36	-
Total Income from Continuing Operations		2,070,324	2,043,056	(27,268)	-1%
Expenses from Continuing Operations					
Employee expenses		1,494,162	1,498,007	3,845	0%
Supplies and services	34(c)	253,411	202,468	(50,943)	-20%
Grants and subsidies		4,026	3,724	(302)	-8%
Depreciation and amortisation	34(d)	18,061	11,551	(6,510)	-36%
Impairment losses		-	60	60	-
Other expenses		300,664	326,252	25,588	9%
Total Expenses from Continuing Operations		2,070,324	2,042,061	(28,263)	-1%
Operating Result from Continuing Operations		-	996	996	-
Operating Result for the Year		-	996	996	-

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
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Note 34. Budget vs Actual Comparison (cont'd)

Statement of Financial Position

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Current Assets					
Cash and cash equivalents	34(e)	38,290	78,682	40,392	105%
Receivables	34(f)	66,438	57,445	(8,993)	-14%
Inventories		4,422	4,537	115	3%
Non financial assets held for sale		2,990	-	(2,990)	-
Other current assets	34(g)	10,645	7,130	(3,515)	-33%
		<u>122,785</u>	<u>147,794</u>	<u>25,009</u>	<u>20%</u>
Total Current Assets		<u>122,785</u>	<u>147,794</u>	<u>25,009</u>	<u>20%</u>
Non-Current Assets					
Intangible assets	34(h)	31,201	23,927	(7,274)	-23%
Property, plant and equipment	34(h)	68,350	38,123	(30,227)	-44%
		<u>99,551</u>	<u>62,050</u>	<u>(37,501)</u>	<u>-38%</u>
Total Non-Current Assets		<u>99,551</u>	<u>62,050</u>	<u>(37,501)</u>	<u>-38%</u>
Total Assets		<u>222,336</u>	<u>209,844</u>	<u>(12,492)</u>	<u>-6%</u>
Current Liabilities					
Payables	34(i)	49,952	30,104	(19,848)	-40%
Accrued employee benefits	34(j)	53,440	68,084	14,644	27%
Other current liabilities		1,296	5,054	3,758	290%
		<u>104,688</u>	<u>103,242</u>	<u>(1,446)</u>	<u>-1%</u>
Total Current Liabilities		<u>104,688</u>	<u>103,242</u>	<u>(1,446)</u>	<u>-1%</u>
Total Liabilities		<u>104,688</u>	<u>103,242</u>	<u>(1,446)</u>	<u>-1%</u>
Net Assets		<u>117,648</u>	<u>106,602</u>	<u>(11,046)</u>	<u>-9%</u>
Total Equity		<u>117,648</u>	<u>106,602</u>	<u>(11,046)</u>	<u>-9%</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
For the year ended 30 June 2015

Note 34. Budget vs Actual Comparison (cont'd)

Statement of Cash Flows

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts		1,704,904	1,659,503	(45,401)	-3%
User charges and fees	34(a)	60,885	44,306	(16,579)	-27%
Grants and other contributions		3,547	4,393	846	24%
Interest receipts		550	524	(26)	-5%
GST input tax credits from ATO		-	24,062	24,062	-
GST collected from customers		-	7,705	7,705	-
Other	34(k)	2,221	10,361	8,140	367%
<i>Outflows:</i>					
Employee expenses		(1,494,162)	(1,500,466)	(6,304)	0%
Supplies and services	34(c)	(253,411)	(212,462)	40,949	-16%
Grants and subsidies		(4,026)	(3,724)	302	-8%
GST paid to suppliers		-	(23,822)	(23,822)	-
GST remitted to ATO		-	(6,657)	(6,657)	-
Other		(2,447)	(9,210)	(6,763)	276%
Net cash provided (used in) operating activities		18,061	(5,487)	(23,548)	-130%
Cash flow from investing activities					
<i>Inflows:</i>					
Sales of property, plant and equipment		-	1,205	1,205	-
<i>Outflows:</i>					
Payments for property, plant and equipment	34(l)	(24,218)	(7,981)	16,237	-67%
Payments for intangibles		-	(1,623)	(1,623)	-
Net cash provided by (used in) investing activities		(24,218)	(8,399)	15,819	-65%
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		11,736	10,585	(1,151)	-10%
<i>Outflows:</i>					
Equity withdrawals	34(m)	(5,579)	(1,612)	3,967	-71%
Net cash provided by (used in) financing activities		6,157	8,973	2,816	46%
Net increase (decrease) in cash and cash equivalents		-	(4,913)	(4,913)	-
Increase (decrease) in cash and cash equivalents from restructuring		(2,802)	-	2,802	-100%
Adjustment due to machinery-of-Government change		-	(2,958)	(2,958)	-
Cash and cash equivalents at beginning of financial year		41,092	86,553	45,461	111%
Cash and cash equivalents at end of financial year		38,290	78,682	40,392	105%

QUEENSLAND POLICE SERVICE
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For the year ended 30 June 2015

Note 34. Budget vs Actual Comparison (cont'd)

Administered Items

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Administered Income					
Taxes, fees and fines	34(n)	8,416	13,493	5,077	60%
Other revenue		877	179	(698)	-80%
Total Administered Income		9,293	13,672	4,379	47%
Administered Expenses					
Transfers of Administered Income to Government		9,293	13,672	4,379	47%
Total Administered Expenses		9,293	13,672	4,379	47%
Operating Surplus/(Deficit)		-	-	-	-
Administered Assets					
<i>Current</i>					
Cash		1,469	1,964	495	34%
Receivables		(5)	(5)	-	
Total Current Assets		1,464	1,958	494	34%
Total Assets		1,464	1,958	494	34%
Administered Liabilities					
<i>Current</i>					
Payables to Government		596	1,031	435	73%
Other payables		866	896	30	3%
Other current liabilities		2	31	29	
Total Current Liabilities		1,464	1,958	494	34%
Net Administered Assets		-	-	-	-

QUEENSLAND POLICE SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15
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Note 34. Budget vs Actual Comparison (cont'd)

Explanations of Major Variances

Statement of Comprehensive Income

(a) This variance relates substantially to the transfer of the Public Safety Network Management Centre (PSNMC) to PSBA which resulted in a decrease in service charges to QPS (\$10.9M). This was not anticipated at State Budget as the impact was unknown given that the review of the QPS to PSBA machinery-of-Government (MOG) had not been finalised as at State Budget. In addition, demand for fee for services decreased materially due to the slow down of the mining boom which resulted in a decrease in wide load escorts (\$8.5M).

(b) the variance for Grants and Other Contributions materially relates to the calculation of 'Services received at below fair value' which represented PSBA services provided to QPS and which had not been finalised due to further review being required as at State budget.

(c) The variance for Supplies and Services materially relates to the re-cashflowing of various projects between years which was subsequently approved by Queensland Treasury post State Budget.

(d) The variance for Depreciation and Amortisation materially relates to the unfinalised review of actuals as at State Budget due to the QPS to PSBA MOG whereby the actual assets to transfer to PSBA was unknown at the time.

Statement of Financial Position

(e) The variance in Cash and Cash Equivalents is materially attributable to the review of the MOG actuals having not been finalised as at State Budget and as a result differences between estimated and actual cash flows.

(f) The variance for Receivables is materially due to the review of the MOG actuals not being finalised as at State Budget.

(g) Other Current Assets are lower due to the review of the MOG actuals having not been finalised as at State Budget.

(h) The Intangible Assets and Property, Plant and Equipment decrease is materially due to the review of the MOG actuals having not been finalised as at State Budget and as a result the values of assets to be transferred to PSBA was unknown at that time.

(i) The variance for Payables is materially due to the review of the MOG actuals not being finalised as at State Budget which also resulted in the actual timing of vendor invoice payments being uncertain.

(j) The variance for Accrued Employee Benefits budget is due to the review of the MOG actuals not being finalised as at State Budget.

Statement of Cash Flows

(k) The Other Inflows increase is materially due to the receipt of 2013-14 accrued PSBA related salary reimbursements which had not been anticipated as at State Budget due to the MOG having not being finalised.

(l) The Property, Plant and Equipment variance relates materially to the deferral of the replacement of certain assets such as operational equipment (i.e. armoury, information systems, cameras, radar equipment, radio communications, recording, surveillance equipment, scientific equipment) due to replacement timings as the need arose.

(m) The variance for Equity Withdrawals materially relates to the reduced depreciation funding as a result of the QPS to PSBA MOG and which had not been known as at State Budget due to ongoing reviews.

Administered Items

(n) Taxes, Fees and Fines variance substantially arises from an unbudgeted increase during the year due to the demand levels for weapons licensing and weapons fee type.

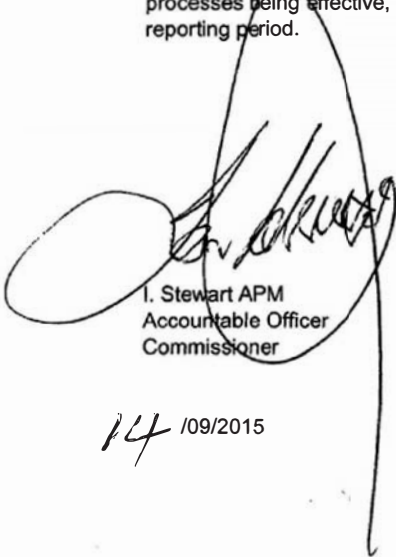
QUEENSLAND POLICE SERVICE
Certificate of the Queensland Police Service

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

(a) the prescribed requirements for the establishing and keeping the accounts have been complied with in all material respects; and


(b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Police Service for the financial year ended 30 June 2015 and of the financial position of the department at the end of that year; and

(c) these assertions are based on an appropriate system of internal control and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



I. Stewart APM
Accountable Officer
Commissioner

14/09/2015



R. Wilson
B.Bus (Mgt), MIPA
Grad Cert Exec Leadshp, GAICD
Chief Finance Officer

16/09/2015

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Queensland Police Service

Report on the Financial Report

I have audited the accompanying financial report of the Queensland Police Service, which comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Commissioner and the Chief Finance Officer.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.


Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

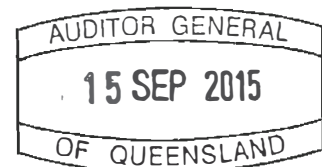
- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Queensland Police Service for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



A M GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane