

FINANCIAL SUMMARY

Summary of financial performance

During 2013-14, the QPS received \$2,011.1 million for the delivery of policing services to the Queensland community. At the end of the 2013-14 financial year, the QPS was in a sound financial position, achieving an operating surplus from continuing operations of \$0.86 million. This financial summary provides a snapshot of the income, expenditure, assets and liabilities for 2013-14 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	2013-14 \$'000	2012-13 \$'000	2011-12 \$'000	2010-11 \$'000	2009-10 \$'000
Total income from continuing operations	2,011,061	1,957,338	1,916,904	1,786,375	1,673,862
Total expenses from continuing operations	2,010,205	1,955,204	1,915,653	1,785,133	1,672,136
Statement of financial position	2013-14 \$'000	2012-13 \$'000	2011-12 \$'000	2010-11 \$'000	2009-10 \$'000
Total assets	1,931,320	1,982,493	1,980,276	1,926,219	1,911,479
Total liabilities	147,613	131,009	126,998	130,116	132,511
Total equity	1,783,707	1,851,485	1,853,278	1,796,102	1,778,968

Income from continuing operations

For 2013-14, the QPS received income from continuing operations of \$2,011.1 million, an increase of \$53.7 million (2.74%) from 2012-13. This increase comprised:

- an additional \$53.2 million received from departmental services revenue
- a \$0.4 million increase in user charges
- an increase of \$3 million in grants and other contributions
- a decrease of \$1.3 million in other revenues
- a decrease of \$1.6 million in gains on the sale of property, plant and equipment and revaluations of major plant and equipment.

Expenses from continuing operations

For 2013-14, QPS' total expenditure from continuing operations was \$2,010.2 million, an increase of \$55 million (2.81%) from 2012-13. This increase comprised:

- a \$51.6 million increase in employee expenses
- an increase of \$13.7 million in supplies and services
- a \$0.6 million decrease in grants and subsidies
- an increase of \$1.8 million in depreciation and amortisation
- a decrease of \$13.3 million in impairment losses
- an increase of \$0.8 million in revaluation decrement
- a \$1 million increase in other expenses. The increase in employee expenses is mainly attributed to enterprise bargaining agreement salary increases and an increase in the number of employees in 2013-14.

State contribution and other revenue sources

The funding contribution to QPS by the state government in 2013-14 increased by 2% from 2012-13. The below table represents the 2013-14 funding appropriated by the state government and the expenditure for each major departmental service.

Major departmental service	State contribution 2013-14 \$'000	% of state contribution 2013-14	QPS expenditure 2013-14 \$'000	% of QPS expenditure 2013-14
Crime and Public Order	1,558,364	82%	1,624,875	81%
Road Safety	350,840	18%	385,330	19%
Total	1,909,204	100%	2,010,205	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 including revenue received from the federal government (for funding G20 preparations in 2013-14) was used to fund the \$101 million variance between the state contribution and QPS' expenditure for 2013-14.

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

Summary of financial position

Assets

As at 30 June 2014, total assets were valued at \$1,931.3 million, which represents a decrease of \$51.2 million (2.58%) from the previous year. This change was largely the result of:

- a decrease of \$77 million in property, plant and equipment
- a decrease of \$8.1 million in intangible assets
- an increase of \$3.9 million in other current assets
- a decrease of \$17.1 million in receivables
- an increase of \$49 million in cash and cash equivalents
- a decrease of \$1.9 million in non-current assets classified as held for sale.

Liabilities

As at 30 June 2014, total liabilities were valued at \$147.6 million, an increase of \$16.6 million from the previous year. This change was the result of:

- a decrease of \$8.5 million in payables
- an increase of \$10.9 million in accrued employee benefits
- an increase of \$14.2 million in other current liabilities.

The increase in accrued employee benefits, comprised:

- a \$2.6 million increase in annual leave and long service leave liabilities
- a \$3.8 million increase in accrued allowances
- a \$4.5 million increase in outstanding wages payable to QPS employees as at 30 June 2014.

Net Assets

The net asset position of the QPS (assets minus liabilities) at the end of 2013-14 was \$1,783.7 million. This was a decrease of \$67.8 million on the 2012-13 net asset position. This represents a decrease in total assets of \$51.2 million together with an increase in liabilities of \$16.6 million.

Summary of costs and risks in relation to liabilities and contingent liabilities

Liabilities

Total liabilities for the QPS were valued at \$147.6 million as at 30 June 2014. 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 QPS has not undertaken any borrowings from Queensland Treasury Corporation in 2013-14 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 are set out in the financial statements (note 29).

Contingent liabilities

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

As at 30 June 2014, 18 litigation cases were filed and in progress with the QPS 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 28).