

# Financial Statements

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**Queensland Police Service**  
**Statement of comprehensive income**  
**For the year ended 30 June 2022**

|   | Notes | 2022<br>\$'000   | 2021<br>\$'000   |
|---|-------|------------------|------------------|
| <b>Income from continuing operations</b>  |       |                  |                  |
| Appropriation revenue   | 4     | 2,573,919        | 2,228,806        |
| User charges and fees   | 5     | 188,736          | 97,757           |
| Grants and other contributions  | 6     | 30,712           | 213,080          |
| Other revenue   |       | 23,025           | 6,720            |
| <b>Total revenue</b>  |       | <b>2,816,392</b> | <b>2,546,363</b> |
| Gains on disposal   |       | 6,277            | 5,065            |
| Gains on revaluation of assets  | 13    | 35,977           | -                |
| <b>Total income from continuing operations</b>                                      |       | <b>2,858,646</b> | <b>2,551,428</b> |
| <b>Expenses from continuing operations</b>  |       |                  |                  |
| Employee expenses   | 7     | 2,229,506        | 2,053,825        |
| Supplies and services   | 9     | 466,947          | 288,238          |
| Grants and subsidies  |       | 6,961            | 6,202            |
| Depreciation and amortisation   | 12-14 | 127,889          | 94,044           |
| Impairment losses/(gains)   |       | -                | (12)             |
| Revaluation decrement   | 13    | -                | 38,035           |
| Interest on lease liability   |       | 212              | 265              |
| Other expenses  | 10    | 27,130           | 172,836          |
| <b>Total expenses from continuing operations</b>                                    |       | <b>2,858,646</b> | <b>2,653,432</b> |
| <b>Operating result for the year</b>  |       | <b>-</b>         | <b>(102,005)</b> |
| <b>Other comprehensive income not reclassified subsequently to operating result</b> |       |                  |                  |
| Increase/(decrease) in asset revaluation surplus                                    |       | 104,660          | (43)             |
| <b>Total other comprehensive income</b>   |       | <b>104,660</b>   | <b>(43)</b>      |
| <b>Total comprehensive income</b>   |       | <b>104,660</b>   | <b>(102,048)</b> |

*The accompanying notes form part of these statements.*

**Queensland Police Service**  
**Statement of financial position**  
**As at 30 June 2022**

|  | Notes | 2022<br>\$'000   | 2021<br>\$'000   |
|--|-------|------------------|------------------|
| <b>Assets</b>                                  |       |                  |                  |
| <b>Current assets</b>                          |       |                  |                  |
| Cash   |       | 5,839            | 63,927           |
| Receivables                                    | 11    | 166,564          | 83,874           |
| Inventories                                    |       | 7,067            | 10,951           |
| Prepayments                                    |       | 52,644           | 15,590           |
| Non-current assets classified as held for sale |       | 799              | 963              |
| <b>Total current assets</b>                    |       | <b>232,912</b>   | <b>175,305</b>   |
| <b>Non-current assets</b>                      |       |                  |                  |
| Intangible assets                              | 12    | 27,854           | 25,860           |
| Property, plant and equipment                  | 13    | 1,949,010        | 1,753,048        |
| Right-of-use assets                            | 14    | 9,878            | 12,900           |
| <b>Total non-current assets</b>                |       | <b>1,986,742</b> | <b>1,791,809</b> |
| <b>Total assets</b>                            |       | <b>2,219,654</b> | <b>1,967,114</b> |
| <b>Liabilities</b>                             |       |                  |                  |
| <b>Current liabilities</b>                     |       |                  |                  |
| Payables                                       | 15    | 42,739           | 37,081           |
| Accrued employee benefits                      | 16    | 74,697           | 79,011           |
| Lease liabilities                              | 14    | 1,776            | 6,350            |
| Other current liabilities                      | 17    | 11,436           | 293              |
| <b>Total current liabilities</b>               |       | <b>130,648</b>   | <b>122,734</b>   |
| <b>Non-current liabilities</b>                 |       |                  |                  |
| Lease liabilities                              | 14    | 8,815            | 7,241            |
| <b>Total non-current liabilities</b>           |       | <b>8,815</b>     | <b>7,241</b>     |
| <b>Total liabilities</b>                       |       | <b>139,463</b>   | <b>129,975</b>   |
| <b>Net assets</b>                              |       | <b>2,080,190</b> | <b>1,837,139</b> |
| <b>Equity</b>                                  |       |                  |                  |
| Contributed equity                             |       | 1,978,829        | 1,840,438        |
| Accumulated surplus                            |       | (4,050)          | (4,050)          |
| Asset revaluation surplus                      |       | 105,411          | 751              |
| <b>Total equity</b>                            |       | <b>2,080,190</b> | <b>1,837,139</b> |

The accompanying notes form part of these statements.

**Queensland Police Service**  
**Statement of changes in equity**  
**For the year ended 30 June 2022**

|   | Notes | 2022<br>\$'000          | 2021<br>\$'000          |
|---|-------|-------------------------|-------------------------|
| <b>Contributed equity</b>                                   |       |                         |                         |
| Opening balance   |       | 1,840,438               | 16,832                  |
| Transactions with owners as owners:                         |       |                         |                         |
| Appropriated equity adjustment                              | 4     | 22,736                  | 35,003                  |
| Net transfers from Machinery-of-Government changes (QG AIR) |       | -                       | 69,957                  |
| Net transfers from - PSBA 1 July 2020                       |       | -                       | 1,718,647               |
| Other net transfers to other Government entities            |       | (11)                    | -                       |
| Net transfers from - PSBA 1 July 2021                       | 3     | 115,666                 | -                       |
| Closing balance   |       | <u>1,978,829</u>        | <u>1,840,438</u>        |
| <b>Accumulated surplus/(deficit)</b>                        |       |                         |                         |
| Opening balance   |       | (4,050)                 | 97,954                  |
| Operating result  |       | -                       | (102,005)               |
| Closing balance   |       | <u>(4,050)</u>          | <u>(4,050)</u>          |
| <b>Asset revaluation surplus</b>                            |       |                         |                         |
| Opening balance   |       | 751                     | 794                     |
| Increase/(decrease) in asset revaluation surplus            |       | 104,660                 | (43)                    |
| Closing balance *   |       | <u>105,411</u>          | <u>751</u>              |
| <b>Total equity</b>   |       | <u><u>2,080,190</u></u> | <u><u>1,837,139</u></u> |

\* Asset revaluation surplus balance by class - Major plant and equipment \$9.762m (2021: \$0.660m), Land \$43.093m (2021: nil), Buildings \$51.704m (2021: nil) and Infrastructure \$0.852m (2021: \$0.091m).

*The accompanying notes form part of these statements.*

**Queensland Police Service**  
**Statement of cash flows**  
**For the year ended 30 June 2022**

|   | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|
|   | <b>\$'000</b>    | <b>\$'000</b>    |
| <b>Cash flows from operating activities</b>                 |                  |                  |
| <i>Inflows:</i>   |                  |                  |
| Service appropriation receipts                              | 2,554,460        | 2,217,455        |
| User charges and fees                                       | 185,253          | 92,576           |
| Grants and other contributions                              | 11,971           | 45,509           |
| GST input tax credits from ATO                              | 60,248           | 44,374           |
| GST collected from customers                                | 17,201           | 13,885           |
| Other   | 22,699           | 6,720            |
| <i>Outflows:</i>  |                  |                  |
| Employee expenses   | (2,246,013)      | (2,058,852)      |
| Supplies and services                                       | (472,434)        | (281,874)        |
| Grants and subsidies  | (6,961)          | (6,202)          |
| GST paid to suppliers                                       | (63,799)         | (46,562)         |
| GST remitted to ATO   | (17,201)         | (13,885)         |
| Other   | (8,391)          | (5,529)          |
| <b>Net cash provided by/(used in) operating activities</b>  | <b>37,033</b>    | <b>7,611</b>     |
| <b>Cash flows from investing activities</b>                 |                  |                  |
| <i>Inflows:</i>   |                  |                  |
| Sales of property, plant and equipment                      | 22,726           | 30,093           |
| <i>Outflows:</i>  |                  |                  |
| Payments for property, plant and equipment                  | (126,589)        | (140,498)        |
| Payments for intangibles                                    | (5,248)          | (7,097)          |
| <b>Net cash provided by/(used in) investing activities</b>  | <b>(109,111)</b> | <b>(117,502)</b> |
| <b>Cash flows from financing activities</b>                 |                  |                  |
| <i>Inflows:</i>   |                  |                  |
| Equity injections   | 64,373           | 94,849           |
| <i>Outflows:</i>  |                  |                  |
| Equity withdrawals  | (58,667)         | (50,515)         |
| Finance lease payments                                      | (7,019)          | (6,499)          |
| <b>Net cash provided by/(used in) financing activities</b>  | <b>(1,313)</b>   | <b>37,835</b>    |
| Net increase/(decrease) in cash                             | (73,391)         | (72,056)         |
| Increase in cash from transfers between Government entities | 15,303           | 52,533           |
| Cash at beginning of financial year                         | 63,927           | 83,450           |
| <b>Cash at end of financial year</b>                        | <b>5,839</b>     | <b>63,927</b>    |

*The accompanying notes form part of these statements.*

**Queensland Police Service**  
**Notes to the statement of cash flows**  
**For the year ended 30 June 2022**

|   | <b>2022</b>   | <b>2021</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>Reconciliation of operating result to net cash from operating activities</b> |               |               |
| <b>Operating result</b>   | -             | (102,005)     |
| <b>Non-cash items included in operating result:</b>                             |               |               |
| Depreciation and amortisation   | 127,889       | 94,044        |
| Donations   | (2)           | (264)         |
| Net gain/loss on sale of property, plant and equipment                          | (1,590)       | (3,879)       |
| Revaluation decrement   | -             | 38,035        |
| Gains on revaluation of assets  | (35,977)      | -             |
| Interest expense  | 212           | 265           |
| <b>Change in assets and liabilities:</b>  |               |               |
| Increase/(decrease) in accrued employee benefits                                | (8,210)       | 6,595         |
| (Increase)/decrease in annual leave reimbursement receivable                    | (10,166)      | (13,799)      |
| (Increase)/decrease in appropriation revenue receivable                         | (19,392)      | -             |
| (Increase)/decrease in GST receivable   | (3,551)       | (2,188)       |
| (Increase)/decrease in inventories  | 3,884         | (1,996)       |
| (Increase)/decrease in long service leave reimbursement receivable              | (3,051)       | (1,561)       |
| (Increase)/decrease in other receivables  | (772)         | (123)         |
| (Increase)/decrease in other current assets                                     | (74)          | 3,687         |
| Increase/(decrease) in payables   | (9,391)       | 7,221         |
| (Increase)/decrease in trade receivables  | (10,422)      | (2,854)       |
| Increase/(decrease) in unearned revenue   | 7,711         | (2,216)       |
| Increase/(decrease) in appropriation revenue payable                            | (67)          | (7,600)       |
| <b>Net cash from operating activities</b>                                       | <b>37,033</b> | <b>7,611</b>  |

**Accounting Policy - Cash**

Cash assets includes cash on hand and all cash and cheques receipted but not banked as at 30 June.

The department has authorisation to operate in overdraft within a specified limit in accordance with the *Financial Accountability Act 2009*. On 2 February 2013, an overdraft facility was approved with a limit of \$70m. On 29 June 2022, an increase to the overdraft limit was approved to \$130m. This facility remained fully undrawn at 30 June 2022 and is available for use in the next reporting period.

**Reconciliation of lease liabilities arising from financing activities**

|  |               |               |
|--|---------------|---------------|
| Opening balance as at 1 July                       | 13,591        | 19,825        |
| <b>Acquisitions:</b>                               |               |               |
| Acquisitions                                       | 3,545         | -             |
| Transfers in from other Government entities - PSBA | 262           | -             |
| <b>Non-cash changes:</b>                           |               |               |
| Interest   | 212           | 265           |
| <b>Cash flows:</b>                                 |               |               |
| Lease liability repayments                         | (7,019)       | (6,499)       |
| <b>Closing balance as at 30 June</b>               | <b>10,591</b> | <b>13,591</b> |

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**1 Basis of financial statement preparation**

**(a) General information**

The Queensland Police Service (QPS) is a Queensland Government department established under the *Public Service Act 2008*. The department was first established by the *Police Act of 1863*. The QPS is a not-for-profit entity and has no controlled entities.

**(b) Statement of compliance**

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*.

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 beginning 1 July 2021 and other authoritative pronouncements.

**(c) Taxation**

The department is a State body as defined under the *Income Tax Assessment Act 1936 (Cwth)* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

**(d) Basis of measurement**

The historical cost convention is used unless fair value is stated as the measurement basis.

**(e) 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 effect on the financial statements are outlined in the following financial statement notes:

- Valuation of property, plant and equipment - Note 13
- Depreciation - Note 13
- Amortisation - Note 12
- Services received below fair value - Notes 6 and 10.

**(f) 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 less than \$500, 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 year reporting period. Where such restatements have occurred, they are not material to the financial statements.

**(g) Future impact of accounting standards not yet effective**

All Australian accounting standards and interpretations with future effective dates are either not applicable to the department or have no material impact.

**(h) Accounting standards applied for the first time**

The department did not voluntarily change any of its accounting policies during 2021-22.

**2 Objectives and principal activities of the department**

The purpose of the QPS is to work with the community and stakeholders to prevent, disrupt, respond and investigate crime to achieve our vision of making Queensland the safest State.

**3 Machinery-of-Government changes**

**Transfers in**

As a result of the *Departmental Arrangements Notice (No. 2) 2021* and the disestablishment of the Public Safety Business Agency (PSBA), effective 1 July 2021, assets and liabilities were transferred from PSBA to QPS as follows:

|                              | \$'000                |
|------------------------------|-----------------------|
| <b>Assets</b>                |                       |
| Cash                         | 15,303                |
| Receivables                  | 14,796                |
| Prepayments                  | 16,088                |
| Property, plant & equipment  | 78,869                |
| Intangibles                  | 5,297                 |
|                              | <u>130,353</u>        |
| <b>Liabilities</b>           |                       |
| Payables                     | 10,529                |
| Accrued employee benefits    | 3,896                 |
| Interest bearing liabilities | 262                   |
|                              | <u>14,687</u>         |
| <b>Net assets</b>            | <u><u>115,666</u></u> |

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**3 Machinery-of-Government changes (continued)**

**Transfers out**

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2022*, effective 1 February 2022, responsibility for the functions of the Road Safety Camera Office (CDOP) (Fine Administration and Management), was transferred from QPS to Queensland Treasury (QT).

Effective from 1 February 2022, the appropriation for departmental services transferred as a result of this change was as follows:

|  | \$'000          |
|--|-----------------|
| <b>Revenues</b>  |                 |
| Appropriation for departmental services - state funded | 4,284           |
|  | <u>4,284</u>    |
| <b>Expenses</b>  |                 |
| Employee expenses                                      | 2,939           |
| Other supplies and services                            | 1,345           |
|  | <u>4,284</u>    |
| <b>Total operating result</b>                          | <u><u>-</u></u> |

|   | 2022<br>\$'000       | 2021<br>\$'000       |
|---|----------------------|----------------------|
| <b>4 Appropriation revenue</b>  |                      |                      |
| <b>Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income</b> |                      |                      |
| Original budgeted appropriation revenue   | 2,496,168            | 2,191,123            |
| Transfers from/(to) other departments   | (4,223)              | 16,678               |
| Transfers from/(to) other headings  | 5,598                | -                    |
| Unforeseen expenditure  | 56,917               | 9,654                |
|   | <u>2,554,460</u>     | <u>2,217,455</u>     |
| <b>Total appropriation receipts (cash)</b>  |                      |                      |
| Plus: PSBA to QPS disestablishment appropriation payable transfer *   | 67                   | -                    |
| Less: Opening balance of appropriation revenue receivable   | (3,751)              | -                    |
| Plus: Closing balance of appropriation revenue receivable **  | 23,143               | 3,751                |
| Plus: Opening balance of deferred appropriation payable to Consolidated Fund  | -                    | 7,600                |
|   | <u>2,573,919</u>     | <u>2,228,806</u>     |
| <b>Appropriation revenue recognised in Statement of comprehensive income</b>  |                      |                      |
| <b>Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity</b>                    |                      |                      |
| Budgeted equity adjustment appropriation  | 11,237               | 34,188               |
| Transfers from other departments  | -                    | (1,740)              |
| Transfers from/(to) other headings  | (5,598)              | -                    |
| Unforeseen expenditure  | -                    | 179                  |
|   | <u>5,639</u>         | <u>32,627</u>        |
| <b>Equity adjustment receipts (payments)</b>  |                      |                      |
| Plus: Opening balance of equity adjustment payable  | -                    | 394                  |
| Less: Closing balance of equity adjustment payable  | (3,443)              | -                    |
| Less: Opening balance of equity adjustment receivable   | (1,982)              | -                    |
| Plus: Closing balance of equity adjustment receivable   | 22,522               | 1,982                |
|   | <u>22,522</u>        | <u>1,982</u>         |
| <b>Equity adjustment recognised in contributed equity ***</b>   | <u><u>22,736</u></u> | <u><u>35,003</u></u> |

\* As a result of the PSBA disestablishment, a service contribution of \$0.067m made by PSBA to the WoG Microsoft Program was transferred to QPS.

\*\* Appropriation revenue receivable includes deficit support funding (refer to Note 11).

\*\*\* Equity adjustment receivable includes funding for the purchase of new aviation assets (refer to Note 11).

**Accounting Policy - Appropriation revenue**

Appropriations provided under the *Appropriation Act 2021* are recognised as revenue when received or receivable. Where approved, appropriation revenue is recorded as a receivable if the approved amounts are not received at the end of the reporting period.

**5 User charges and fees**

|                            |                       |                      |
|----------------------------|-----------------------|----------------------|
| Special services           | 42,619                | 33,208               |
| Incident reporting         | 1,536                 | 1,279                |
| Criminal history checks    | 14,798                | 14,462               |
| Aviation user charges      | 776                   | -                    |
| Service level agreements * | 70,353                | -                    |
| Security services          | 58,653                | 48,808               |
| <b>Total</b>               | <u><u>188,736</u></u> | <u><u>97,757</u></u> |

\* Revenue received under Service Level Agreements (SLA's) primarily comprises of revenue received for ICT support and innovation services to other Queensland government entities. Consisting of \$38.7m from Queensland Fire and Emergency Services (QFES), \$23.4m from Queensland Ambulance Service (QAS) and \$8.3m from other Queensland government entities. As a result of the disestablishment of the Public Safety Business Agency (PSBA), the ICT functions and related SLA arrangements were transferred from PSBA to QPS (refer to Note 3).

**Accounting Policy - User charges and fees**

User charges and fees are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised. Accrued revenue is recognised if the revenue has been earned but not yet invoiced.



**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

|   | <b>2022</b>   | <b>2021</b>    |
|---|---------------|----------------|
|   | <b>\$'000</b> | <b>\$'000</b>  |
| <b>6 Grants and other contributions</b> |               |                |
| Grants and contributions                | 11,971        | 45,509         |
| Services received below fair value *    | 18,741        | 167,571        |
| <b>Total</b>                            | <b>30,712</b> | <b>213,080</b> |

\* Included in the 2021-22 Services received below fair value figure is \$18.3m (2020-21: \$148m) representing costs for services mainly incurred by Queensland Health (QH) and the Queensland Government Wireless Network (GWN) provided to the QPS. The cost of services provided are materially represented at fair value. The reduction of services received below fair value for 2021-22 compared to prior year is primarily due to the transfer of assets from the PSBA to the QPS as a result of the disestablishment of the PSBA (refer to Note 3).

**Accounting Policy - Grants and contributions**

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the agency to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under *AASB 15 Revenue from Contracts with Customers*. In this case, revenue is initially deferred and recognised as or when the performance obligations are satisfied. Otherwise, the grant is accounted for under *AASB 1058 Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding.

**Accounting Policy - Services received free of charge, below fair value 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 in the Statement of comprehensive income.

**7 Employee expenses**

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| <b>Employee benefits</b>              |                  |                  |
| Wages and salaries                    | 1,668,324        | 1,544,615        |
| Employer superannuation contributions | 246,789          | 226,158          |
| Long service leave levy               | 46,304           | 40,484           |
| Annual leave levy                     | 211,136          | 195,401          |
| Other employee benefits               | 10,960           | 5,144            |
| <b>Employee related expenses</b>      |                  |                  |
| Workers' compensation premium         | 45,993           | 42,024           |
| <b>Total</b>                          | <b>2,229,506</b> | <b>2,053,825</b> |

The number of employees as at 30 June including both full-time employees and part-time employees, measured on a full-time equivalent basis, reflecting Minimum Obligatory Human Resource Information (MOHRI), is:

|  |               |               |
|--|---------------|---------------|
| <b>Full-Time equivalent employees (number)</b> | <b>16,615</b> | <b>15,624</b> |
|--|---------------|---------------|

**Accounting Policy - Employee expenses**

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 the 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) and Long Service Leave Central Scheme. A levy is payable to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's Qsuper defined benefit plan as determined by the employee's conditions of employment.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement (EBA) or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - 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*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Workers' compensation premium

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**8 Key Management Personnel disclosures**

**(a) Details of Key Management Personnel (KMP)**

Key management personnel include those positions that had direct or indirect authority and responsibility for planning, directing and controlling the activities of the department during 2021-22. The department's responsible Minister is the Minister for Police and Corrective Services and Minister for Fire and Emergency Services and is identified as part of the department's KMP.

Further information on non-Ministerial KMP personnel can be found in the body of the Annual Report under the section relating to Executive Management.

| Position   | Position Responsibility  |
|--|--|
| Commissioner   | Responsible for the overall efficient and proper administration, management and functioning of the department  |
| Deputy Commissioner - Southern Queensland                                | Responsible for providing the strategic direction, leadership, overview and review of the delivery of policing services across the southern region   |
| Deputy Commissioner - Regional Queensland                                | Responsible for providing the strategic direction, leadership, overview and review of the delivery of policing services across the statewide regions |
| Deputy Commissioner - Crime, Counter Terrorism and Specialist Operations | Responsible for the provision of specialist police services within the department  |
| Deputy Commissioner - Strategy and Corporate Services                    | Responsible for the provision of strategy and corporate services within the department   |

There were two independent external members appointed to the QPS Board of Management during 2021-22. For 2021-22 one external member received \$8,514 (2020-21: \$4,000) in remuneration and one member was remunerated by the Department of Transport and Main Roads. There were no other on-costs.

**(b) Remuneration policies**

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment for the KMP are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

- Short term employee expenses including:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a KMP; and
  - non-monetary benefits - may include provision of a motor vehicle and fringe benefits tax applicable to benefits.
- 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 include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

No KMP remuneration packages provide for performance or bonus payments.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**8 Key Management Personnel disclosures (continued)**

(c) Remuneration expenses

1 July 2021 – 30 June 2022

| Position   | Short Term Employee Expenses |                                 | Long Term Employee Expenses<br>\$'000 | Post Employment Expenses<br>\$'000 | Termination Benefits<br>\$'000 | Total Expenses<br>\$'000 |
|--|------------------------------|---------------------------------|---------------------------------------|------------------------------------|--------------------------------|--------------------------|
|  | Monetary Expenses<br>\$'000  | Non-Monetary Benefits<br>\$'000 |                                       |                                    |                                |                          |
|  | Commissioner                 | 523                             |                                       |                                    |                                |                          |
| Deputy Commissioner - Southern Queensland                                | 283                          | 3                               | 7                                     | 31                                 | -                              | 325                      |
| Deputy Commissioner - Regional Queensland                                | 287                          | 17                              | 7                                     | 33                                 | -                              | 343                      |
| Deputy Commissioner - Crime, Counter Terrorism and Specialist Operations | 292                          | 5                               | 7                                     | 47                                 | -                              | 351                      |
| Deputy Commissioner - Strategy and Corporate Services                    | 303                          | 3                               | 8                                     | 34                                 | -                              | 347                      |

1 July 2020 – 30 June 2021

| Position   | Short Term Employee Expenses |                                 | Long Term Employee Expenses<br>\$'000 | Post Employment Expenses<br>\$'000 | Termination Benefits<br>\$'000 | Total Expenses<br>\$'000 |
|--|------------------------------|---------------------------------|---------------------------------------|------------------------------------|--------------------------------|--------------------------|
|  | Monetary Expenses<br>\$'000  | Non-Monetary Benefits<br>\$'000 |                                       |                                    |                                |                          |
|  | Commissioner                 | 466                             |                                       |                                    |                                |                          |
| Deputy Commissioner - Southern Queensland                                | 309                          | 3                               | 7                                     | 35                                 | -                              | 354                      |
| Deputy Commissioner - Regional Queensland                                | 305                          | 22                              | 7                                     | 34                                 | -                              | 368                      |
| Deputy Commissioner - Crime, Counter Terrorism and Specialist Operations | 290                          | 3                               | 7                                     | 48                                 | -                              | 348                      |
| Deputy Commissioner - Strategy and Corporate Services                    | 296                          | 3                               | 7                                     | 34                                 | -                              | 340                      |

(d) Related party transactions with people/entities related to KMP

There were no material related party transactions associated with the department's KMP during 2021-22 (2020-21: nil).

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

|                                      | <b>2022</b>           | <b>2021</b>           |
|--------------------------------------|-----------------------|-----------------------|
|                                      | <b>\$'000</b>         | <b>\$'000</b>         |
| <b>9 Supplies and services</b>       |                       |                       |
| Contractors                          | 23,317                | 12,053                |
| Materials                            | 76,970                | 44,636                |
| Repairs and maintenance              | 79,052                | 38,737                |
| Transfer costs                       | 8,873                 | 7,085                 |
| Travel                               | 26,256                | 25,457                |
| Communications                       | 71,819                | 33,491                |
| Accommodation and public utilities * | 20,666                | 30,286                |
| Minor equipment purchases            | 8,928                 | 7,693                 |
| Operating lease rentals              | 28,581                | 23,949                |
| Crimtrac search fees                 | 8,700                 | 9,538                 |
| Outsourced works                     | 42,214                | 26,389                |
| Computing facilities management      | 7,389                 | 1,126                 |
| Postage                              | 2,608                 | 2,071                 |
| Management fees                      | 23,181                | 20,778                |
| Other                                | 38,393                | 4,947                 |
| <b>Total</b>                         | <b><u>466,947</u></b> | <b><u>288,238</u></b> |

\* Office accommodation and employee housing Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), who has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred.

**Accounting Policy - Operating lease rentals**

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

**10 Other expenses**

|                                       |                      |                       |
|---------------------------------------|----------------------|-----------------------|
| Audit fees *                          | 431                  | 328                   |
| Insurance premiums-QGIF               | 7,748                | 4,855                 |
| Insurance premiums-other              | 210                  | 133                   |
| Services received below fair value ** | 18,741               | 167,309               |
| Other                                 | -                    | 211                   |
| <b>Total</b>                          | <b><u>27,130</u></b> | <b><u>172,836</u></b> |

\* Total audit fees quoted by the Queensland Audit Office for the 2021-22 financial statements are estimated to be \$352,000 (2020-21: \$352,000).

\*\* Included in the 2021-22 Services received below fair value figure is \$18.3m (2020-21: \$148m) representing costs for services mainly incurred by QH and the Queensland GWN provided to the QPS (refer to Note 6).

**Accounting Policy - Insurance**

The majority of the department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF) with premiums being paid on a risk assessment basis. For litigation purposes, under the QGIF policy, the department would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants. The department privately insures its Air-wing pilots.

The department has no contingent liabilities which would have a material impact on the information disclosed in the 2021-22 financial statements.

**Accounting Policy - Services received free of charge, below fair value 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 a revenue and an expense in the Statement of comprehensive income.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

|                                     | <b>2022</b>           | <b>2021</b>          |
|-------------------------------------|-----------------------|----------------------|
|                                     | <b>\$'000</b>         | <b>\$'000</b>        |
| <b>11 Receivables</b>               |                       |                      |
| <b>Current</b>                      |                       |                      |
| Trade debtors                       | 44,042                | 18,824               |
| Less: Allowance for impairment loss | (35)                  | (35)                 |
|                                     | <u>44,007</u>         | <u>18,789</u>        |
| GST receivable                      | 8,355                 | 4,804                |
|                                     | <u>8,355</u>          | <u>4,804</u>         |
| Annual leave reimbursements         | 56,251                | 46,085               |
| Long service leave reimbursements   | 10,782                | 7,731                |
| Appropriation revenue receivable *  | 23,143                | 3,751                |
| Loans and advances                  | 9                     | 4                    |
| Equity adjustment receivable **     | 22,522                | 1,982                |
| Other                               | 1,495                 | 728                  |
|                                     | <u>114,202</u>        | <u>60,281</u>        |
| <b>Total</b>                        | <u><b>166,564</b></u> | <u><b>83,874</b></u> |

\* Appropriation revenue receivable includes deficit support funding (refer to Note 4).

\*\* Equity adjustment receivable includes funding for the purchase of new aviation assets (refer to Note 4).

**Accounting Policy - 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 the invoice date.

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

**Accounting Policy - Impairment of receivables**

The department has calculated the allowance for impairment based on *AASB 9 Financial Instruments* and has used historical data to calculate historical loss rates and the lifetime expected credit losses which provides the basis for the calculation for the allowance for impairment loss. The allowance for impairment reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the department's debtors and relevant industry data also form part of the department's impairment assessment.

Where the department determines that an amount owing by a debtor becomes uncollectible (after the appropriate debt recovery actions have occurred), the debt is written-off by directly reducing the receivable against the loss allowance. Where the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

**Accounting Policy - Credit risk exposure of receivables**

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets.

The department uses a provision matrix to measure the expected credit losses on trade and other debtors. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions during the last 5 years preceding 30 June 2021. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables. For the department, a change in the CPI rate is determined to be the most relevant forward-looking indicator for trade and other debtors. The historical default rates are adjusted based on expected changes to that indicator.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**12 Intangible assets**

|  | Software<br>purchased | Software<br>internally<br>generated | Software<br>work in<br>progress | Total         |
|--|-----------------------|-------------------------------------|---------------------------------|---------------|
|  | 2022                  | 2022                                | 2022                            | 2022          |
|  | \$'000                | \$'000                              | \$'000                          | \$'000        |
| Gross value  | 4,179                 | 156,541                             | 21,627                          | 182,347       |
| Less: Accumulated amortisation                     | (3,284)               | (151,210)                           | -                               | (154,493)     |
|  | <u>895</u>            | <u>5,331</u>                        | <u>21,627</u>                   | <u>27,854</u> |
| <b>Reconciliation</b>                              |                       |                                     |                                 |               |
| Opening balance                                    | 1,035                 | 7,882                               | 16,943                          | 25,860        |
| Acquisitions                                       | -                     | 580                                 | 4,669                           | 5,249         |
| Transfers in from other Government agencies (PSBA) | 203                   | 5,078                               | 16                              | 5,297         |
| Amortisation                                       | (343)                 | (8,209)                             | -                               | (8,552)       |
| Closing balance                                    | <u>895</u>            | <u>5,331</u>                        | <u>21,627</u>                   | <u>27,854</u> |
|  | Software<br>purchased | Software<br>internally<br>generated | Software<br>work in<br>progress | Total         |
|  | 2021                  | 2021                                | 2021                            | 2021          |
|  | \$'000                | \$'000                              | \$'000                          | \$'000        |
| Gross value  | 2,953                 | 58,690                              | 16,943                          | 78,586        |
| Less: Accumulated amortisation                     | (1,918)               | (50,808)                            | -                               | (52,726)      |
|  | <u>1,035</u>          | <u>7,882</u>                        | <u>16,943</u>                   | <u>25,860</u> |
| <b>Reconciliation</b>                              |                       |                                     |                                 |               |
| Opening balance                                    | 563                   | 14,782                              | 10,291                          | 25,636        |
| Acquisitions                                       | -                     | 143                                 | 6,370                           | 6,513         |
| Transfers in from other Government agencies (PSBA) | -                     | 46                                  | 432                             | 477           |
| Transfers between classes                          | 734                   | -                                   | (150)                           | 584           |
| Amortisation                                       | (262)                 | (7,088)                             | -                               | (7,350)       |
| Closing balance                                    | <u>1,035</u>          | <u>7,882</u>                        | <u>16,943</u>                   | <u>25,860</u> |

**Accounting Policy - Recognition thresholds for intangible assets**

Intangible assets with a cost or other value equal to or in excess of \$100,000 are capitalised for financial reporting purposes in the year of acquisition. Items purchased or acquired for a lesser value are expensed in the year of acquisition. Any training costs are expensed as incurred.

**Accounting Policy - Amortisation of intangible assets**

All intangible assets are amortised on a straight line basis over their estimated useful life against an 8% - 20% amortisation rate.

**Accounting Policy - Impairment of intangible assets**

All intangible assets are assessed for indicators of impairment on an annual basis in accordance with *AASB 136 Impairment of Assets*. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**13 Property, plant and equipment**

|                                | Land           | Buildings        | Heritage and cultural | Plant and equipment | Major plant and equipment | Infrastructure | Work in progress | Total            |
|--------------------------------|----------------|------------------|-----------------------|---------------------|---------------------------|----------------|------------------|------------------|
|                                | 2022           | 2022             | 2022                  | 2022                | 2022                      | 2022           | 2022             | 2022             |
|                                | \$'000         | \$'000           | \$'000                | \$'000              | \$'000                    | \$'000         | \$'000           | \$'000           |
| Gross value                    | 501,197        | 1,791,137        | 40,843                | 636,535             | 60,991                    | 10,560         | 91,986           | 3,133,249        |
| Less: Accumulated depreciation | -              | (741,654)        | (18,475)              | (414,096)           | (7,659)                   | (2,355)        | -                | (1,184,239)      |
|                                | <u>501,197</u> | <u>1,049,483</u> | <u>22,368</u>         | <u>222,438</u>      | <u>53,331</u>             | <u>8,206</u>   | <u>91,986</u>    | <u>1,949,010</u> |

**Reconciliation**

|   |                |                  |               |                |               |              |               |                  |
|---|----------------|------------------|---------------|----------------|---------------|--------------|---------------|------------------|
| Opening balance   | 454,506        | 982,370          | 20,796        | 191,424        | 57,474        | 7,652        | 38,827        | 1,753,048        |
| Acquisitions  | 1              | 181              | -             | 39,194         | 7             | 28           | 70,795        | 110,205          |
| Donations made  | (382)          | -                | -             | (875)          | -             | -            | -             | (1,257)          |
| Net revaluation increments in operating surplus/(deficit) | 4,250          | 29,409           | 2,318         | -              | -             | -            | -             | 35,977           |
| Net revaluation increments in asset revaluation surplus   | 43,093         | 51,704           | -             | -              | 9,103         | 761          | -             | 104,660          |
| Transfers between classes                                 | 110            | 25,650           | 58            | 11,266         | -             | -            | (37,084)      | -                |
| Assets reclassified as held for sale                      | -              | -                | -             | 164            | -             | -            | -             | 164              |
| Disposals   | (405)          | (363)            | -             | (14,766)       | (4,344)       | -            | -             | (19,878)         |
| Transfers in from other Government entities - PSBA        | 37             | 1,585            | -             | 57,539         | -             | -            | 19,448        | 78,609           |
| Transfers in from other Government entities - DEPW        | 19             | -                | -             | -              | -             | -            | -             | 19               |
| Transfers out from Machinery-of-Government                | (30)           | -                | -             | -              | -             | -            | -             | (30)             |
| Depreciation  | -              | (41,053)         | (803)         | (61,508)       | (8,909)       | (234)        | -             | (112,509)        |
| <b>Closing balance</b>                                    | <u>501,197</u> | <u>1,049,483</u> | <u>22,368</u> | <u>222,438</u> | <u>53,331</u> | <u>8,206</u> | <u>91,986</u> | <u>1,949,010</u> |

|                                | Land           | Buildings      | Heritage and cultural | Plant and equipment | Major plant and equipment | Infrastructure | Work in progress | Total            |
|--------------------------------|----------------|----------------|-----------------------|---------------------|---------------------------|----------------|------------------|------------------|
|                                | 2021           | 2021           | 2021                  | 2021                | 2021                      | 2021           | 2021             | 2021             |
|                                | \$'000         | \$'000         | \$'000                | \$'000              | \$'000                    | \$'000         | \$'000           | \$'000           |
| Gross value                    | 454,506        | 1,692,363      | 39,571                | 401,119             | 86,580                    | 9,561          | 38,827           | 2,722,527        |
| Less: Accumulated depreciation | -              | (709,993)      | (18,776)              | (209,694)           | (29,106)                  | (1,909)        | -                | (969,479)        |
|                                | <u>454,506</u> | <u>982,370</u> | <u>20,796</u>         | <u>191,424</u>      | <u>57,474</u>             | <u>7,652</u>   | <u>38,827</u>    | <u>1,753,048</u> |

**Reconciliation**

|   |                |                |               |                |               |              |               |                  |
|---|----------------|----------------|---------------|----------------|---------------|--------------|---------------|------------------|
| Opening balance                                     | -              | 45             | 1,617         | 31,560         | 1,019         | -            | 1,122         | 35,363           |
| Acquisitions  | 578            | 66             | -             | 45,499         | -             | 34           | 71,515        | 117,692          |
| Donations made                                      | (323)          | -              | -             | (5)            | -             | -            | -             | (328)            |
| Donations received                                  | -              | -              | -             | 265            | -             | -            | -             | 265              |
| Revaluation increments/(decrements)                 | (4,250)        | (29,410)       | (4,376)       | -              | (133)         | 91           | -             | (38,078)         |
| Transfers between classes                           | 742            | 86,781         | 28            | 18,109         | 5,459         | 289          | (111,996)     | (588)            |
| Disposals   | (4,087)        | (1,284)        | -             | (18,009)       | (2,833)       | -            | -             | (26,214)         |
| Transfers in from other Government entities - PSBA  | 461,848        | 963,411        | 24,245        | 151,670        | -             | 7,460        | 72,232        | 1,680,867        |
| Transfers in from other Government entities - QGAir | -              | 659            | -             | 2,049          | 55,726        | -            | 5,953         | 64,387           |
| Depreciation  | -              | (37,897)       | (718)         | (39,713)       | (1,764)       | (223)        | -             | (80,315)         |
| <b>Closing balance</b>                              | <u>454,506</u> | <u>982,370</u> | <u>20,796</u> | <u>191,424</u> | <u>57,474</u> | <u>7,652</u> | <u>38,827</u> | <u>1,753,048</u> |

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**13 Property, plant and equipment (continued)**

**Accounting Policy - Ownership and acquisitions of assets**

Historical cost is used for the initial recording of all non-current physical asset acquisitions. Historical 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. However, any training costs are expensed as incurred.

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

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 under construction are recorded as capital work in progress until the date of practical completion, at which time they are transferred to the appropriate asset class.

**Accounting Policy - Recognition thresholds for property, plant and equipment**

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

| Class                     | Threshold (\$) |
|---------------------------|----------------|
| Land                      | 1              |
| Buildings                 | 10,000         |
| Heritage and cultural     | 5,000          |
| Plant and equipment       | 5,000          |
| Major plant and equipment | 5,000          |
| Infrastructure            | 10,000         |

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

Land improvements undertaken by the agency are included with buildings.

**Accounting Policy - Componentisation of complex assets**

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset.

When a separately identifiable component (or groups of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) are capitalised when it is probable that future economic benefits from the significant component will flow to the department in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are valued on the same basis as the asset class to which they relate.

The department's aircraft are categorised as complex assets.



**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

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**13 Property, plant and equipment (continued)**

**Accounting Policy - Measurement of property, plant and equipment using fair value**

Land, buildings, infrastructure, major plant and equipment and heritage and cultural assets are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

The cost of items acquired during the financial year has been judged by management of the department to materially represent their fair value at the end of the reporting period.

**Accounting Policy - Measurement of property, plant and equipment using cost**

Plant and equipment, (that is not classified as major plant and equipment) is measured at cost in accordance with *AASB 116 Property, Plant and Equipment*. The carrying amounts for such plant and equipment at cost has been assessed as not materially different from their fair value.

**Accounting Policy - Revaluation of property, plant and equipment measured at fair value**

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer, internal experts or by the use of appropriate and relevant indices.

Revaluations for land, buildings, infrastructure and heritage and cultural assets using an independent professional valuer are undertaken on a rolling basis over a four year period. However, if a particular asset class experiences significant or volatile changes in fair value, that class is subject to specific appraisals in the current reporting period, where practicable, regardless of the timing of the last specific appraisal. Major plant and equipment assets (aircraft) are independently revalued on an annual basis.

The fair values reported are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. Australis Asset Advisory Group (AAAG) supply the indices used for the land, buildings, infrastructure and heritage and cultural assets. Such indices are either publicly available, or are derived from market information available. AAAG provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by AAAG based on the department's own particular circumstances.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

**Revaluation methodology**

All revaluations were performed by AAAG as at 31 March 2022. The fair value as at 30 June 2022 is materially the same as the valuation completed as at 31 March 2022.

Due to the impact of COVID 19 all independent revaluations were undertaken based on data collected by either desktop or drive by external inspection. This revaluation methodology was used for land, buildings and major plant and equipment assets (aircraft). Revaluations as at 30 June 2022 are reported in the department's financial statements.

***Land***

Independent revaluations were performed for land in the QPS Southern Region as at 30 June 2022, as part of the four year rolling program, by the AAAG.

Land not subject to market specific appraisal were revalued using indices supplied by the AAAG based on individual factor changes for each property as derived from a review of market transactions and having regard to the review of land values undertaken for local government locations.

***Buildings and Heritage and cultural assets***

Independent revaluations were performed for buildings in the QPS Southern Region as at 30 June 2022, as part of the four year rolling program, by the AAAG.

The process involved data collected by desktop and external inspection and was based on current replacement cost, unless a market price in an active and liquid market existed.

Buildings and Heritage and cultural assets not subject to market specific appraisal were revalued using the most appropriate method of indexation, determined by the type of asset, as provided by the AAAG. AAAG calculates the indices by a weighted matrix based on various sources for both a cost approach and market approach. The indices data for the built asset classes are based on construction movements as well as other factors intrinsic to the construction process. These indices were determined to be the most appropriate when considering the department's asset types and were accepted and applied by management on the basis they resulted in a materially accurate representation of the fair value of buildings as at 30 June 2022.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**13 Property, plant and equipment (continued)**

**Infrastructure**

Independent revaluations were performed for infrastructure assets in the QPS Southern Region as at 30 June 2022, as part of the four year rolling program, by the AAAG.

Infrastructure assets not subject to market specific appraisal were revalued using the most appropriate method of indexation, determined by the type of asset, as provided by the AAAG. AAAG calculates the indices by a weighted matrix based on various sources for both a cost approach and market approach.

**Major plant and equipment**

Twelve aircraft were independently revalued by the AAAG as at 31 March 2022. The revaluations were determined using current market values. As a result of the COVID 19 impact on the airline industry and the volatility of the exchange rate, the fair value of aircraft was reassessed at balance date. No material change was noted as the impacts are expected to be temporary in nature, with recovery expected in the short to medium term. The revaluations were determined using current market values 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 aircraft's general appearance, condition and remaining useful life on all major components.

**Accounting Policy - 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) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the agency include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the agency's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs), assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A 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.

**Fair Value Measurement Hierarchy**

All assets and liabilities of the agency 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.

**Categorisation of fair values recognised as at 30 June**

|                           | Level 2<br>\$'000 |         | Level 3<br>\$'000 |         | Total<br>\$'000 |         |
|---------------------------|-------------------|---------|-------------------|---------|-----------------|---------|
|                           | 2022              | 2021    | 2022              | 2021    | 2022            | 2021    |
| Land                      | 501,197           | 454,506 | -                 | -       | 501,197         | 454,506 |
| Buildings                 | 148,762           | 135,058 | 900,721           | 847,278 | 1,049,483       | 982,335 |
| Heritage and cultural     | 1,778             | 1,639   | 20,590            | 19,157  | 22,368          | 20,796  |
| Infrastructure            | -                 | -       | 8,206             | 7,652   | 8,206           | 7,652   |
| Major plant and equipment | 53,331            | 57,474  | -                 | -       | 53,331          | 57,474  |

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**13 Property, plant and equipment (continued)**

**Level 3 fair value reconciliation**

|   | Buildings      |                | Heritage and cultural |                | Infrastructure |                | Total<br>Level 3 assets |                |
|---|----------------|----------------|-----------------------|----------------|----------------|----------------|-------------------------|----------------|
|   | 2022<br>\$'000 | 2021<br>\$'000 | 2022<br>\$'000        | 2021<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 | 2022<br>\$'000          | 2021<br>\$'000 |
| Carrying amount as at 1 July                              | 847,278        | 45             | 19,157                | -              | 7,652          | -              | 874,087                 | 45             |
| Acquisitions  | 199            | 33             | -                     | -              | 28             | 34             | 227                     | 67             |
| Disposals   | (363)          | (92)           | -                     | -              | -              | -              | (363)                   | (92)           |
| Transfer between classes                                  | 17,062         | -              | 58                    | -              | -              | -              | 17,120                  | -              |
| Net revaluation increments in operating surplus/(deficit) | 31,753         | (31,753)       | 2,162                 | (4,394)        | -              | -              | 33,915                  | (36,147)       |
| Net revaluation increments in asset revaluation surplus   | 38,613         | -              | -                     | -              | 761            | 91             | 39,374                  | 91             |
| Net transfers from - PSBA                                 | 1,585          | 911,563        | -                     | 24,253         | -              | 7,749          | 1,585                   | 943,565        |
| Depreciation  | (35,406)       | (32,517)       | (787)                 | (702)          | (234)          | (223)          | (36,427)                | (33,442)       |
| <b>Carrying amount as at 30 June</b>                      | <b>900,721</b> | <b>847,278</b> | <b>20,590</b>         | <b>19,157</b>  | <b>8,206</b>   | <b>7,652</b>   | <b>929,518</b>          | <b>874,087</b> |

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**13 Property, plant and equipment (continued)**

**Accounting Policy - Depreciation of property, plant and equipment**

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

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, 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 have reached their 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 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.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

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

| Class                     | Depreciation rate (%) |
|---------------------------|-----------------------|
| Buildings                 | 1 to 10               |
| Heritage and cultural     | 1 to 3                |
| Plant and equipment       | 2 to 50               |
| Major plant and equipment | 3 to 16               |
| Infrastructure            | 2 to 3                |

**Accounting Policy - Impairment of property, plant and equipment**

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. If an indicator of possible impairment exists, the agency determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**14 Right-of-use assets and lease liabilities**

**Right-of-use assets**

|                                | Buildings      | Major plant<br>and<br>equipment | Total           |
|--------------------------------|----------------|---------------------------------|-----------------|
|                                | 2022<br>\$'000 | 2022<br>\$'000                  | 2022<br>\$'000  |
| Gross value                    | 13,200         | 16,142                          | 29,342          |
| Less: Accumulated amortisation | <u>(3,381)</u> | <u>(16,083)</u>                 | <u>(19,464)</u> |
|                                | <u>9,819</u>   | <u>59</u>                       | <u>9,878</u>    |

**Reconciliation**

|  |                |                |                |
|--|----------------|----------------|----------------|
| Opening balance                                    | 7,486          | 5,415          | 12,900         |
| Acquisitions                                       | 3,545          | -              | 3,545          |
| Transfers in from other Government agencies (PSBA) | 262            | -              | 262            |
| Amortisation                                       | <u>(1,474)</u> | <u>(5,356)</u> | <u>(6,830)</u> |
| <b>Closing balance</b>                             | <u>9,819</u>   | <u>59</u>      | <u>9,878</u>   |

|                                | Buildings      | Major plant<br>and<br>equipment | Total           |
|--------------------------------|----------------|---------------------------------|-----------------|
|                                | 2021<br>\$'000 | 2021<br>\$'000                  | 2021<br>\$'000  |
| Gross value                    | 9,470          | 16,142                          | 25,612          |
| Less: Accumulated amortisation | <u>(1,985)</u> | <u>(10,727)</u>                 | <u>(12,711)</u> |
|                                | <u>7,486</u>   | <u>5,415</u>                    | <u>12,900</u>   |

**Reconciliation**

|                        |                |                |                |
|------------------------|----------------|----------------|----------------|
| Opening balance        | 8,509          | 10,771         | 19,279         |
| Amortisation           | <u>(1,023)</u> | <u>(5,356)</u> | <u>(6,379)</u> |
| <b>Closing balance</b> | <u>7,486</u>   | <u>5,415</u>   | <u>12,900</u>  |

|                          | 2022<br>\$'000 | 2021<br>\$'000 |
|--------------------------|----------------|----------------|
| <b>Lease liabilities</b> |                |                |
| <b>Current</b>           |                |                |
| Lease liabilities        | 1,776          | 6,350          |
| <b>Non-current</b>       |                |                |
| Lease liabilities        | 8,815          | 7,241          |
| <b>Total</b>             | <u>10,592</u>  | <u>13,591</u>  |

**Accounting Policy - Recognition of right-of-use assets**

Right-of-use assets with a lease term greater than 12 months and with a value equal to or in excess of \$10,000 are capitalised. Items for a short term period less than 12 months or for a lesser value are expensed.

The right-of-use asset will initially be recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee.

Right-of-use assets are recognised and carried at their cost less accumulated depreciation and any accumulated impairment losses, adjusted for any re-measurement of the lease liability in certain circumstances.

**Accounting Policy - Amortisation of right-of-use assets**

Right-of-use assets are amortised on a straight line basis from the commencement date of the lease to the end of the lease term.

**Accounting Policy - Impairment of right-of-use assets**

All right-of-use assets are assessed for indicators of impairment. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**14 Right-of-use assets and lease liabilities (continued)**

**Accounting Policy - Lease liability**

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. Lease payments include fixed payments, variable lease payments that depend on an index or rate, option payments (if reasonably certain) and expected residual value guarantees. The present value of lease payments are discounted using the Queensland Treasury Corporation (QTC) fixed rate applicable to the term of the lease. Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments.

**Disclosures - Leases as lessee**

(i) Details of leasing arrangements as lessee

|                           |   |
|---------------------------|---|
| Major plant and equipment | The department has entered into a 8-year lease with Surf Life Saving Queensland for two helicopters.  |
| Buildings                 | The department routinely enters into leases for buildings and office accommodation. Some of these leases are short-term leases or leases of low value assets. Lease terms for buildings and office space that are recognised on balance sheet can range from 3 to 25 years. A number of leases have renewal or extension options. The options are generally exercisable at market prices and are not included in the right-of-use asset or lease liability unless the department is reasonably certain it will renew the lease. |

**2022**                      **2021**  
**\$'000**                      **\$'000**

**Disclosures - Leases as lessee (continued)**

(ii) Amounts recognised in profit and loss

|  |               |               |
|--|---------------|---------------|
| Interest expense on lease liabilities                        | 212           | 265           |
| Breakdown of 'Lease expenses' included in Note 9             |               |               |
| - Expenses relating to AASB 16 leases                        | 2,349         | 2,108         |
| - Expenses relating to short term leases                     | 347           | 204           |
| - Expenses relating to leases of low value assets            | 60            | 101           |
| - Expenses relating to office accommodation provided by DEPW | 25,824        | 21,535        |
| (iii) Total cash outflow for leases - Note 9                 | <b>28,581</b> | <b>23,949</b> |

**15 Payables**

**Current**

|                 |               |               |
|-----------------|---------------|---------------|
| Trade creditors | 40,401        | 35,086        |
| Other           | 2,338         | 1,995         |
| <b>Total</b>    | <b>42,739</b> | <b>37,081</b> |

**Accounting Policy - 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 vendor payment terms are generally 30 days. However, in response to the COVID-19 pandemic and to minimise potential financial hardship for vendors, payment terms were changed to pay immediately from 25 March 2020. This temporary arrangement remains in place as at 30 June 2022.

**16 Accrued employee benefits**

**Current**

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Annual leave levy payable       | 54,337        | 49,610        |
| Long service leave levy payable | 12,179        | 10,168        |
| Salaries and wages outstanding  | 6,367         | 17,649        |
| Accrued allowances              | 1,813         | 1,580         |
| Other                           | 1             | 3             |
| <b>Total</b>                    | <b>74,697</b> | <b>79,011</b> |

**Accounting Policy - Accrued employee benefits**

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability 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*.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

|                                     | Notes | 2022<br>\$'000 | 2021<br>\$'000 |
|-------------------------------------|-------|----------------|----------------|
| <b>17 Other current liabilities</b> |       |                |                |
| <b>Current</b>                      |       |                |                |
| Unearned revenue                    |       | 7,869          | 158            |
| Provision for claims                |       | 124            | 135            |
| Equity Withdrawal Payable           |       | 3,443          | -              |
| <b>Total</b>                        |       | <b>11,436</b>  | <b>293</b>     |

**18 Related party transactions with other Queensland Government-controlled entities**

The department's primary ongoing sources of funding from Government for its services are appropriation revenue and equity injections, both which are provided in cash via Queensland Treasury.

The department has received below fair value services as disclosed in Notes 6 and 10 which includes \$16.648m for 2021-22 (2020-21: \$16.352m) for the GWN managed by the Department of Energy and Public Works (DEPW), \$1.326m for 2021-22 (2020-21: \$1.483m) for QH and \$0.250m for 2021-22 for Qld State Archives.

**19 Commitments**

**Capital expenditure commitments**

Capital expenditure commitments inclusive of non-recoverable GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

|  |  |                |               |
|--|--|----------------|---------------|
| <b>Buildings</b>                             |  |                |               |
| Not later than 1 year                        |  | 28,248         | 42,962        |
| <b>Total</b>                                 |  | <b>28,248</b>  | <b>42,962</b> |
| <b>Plant and equipment</b>                   |  |                |               |
| Not later than 1 year                        |  | 53,151         | 29,561        |
| Later than 1 year but not later than 5 years |  | 347            | -             |
| <b>Total</b>                                 |  | <b>53,498</b>  | <b>29,561</b> |
| <b>Major plant and equipment</b>             |  |                |               |
| Not later than 1 year                        |  | 25,075         | -             |
| Later than 1 year but not later than 5 years |  | 98,856         | -             |
| <b>Total</b>                                 |  | <b>123,931</b> | <b>-</b>      |
| <b>Intangibles</b>                           |  |                |               |
| Not later than 1 year                        |  | 8,684          | 4,781         |
| Later than 1 year but not later than 5 years |  | 251            | -             |
| <b>Total</b>                                 |  | <b>8,935</b>   | <b>4,781</b>  |

**20 Financial instruments**

**Financial instrument categories**

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

|  |    |                |                |
|--|----|----------------|----------------|
| <b>Financial assets</b>                  |    |                |                |
| Cash                                     |    | 5,839          | 63,927         |
| Receivables at amortised cost:           |    |                |                |
| Receivables                              | 11 | 166,564        | 83,874         |
| <b>Total</b>                             |    | <b>172,404</b> | <b>147,802</b> |
| <b>Financial liabilities</b>             |    |                |                |
| Financial liabilities at amortised cost: |    |                |                |
| Payables                                 | 15 | 42,739         | 37,081         |
| <b>Total</b>                             |    | <b>42,739</b>  | <b>37,081</b>  |

No financial assets or financial liabilities have been offset and presented net in the Statement of financial position.

**Accounting Policy - 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.

The department has not entered into transactions for speculative or hedging purposes in 2021-22. The department holds no financial assets classified at fair value through the profit or loss.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**20 Financial instruments (continued)**

**Financial risk management**

**(a) Risk exposure**

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

The department's activities expose it to a variety of financial risks as set out in the following table:

| <b>Risk exposure</b> | <b>Definition</b>  | <b>Exposure</b>   |
|----------------------|--|---|
| Credit risk          | Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.   | The department is exposed to credit risk in respect of its receivables (refer Note 11).   |
| 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 delivering cash or another financial asset.  | The department is exposed to liquidity risk in respect of its payables (refer Note 15).   |
| Market risk          | The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. | The department is exposed to risk through future acquisitions in foreign currency including aircraft. The department is exposed to interest rate risk through its leases and cash deposited in interest bearing accounts. |

**(b) Risk measurement and management strategies**

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

| <b>Risk exposure</b> | <b>Measurement method</b>          | <b>Risk management strategies</b>   |
|----------------------|------------------------------------|---|
| Credit risk          | Ageing analysis, earnings at risk  | The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.   |
| Liquidity risk       | Sensitivity analysis               | The department manages liquidity risk through the use of a liquidity management strategy. This strategy 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. |
| Market risk          | Interest rate sensitivity analysis | The department does not undertake any hedging in relation to interest rate risk and manages its risk as part of the department's overall liquidity management strategy.   |
| Market risk          | Exchange rate sensitivity analysis | The department does not undertake any hedging in relation to exchange rate risk and manages its risk as part of the department's overall liquidity management strategy. The department may explore hedging options in partnership with Queensland Treasury where it is commercially beneficial to do so.  |



**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**20 Financial instruments (continued)**

**(d) Liquidity risk - contractual maturity of financial 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.

| Financial liabilities | Note | 2022 Payable in   |                     |                    |                 |
|-----------------------|------|-------------------|---------------------|--------------------|-----------------|
|                       |      | <1 year<br>\$'000 | 1-5 years<br>\$'000 | >5 years<br>\$'000 | Total<br>\$'000 |
| Payables              | 15   | 42,739            | -                   | -                  | 42,739          |
| Lease liabilities     | 14   | 1,776             | 5,226               | 3,589              | 10,592          |
| <b>Total</b>          |      | <b>44,515</b>     | <b>5,226</b>        | <b>3,589</b>       | <b>53,331</b>   |

| Financial liabilities | Note | 2021 Payable in   |                     |                    |                 |
|-----------------------|------|-------------------|---------------------|--------------------|-----------------|
|                       |      | <1 year<br>\$'000 | 1-5 years<br>\$'000 | >5 years<br>\$'000 | Total<br>\$'000 |
| Payables              | 15   | 37,081            | -                   | -                  | 37,081          |
| Lease liabilities     | 14   | 6,350             | 3,279               | 3,962              | 13,591          |
| <b>Total</b>          |      | <b>43,431</b>     | <b>3,279</b>        | <b>3,962</b>       | <b>50,672</b>   |

|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>21 Schedule of administered items</b>         |                |                |
| <b>Administered revenues</b>                     |                |                |
| Appropriation revenue                            | -              | 725            |
| Taxes, fees and fines                            | 12,511         | 13,412         |
| Other  | 428            | 542            |
| <b>Total</b>                                     | <b>12,938</b>  | <b>14,679</b>  |
| <b>Administered expenses</b>                     |                |                |
| Grants and subsidies                             | -              | 725            |
| Transfers of Administered Income to Government * | 12,938         | 13,954         |
| <b>Total</b>                                     | <b>12,938</b>  | <b>14,679</b>  |
| <b>Administered assets</b>                       |                |                |
| <i>Current</i>                                   |                |                |
| Cash   | 1,633          | 1,502          |
| Receivables                                      | (7)            | (10)           |
| <b>Total current assets</b>                      | <b>1,627</b>   | <b>1,492</b>   |
| <b>Administered liabilities</b>                  |                |                |
| <i>Current</i>                                   |                |                |
| Unclaimed Monies to Remit to Treasury            | 1,068          | 920            |
| Payable to Government                            | 559            | 572            |
| <b>Total current liabilities</b>                 | <b>1,627</b>   | <b>1,492</b>   |

\* The department periodically transfers to the Queensland Government the amount of all cash collected in respect of Administered revenue.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**21 Schedule of administered items (continued)**

**Accounting Policy - 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 not significant in comparison to the department's overall financial performance/financial position.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless otherwise stated.

**22 Trust transactions and balances**

|                                  | <b>2022</b>   | <b>2021</b>   |
|----------------------------------|---------------|---------------|
|                                  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Trust assets</b>              |               |               |
| <i>Current</i>                   |               |               |
| Cash                             | 47,262        | 50,282        |
| <b>Total current assets</b>      | <u>47,262</u> | <u>50,282</u> |
| <b>Trust liabilities</b>         |               |               |
| <i>Current</i>                   |               |               |
| Payables                         | 47,262        | 50,282        |
| <b>Total current liabilities</b> | <u>47,262</u> | <u>50,282</u> |

The Queensland Audit Office has performed an audit of the department's trust transactions for 2021-22.

**Accounting Policy - Trust transactions and balances**

The department undertakes certain trustee transactions and maintains related balances on behalf of various parties (e.g. exhibits or funds seized from alleged illicit activities, held pending determination by a court as well as unclaimed and returned QPS cheques).

As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the department's financial statements but are disclosed in these notes for the information of users.

**23 Significant financial impacts from COVID-19**

During the 2021-22 financial year \$98.1m (2020-21: \$81.6m) has been recognised by the department in response to COVID-19. This includes employee costs \$46.6m (2020-21: \$44.6m) and supplies and services costs \$21.9m (2020-21: \$15.8m). This also includes the impact on pandemic leave afforded to police officers and staff members which is expected to be approximately \$29.6m (2020-21: \$21.2m).

**24 Events occurring after balance date**

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

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**25 Budgetary reporting**

| Statement of comprehensive income                | Variance note | Budget 2022<br>\$'000 | Actual 2022<br>\$'000 | Variance<br>\$'000 |
|--|---------------|-----------------------|-----------------------|--------------------|
| <b>Income from continuing operations</b>         |               |                       |                       |                    |
| Appropriation revenue                            | 25(a)         | 2,496,168             | 2,573,919             | 77,751             |
| User charges and fees                            | 25(b)         | 166,450               | 188,736               | 22,286             |
| Grants and other contributions                   |               | 32,156                | 30,712                | (1,444)            |
| Other revenue                                    | 25(c)         | 3,964                 | 23,025                | 19,061             |
| <b>Total revenue</b>                             |               | <b>2,698,738</b>      | <b>2,816,392</b>      | <b>117,654</b>     |
| Gains on disposal                                |               | 2,000                 | 6,277                 | 4,277              |
| Gains on revaluation of assets                   | 25(d)         | -                     | 35,977                | 35,977             |
| <b>Total income from continuing operations</b>   |               | <b>2,700,738</b>      | <b>2,858,646</b>      | <b>157,908</b>     |
| <b>Expenses from continuing operations</b>       |               |                       |                       |                    |
| Employee expenses                                | 25(e)         | 2,169,814             | 2,229,506             | 59,692             |
| Supplies and services                            | 25(f)         | 372,816               | 466,947               | 94,131             |
| Grants and subsidies                             |               | 6,525                 | 6,961                 | 436                |
| Depreciation and amortisation                    |               | 123,157               | 127,889               | 4,732              |
| Finance costs                                    |               | 264                   | 212                   | (52)               |
| Other expenses                                   |               | 28,162                | 27,130                | (1,032)            |
| <b>Total expenses from continuing operations</b> |               | <b>2,700,738</b>      | <b>2,858,646</b>      | <b>157,908</b>     |
| <b>Operating result for the year</b>             |               | <b>-</b>              | <b>-</b>              | <b>-</b>           |
| <b>Total other comprehensive income</b>          | 25(d)         | <b>-</b>              | <b>104,660</b>        | <b>104,660</b>     |
| <b>Total comprehensive income</b>                |               | <b>-</b>              | <b>104,660</b>        | <b>104,660</b>     |

**Explanation of major variances**

- 25(a) Appropriation revenue increase is mainly related to the receipt of additional COVID-19 related funding (\$55.2m) and additional service revenue for deficit support (\$22.8m).
- 25(b) User charges and fees variance is mainly due to revenue being higher than anticipated for Security Services for Government clients (\$6.4m), for Service Level Agreements relating to ICT goods and services provided to external agencies (\$4.6m), Special Services partly relating to police presence at organised events and road escorts (\$4.2m) and Criminal History Checks (\$3.2m).
- 25(c) Other revenue variance is mainly due to revenue received from Motor Accident Insurance Commission (MAIC) for road safety initiatives (\$9.8m) and recoveries for software licenses used by other agencies (\$5.6m).
- 25(d) Total assets have increased in value by \$140.6m as a result of revaluation completed by Australis Asset Advisory Group (AAAG) of land and buildings in the Southern Region, QPS Headquarters and the Brisbane City Watchhouse, aircraft, and indexation changes to land and buildings outside of Southern Region. An amount of \$36.0m was first offset against decrement balances carried forward from previous years and recognised as gains on revaluation in the department's profit and loss. The balancing increments totalling \$104.6m have been transferred to the department's asset revaluation surplus.
- 25(e) Employee expenses variance is mainly due to additional expenses incurred for COVID-19 compliance activities (\$46.6m), predominately overtime, staff member wages and shift allowances.
- 25(f) Supplies and services variance is mainly due to additional expenses incurred for COVID-19 compliance activities, predominately travel and accommodation and personal protective equipment (\$21.9m), armoury and uniform consumables, predominately tasers and body worn cameras and uniforms (\$19.7m) and other costs to support frontline operations including property, plant and equipment (police stations and facilities), operating motor vehicles and ICT and communication related costs.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**25 Budgetary reporting (continued)**

| Statement of financial position                | Variance note | Budget 2022<br>\$'000 | Actual 2022<br>\$'000 | Variance<br>\$'000 |
|--|---------------|-----------------------|-----------------------|--------------------|
| <b>Assets</b>                                  |               |                       |                       |                    |
| <b>Current assets</b>                          |               |                       |                       |                    |
| Cash   | 25(g)         | 39,603                | 5,839                 | (33,764)           |
| Receivables                                    | 25(h)         | 89,105                | 166,564               | 77,459             |
| Inventories                                    |               | 10,615                | 7,067                 | (3,548)            |
| Other current assets                           | 25(i)         | 37,714                | 52,644                | 14,930             |
| Non-current assets classified as held for sale |               | -                     | 799                   | 799                |
| <b>Total current assets</b>                    |               | <b>177,037</b>        | <b>232,912</b>        | <b>55,875</b>      |
| <b>Non-current assets</b>                      |               |                       |                       |                    |
| Intangible assets                              |               | 26,670                | 27,854                | 1,184              |
| Property, plant and equipment                  | 25(j)         | 1,921,471             | 1,949,010             | 27,539             |
| Right-of-use assets                            |               | -                     | 9,878                 | 9,878              |
| <b>Total non-current assets</b>                |               | <b>1,948,141</b>      | <b>1,986,742</b>      | <b>38,601</b>      |
| <b>Total assets</b>                            |               | <b>2,125,178</b>      | <b>2,219,654</b>      | <b>94,476</b>      |
| <b>Liabilities</b>                             |               |                       |                       |                    |
| <b>Current liabilities</b>                     |               |                       |                       |                    |
| Payables                                       | 25(k)         | 69,602                | 42,739                | (26,863)           |
| Accrued employee benefits                      |               | 76,879                | 74,697                | (2,182)            |
| Lease liabilities                              |               | 2,212                 | 1,776                 | (436)              |
| Other current liabilities                      |               | 4,322                 | 11,436                | 7,114              |
| <b>Total current liabilities</b>               |               | <b>153,015</b>        | <b>130,648</b>        | <b>(22,367)</b>    |
| <b>Non-current liabilities</b>                 |               |                       |                       |                    |
| Lease liabilities                              |               | 6,315                 | 8,815                 | 2,500              |
| <b>Total non-current liabilities</b>           |               | <b>6,315</b>          | <b>8,815</b>          | <b>2,500</b>       |
| <b>Total liabilities</b>                       |               | <b>159,330</b>        | <b>139,463</b>        | <b>(19,867)</b>    |
| <b>Net assets</b>                              |               | <b>1,965,848</b>      | <b>2,080,190</b>      | <b>114,342</b>     |
| <b>Equity</b>                                  |               |                       |                       |                    |
| <b>Total equity</b>                            |               | <b>1,965,848</b>      | <b>2,080,190</b>      | <b>114,342</b>     |

**Explanation of major variances**

- 25(g) Cash variance is mainly due to the timing of receiving appropriation revenue from Queensland Treasury.
- 25(h) Receivables variance is mainly due to deficit support funding (\$22.8m), equity adjustment receivable for the purchase of aviation assets (\$21m), an increase for annual leave reimbursements (\$10m), provision of ICT services to QFES (\$6m) and QAS (\$3.3m).
- 25(i) Other current assets variance is mainly due to capital prepayments for purchase of aviation assets (\$21m).
- 25(j) Property, plant and equipment variance is mainly due to increases in asset valuations impacting assets within the land and buildings asset classes.
- 25(k) Payables variance is mainly due to the timing of payments to creditors.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**25 Budgetary reporting (continued)**

| Statement of cash flows                                    | Variance<br>note | Budget<br>2022<br>\$'000 | Actual<br>2022<br>\$'000 | Variance<br>\$'000 |
|--|------------------|--------------------------|--------------------------|--------------------|
| <b>Cash flows from operating activities</b>                |                  |                          |                          |                    |
| <i>Inflows:</i>  |                  |                          |                          |                    |
| Service appropriation receipts                             | 25(l)            | 2,496,168                | 2,554,460                | 58,292             |
| User charges and fees                                      | 25(m)            | 178,495                  | 185,253                  | 6,758              |
| Grants and other contributions                             |                  | 13,434                   | 11,971                   | (1,463)            |
| GST input tax credits from ATO                             |                  | -                        | 60,248                   | 60,248             |
| GST collected from customers                               |                  | -                        | 17,201                   | 17,201             |
| Other  |                  | 39,077                   | 22,699                   | (16,378)           |
| <i>Outflows:</i>   |                  |                          |                          |                    |
| Employee expenses  | 25(n)            | (2,169,814)              | (2,246,013)              | (76,199)           |
| Supplies and services                                      | 25(o)            | (407,929)                | (472,434)                | (64,505)           |
| Grants and subsidies                                       |                  | (6,525)                  | (6,961)                  | (436)              |
| GST paid to suppliers                                      |                  | -                        | (63,799)                 | (63,799)           |
| GST remitted to ATO  |                  | -                        | (17,201)                 | (17,201)           |
| Other  |                  | (19,485)                 | (8,391)                  | 11,094             |
| <b>Net cash provided by/(used in) operating activities</b> |                  | <b>123,421</b>           | <b>37,033</b>            | <b>(86,388)</b>    |
| <b>Cash flows from investing activities</b>                |                  |                          |                          |                    |
| <i>Inflows:</i>  |                  |                          |                          |                    |
| Sales of property, plant and equipment                     |                  | 13,710                   | 22,726                   | 9,016              |
| <i>Outflows:</i>   |                  |                          |                          |                    |
| Payments for property, plant and equipment                 | 25(p)            | (156,057)                | (126,589)                | 29,468             |
| Payments for intangibles                                   |                  | -                        | (5,248)                  | (5,248)            |
| <b>Net cash provided by/(used in) investing activities</b> |                  | <b>(142,347)</b>         | <b>(109,111)</b>         | <b>33,236</b>      |
| <b>Cash flows from financing activities</b>                |                  |                          |                          |                    |
| <i>Inflows:</i>  |                  |                          |                          |                    |
| Equity injections  |                  | 69,971                   | 64,373                   | (5,598)            |
| <i>Outflows:</i>   |                  |                          |                          |                    |
| Equity withdrawals   |                  | (58,734)                 | (58,667)                 | 67                 |
| Finance lease payments                                     |                  | (6,441)                  | (7,019)                  | (578)              |
| <b>Net cash provided by/(used in) financing activities</b> |                  | <b>4,796</b>             | <b>(1,313)</b>           | <b>(6,109)</b>     |
| Net increase/(decrease) in cash                            |                  | (14,130)                 | (73,391)                 | (59,261)           |
| Cash at beginning of financial year                        |                  | 44,809                   | 63,927                   | 19,118             |
| Cash transfers from restructure                            |                  | 8,924                    | 15,303                   | 6,379              |
| <b>Cash at end of financial year</b>                       |                  | <b>39,603</b>            | <b>5,839</b>             | <b>(33,764)</b>    |

**Explanation of major variances**

- 25(l) Service appropriation receipts variance is mainly related to the receipt of additional COVID-19 related funding for compliance activities.
- 25(m) User charges and fees variance is mainly due to revenue from security services, service level agreements, special services and criminal history checks being higher than anticipated as a result of these services returning closer to pre-pandemic service levels.
- 25(n) Employee expenses variance is mainly due to additional expenses for the police response to COVID-19 related activities (predominately border control and quarantine) for overtime, allowances and impact on annual leave due to additional pandemic leave afforded to police officers and staff members for use by 30 June 2022.
- 25(o) Supplies and services variance is mainly due to additional expenses for the police response to COVID-19 related activities (predominately border control and quarantine), for travel and accommodation and personal protective equipment.
- 25(p) Property, plant and equipment variance is mainly due to equipment acquisitions being lower than anticipated as a result of supply chain challenges.

**Queensland Police Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**25 Budgetary reporting (continued)**

| Schedule of administered items                  | Variance<br>note | Budget<br>2022<br>\$'000 | Actual<br>2022<br>\$'000 | Variance<br>\$'000 |
|---|------------------|--------------------------|--------------------------|--------------------|
| <b>Administered revenues</b>                    |                  |                          |                          |                    |
| Taxes, fees and fines                           | 25(q)            | 11,035                   | 12,511                   | 1,476              |
| Other   | 25(q)            | 2,410                    | 428                      | (1,982)            |
| Total revenue                                   |                  | <u>13,445</u>            | <u>12,938</u>            | <u>(507)</u>       |
| <b>Administered expenses</b>                    |                  |                          |                          |                    |
| Transfers of administered revenue to Government |                  | 13,445                   | 12,938                   | (507)              |
| Total expenses                                  |                  | <u>13,445</u>            | <u>12,938</u>            | <u>(507)</u>       |
| <b>Administered assets</b>                      |                  |                          |                          |                    |
| <i>Current</i>                                  |                  |                          |                          |                    |
| Cash  |                  | 1,899                    | 1,633                    | (266)              |
| Receivables                                     |                  | (3)                      | (7)                      | (4)                |
| Total current assets                            |                  | <u>1,896</u>             | <u>1,627</u>             | <u>(269)</u>       |
| <b>Administered liabilities</b>                 |                  |                          |                          |                    |
| <i>Current</i>                                  |                  |                          |                          |                    |
| Payables  |                  | 1,282                    | 1,068                    | (214)              |
| Transfers to Government payable                 |                  | 614                      | 559                      | (55)               |
| Total current liabilities                       |                  | <u>1,896</u>             | <u>1,627</u>             | <u>(269)</u>       |

**Explanation of major variances**

25(q) Other variance is mainly due to a difference in classification of the line item fines and forfeitures revenue between Other and Taxes, fees and fines. Total administered revenue includes weapons licensing fees, fines and forfeitures revenue and unclaimed monies.

**Queensland Police Service  
Management Certificate  
For the year ended 30 June 2022**

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These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

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

(b) the financial 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 2022 and of the financial position of the department at the end of that year; and

The Commissioner as the Accountable Officer of the department acknowledges responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



K Carroll APM

Accountable Officer  
Commissioner



W Brummer  
B.Bus (Acctg), Grad Cert Prof Acctg, MIPA, GAICD

Chief Finance Officer

Date 26/8/22

Date 26/8/22

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Queensland Police Service

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Queensland Police Service.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



**Specialised building valuation (\$1.049 billion) and depreciation expense (\$41.053 million)**

Refer to note 13 in the financial report.

| Key audit matter  | How my audit addressed the key audit matter  |
|---|--|
| <p>Except in rare circumstances where a market price in an active market exists, the Queensland Police Service (QPS) derives the fair value of its buildings using the current replacement cost method that comprises:</p> <ul style="list-style-type: none"> <li>• gross replacement cost, less</li> <li>• accumulated depreciation.</li> </ul> <p>The QPS values its buildings each year through a combination of specific appraisals for selected regions on a rolling basis, with the remainder of buildings revalued by applying relevant indices in the years between specific appraisals.</p> <p>The QPS derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> <li>• identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so, estimating the adjustment to the unit rate required to reflect this difference</li> <li>• buildings not specifically appraised in the current year, indexing unit rates for increases in input costs.</li> </ul> <p>The measurement of accumulated depreciation involves significant judgements for estimating the remaining useful lives of assets. The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p> | <p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• assessing management’s controls over the valuation process</li> <li>• assessing the appropriateness of the process used for measuring gross replacement cost with reference to common industry practices</li> <li>• for unit rates: <ul style="list-style-type: none"> <li>– assessing the competence, capability and objectivity of the experts used by the QPS to develop the unit rate models</li> <li>– obtaining an understanding of the methodology used and assessing its appropriateness with reference to common industry practices</li> <li>– for building specific appraisals in the current year, evaluating on a sample basis the relevance, completeness and accuracy of source data used to derive the unit rate of the: <ul style="list-style-type: none"> <li>▪ modern substitute (including locality factors and on costs)</li> <li>▪ adjustment for excess quality or obsolescence</li> </ul> </li> <li>– for buildings revalued through indexation, recalculating the index with reference to the current year’s specific appraisal</li> </ul> </li> <li>• reviewing management and the expert’s assessment and application of asset componentisation and the consequential impact on depreciation expense</li> <li>• evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> <li>– reviewing management’s annual assessment of useful lives</li> <li>– assessing whether assets still in use have reached or exceeded their useful life</li> </ul> </li> <li>• where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.</li> </ul> |

### **Responsibilities of the department 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

### **Statement**

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



Michael Claydon  
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office  
Brisbane