

FINANCIAL STATEMENTS

Certification of Financial Statements

The accompanying financial statements of the Western Australia Police Service have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985*, from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2001 and the financial position as at 30 June 2001.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



B E MATTHEWS
COMMISSIONER OF POLICE



R J BUTCHER
A/DIRECTOR OF FINANCE
(PRINCIPAL ACCOUNTING OFFICER)

14 August 2001

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OPINION OF THE AUDITOR GENERAL



Auditor General

To the Parliament of Western Australia

POLICE SERVICE

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the accounts and financial statements of the Police Service for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Commissioner of Police is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Commissioner of Police.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Police Service to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Police Service's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the Police Service provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Police Service at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in blue ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL

September 7, 2001

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2001

	Notes	2001 \$'000	2000 \$'000
COST OF SERVICES			
Expenses from ordinary activities			
Employee-related expenses	5(a)	372,297	370,287
Other expenses from ordinary activities	5(b)	87,367	96,022
Borrowing costs	5(c)	19	28
Depreciation	5(d)	8,383	7,266
Amortisation	5(e)	359	701
Net loss on disposal of non-current assets	5(f)	67	115
Total cost of services		468,492	474,419
Revenue from ordinary activities			
User charges and fees	6(a)	3,195	3,514
Licences	6(b)	2,839	2,702
Donations, sponsorships and grants	6(c)	2,769	1,135
Other revenue from ordinary activities	6(d)	12,857	11,315
Net profit on disposal of non-current assets	6(e)	23	422
Total revenues from ordinary activities		21,683	19,088
NET COST OF SERVICES			
Revenues from Government			
Government appropriations	7(a)	471,685	428,724
Receipts paid into Consolidated Fund	7(b)	(1,441)	(814)
Superannuation liabilities assumed by the Treasurer	7(c)	31,307	31,301
Assets assumed/(transferred)	7(d)	1,174	-
Resources received free of charge	7(e)	1,256	819
Total Revenues from Government		503,981	460,030
CHANGE IN NET ASSETS			
Net increase/(decrease) in the asset revaluation reserve	12(b)	4,008	(15,304)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS			
	12(c)	61,180	(10,605)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

as at 30 June 2001

	Notes	2001 \$'000	2000 \$'000
Current Assets			
Cash assets	8(a)	15,073	12,856
Restricted cash assets	8(b)	2,039	1,939
Receivables	8(c)	1,693	731
Other	8(d)	2,644	2,008
Total Current Assets		21,449	17,534
Non-Current Assets			
Property, vehicles, plant and equipment	9(a)	319,435	256,614
Other	9(b)	40	80
Total Non-Current Assets		319,475	256,694
TOTAL ASSETS		340,924	274,228
Current Liabilities			
Employee entitlements	10(a)	47,258	47,409
Payables		4,141	4,684
Interest-bearing liabilities	10(b)	205	115
Other liabilities	10(c)	12,328	13,035
Total Current Liabilities		63,932	65,243
Non-Current Liabilities			
Employee entitlements	11(a)	58,064	51,245
Interest-bearing liabilities	10(b)	-	127
Total Non-Current Liabilities		58,064	51,372
TOTAL LIABILITIES		121,996	116,615
Equity			
Accumulated surplus/(deficiency)	12 (a)	51,050	(6,257)
Reserves	12 (b)	167,878	163,870
TOTAL EQUITY		218,928	157,613
TOTAL LIABILITIES AND EQUITY		340,924	274,228

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 30 June 2001

	Notes	2001 \$'000	2000 \$'000
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriations		397,566	385,484
Capital appropriations		74,119	43,240
Receipts paid into Consolidated Fund		(1,441)	(814)
Net Cash provided by Government		470,244	427,910
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee-related payments		(334,300)	(328,527)
Borrowing costs		(18)	(34)
GST payments on purchases		(14,226)	-
GST payments to taxation authority		-	-
Other payments		(84,936)	(85,504)
		(433,480)	(414,065)
Receipts			
User charges and fees		3,108	3,395
Licences		2,839	2,703
Donation, sponsorships and grants		1,242	717
GST receipts on purchases		12,621	-
GST receipts to taxation authority		1,002	-
Other receipts		10,365	11,551
		31,177	18,366
Net Cash (used in)/provided by operating activities	13(c)	(402,303)	(395,699)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for the purchase of non-current assets		(65,539)	(34,111)
Receipts from the sale of non-current assets		124	1,078
Net Cash (used in)/provided by investing activities		(65,415)	(33,033)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of Borrowings		(209)	(521)
Net Cash (used in)/provided by financing activities		(209)	(521)
NET INCREASE/(DECREASE) IN CASH HELD		2,317	(1,343)
OPENING CASH BALANCE		14,795	15,892
ADJUSTMENT TO CASH AT THE BEGINNING OF REPORTING PERIOD		-	246
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	13(a)	17,112	14,795

The accompanying notes form part of these financial statements

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES for the year ended 30 June 2001

	Estimate 2001 \$'000	Actual 2001 \$'000	Variation 2001 \$'000	Estimate 2000 \$'000	Actual 2000 \$'000	Variation 2000 \$'000
RECURRENT						
Amount required to fund outputs for the year	421,125	427,260	6,135	389,094	402,382	13,288
Less Retained Revenue - section 23A, <i>Financial Administration and Audit Act 1985</i>	(26,984)	(31,189)	(4,205)	(11,739)	(18,366)	(6,627)
Item 82 Amount provided to fund outputs	394,141	396,071	1,930	377,355	384,016	6,661
Amounts Authorised by Other Statutes						
<i>Salaries and Allowances Act 1975</i>	1,475	1,495	20	1,168	1,468	300
Sub-total	395,616	397,566	1,950	378,523	385,484	6,961
Amount required to fund Administered Grants and Transfer Payments	-	-	-	537	99	(438)
Less Retained Revenue - section 23A, <i>Financial Administration and Audit Act 1985</i>	-	-	-	-	(99)	(99)
Sub-total	-	-	-	537	-	(537)
Total Recurrent Services	395,616	397,566	1,950	379,060	385,484	6,424
CAPITAL						
Item 169 Amount provided for Capital Services for the year	44,790	74,119	29,329	31,240	43,240	12,000
GRAND TOTAL	440,406	471,685	31,279	410,300	428,724	18,424

This Summary provides the basis for the Explanatory Statement Information requirements of *Treasurer's Instruction 945*, which is located at Note 21.

The accompanying notes form part of these financial statements

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES for the year ended 30 June 2001

	Estimate 2001 \$'000	Actual 2001 \$'000	Variation 2001 \$'000	Estimate 2000 \$'000	Actual 2000 \$'000	Variation 2000 \$'000
DETAILS OF EXPENDITURE						
Recurrent						
Outputs:						
Community Support, Crime Prevention and Public Order	135,566	135,445	(121)	136,695	126,014	(10,681)
Emergency Management and Co-ordination	8,345	5,756	(2,589)	6,241	5,868	(373)
Regulatory and Information Services	20,305	14,186	(6,119)	6,339	14,124	7,785
Traffic Management and Road Safety	72,543	73,611	1,068	72,282	76,427	4,145
Response to Offences	41,564	51,432	9,868	48,821	44,682	(4,139)
Investigation of Offences	104,107	100,055	(4,052)	87,719	90,925	3,206
Services to the Judicial Process	42,030	45,953	3,923	34,519	47,153	12,634
Total	424,460	426,438	1,978	392,616	405,193	12,577
Less Retained Revenue	(26,984)	(31,189)	(4,205)	(11,739)	(18,366)	(6,627)
Adjustment for cash balances and other funding sources	(1,860)	2,317	4,177	(2,354)	(1,343)	1,011
Sub-total	395,616	397,566	1,950	378,523	385,484	6,961
Administered Transactions	-	-	-	537	-	537
Capital						
Capital Expenditure	44,790	74,119	29,329	31,240	43,240	12,000
Grand Total of Appropriations	440,406	471,685	31,279	410,300	428,724	19,498
DETAILS OF REVENUE ESTIMATES						
Revenue disclosed as Administered Revenues	650	386	(264)	380	308	(72)
Revenues disclosed as Operating Revenues						
- Asset Sales	69	112	43	162	814	652
TOTAL	719	498	(221)	542	1,122	580

This Summary provides the basis for the Explanatory Statement Information requirements of *Treasurer's Instruction 945*, which is located at Note 21.

The accompanying notes form part of these financial statements

OUTPUT SCHEDULE OF EXPENSES AND REVENUES

for the year ended 30 June 2001

	Community Support, Crime Prevention and Public Order		Emergency Management and Co-ordination		Regulatory and Information Services		Traffic Management and Road Safety	
	2001	2000	2001	2000	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES								
Operating Expenses								
Employee-related expenses	118,900	115,911	4,650	5,116	11,931	12,632	63,902	68,298
Other expenses from ordinary activities	26,845	29,741	1,558	1,644	3,609	3,838	15,596	17,992
Borrowing costs	1	10	-	-	-	1	-	5
Depreciation	2,849	2,334	247	249	289	202	1,764	1,819
Amortisation	131	275	4	2	14	81	45	63
Net loss on disposal of non-current assets	13	25	-	41	2	1	31	11
Total Cost of Services	148,739	148,296	6,459	7,052	15,845	16,755	81,338	88,188
Operating Revenue								
User charges and fees	(460)	(666)	(35)	(59)	(470)	(515)	(1,226)	(1,283)
Licences	(533)	(127)	(44)	(4)	(1,312)	(2,202)	(139)	(7)
Donations, sponsorships and grants	(884)	(627)	(38)	(18)	(100)	(46)	(453)	(124)
Other revenue from ordinary activities	(3,040)	(2,728)	(125)	(120)	(367)	(407)	(4,825)	(4,368)
Net profit on disposal of non-current assets	(8)	(132)	-	(77)	(1)	(11)	(4)	(49)
Total Revenue	(4,925)	(4,280)	(242)	(278)	(2,250)	(3,181)	(6,647)	(5,831)
NET COST OF SERVICES	143,814	144,016	6,217	6,774	13,595	13,574	74,691	82,357
Revenue from Government								
Government appropriations	151,824	135,625	6,562	6,388	14,352	12,783	78,852	77,559
Receipts paid into Consolidated Fund	(466)	(260)	(20)	(12)	(43)	(24)	(240)	(144)
Superannuation liabilities assumed by the Treasurer	9,952	9,671	382	422	1,028	1,085	5,731	6,129
Assets assumed/(transferred)	377	-	17	-	35	-	196	-
Resources received free of charge	188	180	7	2	203	280	42	31
Total Revenue from Government	161,875	145,216	6,948	6,800	15,575	14,124	84,581	83,575
CHANGE IN NET ASSETS	18,061	1,200	731	26	1,980	550	9,890	1,218

The accompanying notes form part of these financial statements

OUTPUT SCHEDULE OF EXPENSES AND REVENUES

for the year ended 30 June 2001

	Response to Offences		Investigation of Offences		Services to the Judicial Process		TOTAL	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
COST OF SERVICES								
Operating Expenses								
Employee-related expenses	45,373	40,776	87,249	83,758	40,292	43,796	372,297	370,287
Other expenses from ordinary activities	10,062	10,916	20,458	21,206	9,239	10,685	87,367	96,022
Borrowing costs	17	3	1	6	-	3	19	28
Depreciation	858	658	1,686	1,331	690	673	8,383	7,266
Amortisation	39	67	77	140	49	73	359	701
Net loss on disposal of non-current assets	3	11	13	21	5	5	67	115
Total Cost of Services	56,352	52,431	109,484	106,462	50,275	55,235	468,492	474,419
Operating Revenue								
User charges and fees	(91)	(102)	(764)	(547)	(149)	(342)	(3,195)	(3,514)
Licences	(58)	(38)	(472)	(143)	(281)	(181)	(2,839)	(2,702)
Donations, sponsorships and grants	(309)	(81)	(658)	(164)	(327)	(75)	(2,769)	(1,135)
Other revenue from ordinary activities	(1,130)	(906)	(2,323)	(1,860)	(1,047)	(926)	(12,857)	(11,315)
Net profit on disposal of non-current assets	(3)	(38)	(5)	(82)	(2)	(33)	(23)	(422)
Total Revenue	(1,591)	(1,165)	(4,222)	(2,796)	(1,806)	(1,557)	(21,683)	(19,088)
NET COST OF SERVICES	54,761	51,266	105,262	103,666	48,469	53,678	446,809	455,331
Revenue from Government								
Government appropriations	57,809	48,260	111,119	97,584	51,167	50,525	471,685	428,724
Receipts paid into Consolidated Fund	(176)	(92)	(340)	(185)	(156)	(97)	(1,441)	(814)
Superannuation liabilities assumed by the Treasurer	3,725	3,354	7,262	6,952	3,227	3,688	31,307	31,301
Assets assumed/(transferred)	144	-	277	-	128	-	1,174	-
Resources received free of charge	300	21	280	274	236	31	1,256	819
Total Revenue from Government	61,802	51,543	118,598	104,625	54,602	54,147	503,981	460,030
CHANGE IN NET ASSETS	7,041	277	13,336	959	6,133	469	57,172	4,699

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

1. MISSION AND FUNDING

The mission of the Western Australia Police Service (Police Service) and the outcome of its policing activities is *in partnership with the community, create a safer and more secure Western Australia by providing quality police services.*

The Police Service is predominantly funded by Parliamentary appropriations. It provides the following services on a fee-for-service basis: vehicle escorts, photographic reproductions, police clearance certificates, security services, private prosecution reports, freedom of information reports, conviction records and crash information. The fees charged are determined on a cost-recovery basis.

In the process of reporting on the Police Service as a single entity, all intra-entity transactions and balances have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated, these policies are consistent with those adopted in the previous year.

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with *Australian Accounting Standards* and *Urgent Issues Group (UIG) Consensus Views* as applied by the *Treasurer's Instructions*. Several of these are modified by the *Treasurer's Instructions* to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act 1985* and the *Treasurer's Instructions* are legislative provisions governing the preparation of financial statements and take precedence over *Australian Accounting Standards* and *UIG Consensus Views*. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared in accordance with *Australian Accounting Standard AAS 29*. The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the following exceptions, which are stated at valuation:

- Certain non-current assets which subsequent to initial recognition, have been measured on the fair value basis in accordance with the option under AAS 38 (5.1) [refer note i];
- Inventories - refer note (j);
- Long service leave and leave liabilities - measured at the present value of expected future payments - refer note (k).

Administered Assets, Liabilities, Expenses and Revenues are not integral to the agency in carrying out its functions and are disclosed in notes to the financial statements, forming part of the general purpose financial report of the Police Service. The administered items are disclosed on the same basis as is described above for the financial statements of the agency. The Administered Assets, Liabilities, Expenses and Revenues are those which the government requires the agency to administer on its behalf. The assets do not render any service potential or future economic benefits of the Department, and the expenses and revenues are not attributable to the Department.

As the Administered Assets, Liabilities, Expenses and Revenues are not recognised in the principal financial statements of the Department, the disclosure requirements of *Australian Accounting Standard AAS 33*, "Presentation and Disclosure of Financial Instruments", are not applied to administered transactions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Appropriations

Appropriations in the nature of revenue, whether recurrent or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Police Service gains control of appropriated funds at the time those funds are deposited into the Police Service's bank account. Appropriations which are repayable to the Treasurer are recognised as liabilities.

(c) Net Appropriation Determination

Pursuant to section 23A of the *Financial Administration and Audit Act 1985*, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Police Service:

- Proceeds from fees and charges;
- Recoups of services provided;
- Commonwealth specific purpose grants;
- Sponsorships and donations; and
- One-off revenues with a value less than \$10,000 from the sale of property other than real property.

Retained revenues may only be applied to the outputs specified in the 2000-01 Budget Statements.

Details of retained revenues are disclosed in the Summary of Consolidated Fund Appropriations and Revenue Estimates.

(d) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Police Service obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were un-discharged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes to the Financial Statements.

In previous financial years, any Commonwealth grant income unspent at the end of the financial year was reported against income in advance. During 2000-01, it was highlighted that this treatment may not have been consistent with the provisions of *Australian Accounting Standard AAS 29*. Other than grant moneys received for the Firearms Buyback, all other Commonwealth Grants received did not comply with the provisions of AAS 29 paragraph 10.12. These receipts are now recognised in the year of receipt irrespective if the amounts have been spent. As a result, the controlled financial statements have been amended with \$1.45 million of income in advance written back to revenue. Refer Note 6(c).

(e) Administered Resources and Trusts

The Police Service administers, but does not control certain resources on behalf of the Western Australian State Government. Administered revenues include Commonwealth Grants where the agency acts as a conduit for the transfer of funds, regulatory fines income collected on behalf of the State Government and the sale of lost and stolen property. Administered expenses include transfer payments made in accordance with criteria as determined by the State Government.

Although the Police Service is accountable for the transactions involving administered resources, it does not have the discretion to deploy such resources for the achievement of Police Service objectives. In the administration of these resources, the Police Service acts only on behalf of the State Government.

The accrual basis of accounting has been adopted in accounting for administered transactions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Moneys Held in Trust

The Police Service receives money in a trustee capacity in the form of Found Money, Stolen Money and Proceeds From Crime. As the Police Service only performs a custodial role in respect of these moneys, and because the moneys cannot be used for achievement of the agency's objectives, they are not brought to account in the Financial Statements, but are reported within the notes to the Financial Statements.

(g) Recognition of Assets

Assets controlled by the Police Service at the date of reporting have been recognised at either written down current cost or written down historical cost, depending on the most reliable basis for measurement. Current cost means the lowest current market price of an identical or similar asset.

Assets acquired at no cost, or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable willing buyer, and a knowledgeable willing seller, in an arm's length transaction.

Land vested within the Police Service is capitalised irrespective of value. All other assets are capitalised when their current cost, historical cost or fair value is \$5,000 or more.

During the 2000-01 financial year, the following policy changes were implemented:

- In previous financial years, the agency reported at valuation those items acquired by way of donation and the initial recognition of assets as a consequence of the introduction of accrual reporting. For the purposes of compliance with AAS 38, all asset classes other than land and buildings have been considered at cost in 2000-01. These items were initially recognised as assets and revenues at the date of acquisition and therefore the change in reporting from "at valuation" to "at cost" has had no impact on the Financial Statements.
- During the implementation of the accrual financial accounting system in 1998-99, the valuation for dogs and horses were removed from the financial reporting requirements, but remained in the Police Service's equipment register. This policy was revisited during this financial year, and these items were recognised at the value maintained within the equipment register, totalling \$394,000. In subsequent periods, these items were revalued in accordance with AAS 38, [refer note (i)].

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is provided for on either a straight-line basis net of residual values or on straight line as is the case for Buildings, Software and Livestock. Depreciation rates are reviewed annually and the useful lives for each class of depreciable asset are:

Class of Assets	2000-01
Buildings	50 years
Transportables	20 years
Vehicles	
- Motor Vehicles and Cycles	5 years
- All Other Vehicles	7 years
Aircraft and Vessels	
- Aircraft	20 years
- Vessels	10 to 15 years
Computing and Office Equipment	
- Computing Software and Hardware	4 to 8 years
- Office Equipment	7 years
- Furniture and Fittings	10 years
- Communication Equipment	7 years
Livestock	
- Livestock	8 to 20 years
Other Plant and Equipment	
- Radio Equipment	7 years
- Audio-visual Equipment	7 years
- Firearms Equipment	10 years
- Photographic Equipment	8 years
- Traffic Equipment	8 years
- Scientific Equipment	10 years
- Other Plant and Equipment	10 years

Artworks controlled by the Police Service have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Revaluation of Land, Buildings, Aircraft, Vessels and Livestock

The Police Service has revised its policy for revaluing its assets in accordance with AAS 38. In previous financial years, only land and buildings were subject to revaluations. This has been expanded to include the asset classes of Aircraft, Vessels and Livestock.

Land has been valued at *current-use value* or *market value*. Buildings, aircraft, vessels and livestock have been valued at *current-use value*, which is determined by using the current replacement value less any accumulated depreciation. The valuation is in accordance with independent valuations undertaken by the Valuer General's Office. *Current-use value* is based on the value of the land in its present capacity, taking into account any restrictions or limitations placed on the asset as a result of its use. *Market value* is based on the amount that a given asset is likely to realise, assuming sale on the open market. The effective date of the valuation is 1 July 2000. The next valuation will be performed in 2001.

Assets acquired during the reporting period are reported at cost.

(j) Inventories

Inventories have been valued at the lower of cost and net realisable value. Reported holdings have been confirmed through an annual stocktake.

(k) Employee Leave Entitlements

All vesting employee entitlements, including annual leave and long service leave, have been recognised as liabilities in the financial statements.

Annual leave

The provision for annual leave represents the present amount that the Police Service has an obligation to pay resulting from employees' services provided up to 30 June. This entitlement is recognised at current remuneration rates and does not include annual leave loading.

Annual leave loading is reported as accrued expenses as payment is made annually irrespective of whether leave is taken.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels, including relevant on-costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

The provision is consistent with the requirements of *Australian Accounting Standard AAS 30, "Accounting for Employee Entitlements"*.

38-hour leave liability

The provision for 38-hour leave liability represents a commitment by Cabinet in 1986 to honour an agreement to accrue additional hours worked between 1 January to 30 September 1986. This was after the Government of the day granted a 38-hour week to Police Officers, back-dated to 1 January 1986.

The hours accrued are only payable on retirement, resignation or termination at current remuneration rates.

Special paid leave

The provision for special paid leave represents the negotiated leave entitlement to Sworn Officers who previously accrued long service leave on a ten-year basis prior to the accrual period changing to seven years.

Sick leave

No provision is made for non-vesting sick leave as the sick leave taken each reporting period is less than the entitlement accruing, and this is expected to recur in future reporting periods.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefit pension scheme, or to the Gold State Superannuation Scheme, a defined benefit and lump sum scheme. Both schemes are now closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. The employer's portion of liability under all these schemes is assumed by the Treasurer.

The superannuation expense comprises the following elements:

- (i) Change in the unfunded employer's liability in respect of current employees who are members of the Superannuation and Family Benefits Act Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) Notional employer contributions which would have been paid to the Gold State Superannuation Scheme and West State Superannuation Scheme if the Police Service had made concurrent employer contributions to those schemes.

The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Police Service in the current year.

(The total unfunded liability for pensions and transfer benefits assumed by the Treasurer at 30 June 2001 in respect of current employees is \$85.71 million (1999-2000 - \$88.71 million) and for pensions payable to retirees, an amount of \$205.24 million (1999-2000 - \$197.36 million).)

(m) Leases

The Police Service's rights and obligations under finance leases, which are leases that effectively transfer to the Police Service substantially all of the risks and benefits incident to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as plant, equipment and vehicles under lease, and are amortised to the operating statement over the period during which the Police Service is expected to benefit from use of the leased assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

Finance lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

The Police Service has entered into a number of operating lease arrangements for buildings and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the operating statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(n) Receivables

Receivables are generally recognised at the time of invoice. The collection period for receivables is 28 days and is reviewed on an ongoing basis. Debts, which are known to be uncollectable are written off. A provision for doubtful debts is derived by analysing historical trends of receivables and bad debts.

(o) Accrued Salaries

Accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of ten financial years to largely meet the additional cash outflow in each eleventh year when 27 pay-days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year's end. The Police Service considers the carrying amount of accrued salaries to be equivalent to the net fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Payables

Payables, including accruals not yet billed, are recognised when the Police Service becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within the requirements of the *Treasurer's Instructions*.

The settlement period for payables is 30 days.

(q) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value, which can be reliably measured are recognised as revenues and expense as appropriate at fair value.

(r) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Police Service has passed control of the goods or other assets or delivery of the service to the customer.

(s) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(t) Net Fair Values of Financial Assets and Liabilities

Monetary financial assets and liabilities not traded in an organised financial market are valued at an approximate net market value.

3. DISCLOSURES REGARDING INFORMATION INCLUDED IN THE FINANCIAL STATEMENTS

The following matters should be noted when reviewing the Financial Statements:

(i) Implementation of Accrual Accounting

The 2000-01 Financial Statements have been prepared through an accrual-based, integrated financial management system.

(ii) Resources provided free of charge

The Police Service provides a range of services free of charge to other government agencies. Information on resources provided free of charge has not been reported. The process of identifying and valuing these resources was commenced in 1997-98, through a preliminary survey conducted across the agency. The expected progress has been hindered due mainly to the priority given to the implementation of a Resource Management Information System and the Financial Reforms. Further progress on this issue will be made during 2001-02.

(iii) Firearms Library

The Police Service controls a firearms library for operational use. A valuation for this library was unavailable at 30 June and therefore not recognised in the Statement of Financial Position. As the capitalisation threshold is \$5,000, the value is considered to be immaterial.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

4. OUTPUTS OF THE POLICE SERVICE

Information about the Police Service's outputs, and the expense and revenues which are reliably attributable to those outputs are set out in the Outputs Schedule. Information about expenses, revenues, assets and liabilities administered by the Police Service are given in the schedule of Administered Expenses and Revenues and the Schedule of Administered Assets and Liabilities

The Police Service's outputs and their outcomes are:

- **Community Support, Crime Prevention and Public Order**
A level of public safety and security in which individuals are confident to go about their daily activities.
- **Emergency Management and Co-ordination**
A level of public safety and security in which individuals are confident to go about their daily activities.
- **Regulatory and Information Services**
A level of public safety and security in which individuals are confident to go about their daily activities.
- **Traffic Management and Road Safety**
Road-users behave safely.
- **Response to Offences**
Individuals committing offences are brought before the justice system.
- **Investigation of Offences**
Individuals committing offences are brought before the justice system.
- **Services to the Judicial Process**
Individuals committing offences are brought before the justice system.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
5. EXPENSES FROM ORDINARY OPERATIONS		
(a) EMPLOYEE-RELATED EXPENSES COMPRISE THE FOLLOWING:		
Salaries and wages	273,259	269,567
Leave Expenses	45,797	46,532
Superannuation	31,338	31,354
Employee housing	10,511	10,921
Relocation and relieving expenses	3,260	2,787
Fringe benefits tax	1,950	2,908
Uniforms and medical expenses	4,067	3,708
Other	2,115	2,510
	372,297	370,287
Note: Where categories of expenses adopted for reporting in 2000-01 differ from those used in 1999-2000, the comparative figures for 1999-2000 have been adjusted to enhance comparability.		
(b) OTHER EXPENSES FROM ORDINARY ACTIVITIES COMPRISE THE FOLLOWING:		
Repairs and maintenance	12,106	13,301
Rental, leases and hire	15,181	13,940
Fuels, oils, insurances and licences	11,434	10,926
Other services and contracts	21,508	22,893
Communication costs	6,254	5,283
Electricity, water and rates	4,237	4,059
Travel and fares	3,820	3,715
Equipment acquisitions	2,594	5,348
Doubtful debts	137	86
Bad debts	-	52
Services received free of charge	1,256	819
Grants, subsidies and transfer payments	1,047	1,594
Consumables	4,480	3,554
Abnormal Expenses classified separately in 1999-2000 (refer below)	-	9,116
Other expenses from ordinary activities	3,313	1,336
	87,367	96,022
ABNORMAL EXPENSES COMPRISE THE FOLLOWING:		
Amounts written-off from works in progress	-	6,943
Buildings demolished for new police complexes	-	2,027
Net capitalisation of items previously expensed	-	146
	-	9,116
Note: Where categories of expenses adopted for reporting in 2000-01 differ from those used in 1999-2000, the comparative figures for 1999-2000 have been adjusted to enhance comparability.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
5. EXPENSES FROM ORDINARY OPERATIONS (continued)		
(c) BORROWING COSTS COMPRISE THE FOLLOWING:		
Finance lease payments	19	28
	19	28
(d) DEPRECIATION IS CHARGED AS FOLLOWS:		
Buildings	2,972	3,617
Vehicles	594	790
Computing and office equipment	2,977	947
Aircraft and vessels	309	223
Livestock	164	-
Other plant and equipment	1,367	1,689
	8,383	7,266
(e) AMORTISATION IS CHARGED AS FOLLOWS:		
Leased equipment	77	274
Leasehold improvements	282	427
	359	701
(f) NET LOSS ON DISPOSAL OF NON-CURRENT ASSETS COMPRISES THE FOLLOWING:		
Cost of assets disposed	322	268
Less accumulated depreciation	(158)	(42)
	164	226
Proceeds from sale of assets	97	111
	67	115

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
6. REVENUES		
(a) USER CHARGES AND FEES COMPRISE THE FOLLOWING:		
Vehicle escorts	999	1,155
Gold stealing	376	386
Seconded personnel	373	513
Clearance certificates	760	794
Crash information	149	138
Family law court security	30	61
Other	508	467
	3,195	3,514
(b) LICENCES COMPRISE THE FOLLOWING:		
Firearms	2,155	2,157
Security and related activities	563	433
Pawnbrokers and secondhand dealers	121	112
	2,839	2,702
(c) DONATIONS, SPONSORSHIPS AND GRANTS COMPRISE THE FOLLOWING:		
Grants from Government		
Grants from Commonwealth Government		
Police Recruit Traineeship Program	694	394
National Campaign Against Drug Abuse	146	133
National Community-based Approach to Drug Law Enforcement	3	43
Aboriginal-Police Relations, Employment and Training	-	21
Standing Action Committee for Protection Against Violence	80	54
Personal Computer Community Organisation Prevention System	-	27
Grants received in prior financial year but recognised this financial year	1,446	-
	2,369	672
Grants from State Government		
Roadwise Defensive Driving Program	6	5
	6	5
	2,375	677
Sponsorships and Donations		
Sponsorships	293	300
Cash donations	7	18
Non-cash donations	94	140
	394	458
	2,769	1,135

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
6. REVENUES (continued)		
(d) OTHER REVENUES FROM ORDINARY ACTIVITIES COMPRISE THE FOLLOWING:		
Employee rental contributions	3,455	3,133
Executive vehicle contributions	92	88
Road Trauma Trust contributions	3,214	4,401
Community Policing Fund contributions	404	563
Other contributions	1,347	561
Cost recovery and other non-fee recoups	1,581	1,423
Proceeds from Sale of Equipment items	250	227
Other revenues from ordinary activities	2,514	919
	12,857	11,315
(e) NET PROFIT ON DISPOSAL OF NON-CURRENT ASSETS COMPRISE THE FOLLOWING:		
Cost of assets disposed	192	1,594
Less accumulated depreciation	(188)	(1,048)
	4	546
Proceeds from sale	27	968
	23	422
7. REVENUES FROM GOVERNMENT		
(a) GOVERNMENT APPROPRIATIONS COMPRISE THE FOLLOWING:		
Recurrent	396,071	384,016
Capital		
Police buildings program	53,105	19,290
Land acquisition program	129	217
Motor vehicle replacement program	1,152	997
Equipment purchase and replacement	3,016	3,246
Information Technology Management	16,063	18,527
Other works	654	963
	74,119	43,240
<i>Salaries and Allowances Act 1975</i>	1,495	1,468
	471,685	428,724
(b) RECEIPTS PAID INTO CONSOLIDATED FUND COMPRISE THE FOLLOWING:		
Proceeds from sale of vehicles	112	814
Proceeds from sale of asset seeking retention	262	-
Contributions received on capital projects	1,067	-
	1,441	814

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
7. REVENUES FROM GOVERNMENT (continued)		
(c) THE FOLLOWING LIABILITY HAS BEEN ASSUMED BY THE TREASURER DURING THE FINANCIAL YEAR:		
Superannuation	31,307	31,301
	31,307	31,301
(d) ASSETS ASSUMED/TRANSFERRED COMPRISES OF THE FOLLOWING		
Assets Assumed	1,174	-
	1,174	-
(e) RESOURCES RECEIVED FREE OF CHARGE DETERMINED ON THE BASIS OF THE FOLLOWING ESTIMATES PROVIDED BY AGENCIES:		
Audit services provided by the Office of the Auditor General	85	80
Labour relation services provided by the Department of Productivity and Labour Relations	12	12
Leased management services provided by the Government Property Office	33	34
Property valuations provided by the Valuer General's Office	24	25
Recruitment services provided by the Ministry of the Premier and Cabinet Public Sector Management Division	1	2
Forensic pathology and medical board assessments provided by the Health Department of Western Australia	3	2
Titles search provided by the Department of Land Administration	824	428
Firearm licensing services provided by the Department of Transport	274	236
	1,256	819
8. CURRENT ASSETS		
(a) CASH ASSETS COMPRISE THE FOLLOWING:		
Accrued Salaries Suspense Account	8,561	6,966
Pursuant to section 27 (2) of the <i>Financial Administration and Audit Act 1985</i> , amounts are annually transferred to this Trust to provide for the payment of a 27th pay period occurring every ten years.		
Receipts in Suspense	240	686
Receipts in suspense refer to moneys being retained pending the identification of their purpose. The funds may be cleared by refund to the payer, transfer to the correct account, payment to another government agency or transfer to Treasury.		
Operating Account	6,045	4,977
Amounts appropriated and any revenues subject to net appropriation determinations are deposited into this account, all payments are made from this account.		
Advances	227	227
Advances include permanent and temporary advances allocated to areas within the Police Service.		
	15,073	12,856

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
8. CURRENT ASSETS (continued)		
(b) RESTRICTED CASH ASSETS COMPRISE THE FOLLOWING:		
Being those cash assets, the uses of which are restricted, wholly or partly, by regulations or externally imposed requirements:		
Police Recruit Traineeship Fund To hold grant moneys received from the Commonwealth for the funding of the Recruit Traineeship Program.	1,532	1,280
National Campaign Against Drug Abuse To hold grant moneys received from the Commonwealth and the Police Service for the funding of law enforcement programs relating to alcohol and drug use.	202	145
Community Policing Fund To hold moneys received from the Department of Transport being a 50 per cent share of the net profit from the sale of special series registration plates.	124	28
Police Youth Drug Strategy Project (GURD) To hold unspent money received from Bunnings in relation to the Police Youth Drug Strategy Project.	42	47
Moneys held for Rewards To hold moneys received by the Police Service from the private sector for the purpose of issuing rewards.	12	12
Extradition Fund To hold moneys received by the Police Service from the private sector to extradite persons who the agency would not otherwise pursue.	5	5
Leave For Employees Transferred from Other Government Agencies To hold moneys received from other government agencies in relation to employees transferring to the Police Service. The money relates to unconditional leave entitlements.	106	115
Standing Action Committee for Protection Against Violence (SACPAV) To hold grant moneys received from the Commonwealth through the Department of Defence for the purpose of conducting the Standing Action Committee for the Protection Against Violence training exercises.	16	-
Government Employees Housing Authority (GEHA) Rental Account Rental contributions received from employees for payment to the Government Employees Housing Authority. From 2000-01 the treatment of the contributions has been changed to reflect a recoup of costs rather than contributions received in advance.	-	269
Personal Computer Community Organisation Prevention Program (PC-COPS) To hold grant moneys received from the Commonwealth for the funding of the Personal Computer Community Organisation Prevention Program.	-	16
National Community-based Approach to Drug Law Enforcement To hold grant moneys received from the Commonwealth for the funding of the National Community-based Approach to Drug Law Enforcement.	-	22
	2,039	1,939

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
8. CURRENT ASSETS (continued)		
(c) RECEIVABLES COMPRISE THE FOLLOWING:		
Accounts Receivable		
Trade Debtors	886	754
Provision for Doubtful Debts	(154)	(86)
GST Receivable	901	43
	1,633	711
Other Receivables		
Loan to Constable Care Child Safety Project	60	20
	60	20
	1,693	731
(d) OTHER CURRENT ASSETS COMPRISE THE FOLLOWING:		
Inventories *	1,213	975
Accrued Income	51	80
Prepayments	1,380	953
	2,644	2,008
* Inventories comprise items held by Electronics, Traffic, Air Support, Ballistics and Tactical Response Group.		
9. NON-CURRENT ASSETS		
(a) PROPERTY, VEHICLES, PLANT AND EQUIPMENT COMPRISE THE FOLLOWING:		
Land		
At cost	9,578	8,815
At fair value	85,305	82,767
	94,883	91,582
Buildings		
At cost	14,789	14,129
Accumulated depreciation	(312)	(682)
	14,477	13,447
At fair value	104,708	95,354
Accumulated depreciation	(3,191)	(4,363)
	101,517	90,991
	115,994	104,438
Works in Progress		
Buildings under construction - at cost	54,596	21,647
IT Project - at cost	16,047	8,628
	70,643	30,275

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
9. NON-CURRENT ASSETS (continued)		
Vehicles		
At cost	4,996	5,323
Accumulated depreciation	(2,782)	(2,643)
	2,214	2,680
<p>Note: In previous financial years vehicles were reported at both "At cost" and "At valuation". The "At valuation" totals had represented donated items and items recognised in the first year of accrual accounting. These have been converted to "At cost" in accordance with AAS 38.</p>		
Aircraft and Vessels		
At cost	158	3,118
Accumulated depreciation	-	(678)
	158	2,440
At fair value	3,804	-
Accumulated depreciation	(296)	-
	3,508	-
	3,666	2,440
Computing and Office Equipment		
At cost	30,927	23,499
Accumulated depreciation	(6,675)	(5,021)
	24,252	18,478
<p>Note: In previous financial years Computing and Office Equipment were reported at both "At cost" and "At valuation". The "At valuation" total represented donated items and items recognised in the first year of accrual accounting. These have been converted to "At cost" in accordance with AAS 38.</p>		
Livestock		
At cost	-	-
Accumulated depreciation	-	-
	-	-
At fair value	1,495	-
Accumulated depreciation	(164)	-
	1,331	-
	1,331	-
<p>Note: Initial Recognition of Livestock for 2000-01. Refer note 2 (g)</p>		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
9. NON-CURRENT ASSETS (continued)		
Other Plant and Equipment		
At cost	17,028	16,878
Accumulated depreciation	(11,183)	(10,898)
	5,845	5,980
<p>Note: In previous financial years Other Plant and Equipment were reported at both "At cost" and "At valuation". The "At valuation" total represented donated items and items recognised in the first year of accrual accounting. For those asset classes which are not subject to the agency revaluation policy, these have been converted to "At cost" in accordance with AAS 38.</p>		
Artwork		
At cost	42	-
At fair value	-	-
	42	-
Leasehold Improvements		
At cost	2,090	2,155
Accumulated amortisation	(1,842)	(1,626)
	248	529
Leased Assets		
At cost	713	531
Accumulated amortisation	(396)	(319)
	317	212
	319,435	256,614

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

9. NON-CURRENT ASSETS (continued)

RECONCILIATIONS OF THE CARRYING AMOUNT OF PROPERTY, VEHICLES, PLANT AND EQUIPMENT AT THE BEGINNING AND END OF THE CURRENT AND PREVIOUS FINANCIAL YEARS ARE SET OUT BELOW:

	Carrying amount at start of the year	Additions	Disposals	Write-offs	Transfers	Revaluation	Depreciation	Carrying amount at end of year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2000-01								
Land	91,582	2,738	-	-	-	563	-	94,883
Buildings	104,438	1,221	-	(1,601)	13,936	973	(2,973)	115,994
Works in Progress	30,275	63,361	-	-	(22,993)	-	-	70,643
Vehicles	2,680	448	(142)	(159)	(18)	-	(595)	2,214
Aircraft and Vessels	2,440	158	-	(129)	-	1,506	(309)	3,666
Computing and Office Equipment	18,478	538	(13)	(790)	9,015	-	(2,976)	24,252
Livestock	-	394	-	-	-	1,101	(164)	1,331
Other Plant and Equipment	5,980	1,373	(13)	(146)	18	-	(1,367)	5,845
Artwork	-	-	-	-	42	-	-	42
Leasehold Improvements	529	-	-	-	-	-	(281)	248
Leased Assets	212	182	-	-	-	-	(77)	317
	256,614	70,413	(168)	(2,825)	-	4,143	(8,742)	319,435
1999-2000								
Land	74,010	1,025	(426)	(930)	3,352	14,551	-	91,582
Buildings	136,555	-	(57)	(3,718)	1,652	(26,377)	(3,617)	104,438
Works in Progress	26,626	29,044	-	-	(25,395)	-	-	30,275
Vehicles	2,434	1,149	(92)	(22)	-	-	(789)	2,680
Aircraft and Vessels	2,497	350	(184)	-	-	-	(223)	2,440
Computing and Office Equipment	2,271	2,550	(6)	(6,157)	20,767	-	(947)	18,478
Livestock	-	-	-	-	-	-	-	-
Other Plant and Equipment	6,551	1,056	(7)	(7)	76	-	(1,689)	5,980
Artwork	-	-	-	-	-	-	-	-
Leasehold Improvements	508	-	-	-	449	-	(428)	529
Leased Assets	1,387	-	-	-	(901)	-	(274)	212
	252,839	35,174	(772)	(10,834)	-	(11,826)	(7,967)	256,614

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
9. NON-CURRENT ASSETS (continued)		
(b) OTHER NON-CURRENT ASSETS COMPRISE THE FOLLOWING:		
Loan - Constable Care Child Safety Project	40	80
	40	80
10. CURRENT LIABILITIES		
(a) EMPLOYEE ENTITLEMENTS COMPRISE THE FOLLOWING:		
Annual Leave		
Opening balance	38,421	37,767
Increase/(decrease) in provision	(427)	654
Closing balance	37,994	38,421
Long Service Leave		
Opening balance	8,209	6,644
Increase/(decrease) in provision	260	1,565
Closing balance	8,469	8,209
* In 2000-01 there has been a change in the accounting treatment for on-cost calculations. As the Police Service will commence making payment for West State and Gold State superannuation next financial year, these values have been included in the calculation of the long service leave on-cost calculations. To assist in comparatives across the financial years, the inclusion of superannuation in the 1999-2000 on-cost calculation would have resulted in Long Service Leave being reported as \$8.9 million.		
Time Off In Lieu/Accrued Time Off		
Opening balance	328	170
Increase/(decrease) in provision	44	158
Closing balance	372	328
Special Paid Leave		
Opening balance	451	491
Increase/(decrease) in provision	(28)	(40)
Closing balance	423	451
	47,258	47,409
(b) INTEREST-BEARING LIABILITIES COMPRISE THE FOLLOWING:		
Computing equipment, software and PABX system finance leases		
Current	205	115
Non-current	-	127
	205	242

The finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
10. CURRENT LIABILITIES (continued)		
(c) OTHER LIABILITIES COMPRISE THE FOLLOWING:		
Sundry Accruals		
- Accrued salaries*	7,485	7,048
- Accrued employee leave loading	2,209	2,271
- Fringe benefits tax liability	540	740
- Other accruals	1,790	1,070
	12,024	11,129
Income in Advance	304	1,906
	12,328	13,035
* Accrued Salaries for six working days from 22 June to 30 June 2000		
11. NON-CURRENT LIABILITIES		
(a) EMPLOYEE ENTITLEMENTS COMPRISE THE FOLLOWING:		
Long Service Leave		
Opening balance	47,723	41,881
Increase/(decrease) in provision	6,870	5,842
	54,593	47,723
* In 2000-01 there has been a change in the accounting treatment for on-cost calculations. As the Police Service will commence making payment for West State and Gold State superannuation next financial year, these values have been included in the calculation of the long service leave on-cost calculations. To assist in comparatives across the financial years, the inclusion of superannuation in the 1999-2000 on-cost calculation would have resulted in Long Service Leave being reported as \$51.98 million.		
38-Hour Leave Liability		
Opening balance	3,522	3,597
Increase/(decrease) in provision	(51)	(75)
	3,471	3,522
	58,064	51,245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
12. EQUITY		
Equity represents the residual interest in the net assets of the Police Service. The government holds the equity interest in the Police Service on behalf of the community. The Asset Revaluation Reserve represents that portion of equity resulting from the revaluation of non-current assets.		
(a) ACCUMULATED SURPLUS/(DEFICIENCY)		
Accumulated surplus/(deficiency) as at 1 July 2000	(6,257)	(15,000)
Change in net assets	57,172	4,699
Transfer to accumulated surplus/(deficiency) on sale of previously revalued assets	135	4,044
Accumulated surplus/(deficiency) at 30 June 2001	51,050	(6,257)
(b) ASSET REVALUATION RESERVE		
Balance as at 1 July 2000	163,870	179,174
Net revaluation increments/(decrements)		
- Land	563	14,906
- Buildings	973	(26,166)
- Aircraft and Vessels	1,506	-
- Livestock	1,101	-
	4,143	(11,260)
Transfer to accumulated surplus/(deficiency) on sale of previously revalued assets	(135)	(4,044)
Balance at 30 June 2001	167,878	163,870
(c) TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		
Change in net assets	57,172	4,699
Net revaluation increments/(decrements) to asset revaluation reserve	4,143	(11,260)
Transfer to accumulated surplus/(deficiency) on sale of previously revalued assets	(135)	(4,044)
Balance at 30 June 2001	61,180	(10,605)
13. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) RECONCILIATION OF CASH		
For the purposes of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense and restricted cash. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and amounts in suspense	15,073	12,856
Restricted cash	2,039	1,939
Closing Cash Balance	17,112	14,795

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
13. NOTES TO THE STATEMENT OF CASH FLOWS (continued)		
(b) NON-CASH FINANCING AND INVESTING ACTIVITIES		
Information about transactions and other events which do not result in any cash flows during the reporting period but affect asset and liabilities have been recognised in the General Purpose Financial Statements where the transactions and other events:		
(a) involve external parties; and		
(b) relate to the financing, investing and other non-operating activities of the Police Service.		
During the financial year, the Police Service received Donated Assets from external parties to the value of \$73,000 compared to \$140,000 in 1999-2000. In addition, an additional finance lease arrangement was entered into amounting to \$182,000.		
During the financial year, there were several assets, totalling \$1.174 million that were assumed from other government agencies not reflected in the Statement of Cash Flows. In 1999-2000 there were no assets assumed.		
(c) RECONCILIATION OF NET COST OF SERVICES TO NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Net cost of services	(446,809)	(455,331)
Adjustment for non-cash items:		
Depreciation	8,383	7,266
Amortisation	359	701
Resources received free of charge	1,256	819
Donations	(94)	(140)
Superannuation liabilities assumed by the Treasurer	31,307	31,301
Profit/Loss on sale of non-current assets	45	(307)
Doubtful and bad debts	137	138
Disclosure changes to abnormal expenses in 1999-2000	-	9,116
Adjustment to carrying value of assets	931	1,746
(Increase)/decrease in assets		
(Increase)/decrease in receivables	(104)	(128)
(Increase)/decrease in prepayments	(427)	(167)
(Increase)/decrease in accrued income	29	(80)
(Increase)/decrease in inventories	(238)	984
Increase/(decrease) in liabilities		
Increase/(decrease) in accounts payable	(543)	788
Increase/(decrease) in sundry accruals	(707)	849
Increase/(decrease) in employee leave provisions	6,669	8,104
Increase/(decrease) in unearned revenue	(1,602)	(109)
Increase/(decrease) in lease liability	(37)	(1,206)
Net change in GST		
Net GST receipts/(payments)	-	-
Change in GST receivables/payables	(858)	(43)
Net cash (used in)/provided by operating activities	(402,303)	(395,699)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2001
\$'000

2000
\$'000

14. EXPENDITURE COMMITMENTS

FINANCE LEASES

Lease liabilities recognised in the Statement of Financial Position:

Current	205	115
Non-current	-	127

205 **242**

These commitments are payable as follows:

Not later than one year	205	134
Later than one year but not later than two years	-	134
Later than two years but not later than five years	-	-
Later than five years	-	-

Minimum lease payments

205 268

Less: Future finance charges

(7) (26)

198 **242**

OPERATING LEASES

Operating lease commitments at the reporting date arising through the placement of purchase orders or non-cancellable agreements:

Office accommodation leases	8,226	9,549
Computer hardware and software leases	100,673	70,206
Motor vehicle leases	10,408	9,049

119,307 **88,804**

These commitments are payable as follows:

Not later than one year	13,674	14,532
Later than one year but not later than two years	19,077	15,830
Later than two years but not later than five years	86,556	34,020
Later than five years	-	24,422

119,307 **88,804**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
14. EXPENDITURE COMMITMENTS (continued)		
CAPITAL PROJECTS		
Capital works projects contracted for at the reporting date but not recognised as liabilities in the Statement of Financial Position:		
Construction and other capital works projects	81,028	147,703
	81,028	147,703
These commitments are payable as follows:		
Not later than one year	32,440	77,755
Later than one year but not later than two years	9,510	22,740
Later than two years but not later than five years	39,078	47,208
	81,028	147,703
OTHER EXPENDITURE		
Other expenditure commitments at the reporting date arising through the placement of purchase orders or non-cancellable agreements:		
Staff training	593	843
Computing costs	25,489	24,587
Communication costs	3,582	4,154
Other	4,989	7,778
	34,653	37,362
These commitments are payable as follows:		
Not later than one year	18,381	14,326
Later than one year but not later than two years	6,784	11,793
Later than two years but not later than five years	9,488	11,243
	34,653	37,362
15. REMUNERATION OF AUDITORS		
The Police Service is not required to pay fees for services provided by the Office of the Auditor General. The notional value of these services has been recognised as a resource received free of charge.		
Audit Services	85	80

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2001
\$'000

2000
\$'000

16. REMUNERATION AND RETIREMENT BENEFITS OF SENIOR OFFICERS

DEFINITION OF A SENIOR OFFICER

A Senior Officer means a person, by whatever name called, who is concerned or takes part in the management of the agency. The agency's Senior Officers comprise uniformed members of the Police Service Command group.

REMUNERATION BENEFITS

The total fees, salaries and other benefits received or due and receivable, for the financial year, by Senior Officers of the Police Service.

1,756 **1,781**

The number of Senior Officers whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands:

\$	2001	2000
70,001 - 80,000	1	-
80,001 - 90,000	-	-
90,001 - 100,000	-	2
100,001 - 110,000	1	1
110,001 - 120,000	2	-
120,001 - 130,000	1	3
130,001 - 140,000	2	2
140,001 - 150,000	-	1
150,001 - 160,000	-	1
160,001 - 170,000	1	2
170,001 - 180,000	2	-
180,001 - 190,000	1	-
200,001 - 210,000	-	1
250,001 - 260,000	1	-

RETIREMENT BENEFITS

In respect of Senior Officers, the following amounts were paid or became payable for the year:

Gold State Superannuation Scheme	159	119
West State Superannuation Scheme	27	22
Redundancy Payments	-	-
	186	141

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

17. FINANCIAL INSTRUMENTS

(a) INTEREST RATE RISK EXPOSURE

The following table details the Police Service's exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate %	Variable interest rate \$'000	Fixed interest rate maturities			Non-Interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		
2000-01							
Assets							
Cash Assets	-	-	-	-	-	15,073	15,073
Restricted Cash Assets	-	-	-	-	-	2,039	2,039
Receivables	-	-	-	-	-	1,693	1,693
Accrued Income	-	-	-	-	-	51	51
Investments	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	18,856	18,856
Liabilities							
Payables	-	-	-	-	-	4,141	4,141
Other Accrued Expenses	-	-	-	-	-	12,024	12,024
Lease Liabilities	-	-	205	-	-	-	205
Employee Entitlements	-	-	-	-	-	105,322	105,322
Total Financial Liabilities	-	-	205	-	-	121,487	121,692
Net Financial Assets (Liabilities)	-	-	(205)	-	-	(102,631)	(102,836)
1999-2000							
Assets							
Cash Assets	-	-	-	-	-	12,856	12,856
Restricted Cash Assets	-	-	-	-	-	1,939	1,939
Receivables	-	-	-	-	-	731	731
Accrued Income	-	-	-	-	-	80	80
Investments	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	15,606	15,606
Liabilities							
Payables	-	-	-	-	-	4,684	4,684
Other Accrued Expenses	-	-	-	-	-	11,129	11,129
Lease Liabilities	-	-	115	127	-	-	242
Employee Entitlements	-	-	-	-	-	98,654	98,654
Total Financial Liabilities	-	-	115	127	-	114,467	114,709
Net Financial Assets (Liabilities)	-	-	(115)	(127)	-	(98,861)	(99,103)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
17. FINANCIAL INSTRUMENTS (continued)		
(b) CREDIT RISK EXPOSURE		
All financial assets are unsecured.		
Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets, the carrying amount represents the Police Service's maximum exposure to credit risk in relation to those assets.		
The following is an analysis of the amounts owing by other government agencies		
Western Australian Government Agencies	185	298
Total	185	298
(c) NET FAIR VALUES		
The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 2 of the financial statements.		
18. CONTINGENT LIABILITIES		
UNSETTLED LEGAL CLAIMS AND ACT OF GRACE PAYMENTS		
The value reported represents the maximum obligation potentially payable for the claims on hand at 30 June.		
	1,675	2,440
MEDICAL EXPENSES		
Under Police Regulations and the current Enterprise Bargaining and Workplace Agreement, the Police Service is obliged to reimburse sworn officers for their medical expenses. Work-related medical expenses are met in full by the Police Service. Non-work-related medical expenses are reimbursed to the amount not covered by Medicare and private health providers. The total liability in respect of work-related medical costs is not able to be reliably measured at 30 June.		
19. SUPPLEMENTARY FINANCIAL INFORMATION		
LOSSES OF PUBLIC MONEYS AND PUBLIC OR OTHER PROPERTY THROUGH THEFT OR DEFAULT		
Losses of public property through theft, default or otherwise	202	34
Losses of public money	-	-
Less: Amount recovered	-	-
	202	34

Note: Losses through theft, default or otherwise are written-off in the following financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	2001 \$'000	2000 \$'000
19. SUPPLEMENTARY FINANCIAL INFORMATION (continued)		
PUBLIC AND OTHER PROPERTY, REVENUE AND DEBTS DUE TO THE STATE, WRITTEN-OFF IN ACCORDANCE WITH SECTION 45 OF THE <i>FINANCIAL ADMINISTRATION AND AUDIT ACT 1985</i> .		
The Accountable Officer	95	178
The Minister		
Executive Council	184	-
	279	178
Note: Losses reported in 1998-99 amounting to \$210,000 have been approved by Executive Council early in 2000-01.		
ANALYSIS OF LOSSES WRITTEN-OFF		
Bad debts	69	144
Property damage	210	33
Stolen property	-	1
	279	178
20. AFFILIATED BODIES		
FEDERATION OF POLICE AND CITIZENS' YOUTH CLUB INCORPORATED		
The Federation of Police and Citizens' Youth Club works in conjunction with the Police Service to reduce juvenile crime. The Police Service provides staffing resources to assist the Federation in meeting its objectives.		
Salaries	1,935	1,600
Other Recurrent	-	-
	1,935	1,600
BLUE LIGHT ASSOCIATION OF WESTERN AUSTRALIA INCORPORATED		
The Blue Light Association of Western Australia works in conjunction with the Police Service to establish positive relationships between police and the youth of the community. The Police Service provides staffing resources and administrative assistance to assist the Association in meeting its objectives.		
Salaries	100	99
Other Recurrent	24	13
	124	112

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

2001
\$'000

2000
\$'000

20. AFFILIATED BODIES (continued)

SAFER WA COMMITTEE'S EXECUTIVE

Safer WA in conjunction with the Police Service, other State Government agencies, local government and the community to achieve a safer and more secure Western Australia. The Police Service provides staffing resources and an annual grant to assist the committee in meeting its objectives.

Salaries	56	82
Other Recurrent	207	305
	263	387

POLICE MINISTER'S COUNCIL ON ABORIGINAL, POLICE AND COMMUNITY RELATIONS

The Council is directly responsible to the Minister for Police and has the objective of providing advice to the Minister and Commissioner of Police on the most effective measures for improving relations between Aboriginal people, Police Service officers and the general community. All operating expenses of the Council including salaries, travel and members' expenses are met by the Police Service.

The costs shown in 1999-2000 represent the costs up to the date of cessation of the council (6 February 2000).

Salaries	-	42
Other Recurrent	-	29
	-	71

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

21. EXPLANATORY STATEMENTS

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimated, the actual expenditures made and revenue estimates and payments into the Consolidated Fund, all on a cash basis. The following explanatory statements are provided in accordance with *Treasurer's Instructions 945*.

- (a) DETAILS OF EACH AUTHORISATION TO EXPEND IN ADVANCE OF APPROPRIATION APPROVED IN ACCORDANCE WITH SECTION 28 OF THE *FINANCIAL ADMINISTRATION AND AUDIT ACT 1985*.

Funded item	Reason for Expenditure	Approved Expenditure 2001 \$'000	Actual Expenditure 2001 \$'000
Amount Provided to Fund Outputs			
Increased costs	To cover increased operating costs.	1,599	1,599
Increased costs	To cover additional expenses associated with the introduction of the <i>Criminal Property Confiscation Act 2000</i> .	101	-
Transfer of Function	Aboriginal Wardens Scheme transferred from Aboriginal Affairs Department.	250	-
Transferred to Amounts Authorised by Other Statutes	To meet higher than expected costs for senior officers engaged under <i>Salaries and Allowances Act 1975</i> .	(20)	(20)
		1,930	1,579
Amounts authorised by other Statutes - <i>Salaries and Allowances Act 1975</i>			
Transfer from Amount Provided to Fund Outputs	Payout of entitlements upon retirement.	20	20
		20	20
Amount Provided for Capital Services			
Land Sales Program	The Capital Works program budget estimate was premised on an appropriation of \$44.79 million and asset (land) sales of \$31 million. Due to delays in the Land Sales Program, the State Government advanced \$28 million to permit the program of works to proceed. Of this, \$4.926 million was carried over to 2001-02 for capital projects running behind initial schedules.	28,000	23,074
Contributions	Capital works costs borne by the Police Service in the first instance and recouped.	1,067	1,067
Asset Sales	Proceeds from the sale of assets which were reinvested in other assets.	262	262
		29,329	24,403

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

21. EXPLANATORY STATEMENTS (continued)

(b) COMPARISON OF ACTUAL RESULTS TO ESTIMATES AND EXPLANATION OF SIGNIFICANT VARIATIONS (VARIATIONS EXCEEDING TEN PER CENT)

	Estimate \$'000	Actual \$'000	Variation \$'000
CONSOLIDATED FUND APPROPRIATIONS	440,406	471,685	31,279

Recurrent Services

Increase of \$6.1 million

General expenditure of \$4.2 million was offset by increased revenue. Examples of associated expenditure were road safety initiatives and enhanced camera operations funded from the Road Trauma Trust Fund (RTTF), community policing grants, searches and drug-abuse strategy initiatives. A further \$1.9 million of expenditure was incurred, as outlined in previous information on Authorisations to Expend in Advance of Appropriations (note 21a).

Retained Revenue

Increase of \$4.2 million

The main contributing factor to the increase in retained revenue was funding of \$2.9 million for road safety initiatives and enhanced camera operations from the Road Trauma Trust Fund (RTTF). The balance of the increase came from a wide range of revenues, the most significant of which were \$500,000 in general salary recoups and salary sacrifice Fringe Benefits Tax recoups, \$250,000 from the Federal Government to recoup salary costs of police officers on secondment in East Timor, a \$250,000 contribution from the Department of Premier and Cabinet for on-payment to Safer WA Inc. for administration costs, a \$109,000 contribution from the WA Drug Abuse Strategy Office and a \$182,000 reimbursement of costs from the CrimTrac agency.

Amount Authorised by Other Statutes

Increase of \$20,000

Higher than expected payments due to the retirements of two Assistant Commissioners.

Capital

Increase of \$29.32 million

The Capital Works program budget estimate was premised on an appropriation of \$44.79 million and asset sales of \$31 million. Due to delays in the Land Sales Program, the State Government advanced \$28 million to permit the program of works to proceed.

A further \$1.329 million of expenditure was incurred, as outlined in previous information on Authorisations to Expend in Advance of Appropriations (note 21a).

	Estimate \$'000	Actual \$'000	Variation \$'000
CONSOLIDATED FUND REVENUE	719	498	(221)

Revenue

Decrease of \$221,000

The decrease related to a \$337,000 shortfall in firearm infringement collections offset by an increase of \$73,000 from the sale of lost and stolen property and \$43,000 in additional vehicle sales.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

21. EXPLANATORY STATEMENTS (continued)

(c) COMPARISON OF ACTUAL OUTPUTS TO ESTIMATES AND EXPLANATION OF SIGNIFICANT VARIATIONS (VARIATIONS EXCEEDING TEN PER CENT)

	Estimate \$'000	Actual \$'000	Variation \$'000
OUTPUT EXPENDITURE	424,460	426,438	(1,978)

Across all outputs there was a reduction of 97,895 hours from the budget estimate of 8.800 million hours. Variations in hours can be due to a number of reasons such as changes in the strategic direction, demand, overtime and leave. In dollar terms, additional cash sources such as additional revenue received and supplementary funding approved has been distributed across the outputs in accordance with the survey results. The combination of both factors has resulted in major variations to the following outputs.

- Emergency Management and Co-ordination decrease of \$2.589 million (31%)
- Regulatory and Information Services decrease of \$6.119 million (30%)
- Response to Offences increase of \$9.868 million (23.7%)

(d) COMPARISON OF ACTUAL RESULTS FOR 2000-01 COMPARED TO THE PRECEDING YEAR AND EXPLANATION OF SIGNIFICANT VARIATIONS (VARIATIONS EXCEEDING TEN PER CENT)

	2001 \$'000	2000 \$'000	Variation \$'000
CONSOLIDATED FUND EXPENDITURE	471,685	428,724	42,961

Recurrent Services

The main contributing factor is the first time inclusion of Goods and Services Tax (GST) (\$14.22 million) on purchase of goods and services. Other major factors were increased employee-related payments (\$5.7 million), vehicle operating costs (\$2.1m), funding to support DNA technology (\$664,000) and other operational expenses (\$1.9 million), as outlined in Note 21(a) Authorisations to expend in advance of appropriations.

Increase of \$24.8 million

Retained Revenue

The main contributing factor was the inclusion of Goods and Services Tax (GST) receipts (\$13.6 million), being GST collected on sales and refunds received from the Australian Tax Office. Other major factors included a decrease in vehicle escorts receipts (\$286,000), an increase in recruit traineeship grants (\$440,000) and a reduction in Road Trauma Trust contributions (\$936,000).

Increase of \$12.82 million

Amount Authorised by Other Statutes

Payment of entitlements on retirement.

Increase of \$27,000

Capital

Increased program of works funded by the State Government.

Increase of \$30.87 million

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

21. EXPLANATORY STATEMENTS (continued)

(d) COMPARISON OF ACTUAL RESULTS FOR 2000-01 COMPARED TO THE PRECEDING YEAR AND EXPLANATION OF SIGNIFICANT VARIATIONS (VARIATIONS EXCEEDING TEN PER CENT) (continued)

	2001 \$'000	2000 \$'000	Variation \$'000
CONSOLIDATED FUND REVENUE	498	1,122	(624)

Revenue

Decrease of \$624,000

Reduction in the sale of lost and stolen property of \$345,000 and asset sales of \$279,000.

(e) COMPARISON OF ACTUAL OUTPUT RESULTS FOR 2000-01 COMPARED TO THE PRECEDING YEAR AND EXPLANATION OF SIGNIFICANT VARIATIONS (VARIATIONS EXCEEDING TEN PER CENT)

	2001 \$'000	2000 \$'000	Variation \$'000
OUTPUT EXPENDITURE	426,438	405,193	21,245

Across all outputs there was a reduction of 85,670 hours from the 1999-2000 actual of 8.788 million hours. Variations in hours can be due to a number of reasons such as changes in the strategic direction, demand, overtime and leave. In dollar terms the variations related to additional cash appropriations and the introduction of goods and services tax payments distributed in accordance with the survey results. The combination of both factors has resulted in the major variations to the following outputs:

- Response to Offences increase of \$6.750 million (15%)
- Investigation of Offences increase of \$9.130 million (10%)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

21. EXPLANATORY STATEMENTS (continued)

(f) MAJOR CAPITAL WORKS PROJECTS WITH EXPLANATION OF SIGNIFICANT VARIATIONS BETWEEN ESTIMATED TOTAL COST IN 2001 COMPARED TO THE PRECEDING YEAR (VARIATIONS EXCEEDING TEN PER CENT)

(i) Major Capital Projects (over \$1 million) incomplete at 30 June 2001

Project	Estimated Year of Completion	Estimated Cost to Complete Project \$'000	Estimated Total Cost of Project \$'000	Estimated Total Cost of Project Reported 1999-2000 \$'000	Variation in Estimated Total Cost \$'000
Kiara (Lockridge) Police Station (i)	2001-2002	349	2,026	1,800	226
Rockingham Police Station	2001-2002	109	3,150	3,150	-
Clarkson Police Station	2001-2002	78	1,690	1,690	-
Wiluna Police Station and Lock-up	2001-2002	204	2,955	2,955	-
EPARP 1999-2001 (ii)	2001-2002	62	6,262	6,000	262
Delta Communications and Information Technology Plan (DCAT) - Release 2 (ii)	2001-2002	130	16,250	16,000	250
Busselton Police Station	2001-2002	38	2,100	2,100	-
Land Acquisition Program	2001-2002	129	3,810	3,810	-
Vehicle Replacement Program	2001-2002	1,874	4,360	4,360	-
Statewide Office Upgrade Program - Stage 3 (i)	2001-2002	112	3,399	3,383	16
Police Academy (ii)	2002-2003	8,244	45,714	45,000	714
Bunbury Police Station	2002-2003	1,779	9,000	9,000	-
Kensington (South Perth\Vic Park) Police Station	2003-2004	2,990	3,000	3,000	-
Operations Support Facility - Stage 1	2003-2004	27,864	42,000	42,000	-

(i) Treasury approved an upward revision of the estimated total cost.

(ii) Treasury approved an upward revision of the estimated total cost as a result of asset sale retention and external contributions.

MAJOR CAPITAL WORKS PROJECTS WITH EXPLANATION OF SIGNIFICANT VARIATIONS BETWEEN ESTIMATED TOTAL COST IN 2001 COMPARED TO THE PRECEDING YEAR (VARIATIONS EXCEEDING TEN PER CENT)

(ii) Major Capital Projects (over \$1 million) complete at 30 June 2001

Project	Total Cost of Project \$'000	Estimated Total Cost Reported 2000-01 \$'000	Variation \$'000
Geraldton District Police Complex	8,354	8,580	(226)
CADCOM	3,154	3,154	-
Delta Communications and Information Technology Plan (DCAT) - Release 1	34,060	34,060	-

(i) Treasury approved an upward revision of the estimated total cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	Notes	2001 \$'000	2000 \$'000
22. SCHEDULE OF ADMINISTERED ITEMS			
(a) ADMINISTERED EXPENSES AND REVENUES			
EXPENSES (i)			
Grants, Subsidies and Transfer Payments		353	855
Other		40	67
Total Administered Expenses		393	922
REVENUES (ii)			
Commonwealth Government Grants		7	47
State Appropriations		-	468
Licences, Fines and Other		386	407
Total Administered Revenues		393	922
(b) ADMINISTERED ASSETS AND LIABILITIES			
ASSETS (iii)			
Current			
Restricted Cash		344	351
Total Administered Assets		344	351
LIABILITIES (iv)			
Current			
Grants In Advance		344	350
Accounts Payable and Accrued Expenses		-	1
Total Administered Liabilities		344	351

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	Notes	2001 \$'000	2000 \$'000
22. SCHEDULE OF ADMINISTERED ITEMS (continued)			
(i) ADMINISTERED EXPENSES			
GRANTS SUBSIDIES AND TRANSFER PAYMENTS COMPRISE THE FOLLOWING:			
Vehicle Immobiliser Dealer Subsidy		-	546
Transfer to Ministry of Justice		15	-
Transfer to Consolidated Fund		337	309
Other Transfers		1	-
		353	855
OTHER EXPENSES COMPRISE THE FOLLOWING:			
Employee-related Expenses		-	17
Other Expenses		40	50
		40	67
		393	922
(ii) ADMINISTERED REVENUES			
COMMONWEALTH GRANTS COMPRISE THE FOLLOWING:			
Gun Buyback Scheme		7	47
		7	47
LICENCES, FINES AND OTHER REVENUES COMPRISE THE FOLLOWING:			
The Police Service is responsible for the collection of certain fines and other revenue which is not classified as operating revenue and is credited to Consolidated Fund.			
Collections made during the year were:			
Sale of Lost, Stolen and Forfeited Property		323	163
Fines and Infringements		63	134
Other		-	110
		386	407
STATE APPROPRIATIONS		-	468
		393	922
(iii) ADMINISTERED ASSETS			
RESTRICTED CASH COMPRISES THE FOLLOWING:			
Gun Buyback Scheme Reimbursement		344	351
		344	351
(iv) ADMINISTERED LIABILITIES			
INCOME IN ADVANCE COMPRISES THE FOLLOWING:			
Gun Buyback Scheme Reimbursement Trust		344	350
		344	350
ACCOUNTS PAYABLE		-	1
		344	351

OTHER FINANCIAL INFORMATION -

MONEYS HELD IN TRUST for the year ended 30 June 2001

2001
\$'000

2000
\$'000

23. TRUST ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS

FOUND MONEY TRUST ACCOUNT

OPENING BALANCE AT 1 JULY

106 89

RECEIPTS

Found Money

151 110

257 199

PAYMENTS

Refunds

96 93

Transfer to the Treasurer

55 -

151 93

CLOSING BALANCE AT 30 JUNE

106 106

PURPOSE

To hold moneys which have been found and surrendered to the Police Service, for which the lawful owner has not been ascertained within seven days of receipt of the money. Trust funds are held pending the occurrence of one of the following events:

- (i) refunds of moneys to persons establishing their legal ownership;
- (ii) where the moneys are unclaimed, paid to the finder lodging a formal claim not less than three months after the surrender of the money; or
- (iii) where the moneys are unclaimed after two years, transferred to the Treasurer.

As the Police Service only performs a custodial role in respect of these moneys, and because the moneys cannot be used for the achievement of the agency's objectives, they are not brought to account in the Statement of Financial Position.

DEPARTMENTAL RECEIPTS IN SUSPENSE

OPENING BALANCE AT 1 JULY

2,275 2,219

RECEIPTS

Proceeds of Crime

1,536 1,079

Stolen Money

87 103

3,898 3,401

PAYMENTS

Refunds

744 822

Transfer to the Ministry of Justice

259 270

Transfer to the Miscellaneous Revenue

24 34

1,027 1,126

CLOSING BALANCE AT 30 JUNE

2,871 2,275

PURPOSE

To hold moneys received pending identification of their purpose pursuant to Section 9(2)(c)(iv) of the *Financial Administration and Audit Act 1985*.

Moneys seized by police officers and believed to be stolen are held pending identification of the rightful owner. If this does not occur within six months, the moneys are transferred to the Consolidated Fund. Moneys seized by police officers and believed to be proceeds of crime are held pending advice from the courts. The moneys are either refunded or transferred to the Ministry of Justice.

As the Police Service only performs a custodial role in respect of these moneys, and because the moneys cannot be used for the achievement of the agency's objectives, they are not brought to account in the Statement of Financial Position.