

Annual Report 2018–2019



VICTORIA POLICE

Victoria Police pay respect to the Traditional Owners of lands on which we live and work. We pay our respects to Elders and all Aboriginal and Torres Strait Islander peoples who continue to care for their country, culture and people.

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Foreword from the Chief Commissioner of Police



In accordance with the *Financial Management Act 1994*, I am pleased to present the **Victoria Police Annual Report for the 2018–19 financial year.**

Over this 12-month period, Victoria Police continued its modernisation agenda around leadership, diversity, safety and technology. This has further improved our capacity to effectively respond to important public safety issues, while meeting government priorities and legislative requirements.

Victoria Police continued to invest in its organisational culture through a range of initiatives with a particular focus on the health, safety and wellbeing of its employees. In 2018–19, progress on reform occurred in the domains of equal opportunity, inclusion, diversity, mental health, family violence and minimising workplace harm.

As part of these efforts, Victoria Police launched the Health and Safety Strategy and Action Plan 2019–2022, which details the role and responsibilities all employees have in keeping themselves and their workmates safe. The plan focuses on leadership, early engagement on health, safety and wellbeing issues and reducing the impact of harm with the mindset of 'Zero Harm – Think Safe, Be Safe'.

Over \$2 billion has been invested in Victoria Police's core capabilities that include early intervention, offender management, service demand management, harm minimisation and victim support. As in previous years, the Community Safety Statement (CSS) 2018–19 aligned with Victoria Police's efforts to effectively discharge its duties and keep the Victorian community safe.

The continued investment from government reflects the importance of Victoria Police's role in the community. In 2018–19, this enabled our organisation to continue its biggest recruitment drive to date, with more police and Protective Services Officers (PSOs) deployed across the state. This boost in frontline resources assists Victoria Police to meet community expectations around our response to incidents involving family violence, youth offending, road safety, terrorism, drugs and public disorder.

Victoria Police created 42 new youth specialist officer positions to support a renewed framework that assists Victoria Police to engage with young people. This includes working with other agencies to identify young people vulnerable to criminality and divert them from becoming involved in criminal activities.

Legislative change came into effect at the beginning of this year's Australian Open to allow PSOs to patrol on-board trams, expanding on their ability to patrol on-board trains as of last year. This ensures PSOs are where they need to be, when they need to be, to address crime issues across the public transport network and major events.

To pave the way for a modern police service, Victoria Police has taken action on building its professional workforce to be more mobile, responsive and visible, highly trained and skilled, well equipped with technology and actively engaged with the community. Major technological improvements including rollout of body-worn cameras, a new intelligence system and mobile devices have been achieved.

The mobile technology project team impressively completed the rollout of more than 9,300 devices on 29 April 2019, ahead of the scheduled completion date of 30 June 2019. The device rollout for the remaining 2,100 operational members will continue into 2020 as per the recruitment profile and funding provided by the CSS.

The second half of last year led to our lowest ever road toll, but sadly, the first half of this year has seen a climb, with a tragic number of lives lost on Victorian roads. We continue to undertake proactive road policing duties, targeting the major causes of road trauma, such as driver distraction and speed, particularly given the increased number of motorcyclist deaths and fatalities on country roads.

As an additional road policing tool, Victoria Police commenced the state-wide rollout of mobile Automatic Number Plate Recognition technology, which has enabled our frontline officers to detect and arrest wanted offenders who they previously may not have been able to locate. Victoria Police will continue to work with its road safety partners to come up with new ideas and implement change to make our roads safer.

This year's 10th anniversary of the 2009 bushfires was a stark reminder of the devastating consequences of this type of emergency event. Victoria Police has continued to mature its response to bushfires, adopting a more flexible and intelligence-led deployment of resources to high-risk areas.

A number of police stations have been upgraded and refurbished with 13 replacement stations opened across the state in 2018–19. The modernisation of Victoria Police's operational fleet of land, water and airborne vehicles also progressed and a structured asset replacement program to upgrade operational infrastructure will continue in the next financial year.

Regular trips to Melbourne to deliver important forensic evidence are now a thing of the past for officers in Victoria's east and west as the new Morwell and Ballarat Forensic Hubs commenced operations in May 2019. Significant impacts will be felt across the eastern and western regions, as local police are given faster access to forensic services to assist in investigating crime and apprehending offenders more quickly.

Victoria Police's response to family violence continues to be bolstered with a new, dedicated training centre launched in the first half of 2019. The Centre of Learning for Family Violence, based at the Victoria Police Academy, will lead the organisation's education and training efforts in ensuring police officers are more capable to respond and provide support to family violence victims and hold perpetrators to account.

This reporting period has seen Victoria Police involved in several Royal Commissions, which we are fully committed to supporting. Through our involvement we will ensure that Victoria Police positively influences the future of important public safety issues such as Victoria's mental health system, Australia's aged care services, and the management of police informants, while ensuring we continue to serve the community.

I would like to take this opportunity to thank Victoria Police employees for their continued enthusiasm and openness to embracing the significant reform and capability uplift that Victoria Police is undertaking. I also thank them for their daily commitment to reducing harm, working closely with victims, and making Victoria a safe place.



Graham Ashton AM
Chief Commissioner of Victoria Police
3 October 2019

1. About Victoria Police

OUR ORGANISATION

Victoria Police was established in 1853 and provides policing services to the Victorian community 24 hours a day, seven days a week, working to keep over 6.4 million¹ Victorians safe.

Police officers and Protective Services Officers (PSOs) are supported in their roles by public service professionals who work as Police Custody Officers (PCOs), administrators, managers and specialists in a range of functions such as legal services, accounting, psychology and forensic sciences.

OUR ROLE AND FUNCTIONS

Under the *Victoria Police Act 2013* the role of Victoria Police is to serve the Victorian community and uphold the law so as to promote a safe, secure and orderly society. The functions of Victoria Police include:

- Preserving the peace
- Protecting life and property
- Preventing offences
- Detecting and apprehending offenders
- Helping those in need of assistance.

Victoria Police is responsible to the Minister for Police and Emergency Services, and also supports the following portfolios:

- The Premier
- The Attorney-General
- The Treasurer
- The Minister for Roads and Road Safety
- The Minister for the Prevention of Family Violence.

OUR VALUES

Victoria Police has seven organisational values which underpin the culture and behaviours of all staff.

The values are:

- **Safety** – The health, safety and wellbeing of our people by ensuring healthy, safe and respectful workplaces are integral to the success of Victoria Police. A strong safety culture, driven by an understanding and acceptance that the responsibility of health, safety and wellbeing rests with all Victoria Police employees. Our managers, supervisors and employees will focus on healthy and safe behaviours and practices in the workplace and the community in which they serve.
- **Integrity** – Act with honesty and respect the right of fair process for all. Our people maintain confidentiality and respect for those we deal with, by demonstrating moral strength and courage and behaving with honour and impartiality.

- **Leadership** – Our people are approachable and consistent when dealing with colleagues, partners and the community, apply fair process and strongly commit to the values of the organisation. We guide, trust, develop and empower our colleagues and make timely decisions that are guided by both values and evidence that inspire participation and commitment through a shared vision.
- **Flexibility** – Our people are open minded and adaptive to change, we adopt an attitude of continuous improvement, by encouraging creativity and building partnerships with our community. We welcome difference and practice tolerance not only with our colleagues but also with the wider community.
- **Respect** – Accept diversity with tolerance and understanding. We listen with patience, value opinions and provide feedback. Our people acknowledge the efforts of others and appreciate our internal and external customers. We inspire confidence through ethical and fair treatment of others ensuring that our actions are not unlawful or discriminatory.
- **Support** – Our people provide empathy in a timely and genuine manner, promote professional and career development and care for the wellbeing of our colleagues. We recognise and reward service of employees.
- **Professionalism** – Our people accept responsibility, show commitment and lead by example. By communicating openly, honestly and consistently we contribute to the professional knowledge pool and are transparent in our delivery as we are accountable to both our internal and external customers. We take pride in our appearance and conduct by maintaining high personal standards and continuously strive for service excellence.

SERVICES

Victoria Police provides policing services to the Victorian community across 54 Police Service Areas, within 21 divisions and four regions – North West Metro, Southern Metro, Eastern and Western. These regional boundaries correspond with those of other Victorian Government departments, enhancing cross-department service delivery, particularly in the area of emergency management.

Our services include:

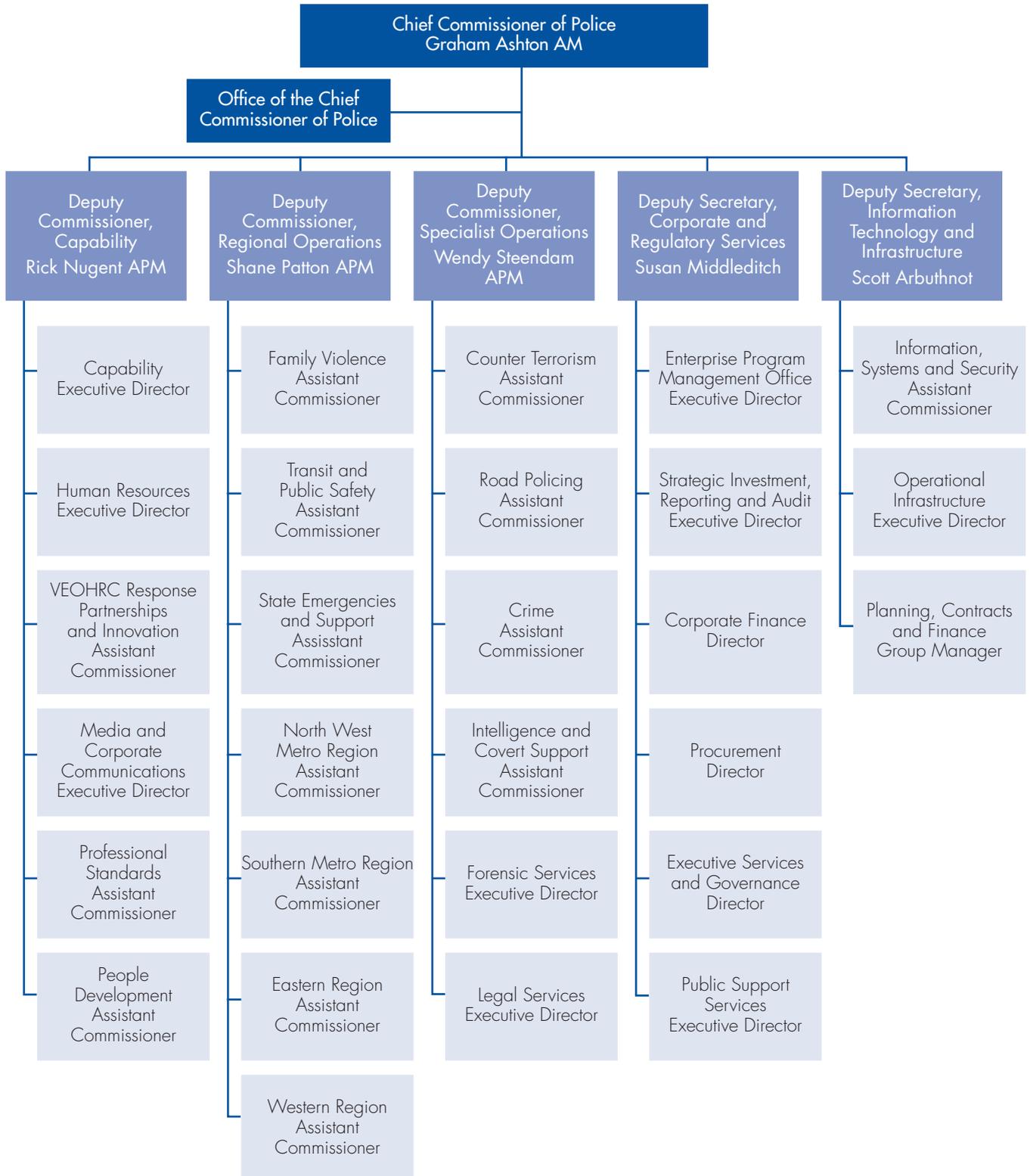
- Responding to calls for assistance in matters of personal and public safety, emergencies and serious incidents
- Preventing crime through a range of proactive community safety programs
- Detecting and investigating offences, and bringing to justice those responsible for committing them
- Providing a presence within the community at major events
- Supporting the judicial process to achieve efficient and effective court case management, providing safe custody for alleged offenders, supporting victims and ensuring fair and equitable treatment of victims and offenders
- Promoting safe road-user behaviour.

¹ Data from Australian Bureau of Statistics (ABS) *Victoria Population and People* dataset for 2018.

ORGANISATIONAL STRUCTURE AND CORPORATE GOVERNANCE

Victoria Police is structured around five portfolios: Regional Operations, Specialist Operations, Capability, Corporate and Regulatory Services and Information Technology and Infrastructure.

Figure 1.0 Victoria Police Organisational Chart – as at 30 June 2019



SENIOR LEADERSHIP

Victoria Police is led by the Chief Commissioner of Police, Graham Ashton, who is the head of the Executive Command group. Executive Command sets the strategic direction of Victoria Police, monitors organisational performance, determines key priorities and risks, manages organisational capacity and capability, establishes how government policy will be implemented and advances initiatives and reforms. Executive Command is the primary advisory and decision-making body for Victoria Police.

In addition to the Chief Commissioner of Police, Executive Command comprises Deputy Commissioners and Deputy Secretaries from each of Victoria Police’s five portfolios and the Chief Information Officer. Retired Air Chief Marshall Sir Angus Houston AK AC AFC is an independent member of Executive Command and also chairs the Corporate Advisory Group. The current Executive Command members include:

- Deputy Commissioner Capability – Rick Nugent,
- Deputy Commissioner Regional Operations – Shane Patton,
- Deputy Commissioner Specialist Operations – Wendy Steendam,
- Deputy Secretary Corporate and Regulatory Services – Susan Middleditch,
- Deputy Secretary IT and Infrastructure – Scott Arbuthnot,
- Chief Information Officer – Stephen Fontana,
- Independent member – Sir Angus Houston AK AC AFC.

The broader Command leadership group comprises Executive Command members as well as Executive Directors, Directors, Assistant Commissioners and Commanders. Command has an advisory focus and provides input and advice to Executive Command on emerging or existing policy and project development; shares information and informs Executive Command about current organisational issues. Command is also led by the Chief Commissioner of Police.

Victoria Police is led by the Chief Commissioner of Police, Graham Ashton, who is the head of the Executive Command group.

GOVERNANCE

A number of standing executive, corporate and advisory committees ensure good corporate governance with a focus on improving organisational performance.

Figure 1.1 Victoria Police Corporate Governance Structure



More information on corporate governance and the roles and membership of these committees is contained within Appendix E.

2. Our Performance

Victoria Police is accountable to government and the community for its performance.

The 2017 Community Safety Statement (CSS) outlined the government's commitment to policing. The 2018–19 CSS sets out an outcomes framework with indicators. Performance against these indicators is included for the first time in the 2019–20 CSS, which was published in July 2019 and is available online.

Each year the Victorian Government outlines priorities for the goods and services it provides to the Victorian community and details its budget decisions within the *Budget Paper No. 3 Service Delivery* (BP3). Victoria Police is required to report on how it is meeting BP3 performance targets for delivering outputs and how these outputs contribute to key objectives.

Victoria Police is required to provide to government, and the community, information on outcomes and financial performance for each reporting year. This is reported on in the following sections.

PERFORMANCE MEASURES

Victoria Police's outputs are included in the Department of Justice and Community Safety's Policing and Crime Prevention output. Victoria Police contributes to the objective: *ensuring community safety through policing, law enforcement and prevention activities*. This objective lists the following three indicators, reflected through a number of reports to government to measure Victoria Police's performance:

- Community safety during the day and at night
- Crime statistics
- Road fatalities and injuries.

Victoria Police is accountable to government and the community for its performance.

Table 2.0: 2018–19 Victoria Police Objective Indicators and Outputs

Objective	Objective indicators	Outputs
Ensuring community safety through policing, law enforcement and prevention activities	<ul style="list-style-type: none">• Community safety during the day and at night• Crime statistics• Road fatalities and injuries	Policing Services and Crime Prevention

Source: 2018–19 Victorian Budget Paper Number 3 Service Delivery, p. 266.

A detailed overview of initiatives and projects undertaken in 2018–19 relating to objective indicators and outputs can be found in Chapter 3 – Year in Review.

PERFORMANCE AGAINST OBJECTIVE INDICATORS

Community Safety during the Day and at Night

The *National Survey of Community Satisfaction with Policing 2017–18* results are contained within the *Report on Government Services (RoGS) 2019* released in January 2019¹.

Survey respondents were asked to rate their feeling for each indicator, ranging from very unsafe to very safe. Victorian results are shown in Table 2.1 and 2.2.

¹ The 2018–19 results will be reported in the 2020 RoGS, to be published by the Productivity Commission in January 2020.

Table 2.1: Community Safety during the Day²

Indicator	2013-14 %	2014-15 %	2015-16 %	2016-17 %	2017-18 %	Change from 2016-17 to 2017-18 %	Change over 5 years %
Walking alone in the neighbourhood	90.2	90.3	90.0	84.0	87.4	3.4	-2.8
On public transport	62	63.4	59.0	58.5	67.1	8.6	5.1

Source: Report on Government Services 2019.

Table 2.2: Community Safety at Night³

Indicator	2013-14 %	2014-15 %	2015-16 %	2016-17 %	2017-18 %	Change from 2016-17 to 2017-18 %	Change over 5 years %
Walking alone in the neighbourhood	50.2	52.1	48.6	42.8	47.1	4.3	-3.1
On public transport	23.5	28.5	25.6	23.3	31.3	8.0	7.8
At home alone	90.4	89.5	87.1	79.1	83.0	3.9	-7.4

Source: Report on Government Services 2019.

Crime Statistics

As at 30 June 2019, the total recorded crime figure has increased by 1.5 per cent over the year. All major crime categories have recorded increases except Crime Against Property. Residential Burglary recorded the largest decrease over the past 12 months. The main contributors of the increase in crime include offence categories Justice Procedures (in particular breaches of orders), Deception and Drug Offences (in particular drug dealing, trafficking, use and possession), and Crimes against the Person (in particular assault and related offences).

Crime statistics are based on reports from the public and crimes detected by police. Changes to recorded crime can be due to increased presence and focus on community safety throughout Victoria, police detection and enforcement activity, the introduction of new offences or increased police powers to enforce certain offences.

Changes may also be due to social, economic and environmental factors, or increasing or changing public confidence to report crime to police.

The Crime Statistics Agency (CSA) is responsible for the calculation and publication of crime statistics and a further breakdown of crime statistics are available from the CSA website www.crimestatistics.vic.gov.au.

Crime statistics are based on reports from the public and crimes detected by police.

^{2,3} Data in above table is the total safe percentage of all responses received during the survey. The total sum is comprised of participants choosing either very safe or safe option during the survey.

Table 2.3: Number of Offences Recorded

Offences recorded	2014–2015	2015–2016	2016–2017	2017–2018	2018–2019	Change from 2017–18 to 2018–19	% Change 2017–18 to 2018–19
Homicide and related offences	174	211	231	219	185	-34	-15.5%
Assault and related offences	37,624	41,687	43,391	43,464	44,916	1,452	3.3%
Sexual offences	11,506	12,664	13,477	14,920	13,519	-1,401	-9.4%
Abduction and related offences	708	807	756	722	736	14	1.9%
Robbery	2,530	2,887	3,196	3,180	3,429	249	7.8%
Blackmail and extortion	212	191	204	191	256	65	34.0%
Stalking, harassment and threatening behaviour	12,108	12,730	11,830	11,728	12,352	624	5.3%
Dangerous and negligent acts endangering people	4,359	5,320	6,050	5,859	5,817	-42	-0.7%
Total crimes against the person	69,221	76,497	79,137	80,283	81,210	927	1.2%
Arson	3,444	4,516	3,263	3,344	3,135	-209	-6.3%
Property damage	42,544	43,484	42,379	40,962	39,235	-1,727	-4.2%
Burglary/Break and enter	46,242	52,095	52,031	43,522	38,881	-4,641	-10.7%
Theft	151,802	181,120	182,123	166,683	171,306	4,623	2.8%
Deception	33,494	39,159	35,909	34,062	35,150	1,088	3.2%
Bribery	41	26	6	7	9	2	28.6%
Total property and deception offences	277,567	320,400	315,711	288,580	287,716	-864	-0.3%
Drug dealing and trafficking	5,050	5,213	4,522	4,369	4,884	515	11.8%
Cultivate or manufacture drugs	1,685	1,740	1,461	1,272	1,467	195	15.3%
Drug use and possession	21,947	23,197	24,270	24,097	26,048	1,951	8.1%
Other drug offences	277	48	107	145	116	-29	-20.0%
Total drug offences	28,959	30,198	30,360	29,883	32,515	2,632	8.8%

Offences recorded	2014–2015	2015–2016	2016–2017	2017–2018	2018–2019	Change from 2017–18 to 2018–19	% Change 2017–18 to 2018–19
Weapons and explosives offences	14,515	15,996	15,925	14,837	16,005	1,168	7.9%
Disorderly and offensive conduct	19,390	17,124	16,600	15,990	14,892	-1,098	-6.9%
Public nuisance offences	2,665	3,488	3,428	3,776	3,721	-55	-1.5%
Public security offences	194	87	73	139	58	-81	-58.3%
Total public order and security offences	36,764	36,695	36,026	34,742	34,676	-66	-0.2%
Justice procedures	6,878	12,837	12,758	12,178	12,918	740	6.1%
Breaches of orders	51,274	57,791	57,166	58,948	63,962	5,014	8.5%
Total justice procedures offences	58,152	70,628	69,924	71,126	76,880	5,754	8.1%
Regulatory driving offences	30	18	14	18	19	1	5.6%
Transport regulation offences	453	593	729	615	555	-60	-9.8%
Other government regulatory offences	642	547	621	1,109	361	-748	-67.4%
Miscellaneous offences	479	478	307	402	466	64	15.9%
Total other offences	1,604	1,636	1,671	2,144	1,401	-743	-34.7%
Total offences	472,267	536,054	532,829	506,758	514,398	7,640	1.5%
Total offence rate per 100,000 population	7,841.9	8,683.6	8,428.7	7,843.7	7,799.1	-44.6	-0.6%

Data extracted from LEAP on 18th July 2019 and is subject to change. Source of crime statistics data is the Crime Statistics Agency.

Road Fatalities and Injuries

Victoria Police is committed to reducing road trauma and enhancing road safety.

The Towards Zero 2016–2020 Road Safety Strategy remains a key focus for Victoria Police and its road safety partners. This strategy aims to lower the number of lives lost on Victoria's roads to 200 or less, and reduce serious injuries by at least 15 per cent by 2020.

The Towards Zero 2016–2020 Road Safety Strategy remains a key focus for Victoria Police and its road safety partners.

Notes:

Estimated resident population, for years preceding the current year, are taken from the Australian Bureau of Statistics (ABS), Regional Population Growth, Australia (cat. no. 3218.0) – as at 30 June. As ABS data is not available for the current year's rates to be calculated, the CSA uses estimates created by the Victorian Government's 'Victoria in future' report.

ROAD POLICING STATISTICS

During 2018–19, the number of reported lives lost on Victorian roads increased by 31 when compared to the 2017–18 figure of 238. The number of injuries and collisions has decreased by 5.3 per cent in comparison to the previous financial year and drivers continue to account for the majority of the lives lost, comprising 45 per cent of the total lives lost on Victorian roads.

The number of pedestrians who lost their lives on the road this year compared to last year increased to 45 deaths in 2018–19 from 34 deaths in 2017–18. The number of motorcyclists who lost their lives has also increased from 36 in 2017–18 to 48 in 2018–19, an increase of 33 per cent.

Table 2.4: Road Policing Statistics 2017–18 to 2018–19⁴

	Metro			Regional			State		
	2017–18	2018–19	% Change	2017–18	2018–19	% Change	2017–18	2018–19	% Change
Lives Lost	106	118	11.3%	132	151	14.4%	238	269	13.0%
Injuries	10,662	10,215	-4.2%	4,948	4,576	-7.5%	15,610	14,791	-5.2%
Collisions	8,688	8,335	-4.1%	3,804	3,574	-6.0%	12,492	11,909	-4.7%

Source: Corporate Statistics Unit, Victoria Police.

Table 2.5: Road User Data⁵

	2017–18			2018–19		
	Lives Lost	Injuries	Collisions	Lives Lost	Injuries	Collisions
Driver	115	7,996	6,488	120	7,648	6,136
Passenger	42	2,837	1,469	42	2,598	1,372
Pedestrians	34	1,462	1,342	45	1,436	1,372
Bicyclists	8	1,290	1,266	11	1,139	1,113
Motorcyclist	36	1,879	1,854	48	1,792	1,792
Pillion Passenger	1	65	41	1	46	26
Other	2	81	32	2	132	98
Total	238	15,610	12,492	269	14,791	11,909

Source: Corporate Statistics Unit, Victoria Police.

Table 2.6: Road Fatalities and Injuries⁶

Indicator	2014–15	2015–16	2016–17	2017–18	2018–19	Change from 2017–18 to 2018–19	% Change 2017–18 to 2018–19
Road Fatalities	254	266	267	238	269	31	13%
Injuries	18,846	19,352	17,914	15,610	14,791	-819	-5%

Source: Corporate Statistics Unit, Victoria Police.

^{4,5,6} Data extracted from CMIS/TIS as at 5 July 2019 and is subject to variation.

Note: Differing trends between road fatalities and injuries caused by vehicle collisions: these two figures should be considered independently from each other, i.e. the number of reported injuries in vehicle collisions can be declining due to improved driver behaviour; however, fatalities may be higher due to single vehicle collisions with one driver and solo riders/bicyclists/pedestrians.

WORKING TO REDUCE ROAD COLLISIONS AND FATALITIES

The leading contributors for collisions on Victorian roads are speed, driver fatigue and distraction, alcohol and drug-impaired driving.

Victoria Police plays a critical role in reducing road trauma in Victoria through highly visible and sustained enforcement. Holiday periods continue to be high-risk periods on Victorian roads and in 2018–19 Victoria Police conducted state-wide road policing operations. Over 100,000 offences were detected. The key outcomes are detailed in Table 2.7.

Table 2.7: Road Policing Operations in 2018–19

Operation	Duration	Outcome
Operation Scoreboard 2018	4 days	215 Blood Alcohol Content offences 194 Oral Fluid Test offences 7,565 Traffic offences 802 Crime offences
Operation Furlong 2018	5 days	254 Blood Alcohol Content offences 215 Oral Fluid Test offences 8,949 Traffic offences 869 Crime offences
Operation Road wise 2018–19	24 days	892 Blood Alcohol Content offences 920 Oral Fluid Test offences 33,829 Traffic offences 4,034 Crime offences
Operation Amity 2019	4 days	206 Blood Alcohol Content offences 165 Oral Fluid Test offences 6,567 Traffic offences 759 Crime offences
Operation Arid 2019	4 days	238 Blood Alcohol Content offences 275 Oral Fluid Test offences 8,768 Traffic offences 827 Crime offences
Operation Nexus 2019	5 days	309 Blood Alcohol Content offences 310 Oral Fluid Test offences 11,674 Traffic offences 960 Crime offences
Operation Regal 2019	4 days	283 Blood Alcohol Content offences 204 Oral Fluid Test offences 8,976 Traffic offences 776 Crime offences

Source: Victoria Police, Road Policing Command.

PERFORMANCE MEASURES FOR POLICING AND CRIME PREVENTION

Victoria Police's objective is to prevent, detect, investigate and prosecute crime and promote safer road-user behaviour which it delivers through activities relating to the provision of effective police and law enforcement services. Victoria Police strives to reduce violence and crime through law enforcement, judicial support, community assistance, guidance and leadership.

The performance measures reported in Table 2.8 compare targets and actual results from the delivery of programs and services as part of the Policing and Crime Prevention output.

TASKFORCE DELIVER

Taskforce Deliver, led by former Chief Commissioner of Police Neil Comrie AO APM, was an independent investigation into the falsification of Preliminary Breath Tests (PBTs) by Victoria Police officers, following Victoria Police's announcement in 2018 that police officers had been manipulating PBT devices to falsely inflate the number of tests conducted. In a formal report published in early 2019, the taskforce made 23 recommendations, which Victoria Police has accepted. A copy of the report is available for viewing via the Victoria Police website, www.police.vic.gov.au/official-publications.

Since the release of the findings Victoria Police has moved away from using PBT numbers as an indicator of the requirement to be undertaken during each shift and now implements an effective tasking model using time on task as the baseline requirement. In line with these recommendations, and as declared in the 2019–20 Budget Paper 3 Appendix A, Victoria Police proposes to discontinue the performance measure 'Proportion of drivers tested who comply with alcohol limits' in 2019–20. This is supported by the Independent Broad-based Anti-corruption Commission.

Table 2.8: Performance Measures

Performance measures	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result
Quantity					
Community calls for assistance to which a Victoria Police response is dispatched	number	897,016	900,000	-0.3	○
Contravention of family violence intervention order offences per 100,000 population*	number	677	650	4.2	✓
Crimes against property – excluding family violence-related crime (rate per 100,000 population)*	number	4,200	4,600	-8.7	✓
<i>The decrease in actual figure can be contributed to the decrease in non-aggravated burglary offences in 2018–19 reporting period.</i>					
Crimes against property – family violence-related crime (rate per 100,000 population)*	number	162	160	1.3	✓
Crimes against the person – excluding family violence-related crime (rate per 100,000 population)*	number	677	660	2.6	○
Crimes against the person – family violence-related crime (rate per 100,000 population)*	number	554	580	-4.5	○
Number of alcohol screening tests conducted	number	3,453,441	3,500,000	-1.3	○
Number of hours of family violence-related education provided to police	number	2,194	1,840	19.2	✓
<i>The actual has exceeded the target as further training courses were introduced to police employees during the year.</i>					
Number of prohibited drug screening tests conducted	number	151,294	150,000	0.9	✓
Number of youth referrals	number	1,175	1,100	6.8	✓
<i>The actual has exceeded the target primarily due to the removal of mandatory parental/guardian consent for youth referrals and the increased use of Victoria Police electronic Referral system by police.</i>					
Police record checks conducted to contribute to community safety	number	752,830	703,000	7.1	✓

Performance measures	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result
Quantity					
<i>The drivers for the actual exceeding the target are largely due to an increase in Victorian Department of Health and Human Services child protection-related police checks and upward trend in police checks for Victorian Jury Selection.</i>					
Total reported road fatalities in vehicle collisions	number	269	≤215	-25.1	■
<i>The actual being above target is attributed to the increase of 33% in lives lost by motorcyclists and pedestrians in 2018–19 compared to 2017–18.</i>					
Total persons reported injured in vehicle collisions	number	14,791	16,000	7.6	✓
<i>The actual is below target following a continued downward trend. The decline in injuries on Victorian roads is due to the continued road safety campaigns and high profile operations focusing on improving driver behaviour.</i>					
Quality					
Proportion of Family Incident Report affected family members receiving referrals	per cent	86.3	85	1.6	✓
Perceptions of safety – walking locally at night	per cent	52.8	50	5.6	✓
<i>The actual has exceeded the target largely due to the more visible police and protective service officer presence within the community.</i>					
Proportion of community satisfied with policing services (general satisfaction)	per cent	78.2	77	1.6	✓
Proportion of drivers tested who comply with alcohol limits~	per cent	99.9	99.5	0.4	✓
Proportion of drivers tested by road safety cameras who comply with posted speed limits	per cent	99.8	99.5	0.3	✓
Proportion of drivers tested who return clear result for prohibited drugs	per cent	92.9	93	-0.1	○
Proportion of successful prosecution outcomes	per cent	92	92	0	✓
Proportion of the community who have confidence in police (an integrity indicator)	per cent	82.6	87	-5.1	■
<i>The actual is below target due to recent publicity in the media relating to Victoria Police. This measure is sensitive to negative media coverage and fluctuates accordingly.</i>					
Timeliness					
Proportion of crimes against the person resolved within 30 days	per cent	41.7	45	-7.3	■
<i>In 2018–19 there has been a change in methodology for reporting on this measure. This is a result of the VAGO Crime Data Audit Recommendation 5 which called for a consistent approach to reporting performance measures computed by the Crime Statistics Agency for BP3 reporting. Under the previous methodology the variance would have equated -2.9 per cent.</i>					
Proportion of property crime resolved within 30 days	per cent	25	25	0	✓
Cost					
Total output cost^	\$ million	3,397.9	3,283.2	3.5	○
<i>The variance reflects the increase costs associated with police salary, allowances and on-costs and work cover premium.</i>					

Notes:
 ✓ Performance target achieved or exceeded. ○ Performance target not achieved – within 5% variance. ■ Performance target not achieved – exceeds 5% variance.

~ In 2019–20 Victoria Police proposes to discontinue this performance measure in line with recommendations, and as disclosed in the 2019–20 Budget Paper 3 Appendix A.

^ This figure relates to the Victoria Police component of the Crime and Prevention output only. Please refer to the Department of Justice and Community Safety Annual Report for the complete output reconciliation.

* Source: Crime Statistics Agency: Estimated resident population, for years preceding the current year, are taken from the Australian Bureau of Statistics (ABS), Regional Population Growth, Australia (cat. no. 3218.0) – as at 30 June. As ABS data is not available for the current year's rates to be calculated, the Crime Statistics Agency uses estimates created by the Victorian Government's 'Victoria in future' report.

FINANCIAL PERFORMANCE

The Annual Financial Statements⁷ included in the Annual Report provide information about Victoria Police's stewardship of resources entrusted to it.

Table 2.10 provides a summary of Victoria Police's financial result for the 2018–19 financial year and comparative information for the preceding four years.

Table 2.10: Five Year Financial Summary

Financial Performance	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000
Total Income from Transactions	2,448,193	2,596,616	2,785,000	3,073,265	3,380,623
Total Expenses from Transactions	2,465,217	2,609,246	2,782,181	3,065,762	3,399,200
Net Result from Transactions	(17,024)	(12,630)	2,819	7,503	(18,577)
Net Result	(17,668)	(12,586)	17,138	15,803	(30,336)
Cash Flows					
Net Cash Flow from Operating Activities	82,630	82,221	73,650	116,661	190,166
Balance Sheet					
Total Assets	1,947,053	2,085,489	2,135,743	2,343,438	2,544,257
Total Liabilities	667,928	683,863	702,950	764,387	864,081
Net Worth	1,279,125	1,401,626	1,432,793	1,579,051	1,680,176

FINANCIAL PERFORMANCE

Victoria Police's net result from transactions for 2018–19 is a deficit of \$18.6 million, compared to a surplus of \$7.5 million in 2017–18. The \$18.6 million deficit is primarily driven by a significant increase in WorkCover costs due to an increase in the risk premium rate. The rise in the risk premium rate is driven by growth in claim costs, particularly in relation to mental health.

The deficit net result of \$30.3 million is primarily due to the revaluation loss on the long service leave liability, driven by a reduction in the discount rate.

The growth in income from transactions and associated expenditure primarily reflects the increased funding allocated for the CSS, Public Safety Response (PSR) initiatives and Expenditure Review Committee (ERC) approved funding, together with the provision of financial supplementation to support Victoria Police's operations.

BALANCE SHEET

Victoria Police's net worth as at 30 June 2019 was \$1,680.2 million, comprising total assets of \$2,544.3 million and total liabilities of \$864.1 million. Property, plant and equipment represent 74 per cent (\$1,878.5 million) of the total assets. These assets increased in value by \$185.6 million from \$1,692.9 million in 2017–18, reflecting the level of capital purchases, adjustments for movements in depreciation, physical asset revaluations and disposal of assets during the financial year.

The other key contributor to the increase in total assets was an increase in intangibles by \$26.6 million. This increase in value is in relation to software development associated primarily with the BlueConnect Project.

The increase in total liabilities of \$99.7 million from 1 July 2018 is primarily attributed to an increase in payables of \$17.7 million, and an increase in employee related benefits provisions in the balance sheet of \$76.2 million.

CASH FLOWS

The increase in the net cash flows from operating activities is primarily due to the changes in receivables and payables arising from the timing of cash payments and receipts against these items.

⁷ The financial statements exclude the transactions of entities with varying representation of Victoria Police members on their board or executive management teams, including:

- Crime Stoppers Victoria – a not-for-profit organisation helping to keep families and communities safe by collecting crime information from the public and passing it on to Victoria Police to help solve crime.
- Victoria Police Provident Fund – established in 1931 for the purpose of funding and supporting police welfare projects through the provision of timely assistance to police officers and their immediate families in cases of genuine hardship, welfare or medical needs.
- Victoria Police Legacy – a charitable organisation that provides a range of services to police families who have suffered the loss of a loved one.
- Victoria Police Memorial Trust – established for the purpose of enabling fellowships and grants to members of Victoria Police, making donations to community charitable institutions and funding community projects of charitable intent.

To be read in conjunction with the Comprehensive Operating Statement within Chapter 5 Annual Financial Statements. Appendix C – Budget Portfolio Outcomes, within Chapter 4 – Appendices, also provides a comparison between the actual and budgeted financial information.

3. Year in Review

This section highlights the ways Victoria Police continued to keep communities safe by assisting those in need, preventing offences from occurring and detecting and apprehending offenders throughout 2018–19.

2018–19 AT A GLANCE

Reducing harm

- Over 110 Firearm Prohibition Orders have been issued.
- The Crime Stoppers Unit (CSU) received its 1 millionth contact from the community since the inception of Crime Stoppers in Victoria on 9 November 1987.
- CSU generated over 40,000 information reports that lead to the seizure of over \$19 million worth of illegal drugs, 1,201 arrests and 5,627 charges being laid.
- Joint Task Force ICARUS seized more than 3,700 drug consignments.
- Roadside drug testing expanded from 100,000 to 150,000.
- As at 30 June 2019, 1,367 PSOs now patrol on-board trams and trains.
- Chief Commissioner of Police Graham Ashton and The Police Association Victoria Secretary Mr Wayne Gatt covered a combined 1,000 kms on foot across Victoria in the Head to Head Fundraising Walk to support police mental health and raised over \$590,000.

Increasing connection to the community

- The Embedded Youth Outreach Program has provided critical initial support and referrals for more than 1,100 young people.
- 39 of the 42 new youth specialist police officers have been deployed across the state.
- Victoria Police launched Facebook Messenger in February 2019 to allow social media users to access breaking news and safety advice during emergencies.
- Police officers, PSOs and Metro Trains staff jointly conducted a series of visits to schools, level crossings and railway stations across Melbourne as part of Operation Jet to enhance rail safety education.
- Police Assistance Line & Online Reporting went live in July 2019.
- The Victorian Government Road Safety Summit was held on 31 May 2019. Victoria Police along with experts from road safety partners; Transport Accident Commission, Vic Roads, Victoria Police, Monash University Accident Research Centre, RACV, Road Trauma Support Services Victoria, and motorcycle and cycling advocates, met to discuss strategies to tackle the increase in road deaths.

Putting victims first

- Every six minutes a police officer comes into contact with someone who has been a victim of family violence which accounts for 40–60 per cent of frontline police time.
- 208 Family Violence Specialist Police Officers were deployed.
- Almost 3,000 samples from offenders subject to the *Victorian Sex Offenders Registration Act 2004* have been loaded into the National DNA database.
- Over 7,500 police officers have received family violence training across the state since January 2019.
- The Victim Identification Team has identified and removed ten children who have been sexually abused by offenders who share images or movies of them online.
- Police made over 40,000 referrals for victims in need through the Victoria Police electronic referrals process.
- 4,481 body-worn cameras have been deployed across the state with a total of 208,472 footage files captured.

Holding offenders to account

- Bass Coast police executed 11 simultaneous search warrants as part of a major drug investigation resulting in 16 people being arrested, seizure of multiple firearms, drugs and weapons and over \$15,000 in cash.
- The Criminal Proceeds Squad seized and restrained an excess of \$80 million in assets.
- Operation Greensheep executed eight search warrants that resulted in eight arrests, seizure of nine firearms, large quantities of methamphetamine and cocaine and dismantling a serious organised crime syndicate.
- 12 offenders were convicted of terrorism offences.
- Over 440 vehicles and 100 vessels were checked during Operation Crossway targeting organised crime in the supply chain industry.

Improving Victoria Police capability, culture and technology

- The Week of Warrant Operation saw the photos of repeat offenders and persons with outstanding warrants displayed to over 41,000 followers on the Geelong Eyewatch Facebook page and in the *Geelong Advertiser*. Roughly 10 per cent of people displayed handed themselves in.
- Victoria Police's new Family Violence Centre of Learning at the Police Academy opened in April 2019.
- As at 30 June 2019, 944 of the 2,729 new officers have been deployed across Victoria.
- Two new Forensic Hubs in Ballarat West and Morwell established.
- In 2018–19, the Custodial Health Service has been the focus of significant support to enhance service delivery in support of police and PCOs managing the significant risk of prisoner's health across Victoria Police.
- 39 highway patrol vehicles have been fitted with the new Mobile Automated Number Plate Recognition and In Car Video technology.
- The rollout of the digital radio upgrade program saw 3,614 dual band radios, capable of operating on both the metropolitan and rural radio networks deployed, with additional safety benefits to frontline police of a duress capability and location services across Victoria.

CAPABILITY FRAMEWORK AND 2018–19 ANNUAL PLAN INITIATIVES

The Capability Framework 2016–2025 details the 78 core and enabling capabilities that are transforming Victoria Police's service delivery into an agile, responsive, people-focused and connected organisation. The core capabilities represent policing services that are delivered directly to the community and the enabling capabilities are critical in contributing to the delivery of multiple core capabilities.

In practice, the role and functions of Victoria Police are complex. We recognise and respond to this complexity by using the Capability Framework to provide visibility of where we need to invest time or resources. Victoria Police utilises an organisation-wide capability-based approach to planning, and uses the Capability Framework to inform the Victoria Police Annual Plan which takes into account our organisational risks, internal budget allocations, and future investment and reform areas. Over the past 12 months, a number of significant projects have been delivered that complement Victoria Police's modernisation reform program and delivery of priorities on behalf of the Victorian Government through the Community Safety Statement (CSS).

This chapter highlights 2018–19 achievements against each of Victoria Police's eight capability-based planning transformation pathways:

- **Safety** – More focused on the health, safety and wellbeing of our people
- **Leadership** – More confident, but respectful and people focused
- **Agility** – More responsive, with agile and visible policing
- **Evidence-Based** – More evidence-based practices and decision making
- **Victim-Centric** – Stronger focus on victims, prevention and reduction of harm
- **Gender, Diversity and Flexibility** – A more professional, flexible and diverse workforce
- **Technology** – Leveraging technology to improve policing and business processes
- **Partnerships** – Stronger partnerships and co-production with stakeholders.

The organisation, working as one, has contributed to the deliverables described in this chapter across the five portfolios: Capability, Specialist Operations, Regional Operations, IT and Infrastructure, and Corporate and Regulatory Services.

3.1 SAFETY

In 2018–19, a number of organisation-wide programs were delivered to improve the health, safety and welfare of employees. The Victoria Police Health and Safety Strategy and Action Plan 2019–2022 provides a three-year road map to fully develop the organisation's safety culture.

Recent legislative reform is enabling Victoria Police's efforts to better support and protect operational staff. Two amendments in 2018–19 are of particular importance: the *Justice Legislation Miscellaneous Amendment Act 2018* and *Justice Legislation (Police and Other Matters) Act 2019*, which introduce offences relating to harm against emergency workers and discharging a firearm recklessly endangering the safety of a police officer or Protective Services Officer.

VICTORIAN EQUAL OPPORTUNITY AND HUMAN RIGHTS COMMISSION REPORT

Preliminary findings from the Victorian Equal Opportunity and Human Rights Commission (VEOHRC) Phase 3 audit show that Victoria Police has made significant progress on the 20 recommendations since the first report in 2015. Improvements have been made across many areas, including in the structures that were established to achieve change, in the organisation's attempts to deliver equality throughout women's careers, in the strengthening of leadership capability and how Victoria Police responds to workplace harm.

The full Phase 3 audit report was publicly released on 27 August 2019 and recognises that there is more work to be done to embed the changes made so far within Victoria Police. VEOHRC has been working with Victoria Police to develop an Outcome Monitoring Framework that will provide the organisation with a clear road map for a long-term commitment to achieve gender equality through cultural reform.

In 2018–19, close to 100 per cent of Victoria Police employees completed the *It's about Respect: Sexual Harassment and Sex Discrimination* online learning package. This was released to increase knowledge of sexual harassment, sex discrimination and victimisation, and to provide guidance in responding to and reporting harmful workplace behaviours.

HEALTH AND SAFETY STRATEGY AND ACTION PLAN 2019–2022

There is recognition that the health, safety and wellbeing of employees impact the work Victoria Police does, as well as the safety of the community. Victoria Police is committed to building a safe, inclusive and respectful culture and workplace.

To this end, the Chief Commissioner of Police launched the Victoria Police Health and Safety Strategy and Action Plan 2019–2022 in April 2019. In implementing this, Victoria Police will prevent and reduce the impact of harm in a number of ways. In the first instance, it empowers employees to be safety leaders through skills, knowledge and equipment, as well as through integrated systems, processes and services. In addition, specialist support staff will be working with individuals and

business areas to create early, effective and sustainable health and safety interventions and solutions. The organisation as a whole will work towards strengthening its safety management and governance approach.

MENTAL HEALTH AND WELLBEING

In 2018–19, Victoria Police continued to carry out the recommendations of the 2016 Mental Health Review and implemented programs to ensure that adequate resources are made available to support ongoing education and improved responses to mental health issues. Of the 39 recommendations from the Mental Health Review, 38 have now been acquitted and work is progressing to address the final recommendation in relation to mental health screening for retiring Victoria Police officers.

The Victoria Police Mental Health Strategy and Wellbeing Action Plan 2017–2020 complemented and directly addressed the outcomes from the 2016 Mental Health Review. As part of progressing this strategy in 2018–19, Victoria Police has completed a rebuild of mental health content in the new-recruit Foundation Training Program that draws on findings from the Mental Health and Wellbeing Study and incorporates suicide awareness and prevention tools and includes a focus on keeping healthy and 'career preparedness'.

A significant achievement for 2018–19 included the build and launch of the Victoria Police wellbeing website *Bluespace*. The website aims to increase recognition of early warning signs of poor mental health and provides information about mental health and suicide awareness and prevention. The website offers links to services and pathways for current employees, veterans and families to engage with and support those who are suffering from mental health issues.

ENHANCED OPERATIONAL SAFETY CAPABILITY

The Integrated Operational Equipment Vest Replacement project is equipping police with new ballistic vests to improve officer safety and align with modern police work and current technologies. In 2018–19, Victoria Police began deploying ballistic vests to police officers in the field and over the next two years will roll out 14,000 new vests to all police officers, PSOs and PCOs. The new vests are designed to be future proofed by incorporating better integration with modern policing equipment such as the body-worn cameras.

Victoria Police advanced the procurement process for semi-automatic rifles to uplift organisational capability and capacity to respond to mass casualty events, active armed offender incidents, the terrorist environment and violent offending more broadly. The semi-automatic rifles will be delivered and deployed to police in the Operations Response Unit and four key police stations in regional Victoria (Ballarat, Geelong, Morwell and Shepparton).

The Hand Held Drug Analysing Project commenced in 2018 to assist in reducing staff exposures to unknown drug items at the point of seizure and storage. Victoria Police purchased two hand held devices that can safely be used to carry out on-the-spot analysis of more than 450 illicit substances. The devices can scan through clear containers, thus providing staff with greater knowledge and protection when dealing with illicit drugs and hazardous chemicals.

FUTURE FOCUS

Over the upcoming 12 months, Victoria Police will continue implementing the actions in the Mental Health and Wellbeing Strategy and Action Plan to enhance the mental health literacy of the organisation. In response to VEOHRC's final (Phase 3) audit report, Victoria Police will be transitioning the current Review, Response, Partnerships and Innovation unit to a new model for the future approach to gender equality.

The procurement and deployment of longarm firearms will be progressed to expand Critical Incident Management Capability, including specialist training to approximately 800 general duties police in the safer handling and use of semi-automatic rifles.

Specialist Investigator Support Unit

Unique aspects/demands of the work of the Family Violence Command and associated risk to employee mental health and psychological wellbeing have resulted in specialised mental health responses in 2018–19. The Specialist Investigators Support Unit (SISU) was established by Family Violence Command in early 2018. In 2018–19, the SISU continued to proactively identify and address the psychological health and wellbeing needs of employees working in Sexual Offences and Child Abuse Investigation Teams and Family Violence Investigation Units.

Since the establishment of the SISU, Family Violence Command were able to utilise CSS funding to trial the extension of SISU services to Transit Sexual Offences Unit, Sex Crimes Units and Sano Taskforce and Supervision Order Specialist Response Unit Proactive Targeting Team, and the Sex Offender Register. Each of these units also works across the child abuse, sexual offending and family violence domains. The SISU commenced service delivery to these units in May 2019.

Head to Head Walk

In October 2018, Chief Commissioner of Police Graham Ashton and The Police Association Victoria (TPAV) Secretary Mr Wayne Gatt walked together to support police mental health.

They came together from opposite sides of Victoria in the Head to Head Fundraising Walk covering a combined 1,000km on foot. Both men set off on 1 October 2018, with the Chief Commissioner of Police commencing in Mallacoota and Mr Gatt leading his team from Mildura.

Over three weeks they walked the roads with a range of co-walkers joining them from Victoria Police, TPAV and the community, meeting 'head to head' in Wangaratta. Along the way, they visited police stations and participated in events with local communities to help broaden awareness and raise much-needed funds to support police veterans affected by mental health issues.

A fundraising target of \$500,000 had been set. The final cheque handed over in Wangaratta to the Retired Peer Support Officer program was for \$593,644, with more contributions received since the event.

The Retired Peer Support Officer program was launched to support retired police living with mental health issues tied to their experiences in the job. A dedicated team of former police volunteer their own time and money to support over 700 members experiencing mental health issues.

Funds raised from the Head to Head initiative are going towards the professionalisation and expansion of the program, which has recently been rebadged as Police Veterans Support Victoria Inc.

The Victoria Police Health and Safety Strategy and Action Plan 2019–2022 provides a three-year road map to fully develop the organisation's safety culture.

3.2 LEADERSHIP

The rollout of a broad-based leadership capability uplift across Victoria Police took place over the past year. This program centres on people-focused leadership to support a more respectful, inclusive workplace culture. To complement these efforts, Victoria Police also invested significantly in its approach to engaging and connecting with the community it serves.

LEADERSHIP CAPABILITY

The Leadership Capability Uplift (LCU) supports the organisational aspiration for 'more confident, respectful and people-focused' leadership. The LCU has begun to deliver leadership programs for all mid-level managers and supervisors as part of a wider commitment to enhance the capability, culture and technology of Victoria Police. At the end of 2018–19 (Year 2 of the project) 14 per cent of the target cohort have been engaged in people-focused leadership programs reaching 618 mid-level managers and supervisors. It is estimated that approximately 4,500 mid-level managers and supervisors will be engaged in such programs by June 2021.

Victoria Police has continued its focus on building leadership at all levels of the organisation by providing targeted development programs for all ranks. In particular, it has focused on those locations receiving the newly appointed police officers who are part of the CSS's additional 2,729 police.

In 2018–19, the organisation continued to strengthen the commitment to support women in leadership by expanding the existing suite of Women's Leadership Programs to include Constables, Senior Constables, PSOs and Victorian Public Service (VPS) staff.

VPS staff and Forensic Officers (FO) at all levels received continued support for professional and career development through an annual, wide-ranging calendar of leadership and capability programs. In addition, new employees have been given access to a comprehensive induction program.

A significant program of work has been undertaken by Professional Standards Command as part of an ongoing commitment to continually strengthen the standards and behaviours of the Victoria Police workforce. An updated Conflict of Interest policy was developed, which aims to guide employees in a manner that assures public confidence and trust in the integrity and impartiality of the organisation and the services it provides.

The review and refresh of Victoria Police's organisational values has also significantly progressed in line with recommendations from the VEOHRC Independent Review into sex discrimination and sexual harassment, including predatory behaviour, in Victoria Police. This was supported by the development and rollout of an online workplace harm training package for all staff to support the face-to-face training that has been delivered to managers over the past two years. Approximately 13,000 staff have completed the online training so far and training will continue to be delivered into 2019–20.

COMMUNITY ENGAGEMENT

Through Community Safety Networks, dedicated community engagement coordinators and other community partnerships, Victoria Police maintains important connections with the community it serves.

As well as continuing to deliver an extensive community engagement agenda across the state, Victoria Police has also been leading a Social Cohesion Project to better connect communities with local police. In particular, Victoria Police focused on strengthening its engagement with African women and families, connecting them with local police and the community in which they live. The project provided an opportunity for the women to undertake workshops with police on issues that are of concern to them, including but not limited to: family violence and forced marriages; fraud awareness; crime prevention; and road safety. It also provided opportunities for wider community participation through excursions and fitness sessions.

'Her Voice' was a four-session program aimed to give participants information and skills to educate others about what it means to have positive relationships with their family members. Twenty-two women, from various African cultural backgrounds who reside in Melton and Sunshine, participated in the train-the-trainer program. The program was co-delivered with the African Australian Community Taskforce, Victoria Legal Aid, Stand Up and Centre for Multicultural Youth.

The Social Cohesion Project also created linkages with the Rohingya community. This project was designed to empower the community to access emergency services and settlement information independently in the community's language through the development of a mobile phone app.

FAIR AND JUST COMMUNITY INTERACTIONS

As the community becomes increasingly diverse in interest, culture, religion and relationships, Victoria Police must maintain community confidence through the ability to adapt and meet changing needs. Supporting police officers to do this through continuous professional learning opportunities will be pivotal.

The Victoria Police Cultural, Community and Diversity (CCD) Education Strategy has been developed to provide a guiding framework for consistent organisational training and education in cultural, community and diversity principles.

During 2018–19, the CCD Education Strategy, under the 'Equality is not the same' Action Plan, continued to build new recruit and educator capability in the fields of diversity, culture and human rights. To date over 300 staff members have been educated in the design and delivery of training with diversity and Human Rights content in mind. The program runs quarterly, with another two sessions scheduled for the second half of 2019.

The Cultural, Community and Diversity Resource Hub has proven to be a useful resource for Victoria Police employees, with newly added content including a community conversation guide, case studies and fact sheets on bias, field contacts and searches of persons. To ensure resources meet operational need, development of new material is informed by data analytics, feedback from training sessions and communities of practice. As at 30 June 2019, there have been 36,470 downloads of CCD fact sheets.

The rollout of a broad-based leadership capability uplift across Victoria Police took place over the past year. This program centres on people-focused leadership to support a more respectful, inclusive workplace culture.

FUTURE FOCUS

Victoria Police will invest in upgrading internal communication processes and continue with a review of Victoria Police's Values and Code of Conduct to drive accountability in leadership and guide decision making with a strong community focus. A review of complaints and discipline policies and systems over the next year will be informed by the findings and recommendations of the Victorian Parliament's 'Inquiry into the external oversight of police corruption and misconduct in Victoria' (the Inquiry). Victoria Police acknowledges that a number of recommendations will likely be made as part of the Inquiry that extend beyond complaints and discipline policies. Victoria Police will consider all findings made by the Inquiry once a final report has been published.

Unspeakable: Understanding Sexual Crime Podcast

In November 2018, Victoria Police won the Public Relations Institute of Australia's Golden Target 'Thought Leadership Campaign' award for its ground-breaking podcast series *Unspeakable: Understanding Sexual Crime*. This national award recognises outstanding best practice in public relations and communication.

The six episode series was produced by the Media and Corporate Communications Department's Online Communications Unit in conjunction with Family Violence Command's Sexual Offences and Child Abuse Team. The award win was a significant opportunity to highlight the important and challenging everyday work of Victoria Police's Sexual Offences and Child Abuse Investigation police officers and how they support victims of these crimes.

The series provided Victoria Police a medium to reach new audiences to improve the community's understanding of sexual crime and encourage victims to report to police. The award recognises the lifechanging effect this podcast has had on its audience, particularly those who have come forward to report a crime or sought help after listening to the series.

Unspeakable: Understanding Sexual Crime has paved the way for interstate and international police forces to create innovative tools to engage and educate the community about important issues.

3.3 AGILITY

Additional police enhance Victoria Police's capability and build a more agile workforce to prevent and respond to threats to community safety. In 2017–18, Victoria Police received funding for the recruitment of 2,729 new general duties and specialist police officers, as well as 100 Protective Services Officers (PSOs). The first deployment of these new officers commenced from May 2018 and as at 30 June 2019, 944 of the 2,729 new officers and 50 of the 100 new PSOs have been deployed across Victoria.

RESOURCES ARE DEPLOYED WHERE THEY ARE MOST NEEDED

New police resources are deployed in a yearly cycle commencing in May of one year and ending in April of the following year. During the first phase (to April 2019) of recruiting, training and deploying 2,279 new police resources, 813 police officers (including 300 frontline police officers and 25 new PSOs) were deployed. In addition, another 208 family violence specialists commenced duties across every policing division in Victoria, further freeing up general duties police in those areas to focus on providing a highly visible, agile policing response in their community.

A second cycle of deployment commenced from May 2019 and includes a total of 705 police officers (including the remaining 207 family violence specialists) and 25 new PSOs who will commence duties over the course of a 12-month period.

By expanding the presence of PSOs, the community can now see these officers patrolling on trains, trams and at major transport hubs. PSOs perform a critical role, providing a highly visible police presence that helps keep communities safe. Ongoing deployment of mobile PSOs on trains on Friday and Saturday nights across metro Melbourne commenced in September 2018 to coincide with the football final. These patrols continue.

New PSO teams were also deployed to major events throughout the year including the Australian Open in January 2019 and the Australian Formula 1 Grand Prix in March 2019.

As part of the ongoing refinement and evolution of the Staff Allocation Model (SAM), the model is being further developed to inform the allocation of resources funded by the CSS investment. During Years Three and Four of the CSS recruitment program, the remaining new police officers will be allocated using the SAM.

NEW POLICE ASSISTANCE LINE

The Police Assistance Line (PAL) and Online Reporting (OLR) projects provide two new channels for the reporting of non-urgent crimes and events. These new options will greatly improve the service Victoria Police provides to all Victorians, by enabling them to directly connect to Victoria Police for non-urgent issues from the comfort and convenience of their own homes, workplace, vehicle or other location with a phone or an internet-enabled device. This will support a more productive workforce by redirecting police effort for non-urgent matters from manual report taking and support improvements in community safety and satisfaction.

Calls to the PAL are answered by a contact centre in Ballarat, which is staffed by more than 300 employees including civilian staff and police officers. During the incremental rollout between 28 February 2019–30 June 2019, 82,650 calls were received and 15,070 lost property and crime reports created via the OLR platform, far exceeding initial expectations for uptake by the community.

On 1 July 2019, the PAL and OLR platforms were publicly launched. A 12-month advertising campaign, 'When you need us, but not the sirens', has begun to inform the community of these additional services.

New Police Assistance Line



Call 131 444 or



Report online:

<https://onlinereporting.police.vic.gov.au>

MODERNISING POLICE STATIONS AND RESIDENCES

In 2018–19, upgrades or refurbishments of a number of police stations continued across metropolitan and regional Victoria. Work on replacement stations in Alexandra, Bright, Corryong, Cowes, Colac, Mallacoota, Melbourne East, Tangambalanga, Warburton, Warracknabeal, Wedderburn, Wycheproof and Rutherglen have been completed. There was also progress on replacement stations in Altona North, Reservoir, South Melbourne and Wyndham.

The refurbishments of police stations in Bacchus Marsh, Bairnsdale, Benalla, Churchill, Cobden, Geelong, Lakes Entrance, Maffra, Moe, Mount Buller, Portland, Rosebud, Sorrento, Warragul and Warrambol are completed.

In April 2019, the new 24-hour Melbourne East police station was opened. The new Bourke Street base provides a larger, more central policing hub for the eastern end of Melbourne's CBD and supports police operations in the city.

These works ensure improved community safety as well as delivering fit for purpose facilities across metropolitan and regional areas. The provision of contemporary and adaptable police stations helps deliver effective and efficient policing services in the long term.

WATER POLICE AND AIR WING FLEET REPLACEMENT

The Vessel Replacement Program (VRP) is a strategic asset decommissioning and acquisition program for the Water Police and defines future capability needs. The program describes how future vessels will be sourced and acquired to meet these needs. The VRP will replace 17 vessels over a 10-year cycle.

During 2018–19, the VRP delivered three new vessels for police patrols, including capability for rapid maritime response from Melbourne to the north coast of Tasmania.

The strategic Aviation Capability Program was initiated in 2015 to define and deliver a future state aviation solution to Victoria Police. In 2018–19, fixed and rotary wing contracts were executed and the new aircraft are expected in service with the Air Wing fleet by mid-2020.

FUTURE FOCUS

Over the next year, deployment of specialist resources will remain a focus, in particular in the areas of technology-enabled crime, the Air Wing and Water Police. In addition, as part of the continued deployment of new police, recruitment of more PSOs will be supported with targeted media campaigns to attract candidates and community education on the role of PSOs.

The modernisation of police facilities will continue through infrastructure program of works. Additionally, Victoria Police will complete the implementation of the Police Assistance Line and Online Reporting tool.

The Mobile Policing Units (MPU) project is equipping police with state-of-the-art mobile platforms to tackle crime when and where it happens. The first MPU will be deployed in 2020 with the capability to function as a specialised community liaison centre to maintain community reassurance and presence following an incident. The project will also refurbish existing mobile vehicles such as the Mobile Command Trailer and events vehicles to upgrade IT and connectivity.

Forensic Services Capability

In 2018–19, Victoria Police established two new state-of-the-art regional forensic hubs in Ballarat West and Morwell to fast-track investigations, improving responsiveness and supporting community safety in Victoria Police's eastern and western service regions. Previously, evidence needed to be taken from crime scenes and transported back to the forensic headquarters in Macleod before they were tested, slowing down investigations. Each hub consists of 14 FOs and support staff, specifically trained to perform multi-disciplinary evidence recovery across a range of fingerprint, DNA, drugs and digital specialties.

The new Morwell and Ballarat forensic hubs will allow police to process evidence collected from crime scenes locally, further freeing up police time and resources. The construction of the hubs brought construction jobs to the local community as well as ongoing FO and support staff jobs.

Victoria Police's Mobile Forensic Capability has been successfully rolled out with a fleet of three specialist vans now available for deployment to support provision of real-time forensic services at the crime scene. The capability has already been utilised in the rapid identification of fingerprints, detection of toxic chemicals and examination of seized documents across a range of diverse incidents including suspicious package deliveries, chemical dumps, suspected homicides and other complex crime scenes

As at 30 June 2019, 944 of the 2,729 new officers and 50 of the 100 new PSOs have been deployed across Victoria.

3.4 EVIDENCE-BASED

In 2018–19, Victoria Police invested in the development of specialist evidence-based policing practices to stay ahead of emerging issues relating to drug supply reduction and harm prevention, family violence and more efficient apprehension of unauthorised drivers and stolen vehicles on the roads. Building evidence-based capability is a continuing focus for the organisation through the application of research and knowledge development into best-practice approaches.

SPECIALIST EVIDENCE-BASED POLICE SERVICES

The Operational Safety Education Unit has been established to build an evidence base from environmental scanning to validate and prioritise the operational safety training needs of the organisation. Additionally, the unit is also establishing an evaluation framework to inform training methodology and training effectiveness. The unit will ensure training remains contemporary and meets the needs of police and the community.

The introduction of a new Family Violence Report (FVR) commenced in April 2019. The new FVR contains an actuarial (scored) risk assessment tool that identifies increased risk of future family violence. It provides direction for police action based on the assessment of risk. The FVR has been developed in conjunction with Swinburne University and Forensicare and is scientifically validated.

In conjunction with the new FVR, a Case Prioritisation and Response Model has been developed to guide Family Violence Investigation Units in prioritising and managing cases at the greatest risk of serious family violence/harm. This change represents a significant improvement to operational practice and is Victoria Police's response to recommendations made by the Royal Commission into Family Violence and several coronial inquests.

Victoria Police also continued to work with key government agencies to ensure that highly coordinated prevention, preparedness, response and recovery arrangements are in place for any threat or act of terrorism in Victoria.

The Victoria Fixated Threat Assessment Centre (VFTAC) is in its second year of operation, identifying and assessing individuals who pose a threat to public safety due to their risk of engaging in fixated behaviours. VFTAC also aims to mitigate lone actor grievance-fuelled attacks including lone actor terrorism and lone actor apolitical violence.

LEGISLATIVE ENABLERS SUPPORTING EVIDENCE-BASED POLICING

In March 2018, Victoria Police commenced collecting samples from offenders subject to the Victorian *Sex Offenders Registration Act 2004*. This process is now completed with almost 3,000 samples loaded onto the National DNA database. As a result, a number of links have been made in cold cases both within Victoria and interstate providing invaluable investigative leads.

In October 2018, reforms to the *Terrorism (Community Protection) Act 2003* and other legislation commenced which provide for preventative detention of terror suspects by police for up to four days, create a presumption against bail and parole for those who pose a terrorism risk and clarify police powers to use lethal force. The reforms also streamline the authorisation of special police powers, create new powers to take control of premises and enable PSOs to work alongside police officers in the event of a terrorist incident. These reforms ensure that Victoria Police is equipped with the tools it needs to respond to the threat of violent terrorism and safeguard the community.

Also in October 2018, reforms to the *Criminal Procedure Act 2009* commenced to enable a trial for Victoria Police to use body-worn cameras for taking a digitally recorded statement from adult complainants for use as evidence-in-chief in a proceeding for a family violence offence. These recorded statements may also be used as evidence in proceedings for a family violence intervention order as well as in other proceedings, by court or tribunal order. The trial is in response to Recommendation 58 of the Royal Commission into Family Violence.

In March 2019, legislative amendments to the *Crimes Act 1958* were passed by Parliament to enable police to take DNA samples from certain suspects and offenders without a court order. The new powers, which commenced on 1 July 2019, will enhance Victoria Police's ability to identify criminals, particularly serious recidivist offenders, reduce the administrative burden on police and courts, and help solve serious and high-volume crime.

In preparation for this, the Forensic Services Department in 2018–19 enhanced the capability of DNA analysis through the installation of new specialised scientific instruments. This advanced technology has automated processes and substantially reduced the time taken to process large quantities of DNA so that offenders can be identified more quickly.

FORENSIC DRUG INTELLIGENCE CAPABILITY PROGRAM

The Forensic Drug Intelligence Capability program continued to grow Victoria Police's drug profiling capability combined with innovative drug intelligence reporting, to aid drug supply reduction and harm prevention within the Victorian community. Enhanced drug profiling and intelligence provide Victoria Police with increased knowledge and understanding of the illicit drug market and enable a more proactive approach to policing drug issues within the community.

DRUG IMPAIRED DRIVER INFORMATION SYSTEM

The Alcohol and Drug Impaired Driver Information System Replacement (ADIDIS-R) project has been established to provide a centralised and more accessible mechanism for the collection, storage and retrieval of alcohol and drug-impaired driver data. ADIDIS-R will maximise efficiencies in the delivery of roadside alcohol and drug tests and also provide better data to guide future roadside testing operations. The system is currently in its development stage, and is scheduled for implementation by November 2019.

In 2018–19, Victoria Police invested in the development of specialist evidence-based policing practices to stay ahead of emerging issues.

Holding serious offenders to account

In 2017, Victoria Police commenced the Management of Serious Offenders project in preparation for the expansion of the post-sentence offender scheme to include violent offenders and the introduction of the *Serious Offenders Act 2018*.

Victoria Police has successfully completed the project after an additional 48 police and 11 VPS personnel were recruited and organisational police have been implemented. The project has enabled a strengthened policing response to the most serious offenders across the state through the introduction of five Proactive Targeting Teams who deal with high risk sex offenders.

The *Serious Offenders Act 2018* is intended to enhance community protection by requiring offenders who have served custodial sentences for certain serious offences, but who continue to pose a risk of harm to the community, to be monitored via a court order. This post-sentence scheme applies to both serious sex and serious violence offenders, and includes detention orders and supervision orders.

An expansion of the Supervision Order Specialist Response Unit (SOSRU) has provided specialist resources to manage a strategic and collaborative approach to the monitoring and management of offenders subject to post-sentence supervision orders. SOSRU's objective is to enhance community safety by providing a joint-agency approach to the monitoring.

FUTURE FOCUS

Based on new legislation that came into effect during 2018–19, DNA testing and analysis will be further streamlined over the course of the next year. The Forensic Drug Intelligence Capability program will be expanded, targeted at shutting down clandestine laboratories and reducing the supply of methamphetamine on the streets.

The Offender Management project will lead the development of a consistent person of interest management policy with a repeat-offender and early intervention and prevention focus.

3.5 VICTIM-CENTRIC

A victim-centric approach continues to be embedded in the Victoria Police response to crime. 2018–19 has seen investment and actions across a number of domains, including improvements in policing response to family violence, sexual offences and child abuse, as well as improvements in the approach to road safety and drug crime. Collaborative efforts to reducing youth offending have made a significant impact on youth crime incidents and facilitated better responses to preventative interventions.

SPECIALIST FAMILY VIOLENCE RESPONSE

The Royal Commission into Family Violence (the Royal Commission) recommended a range of reforms to transform the investigative response to family violence.

Victoria Police's commitment to the Royal Commission's recommendations includes the deployment of 415 new specialist family violence police officers under a new investigative model that provides a consistent, enhanced response to family violence incidents that are high risk, and involve multiple victims or vulnerable people. During 2018–19, 208 new specialist family violence officer positions have been created, with the remaining 207 being scheduled for early 2020.

The appointment of the new specialist family violence officers is making a difference to community safety with police being able to process a substantial increase in the number of family violence order breaches and offenders.

To assist the new specialist officers, Family Violence Investigation Units (FVIU) have been established within each police division to investigate serious family violence matters, manage high risk, complex and repeat cases and support general duties police and specialist units. The FVIUs will strengthen Victoria Police's focus on investigation management with specialised victim-centric approaches that minimise recidivism and help victims recover.

Family Violence Centre of Learning

The new Family Violence Centre of Learning (CFV) was opened at the Police Academy in April 2019.

The construction of a purpose-built facility was completed in 2018–19 and includes the first family violence specific simulation centre in Australia. The centre will bring high fidelity simulation to enhance police training in this area. It allows realistic training that includes human factors and focuses on victim-centric policing of family violence.

The centre utilises evidence-based educational methods alongside behavioural insights training to facilitate police development in both the knowledge acquisition and behavioural and cultural change areas.

The use of behavioural insights allows training to be tailored to individual members in their workplace by one of the 21 Senior Sergeant Family Violence Training Officers situated in each police division. This new approach to tailored learning has been well received in the regions with over 7,500 police receiving individual education since January 2019.

To further enhance the accessibility of programs, the Family Violence Analyst course delivered at the centre utilises virtual classrooms so that rural staff can participate in webinars or online while collaborating with their classmates located across the state. This variability in location and mode of delivery allows staff to study in a variety of ways and locations to enhance flexibility and engagement.

ADDRESSING FAMILY VIOLENCE, SEXUAL OFFENCES AND CHILD ABUSE

The Policing Harm, Upholding the Right: Victoria Police Strategy for Family Violence, Sexual Offences and Child Abuse 2018–2023 provides an integrated focus on family violence, sexual offences and child abuse to recognise the fact that these crime themes are often linked or co-occurring.

Family Violence Command is working with subject matter experts from across the organisation to scope and implement recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse (RCIRCSA). Around 100 recommendations have been identified as having a link to Victoria Police in terms of impact on policy, operations and opportunities to influence the criminal justice response more broadly. Victoria Police is a lead agency with the Department of Justice and Community Safety for 17 of those recommendations, which encompass 67 sub-clauses for implementation.

Progress in line with the recommendations includes updating the Service Standards within the *A victim's guide to support services and the criminal justice system* and the *Reporting sexual offences to police* booklets. These publications detail what victims are entitled to expect in the police's response to their report of child sexual abuse.

The Joint Anti-Child Exploitation Unit has been focusing on the identification of children who have been or are currently being sexually abused by offenders who share images and/or movies of them online. This dedicated work is undertaken by the Victim Identification Team, a specialist team of personnel, who use a combination of traditional investigative methods and image analysis. Crucial to this work are databases that use sophisticated image comparison technologies to make connections between victims and places regardless of where the offending has occurred. In 2018–19, the Victim Identification Team was able to identify and remove 10 children who were previously unknown to law enforcement agencies worldwide from further harm.

NATIONAL REDRESS SCHEME

The National Redress Scheme (NRS) was established on 1 July 2018 by the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018*, following recommendations from the RCIRCSA.

Victoria Police is a participating institution within the NRS and is committed to responding to redress applications regarding allegations against current and former Victoria Police staff.

Victoria Police also assists the NRS Operator by assessing 'Child Safe Reports'. These reports are created when an application is received regarding an incident that is recent (occurring in the last 10 years), or where there is a suspicion on reasonable grounds that children are at current risk of being abused by an alleged perpetrator.

YOUTH CRIME PREVENTION

Victoria Police has introduced an innovative approach to reduce youth offending which sees a police officer paired with a youth worker in areas of high need. Known as the Embedded Youth Outreach Program (EYOP), this collaborative initiative operates from Dandenong and Werribee police stations, covering Wyndham, Hobsons Bay, Maribyrnong, Greater Dandenong, Casey and Cardinia police service areas. Young people face multiple risk factors which drive high rates in victimisation and offending including family violence, unemployment, mental health, addiction, educational disengagement, and living in disadvantaged or high crime areas. The program seeks to prevent and intervene with at-risk young people to reduce the negative impacts of these factors, giving young people a chance to explore more meaningful activities.

So far, more than 1,100 young people from across both pilot sites have been provided with critical initial support and referrals as part of the EYOP initiative. Further opportunities have been identified for engagement and linkages with community and specialist service providers, which will become a focus of a joint-agency approach in 2019–20.

2018–19 also saw the deployment of 39 of the 42 new youth specialist police officers (YSOs) across the state. YSOs draw upon their specialised knowledge in working with young people aged 10–20 years of age who are responsible for high-impact or repeat offending. Examples of high-impact crime include aggravated burglaries, carjacking, theft of motor vehicle with the intent to commit other serious offences, evading police and engaging in pursuits.

FOCUS ON ROAD SAFETY

In 2018–19, Victoria Police achieved an increase of roadside drug testing from 100,000 to 150,000 tests per year. Through this expansion, Victoria Police was able to identify and remove a greater number of drug-impaired drivers from the roads.

An extra 52 police officers have been deployed to the Highway Patrol division. Marked and unmarked patrol cars, police motorcycles and mobile intercepts mean Victoria Police has a greater presence, deterring alcohol and drug-affected drivers from taking to the road and casting a wider net to apprehend offenders.

The staged rollout of Mobile Automated Number Plate Recognition and in-car video technology to Victoria Police's fleet of 221 highway patrol cars has commenced. The rollout commenced in February 2019 at Bendigo Highway Patrol and will be completed by 2021. To date, 39 vehicles with the new systems have now been deployed across Victoria. The technology will be fitted to another 92 vehicles in 2019–20 and a further 91 vehicles in 2020–21. This technology will improve community safety by enabling quicker identification and apprehension of suspects, persons of interest, unauthorised drivers and stolen vehicles on the roads.

FUTURE FOCUS

Victoria Police has focused on efforts to create a hostile environment for drug traffickers and disrupt drug markets. The Victoria Police Drug Strategy 2019–2022 (the Drug Strategy), previously the Drug Response Plan, will be launched during the 2019–20 financial year. The Drug Strategy aligns to the harm minimisation approach to illicit drugs and recognises that Victoria Police's greatest influence is in supply reduction.

Victoria Police will also continue to develop strategic partnerships in promoting a victim-centric approach and support the whole of Victorian Government engagement with the Royal Commission into Victoria's Mental Health System and the Commonwealth Royal Commission into Aged Care Quality and Safety.

Over the next 18 months, Victoria Police will also work with road safety partners to identify best-practice approaches to and levels of enforcement to continue to have an impact on reducing road trauma from 2021 and beyond.

Victim-centric program of works

Victoria Police, through its Victim-Centric Service Delivery Strategy 2015–2018 has developed a renewed victim-centric program of works which aims to increase Victoria Police's compliance with the *Victims Charter Act 2006*.

During 2018–19, police made over 40,000 referrals for victims and those in need of assistance through the Victoria Police electronic referrals process.

During this period, a number of new referral pathway options became available including carer's support, sex worker support, child abuse material support and financial counselling support. Two new pilots are also underway to support homelessness (Moreland & Hume local government areas) and transition to work (Melton local government area).

Victoria Police has continued to work with the Victim Support Agency to expand the number of Victim Assistance Program workers located at police stations across the state.

3.6 GENDER, DIVERSITY AND FLEXIBILITY

In 2018–19, Victoria Police implemented four key strategies and action plans developed in accordance with the organisation's Diversity and Inclusion Framework 2017–2020. They include the LGBTI Inclusion Strategy and Action Plan, the Aboriginal Inclusion Strategy and Action Plan, the Culturally and Linguistically Diverse Inclusion Strategy and Action Plan and the Accessibility Inclusion Strategy and Action Plan. The focus of these plans is to support inclusive workplaces and guide respectful engagement with the community.

Victoria Police has committed to ensuring that human rights are at the forefront of all of its work. This is reflective both of the organisation's legal obligations under the *Charter of Human Rights and Responsibilities Act 2006* and the importance of respecting and protecting human rights across all decisions made by Victoria Police.

BUILDING CULTURALLY CAPABLE AND INCLUSIVE SERVICES

Victoria Police has continued efforts to better reflect the cultural diversity of the Victorian community among the organisation as its workforce undergoes significant expansion over the next three years. To help increase workforce diversity, Victoria Police partnered with the African Australian Multicultural Employment and Youth Services, Jesuit Social Services, Victoria University Polytechnic, AMES Australia, MatchWorks, and Maurice Blackburn Lawyers to offer the opportunity to participate in the Victoria Police Diversity Recruitment Program. The program is designed to assist and provide support to applicants, building their skills and capabilities to successfully navigate the recruitment process.

The Centre for Professional Policing delivered refreshed cultural awareness training dedicated wholly to enhancing the cultural capability of police recruits, enabling them to work more effectively with Aboriginal and Torres Strait Islander communities. All training and resources have been moderated and approved by members of Aboriginal and Torres Strait Islander communities

CARERS RECOGNITION ACT

Victoria Police recognises the contribution made to society by carers and has taken measures to promote recognition of those with caring responsibilities under the *Carers Recognition Act 2012*. This includes:

- promoting the availability of flexible work arrangements and providing resources to effectively manage successful flexibility
- building awareness of available support programs through Victoria Police's induction program
- rolling out a mental health literacy program across Victoria Police to enhance individual and family preparedness and response
- providing support to all staff through the Employee Assistance Program

- providing employees with practical guidance and support through the Childcare & Parenting and Eldercare information kits. Each Kit contains specific information tailored to the needs and responsibilities of the carer and provides practical guidance and further resources to help manage carer responsibilities and work.

EMPLOYEE NETWORKS

A key deliverable across all five strategies and action plans across the Diversity and Inclusion Framework 2017–2020 is the establishment of employee networks. These networks serve a number of different objectives including enhancing the organisational capability and understanding of the issues faced by employees from diverse backgrounds with the aim of creating respectful workplaces and improving police service delivery to these communities.

The following staff networks are currently in existence at Victoria Police:

- Women in Policing Advisory Group and Women in Policing Local Committees
- Employee Accessibility Advocacy Network
- VP Pride – LGBTIQ Network
- Aboriginal Employee Network
- Hellenic Association
- Muslim Association
- African Employee Network
- Jewish Network

These networks are instrumental in driving cultural change at a grassroots level and some of their key achievements throughout the last financial year include:

- Local events to celebrate International Women's Day and recognise the significant and important contributions of women at all ranks and levels across the organisation
- Developing principles for an accessible 311 Spencer Street Police Complex
- Progress towards an accessible Victoria Police internet site
- Advocating for the increasing visibility of LGBTI employees and allies
- Vice President of the Hellenic Association, Acting Senior Sergeant Efthymos Anastasiadis was awarded the Police Annual Multicultural Award
- Organised two successful Iftar dinners, attended by over 500 police and community members
- Organised a 'Shoulder to Shoulder' walk in solidarity of the Christchurch tragedy, attended by approximately 200 people including the Chief Commissioner of Police
- Launch of the African Employee Network took place during Cultural Diversity Week.

FUTURE FOCUS

With the conclusion of the Phase 3 review, VEOHRC will transition away from its formal oversight and audit role. Victoria Police will take ownership to lead a long-term cultural change agenda. Victoria Police will also draw on the guidance provided by VEOHRC in their report, *Proud, Visible, Safe: Responding to workplace harm experienced by LGBTI employees in Victoria Police*, as the organisation continues the implementation of the LGBTI Inclusion Strategy and Action Plan 2018–2021.

In addition, the year ahead will see Victoria Police develop and deliver a range of training programs designed to further strengthen family violence training for all police officers.

Victoria Police Diversity and Inclusion Framework

Over the past 12 months, Victoria Police has released four of the five strategies and action plans in accordance with the Diversity and Inclusion Framework 2017–2020. These strategies and action plans focus on initiatives across all stages of the employee life cycle with the aim of building truly diverse, inclusive and respectful workplaces.

Gender Equality Strategy and Action Plan

Victoria Police, under the Gender Equality Strategy and Action Plan 2017–2020 now has over 40 Women in Policing local committees across the state. These committees facilitate the creation of an inclusive workplace where all women feel supported, valued, safe and encouraged to achieve their potential. Victoria Police also celebrated International Women’s Day coinciding with the theme ‘Balance for Better’ with events held across the state.

Victoria Police was funded for over 200 police and PSOs for the Parental Leave Backfill Program. The program has been customised for a range of different workplace scenarios, with different models developed to accommodate Victoria Police’s diverse workplaces. This is part of the organisation’s commitment to provide a more inclusive workplace and is consistent with Victoria Police’s Gender Equality Strategy and Action Plan 2017–2020. Implementation of the program commenced from June 2018 and all 103 police and seven PSO resources from the Phase 1 allocation have been successfully deployed. Phase 2 resources commenced deployment from May 2019 and will aim to alleviate parental leave absences in metropolitan and specialist locations.

LGBTI Inclusion

Victoria Police officially launched the VEOHRC LGBTI Review – *Proud, Visible, Safe: Responding to workplace harm experienced by LGBTI employees in Victoria Police* report in May 2019. The review acknowledges that Victoria Police has taken many crucial steps towards creating positive and safe workplaces for employees who identify as LGBTI. The Chief Commissioner of Police has accepted all recommendations and an implementation plan is currently being developed.

Aboriginal Inclusion Strategy and Action Plan

During the first year of the strategy in 2018–19, key achievements included delivery of face-to-face Aboriginal cultural awareness training to all foundation training programs (police recruits, PSO and PCOs); establishment of the Aboriginal employee network including appointment of employees to council roles; increased cultural awareness of managers through communications about NAIDOC, leave entitlements and cultural considerations and celebration of NAIDOC Week at Healesville. Victoria Police is committed to meeting the whole of government Aboriginal employment target of 2 per cent of VPS employees by 2022.

Accessibility Inclusion

Victoria Police is committed to building truly inclusive and accessible workplaces for people with a disability, including meeting the whole of government disability employment target of 6 per cent of VPS by 2020. In order to meet this target, Victoria Police has commenced the Disability Confident Recruiter program administered by Australian Network on Disability that is aimed at ensuring that our recruitment processes are accessible to people with disability. Victoria Police also partners with the Australian Network on Disability and JobAccess to advance the inclusion of people with disability through consultancy, disability confident training and employment programs.

Culturally and Linguistically Diverse (CALD) Inclusion Strategy and Action Plan

Victoria Police is focused on attracting applicants from CALD backgrounds to ensure the organisation is contributing to growing a workforce which is representative of the diverse community we serve. Attraction activities include attending public, high school and university career expos as well as community events and festivals where recruitment opportunities exist.

Victoria Police has committed to ensuring that human rights are at the forefront of all of its work.

3.7 TECHNOLOGY REFORM

Since 2017–18, Victoria Police has made considerable progress in upgrading its foundational information and communication technology infrastructure with the introduction of a strong life cycle management and application modernisation program. This ongoing program of work will deliver modern, fit for purpose technology platforms, applications and infrastructure and support the delivery of important technology transformation projects.

During 2018–19, Victoria Police delivered major technological improvements including body-worn cameras (BWCs), a new intelligence system and mobile devices. The launch of the Police Assistance Line and Online Reporting services has marked another big step towards a more modern policing service.

ENHANCED INTELLIGENCE ANALYTICS

The rollout of Victoria Police's enhanced Intelligence Management System (IMS) progressed throughout 2018–19 and there are currently over 1,200 users. The IMS is a web-based solution providing increased availability of intelligence to Victoria Police staff, more timely production of intelligence and improved quality of intelligence.

Auror, another intelligence tool, is a retail crime intelligence software platform that helps Victoria Police and retailers work together to report, prevent, and solve crime. The platform is used by retailers to capture information and intelligence about everyday crime from their stores, and is accessible to Victoria Police. This intelligence and other data (like automatic number plate recognition) can also be leveraged to help with other investigations and more serious crimes. The Auror platform creates efficiencies for police officers by reducing manual processes, freeing up valuable time.

MOBILE TECHNOLOGY

The Mobile Technology project has equipped police and PSOs with better in-field access to information and a technology platform for more immediate incident reporting. Since deployment began in October 2017, Mobile Technology is enabling police officers to be more visible in the community, have better access to information to make more informed decisions, reduce duplication in reporting and the need to return to a police station to complete tasks.

As at 30 June 2019, 9,490 mobile devices have been deployed to police officers with functionality allowing them to conduct person, licence, vehicle and location checks across three national databases. Additional functionality will be rolled out in 2019–20, including the ability for police to receive '000' call assignments with interactive mapping and the ability to start and submit crime and event reports while on patrol.

TECHNOLOGY MODERNISATION

Through the Information Communication Technology (ICT) Lifecycle Modernisation Program, Victoria Police continues to take significant steps towards modernising its ICT infrastructure. In 2018–19, significant progress was made towards ensuring Victoria Police's infrastructure remains sustainable, scalable, value for money, and fit for purpose to effectively support policing service delivery. Key achievements for 2018–19 include:

- **Enhanced Disaster Recovery** – Victoria Police commenced the development of Disaster Recovery plans for all 44 business critical applications and the enabling core infrastructure services for completion by 30 June 2020
- **Station Upgrades** – Victoria Police delivered new ways of working through new state of the art information technology upgrades. This included a move to a unified communications platform enabling collaboration and real-time information sharing across multiple police stations and police on patrol. In addition, several system and IT network upgrades occurred, such as fitting out police stations with Wifi capability. As of 30 June 2019, 318 of 320 police stations have been modernised to include these and other new capabilities.
- **Big data capability** – New networks and infrastructure were developed in readiness for an expected massive increase in the big data being captured and more importantly shared across Victoria Police. Commenced planning to move to a unified communications and collaboration platform Skype for Business providing Voice and Video conferencing services to any site and staff in Victoria Police.

FUTURE FOCUS

In 2019–20 Victoria Police will continue to build its technology reform agenda through the BlueConnect program and finalise the implementation of the intelligence system that provides enhanced intelligence analytics leading to quicker arrests. The Information Communication Technology Infrastructure Upgrade Project will progress to equip all police stations with updated information technology capabilities.

The Mobile Technology project has equipped police and PSOs with better in-field access to information and a technology platform for more immediate incident reporting.

Cybersecurity

Victoria Police faces an increasingly hostile cyber threat environment with risks to the confidentiality of law enforcement information and the disruption of services which depend upon ICT systems. In response Victoria Police has published its first Cyber Security Strategy and is well progressed through a three-year project of significant cybersecurity capability uplift across technology, process and user education. This program has provided secondary benefits to the rollout of WiFi across police stations and securing laptops on public WiFi.

Improved security controls are better protecting information and ICT systems and infrastructure, detecting incidents when they arise and enabling a faster response to deal with incidents to lessen their impact. This in turn reduces disruption to police time, provides assurance when sharing information with partner agencies and maintains trust with the community.

Body-worn cameras trial with family violence victims

When dealing with instances of family violence, Victoria Police is committed to reducing the trauma for victims as much as possible.

As part of this commitment, BWCs have been trialed in a pilot project in Ballarat and Epping, which has already led to faster results through the court system while affording victims a less traumatic experience, with early guilty pleas in at least four family violence cases.

A victim-centered approach means prioritising victims needs and using methods that ease any ongoing trauma. Using BWCs avoids victims having to relive family violence incidents when they provide evidence at court.

In line with the victim-first approach, BWCs mean that victims do not need to tell their story more than once. Crucially, footage from BWCs can potentially reduce the number of court hearings for contesting intervention orders.

Following the successful pilot of BWCs at Epping and Ballarat police stations in April 2018, a state-wide delivery commenced in September 2018. As at 30 June 2019, the BWC project team has deployed 4,481 cameras with a total of 208,472 footage files captured and stored on a cloud-based evidence management system.

Full deployment of the BWCs will be completed by the end of 2019.

Since 2017–18, Victoria Police has made considerable progress in upgrading its foundational information and communication technology infrastructure.

3.8 PARTNERSHIPS

Community, agency and educational partnerships have played an important role in 2018–19 to support Victoria Police's own efforts in keeping the community safe. The organisation's partnership network continues to expand and allows Victoria Police to increase its reach and capability in evidence-based and proactive policing and leadership practices.

TOWARDS ZERO – ROAD SAFETY PARTNERSHIP

In 2016, the Victorian Government released its Towards Zero 2016–2020 Victoria's Road Safety Strategy & Action Plan (Towards Zero) with the goal to reduce serious injuries by 15 per cent and lives lost to fewer than 200 by the end of 2020. Towards Zero has a long-term vision of zero serious injuries and lives lost on Victorian roads, and this is something all Victorian road safety partners, including Victoria Police continued working towards in 2018–19.

Over the past 30 years, there has been a steady reduction in the number of lives lost and serious injuries on Victorian roads. In the 2018 calendar year, a record low number of 213 people lost their lives on Victorian roads. However, the rise in the number of lives lost during the start of 2019 prompted Victoria Police to renew its focus on road safety and work in partnership towards trying to improve this trend.

Towards Zero is based on the best-practice Safe System approach to road safety. The Safe System approach is based on the premise that road safety is a shared responsibility. It focuses on improving safety across the whole system: road user behaviour, travel speeds, vehicles and the roads and roadside environments.

Effective partnerships and community engagement are critical elements of the Safe System approach. Victoria Police is an integral partner in this approach. Other Victorian road safety partners include the Department of Justice and Community Safety, Department of Transport, Department of Health and Human Services, Transport Accident Commission and VicRoads.

Community, agency and educational partnerships have played an important role in 2018–19 to support Victoria Police's own efforts in keeping the community safe.

INTERAGENCY PARTNERSHIPS

In September 2018, the Interagency Information Sharing Service was established within the Public Support Services Department to support the commencement of the Child Information Sharing Scheme. The purpose of the scheme is to improve access to information, to support decision making and risk assessments by police and other agencies managing the safety of victims of family violence and the wellbeing of children. The scheme is supported by the legislative provisions in the *Family Violence Protection Act 2008* and the *Child Wellbeing and Safety Act 2005*.

Throughout 2018–19, Victoria Police North West Metro Region contributed to the Melbourne Protective Security Enhancement Program (MPSE) alongside the City of Melbourne, Yarra Trams, Department of Justice, VicRoads and priority site owners. MPSE is developing and implementing hostile vehicle mitigation and other safety measures which aim to reduce the vulnerability and consequences of a vehicle as a weapon attack at priority sites. Specialist support and advice is also being provided by the Counter Terrorism Command.

In March 2019, Victoria Police hosted the 2019 Australian and New Zealand Planning symposium. The symposium united stakeholders including police, major event and security organisations, from across Australia and New Zealand, providing an opportunity to collaborate and share learnings surrounding the risks/challenges of planning and managing major events. Presentations were given by keynote speakers including Victoria Police, the Department of Home Affairs, Office for Sport and Craig Sheridan Consulting Group. This was supported by visits to the Victoria Police Craigieburn Operational Safety Tactics Training Facility, MCG, AAMI Park, Marvel Stadium and Formula 1 Grand Prix.

Wyndham Youth Forum

Victoria's first regional youth forum was hosted in Wyndham in February 2019 by Victoria Police's North West Metro Region division. The theme of the forum was 'Pathways to Community Connections' and built on the success of the two state-wide youth forums held by the Chief Commissioner of Police at the Melbourne Cricket Ground.

Victoria Police partnered with key stakeholders including the Wyndham City Council, Department of Justice and Community Safety, Department of Education and Training and the Department of Health and Human Services to foster holistic, collaborative approaches to better engaging at-risk young people.

Agreed outcomes included the enhancement of volunteering opportunities for young people, mentoring of at-risk young people and the hosting of a services expo targeting parents from new and emerging communities.

UNIVERSITY PARTNERSHIPS

Victoria Police engages with a number of university partners to leverage their knowledge, expertise and research in improving policing and corporate practices. The following, while not an exclusive list, is an illustration of some of the many areas of research Victoria Police jointly engaged in with a range of tertiary partners.

The Forensic Services Department continued to be active in research collaborations, both locally and with the wider national and international science community. Work is focused on better understanding the factors and mechanisms involved in the transfer of DNA in the course of normal social interaction, the implications and opportunities for familial and genealogical searches of next generation DNA profiles, and the best ways to train expertise in pattern recognition disciplines such as fingerprint examiners. These types of research provide a sound basis for best practice provision of forensic expertise to the Victorian community.

Victoria Police has a long-standing partnership with the Monash University Accident Research Centre (MUARC) to undertake an evaluation of the expansion of the Roadside Drug Testing Program. In 2018–19, the evaluation scope for MUARC was expanded to assess the enhanced road safety benefits associated with additional roadside testing of drivers for the presence of illicit drugs. The evaluation is planned to be finalised by December 2019. The findings will be used to inform improvements to the program and to support further expansions of the program. MUARC also undertook modelling to inform the Victoria Police Road Policing Strategy Towards Zero 2019–2020, which assisted to better understand how Victoria Police and road safety partners can have an even greater impact on road trauma.

Family Violence Command has commissioned Monash University to evaluate the development and implementation of the Specialist Investigator Support Unit (SISU) services designed to support positive outcomes for the mental health and wellbeing of Victoria Police employees who work on themes of family violence and sexual offending. The overall aim of the research is to provide data on the introduction and impact of the SISU's services and inform the future direction of SISU service delivery.

Further to the work from the VEOHRC Independent Review into sex discrimination and sexual harassment, including predatory behaviour, Victoria Police is reviewing the physical employment standards for police recruitment to align with the inherent requirements of a police officer. This review will inform recruit, qualifying and annual fitness test requirements. In partnership with the Australian Catholic University, a testing regime has commenced and has been developed to determine physical requirements, across various locations targeting diversity of gender, age and ethnicity (encompassing day, afternoon and night shifts). The data collected will be used to inform the fitness test requirements.

The Victoria Police Diversity Recruitment Program is a 15-week program conducted at Victoria University, Footscray Campus and focuses on the challenges encountered by African-Australians who apply to become a police officer with Victoria Police. The program is designed to assist and provide recruitment process support to applicants, building their skills and capabilities. The course is currently a pilot program and has recently been accredited by the Victorian Registration and Qualifications Authority as a 'Course in Policing Recruitment Pathway'. If successful, Victoria Police aims to expand the program in other diverse communities.

Positive Psychology Program

Positive Psychology sessions are a key intervention program in harm prevention delivered to Eastern police region staff in partnership with RMIT University. The program has been developed in response to the 2016 Mental Health Review recommendation to build mental health among all Victoria Police staff. In line with strategies outlined in the Health and Safety Strategy and Action Plan 2019–2022, Victoria Police is working to better equip staff to deal with the rigours of policing, identify within themselves the need for support and where to seek it, and to gain greater awareness of their entire health – mental, physical, emotional. The Positive Psychology Program is a proactive and preventative initiative by the Eastern police region to support the organisation and employees with this undertaking.

Across the 2018–19 financial year, 13 sessions were completed across the region with over 250 participants involved and this builds on similar numbers from the previous two years. Proactive engagement with staff has resulted in a positive shift in knowledge around the importance of sleep, diet, exercise and nutrition in the maintenance of good mental health.

BAIL AND REMAND COURT

The expansion of Magistrates' Court services across multiple agencies included the funding of 14 police prosecutors to service Bail and Remand Court plus a further 54 prosecutors over four years. From July 2018, the Melbourne Prosecutions Unit has been servicing this new court on evenings and weekends for 27 shifts per week. To date this has allowed the finalisation of over 2000 matters, relieving some of the pressure from daytime court sittings as well as reducing the remand population. The initial 14 prosecutors plus an additional two have been recruited and have finished their basic training.

ABORIGINAL LIAISON OFFICERS

Aboriginal Community Liaison Officers (ACLOs) play a pivotal liaison role between Victoria Police and the Victorian Aboriginal community.

In 2018–19, 13 ACLOs and 170 Police Aboriginal Liaison Officers across Victoria provided an important interface between Aboriginal communities and police officers. ACLOs worked to enhance relationships between police and local communities, as well as establishing effective communication and networking between police, local Aboriginal community members and other government and non-government agencies to undertake a range of initiatives to improve outcomes for Aboriginal Victorians.

The ACLO role has proven capability to continue to assist police in providing effective service delivery and positively influence perceptions of community safety for Aboriginal Victorians.

FUTURE FOCUS

The Victoria Police Road Policing Strategy Towards Zero 2019–20 (the Road Strategy), launched in September 2019, reaffirms Victoria Police's commitment to working in partnership towards the Victorian Government's road safety goals as set out in Towards Zero 2016–20 Victoria's Road Safety Strategy and Action Plan. The Road Strategy defines the strategic directions and operational priorities for road policing through 2019 and 2020 and prepares Victoria Police to support the Victorian Government's next road safety strategy due to commence in 2021. It also addresses the lessons learned from the findings of *Taskforce Deliver 2018: Investigation into the Falsification of Preliminary Breath Tests within Victoria Police and the External Review of Road Policing in Victoria – Towards Zero*.

Over the next 12 months Victoria Police will work with judicial partners in the continued expansion of the after-hours Bail and Remand Court and evaluation of the Remand Liaison Officer Pilot operating in metropolitan Magistrates' Courts.

In addition, Victoria Police will support the expansion of the Child Information Sharing Scheme and continue its active participation in the Human Rights Charter Leaders Group.

Specialist mental health education and training package

Project PRIME is a two-day, mandatory training program for frontline police, due to commence in January 2020. The objectives of the program are to build the capability of police to better manage the significant number of situations involving persons experiencing mental health issues, avoid escalation of incidents and facilitate diversion to assessment and treatment. The training program will be co-facilitated by a mental health subject matter expert and a police officer in a classroom setting.

During 2018–19, the project team was established, consultations undertaken to inform training content and the draft package was developed. During 2019–20, pilots will be undertaken, the training content finalised, with implementation from January 2020.

In the current Diploma of Policing, police recruits undertake seven hours of dedicated training related to mental health literacy, the *Mental Health Act 2014* and responding to critical incidents involving people experiencing mental health issues. As part of Project PRIME, these modules will be reviewed to complement the new PRIME Training two-day program.

From 1 July 2019, an abridged form of PRIME Training will be incorporated into the Centre for Operational Safety training program, primarily to introduce the specialised communication techniques for dealing with people experiencing mental health issues.

The Victoria Police Road Policing Strategy Towards Zero 2019–20, launched in September 2019, reaffirms Victoria Police's commitment to working in partnership towards the Victorian Government's road safety goals.

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APPENDIX B – WORKFORCE DATA

Victoria Police headcount and full time equivalent (FTE) numbers of employees as at 22 June 2019 – Classification data (in accordance with FRD 29C)

Classification data

June 2019	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Police	15,420	15,115	14,407	993	15,095	20	20
Chief Commissioner	1	1	-	-	-	1	1
Deputy Commissioner	3	3	-	-	-	3	3
Assistant Commissioner	16	16	-	-	-	16	16
Commander	12	12	12	-	12	-	-
Superintendent	97	97	97	-	97	-	-
Chief Inspector	-	-	-	-	-	-	-
Inspector	324	324	323	1	324	-	-
Senior Sergeant	823	820	810	13	820	-	-
Sergeant	2,660	2,629	2,542	118	2,629	-	-
Senior Constable	8,031	7,765	7,182	849	7,765	-	-
Constable	3,453	3,449	3,441	12	3,449	-	-
Protective Services Officers (PSO)	1,468	1,453	1,416	52	1,453	-	-
PSO Senior Super	4	4	4	-	4	-	-
PSO Supervisor	12	12	12	-	12	-	-
PSO Senior	41	41	40	1	41	-	-
PSO First Class	599	587	560	39	587	-	-
PSO	812	809	800	12	809	-	-
Other Sworn Employees	313	313	313	-	313	-	-
Recruits	311	311	311	-	311	-	-
Reservists	2	2	2	-	2	-	-
Police Custody Officers (PCO)	393	390	381	12	390	-	-
PCO-1	-	-	-	-	-	-	-
PCO-2	339	336	329	10	336	-	-
PCO-3	54	54	52	2	54	-	-
VPS 1-6 Grades	3,338	3,141	2,501	511	2,835	326	306
VPS-1	7	7	-	-	-	7	7
VPS-2	1,241	1,143	890	233	1,039	118	105
VPS-3	845	806	691	105	758	49	48
VPS-4	704	660	503	115	579	86	81
VPS-5	298	287	227	36	253	35	34
VPS-6	243	238	190	22	207	31	31

Classification data

June 2019	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Forensic Officers (FO)	305	284	205	61	246	39	38
FO-1	-	-	-	-	-	-	-
FO-2	94	90	50	8	54	36	36
FO-3	74	70	57	15	68	2	2
FO-4	90	79	58	31	79	1	-
FO-5	32	30	25	7	30	-	-
FO-6	15	15	15	-	15	-	-
Senior VPS Employees	55	52	17	5	20	33	33
Senior Technical Specialist (STS)	18	18	12	-	12	6	6
FO-7	2	2	2	-	2	-	-
Senior Medical Advisor (SMA)	8	6	3	5	6	-	-
Executive Officer	27	27	-	-	-	27	27
Total employees	21,292	20,748	19,240	1,634	20,351	418	397

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 22 June 2019). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police.

FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.

PCOs are VPS employees but are listed separately.

Police Medical Officers are included with VPS, but are employed as SMAs.

Victoria Police headcount and full time equivalent (FTE) numbers of employees as at 23 June 2018 – Classification data (in accordance with FRD 29C)

Classification data

June 2018	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Police	14,662	14,345	13,636	1,006	14,325	20	20
Chief Commissioner	1	1	-	-	-	1	1
Deputy Commissioner	3	3	-	-	-	3	3
Assistant Commissioner	16	16	-	-	-	16	16
Commander	9	9	9	-	9	-	-
Superintendent	92	92	92	-	92	-	-
Chief Inspector	1	1	1	-	1	-	-
Inspector	332	332	331	1	332	-	-
Senior Sergeant	754	750	741	13	750	-	-
Sergeant	2,561	2,532	2,454	107	2,532	-	-
Senior Constable	7,906	7,627	7,035	871	7,627	-	-
Constable	2,987	2,982	2,973	14	2,982	-	-

Classification data

June 2018	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Protective Services Officers (PSO)	1,440	1,428	1,406	34	1,428	-	-
PSO Senior Super	4	4	4	-	4	-	-
PSO Supervisor	12	12	12	-	12	-	-
PSO Senior	42	42	41	1	42	-	-
PSO First Class	528	520	505	23	520	-	-
PSO	854	850	844	10	850	-	-
Other Sworn Employees	240	240	240	-	240	-	-
Recruits	238	238	238	-	238	-	-
Reservists	2	2	2	-	2	-	-
Police Custody Officers (PCO)	394	391	384	10	391	-	-
PCO-1	26	26	26	-	26	-	-
PCO-2	314	312	306	8	312	-	-
PCO-3	54	54	52	2	54	-	-
VPS 1-6 Grades	3,083	2,901	2,349	466	2,652	268	250
VPS-1	-	-	-	-	-	-	-
VPS-2	1,188	1,095	868	227	1,012	93	83
VPS-3	761	726	637	90	693	34	33
VPS-4	636	597	458	95	521	83	76
VPS-5	292	282	217	36	244	39	38
VPS-6	206	202	169	18	183	19	19
Forensic Officers (FO)	303	283	202	59	241	42	41
FO-1	1	1	-	-	-	1	1
FO-2	96	93	51	7	55	38	38
FO-3	84	79	65	17	77	2	2
FO-4	77	67	48	28	67	1	-
FO-5	31	29	24	7	29	-	-
FO-6	14	14	14	-	14	-	-
Senior VPS Employees	49	47	16	5	19	28	28
Senior Technical Specialist (STS)	15	15	11	-	11	4	4
FO-7	3	3	2	-	2	1	1
Senior Medical Advisor (SMA)	8	6	3	5	6	-	-
Executive Officer	23	23	-	-	-	23	23
Total employees	20,171	19,635	18,233	1,580	19,296	358	339

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 23 June 2018). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police.

FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.

PCOs are VPS employees but are listed separately.

Police Medical Officers are included with VPS, but are employed as SMAs.

Victoria Police headcount and full time equivalent (FTE) numbers of employees as at 22 June 2019 and 23 June 2018 – Demographic data (in accordance with FRD 29C)

Demographic data

June 2019	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender	21,292	20,748	19,240	1,634	20,351	418	397
Women	7,194	6,742	5,602	1,334	6,500	258	242
Men	14,097	14,005	13,638	300	13,851	159	153
Self Described	1	1	-	-	-	1	1
Age	21,292	20,748	19,240	1,634	20,351	418	397
15–24	1,125	1,114	1,040	19	1,051	66	62
25–34	6,438	6,347	6,034	277	6,222	127	124
35–44	5,478	5,243	4,703	703	5,175	72	68
45–54	5,556	5,418	5,044	426	5,337	86	81
55–64	2,511	2,454	2,265	184	2,396	62	58
65+	184	173	154	25	170	5	3

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 22 June 2019). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police.

FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.

PCOs are VPS employees but are listed separately.

Police Medical Officers are included with VPS, but are employed as SMAs.

Demographic data

June 2018	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender	20,171	19,635	18,233	1,580	19,296	358	339
Women	6,763	6,317	5,236	1,304	6,108	223	209
Men	13,408	13,318	12,997	276	13,189	135	130
Self Described	-	-	-	-	-	-	-
Age	20,171	19,635	18,233	1,580	19,296	358	339
15-24	1,019	1,012	947	12	954	60	59
25-34	5,899	5,799	5,508	292	5,703	99	97
35-44	5,270	5,038	4,526	685	4,984	59	54
45-54	5,489	5,353	4,991	416	5,274	82	79
55-64	2,323	2,271	2,114	157	2,224	52	47
65+	171	162	147	18	158	6	4

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 23 June 2018). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police.

FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.

PCOs are VPS employees but are listed separately.

Police Medical Officers are included with VPS, but are employed as SMAs.

Victoria Police employees by type and gender as at 22 June 2019 and 23 June 2018 – Headcount (in accordance with FRD 29C)

Employee Type	Man		Woman		Self Described		Total		% Man		% Woman		% Self described	
	June 2019	June 2018	June 2019	June 2018	June 2019	June 2018	June 2019	June 2018	June 2019	June 2018	June 2019	June 2018	June 2019	June 2018
Police Member	11,101	10,573	4,319	4,089	-	-	15,420	14,662	72.0%	72.1%	28.0%	27.9%	-	-
Recruits	231	167	80	71	-	-	311	238	74.3%	70.2%	25.7%	29.8%	-	-
PSO Deployed	1,323	1,243	141	124	-	-	1,464	1,367	90.4%	90.9%	9.6%	9.1%	-	-
PSO in Training	3	54	1	19	-	-	4	73	75.0%	74.0%	25.0%	26.0%	-	-
Reservists	1	1	1	1	-	-	2	2	50.0%	50.0%	50.0%	50.0%	-	-
Sworn	12,659	12,038	4,542	4,304	-	-	17,201	16,342	73.6%	73.7%	26.4%	26.3%	-	-
Public Servants	1,163	1,092	2,534	2,343	1	-	3,698	3,435	31.4%	31.8%	68.5%	68.2%	0.03%	-
PCO	275	259	118	108	-	-	393	367	70.0%	70.6%	30.0%	29.4%	-	-
PCO in Training	-	19	-	8	-	-	-	27	-	70.4%	-	29.6%	-	-
Public Servants Total	1,438	1,370	2,652	2,459	1	-	4,091	3,829	35.2%	35.8%	64.8%	64.2%	0.02%	-
Total Workforce	14,097	13,408	7,194	6,763	1	-	21,292	20,171	66.2%	66.5%	33.8%	33.5%	<0.01%	0.0%

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 22 June 2019 and 23 June 2018 respectively). All public servants within the following statutory and nationally funded bodies are excluded from the above table in the annual report: Australia New Zealand Policing Advisory Agency and Police Registration & Services Board. Executive Officers from the Office of the Chief Examiner are also excluded.

Currently there are no federally funded police.

Public Servants include VPS, FOs, Executive Officers and SMAs.

PCOs are VPS employees, but are listed separately.

**Statutory and Nationally Funded bodies administered by Victoria Police as at 22 June 2019 and 23 June 2018
(in accordance with FRD 29C)**

Public Servant classification	Headcount		Full time equivalent (FTE)	
	22 June 2019	23 June 2018	22 June 2019	23 June 2018
Governor In Council	5	5	4	4
EO-1	-	-	-	-
EO-2	1	1	1	1
EO-3	3	3	3	3
SMA	-	-	-	-
FO-7 (includes STS)	1	1	1	1
Total Senior Public Servants	10	10	9	9
FO-6	-	-	-	-
FO-5	-	-	-	-
FO-4	-	-	-	-
FO-3	-	-	-	-
FO-2	-	-	-	-
FO-1	-	-	-	-
VPS-6	4	4	3	3
VPS-5	13	11	10	9
VPS-4	10	8	9	7
VPS-3	7	6	6	6
VPS-2	1	1	1	1
VPS-1	-	-	-	-
PCO-2	-	-	-	-
PCO-1	-	-	-	-
Total Other Public Servants	35	30	30	27
Total Workforce	45	40	39	36

Notes:
This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 22 June 2019 and 23 June 2018 respectively).

Statutory and nationally funded bodies included in the above table in the annual report: Australia New Zealand Policing Advisory Agency and Police Registration & Services Board. Executive Officers from the Office of the Chief Examiner are also included in this category.

PCOs are VPS employees but are listed separately.

Police Medical Officers are included with VPS, but are employed as SMAs.

STSs are otherwise referred to as FO 7 and captured as such in the above table.

FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.

Number of executive officers broken down by gender, 22 June 2019 (in accordance with FRD 15E)

Classification	All		Man		Woman		Self described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Executive Officer-1	2	1	1	-	1	1	-	-
Executive Officer-2	9	1	3	-	6	1	-	-
Executive Officer-3	16	2	10	2	6	-	-	-
Assistant Commissioner	16	-	13	-	3	-	-	-
Total	43	4	27	2	16	2	-	-

Number of executive officers broken down by gender, 23 June 2018 (in accordance with FRD 15E)

Classification	All		Man		Woman		Self described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Executive Officer-1	1	-1	1	-1	-	-	-	-
Executive Officer-2	8	2	3	-1	5	3	-	-
Executive Officer-3	14	1	8	2	6	-1	-	-
Assistant Commissioner	16	1	13	-	3	1	-	-
Total	39	3	25	-	14	3	-	-

Reconciliation of executive officer numbers to note 9.4 to the financial statements

		2019	2018
Executive Officers (Financial Statements Note 9.4)		49	45
Less	Employees acting for 3+ months	4	1
	Separations	2	5
Total Executive Numbers as at June 2019		43	39

Notes:

The above tables are prepared in accordance with FRD 15E Executive officer disclosures and 29C Workforce Data disclosure requirements.

Data previously published in the Victoria Police 2017–18 Annual Report for figures as at 23 June 2018 have been updated. Adjustments made relate to the counting methodology for Executive Officers. Police Assistant Commissioners are now shown as a separate Executive Officer classification and are included in the reconciliation against note 9.4 to the Financial Statements. Consistent with reporting in previous years' annual reports, the Chief Commissioner of Police and Deputy Commissioners are statutory appointees and not included.

The tables include Victoria Police Executive Officers and Police Commissioners only. ANZPAA, Statutory Appointments and other external agencies are not included.

The list above details total executive numbers (other than the accountable officer) as at the last full pay period in 22 June 2019 and 23 June 2019.

The tables are reflective of headcount, not FTE and may include parttime staff.

Annualised total salary for senior public servants as at 22 June 2019 and 23 June 2018 (in accordance with FRD 29C)

Income band (salary)	Executive Officers and Assistant Commissioners		STS		SMA	
	June 2019	June 2018	June 2019	June 2018	June 2019	June 2018
< \$160,000	-	-	1	3	4	4
\$160,000 – \$179,999	3	4	3	6	-	-
\$180,000 – \$199,999	5	4	7	6	1	1
\$200,000 – \$219,999	14	16	9	3	-	-
\$220,000 – \$239,999	12	11	-	-	-	1
\$240,000 – \$259,999	4	2	-	-	1	1
\$260,000 – \$279,999	3	1	-	-	2	1
\$280,000 – \$299,999	-	-	-	-	-	-
\$300,000 – \$319,999	1	1	-	-	-	-
\$320,000 – \$339,999	1	-	-	-	-	-
\$340,000 – \$359,999	-	-	-	-	-	-
\$360,000 – \$379,999	-	-	-	-	-	-
\$380,000 – \$399,999	-	-	-	-	-	-
\$400,000 – \$419,999	-	-	-	-	-	-
\$420,000 – \$439,999	-	-	-	-	-	-
\$440,000 – \$459,999	-	-	-	-	-	-
\$460,000 – \$479,999	-	-	-	-	-	-
\$480,000 – \$499,999	-	-	-	-	-	-
Total	43	39	20	18	8	8

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 22 June 2019).

The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.

Police Medical Officers are included with VPS, but are employed as SMA.

Please note FO-7s are also included in STS category in this table.

One Executive Officer was working in a part-time capacity (0.8 FTE) during 2018–19.

Five SMAs were working part time capacity (average 0.5 FTE) during 2018–19.

Two employees were acting in long-term acting arrangement executive roles during 2018–19.

Long-term acting arrangement means instances where: a person has been acting in a role for more than three months at the last pay period in June; and where the role is either substantively vacant or the substantive occupant is not 'active'.

Data previously published in the Victoria Police 2017–18 Annual Report for figures as at 23 June 2018 have been updated in line with a counting methodology change. Adjustments have been made to the Executive Officer category. Police Assistant Commissioners are now included as Executive Officers in alignment with the reconciliation against note 9.4 to the Financial Statements. Consistent with reporting in previous years' annual reports, the Chief Commissioner of Police and Deputy Commissioners are statutory appointees and not included.

Employment and conduct principles

Victoria Police applies the public-sector values and employment principles as set out in the *Public Administration Act 2004*, including the application of merit and equity principles when appointing staff. The selection processes ensure the applicants are assessed and evaluated fairly and equitably based on the key selection criteria and other accountability without discrimination. Employees have been correctly classified in workforce data collections.

APPENDIX C – BUDGET PORTFOLIO OUTCOMES

COMPREHENSIVE OPERATING STATEMENT

For the financial year ending 30 June 2019

	Actual \$'000	Original Budget \$'000	Variance \$'000
Income From Transactions			
Output appropriations	3,362,390	3,266,795	95,595
Interest	59	50	9
Sale of Goods and Services	1,645	-	1,645
Grants	11,414	24,088	(12,674)
Fair value of assets and services received free of charge or for nominal consideration	335	-	335
Other Income	3,516	1,514	2,002
Total Income From Transactions	3,379,359	3,292,447	86,912
Expenses From Transactions			
Employee expenses	2,505,974	2,346,296	159,678
Depreciation and amortisation	121,704	108,842	12,862
Interest expense	2,079	3,482	(1,403)
Grants and other transfers	1,955	3,656	(1,701)
Capital asset charge	103,720	103,708	12
Purchase of supplies and services	662,504	717,252	(54,748)
Total Expenses From Transactions	3,397,936	3,283,236	114,699
Net Result From Transactions (Net Operating Balance)^a	(18,577)	9,211	(27,787)
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets	9,698	10,700	(1,002)
Net gain/(loss) on financial instruments and statutory receivables/payables	(2,360)	-	(2,360)
Other gains/(loss) from other economic flows	(19,097)	-	(19,097)
Total Other Economic Flows Included in Net Result	(11,759)	10,700	(22,459)
Net Result	(30,336)	19,911	(50,246)
Other Economic Flows – Other Comprehensive Income			
Items That Will Not Be Reclassified to Net Result			
Changes in physical asset revaluation surplus	103,429	-	103,429
Total Other Economic Flows – Other Comprehensive Income	103,429	-	103,429
Comprehensive Results	73,093	19,911	53,183

Note:

The budget portfolio outcome statements are not prepared on the same basis as the Annual Financial Statements and the original budget reflects the restated opening balances.
(a) The variance to budget reflects an increase in workcover costs and other employee entitlements.

BALANCE SHEET

For the financial year ending 30 June 2019

	Actual \$'000	Original Budget \$'000	Variance \$'000
Assets			
Financial Assets			
Cash and deposits	45,952	55,865	(9,913)
Receivables	498,066	615,982	(117,916)
Total Financial Assets	544,018	671,847	(127,829)
Non Financial Assets			
Inventories	6,941	6,954	(14)
Non-financial physical assets classified as held for sale, including disposal group assets	1,946	1,865	81
Property, plant and equipment	1,878,453	1,738,865	139,588
Intangible assets	95,425	66,663	28,762
Other	27,869	25,979	1,890
Total Non Financial Assets	2,010,634	1,840,326	170,307
Total Assets	2,554,652	2,512,173	42,478
Liabilities			
Payables	142,320	125,899	16,421
Borrowings	83,067	65,151	17,916
Provisions	649,089	594,112	54,977
Total Liabilities	874,476	785,162	89,314
Net Assets^a	1,680,176	1,727,011	(46,836)
Equity			
Accumulated surplus/(deficit)	14,938	65,185	(50,249)
Reserves	866,161	762,731	103,431
Contributed capital	799,077	899,095	(100,018)
Net Worth	1,680,176	1,727,011	(46,836)

Note:
The budget portfolio outcome statements are not prepared on the same basis as the Annual Financial Statements and the original budget reflects the restated opening balances.
(a) The variance reflects an increase in property, plant and equipment due to purchases, depreciation movement, physical asset revaluation and asset disposals; offset by higher than anticipated liabilities, especially employee entitlement provisions.

CASH FLOW

For the financial year ending 30 June 2019

	Actual \$'000	Original Budget \$'000	Variance \$'000
Cash Flows From Operating Activities			
Receipts from government	3,275,059	3,166,800	108,259
Other Cash Receipts	10,571	23,088	(12,517)
Interest received	59	50	9
Payments of grants and other transfers	(2,560)	(4,642)	2,082
Payments to suppliers and employees	(3,096,804)	(3,037,822)	(58,982)
Capital asset charge	(103,720)	(103,708)	(12)
GST paid to or received from ATO	(3,614)	-	(3,614)
Borrowing costs	(2,079)	(3,482)	1,403
Net Cash Flows From/(Used In) Operating Activities	76,912	40,284	36,628
Cash Flows From Investing Activities			
Proceeds from the sale of non-financial assets	20,536	34,000	(13,464)
Payments for non-financial assets	(239,916)	(175,925)	(63,991)
Net loans to other parties	4,869	-	4,869
Net Cash Flows (Used In) Investing Activities	(214,511)	(141,925)	(72,586)
Cash flows from Financing Activities			
Proceeds from capital contribution by Department of Justice and Community Safety	28,031	128,050	(100,019)
Repayment of finance leases	-	(1,757)	1,757
Net borrowings	113,732	(10,574)	124,306
Net Cash Flows From Financing Activities	141,763	115,719	26,044
Net Increase In Cash And Cash Equivalents	4,164	14,078	(9,914)
Cash and cash equivalents at the beginning of the financial year	41,788	41,788	-
Cash and Cash Equivalents At The End Of The Financial Year	45,952	55,866	(9,914)

Note:

The budget portfolio outcome statements are not prepared on the same basis as the Annual Financial Statements.

ADMINISTERED ITEMS

For the financial year ending 30 June 2019

	Actual \$'000	Original Budget \$'000	Variance \$'000
ADMINISTERED OPERATING STATEMENT			
Administered Income			
Interest	55	17	38
Sales of goods and services	44,228	24,788	19,440
Grants	3,844	3,080	764
Other income	12,338	3,243	9,095
Total Administered Income	60,465	31,128	29,337
Administered Expenses			
Employee benefits	3,801	3,375	426
Depreciation and amortisation	2	4	(2)
Payments into the consolidated fund	38,876	25,935	12,941
Other operating expenses	10,241	1,023	9,218
Total Administered Expenses	52,920	30,337	22,583
Income Less Expenses	7,545	791	6,754
Other Economic Flows Included In Net Result			
Net gain/(loss) on non-financial assets	419	700	(281)
Total Other Economic Flows	419	700	(281)
Net Result	7,964	1,491	6,473
ADMINISTERED BALANCE SHEET			
Administered Assets			
Cash and deposits	39,807	31,391	8,416
Receivables	8,968	1,273	7,695
Other financial assets	-	2,000	(2,000)
Property, plant and equipment	2	-	2
Total Administered Assets	48,777	34,664	14,113
Administered Liabilities			
Payables	38,517	30,928	7,589
Provisions	770	719	51
Total Administered Liabilities	39,287	31,647	7,640
Net Assets	9,490	3,017	6,473

Note:

The budget portfolio outcome statements are not prepared on the same basis as the Annual Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ending 30 June 2019

	Actual \$'000	Original Budget \$'000	Variance \$'000
Accumulated surplus/(deficit)			
Opening Balance*	45,274	45,274	-
Comprehensive result	(30,336)	19,911	(50,247)
Closing Balance	14,938	65,185	(50,247)
Contributions by owners			
Opening balance*	771,045	771,045	-
Transactions with owners in their capacity as owners	28,032	128,050	(100,018)
Closing Balance	799,077	899,095	(100,018)
Asset revaluation reserve			
Opening balance*	762,732	762,731	1
Transactions with owners in their capacity as owners	103,429	-	103,429
Closing Balance	866,161	762,731	103,430
Total Equity	1,680,176	1,727,011	(46,835)

Notes:

* 01 July 2018

The budget portfolio outcome statements are not prepared on the same basis as the Annual Financial Statements and the original budget reflects the restated opening balances.

APPENDIX D – OHS KEY PERFORMANCE INDICATORS

In accordance with Financial Reporting Direction 22H the information below pertains to Victoria Police's occupational health and safety (OHS) activities in 2018–19.

	2018–19	2017–18	2016–17
1 Compensated Fatalities	-	-	-
2 Lost Time Injury Frequency Rate (LTIFR)			
Lost Time Injury Frequency Rate (All Lost Time Injuries)	14.3	16.5	17.0
Serious Lost Time Injury Frequency Rate (Lost Time Injuries > 5 Days)	11.5	12.5	12.7
3 Shifts Lost All Claims	97,054	81,236	72,775
<i>Rate Per 100 FTE</i>	467.8	413.7	394.7
4 Number of claims lodged this year that exceeded 13 weeks where a compensation payment was made	170	153	139
Number of claims that were active this year that exceeded 13 weeks of compensation payments	446	578	319
5 All Claims	1,085	1,185	1,130
<i>Rate Per 100 FTE</i>	5.2	6.0	6.1
Time Lost Claims	566	585	580
<i>Rate Per 100 FTE</i>	2.7	3.0	3.2
Standard Claims	829	818	787
<i>Rate Per 100 FTE</i>	4.0	4.2	4.3
6 Average Cost per Claim	\$13,179	\$7,882	\$7,434
Costs Plus Estimates	\$83,540	\$72,795	\$60,956
7 Number of Incidents	3,547	3,604	4,098
<i>Rate Per 100 FTE</i>	17.1	18.4	22.2

<p>8 Management Commitment Evidence of OHS Policy statement; OHS objectives; regular reporting to Senior Management of OHS and OHS plans (signed by Chief Executive Officer or equivalent)</p>	<p>Victoria Police is committed to creating and maintaining the health, safety and wellbeing of all employees, all contractors and all visitors to workplaces of Victoria Police. The executive-endorsed Health, Safety and Wellbeing policy was reviewed in 2018 and a new policy statement approved for publication in conjunction with the launch of the new Health and Safety Strategy and Action Plan 2019–2022 (the Strategy). The Strategy clearly defines accountability at all levels of the organisation for key occupational health and safety priorities and commits to providing support to meet those obligations.</p> <p>In 2018–19 monthly safety performance reports have been tabled and discussed at regular Zero Harm forums and Safety Compstat forums.</p> <p>Health and safety performance reporting will be further refined during 2019–2020 with the design of a safety scorecard underway. The safety scorecard will provide managers with lead and lag evidence to track safety performance against the new Health and Safety Strategy and Action Plan 2019–2022.</p>
<p>9 Management Commitment Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)</p>	<p>The Safe-TWorks management system includes specific procedures for purchasing, contractor management and workplace design.</p> <p>OHS risk assessments are considered as part of the procurement process of goods and services to be used by, or for, Victoria Police personnel.</p> <p>OHS consultants have been involved in all police site builds and refurbishments during 2018–19. OHS consultants provide critical safety information to the design of new police stations and the reconfiguration of existing workplaces.</p> <p>OHS consultants have contributed in procurement processes including, but not limited to:</p> <ul style="list-style-type: none"> - Holster replacement project - Uniform with specialist units - Non-lethal equipment for specialist units - Vehicle procurement and fit out for specialist units - Footwear projects with the Uniform Design and Development Unit - New ballistic vests for Water Police and Air Wing - SafeWall solutions with properties - Firearm access and storage - 311 Victoria Police Complex build and fit out - Office and workstation fit outs - 2729/100 additional police project - BlueConnect technology projects. <p>The contribution and involvement of OHS consultants will continue to ensure correct safety advice is provided. Collaboration between OHS consultants, project teams and work units is critical to ensure safe equipment is procured for use across Victoria Police.</p>
<p>10 (a) Consultation Evidence of agreed structure of designated workgroups (DWVG), health and safety representatives (HSRs) and Issue Resolution Procedures (IRPs)</p>	<p>Designated workgroup structures are determined through consultation with employees, the Police Association Victoria and the Community Public Sector Union. Over 500 HSRs and deputies are supported by the organisation.</p> <p>Areas looking to improve their safety awareness, identify hazards and manage risks within their area of responsibility are continuously encouraged to invite HSRs and their deputies to be part of the hazard and risk identification and associated mitigation strategies. OHS consultants provide managers with guidance on how to engage HSRs in line with the manager's OHS obligations.</p> <p>The agreed issue resolution process is presented in induction packages for both Victoria Police VPS and recruits and is available on the intranet for all employees to access.</p>
<p>10 (b) Compliance with agreed structure DWVG, HSRs and IRPs</p>	<p>Victoria Police has active consultation practices at all levels of the organisation.</p> <p>OHS Committees are established for managers and HSRs to meet quarterly to discuss safety matters that affect their work unit areas. These OHS committees usually occur at the divisional (or equivalent) level; however, there are some work units that have established Police Service Area or Local Area Commander monthly safety meetings to ensure that safety consultation occurs on a more regular basis.</p> <p>Key stakeholder engagement with external agencies such as WorkSafe, the Police Association Victoria and the Community and Public Sector Union occur regularly or as safety issues arise.</p>

<p>11</p> <p>Risk Management</p> <p>Regular internal audits/ inspections conducted</p>	<p>All work units are required to perform functional inspections at least quarterly to actively identify hazards and an annual self-audit of management system compliance. Identified hazards are managed to ensure the safety of all employee or visitors to Victoria Police workplaces.</p> <p>The annual self-audit management system compliance audit is required to be completed by every OHS committee.</p> <p>Workplace audits and assessments are critical components to the organisation's goals of prevention and intervention within the Health and Safety Strategy.</p>
<p>12</p> <p>Risk Management</p> <p>Issues identified and actioned</p> <ul style="list-style-type: none"> • Internal audits • WorkSafe notices 	<p>The current OHS Risk Assessment process has been widely used across the organisation to manage risks for equipment, tasks and operational planning.</p> <p>A risk assessment library is accessible on the intranet and will be regularly reviewed to ensure currency and provide a central point for employees to use as a reference when undertaking risk assessments.</p> <p>Over the 2018–19 period WorkSafe have issued 24 Improvement Notices as a result of Provisional Improvement Notices (PINs) issued, WorkSafe service requests and responding to incident notifications. This is a significant increase over the 2017–2018 period due to the WorkSafe Public Administration and Safety Industry Project which has seen an increased focus on:</p> <ul style="list-style-type: none"> - Preliminary Testing Site Safety - Preliminary Testing Site Risk Assessments - Work stations - Housekeeping - Evidence Storage - Safe Loading and Unloading Devices - Interview Rooms and Holding Cells - Consultative Mechanisms.
<p>13</p> <p>Staff and Managers with OHS Training</p>	<p>An e-learning package for safety inductions is used in every work unit throughout the organisation. The revision and updating of this package is a high priority in Year 1 of the Strategy.</p> <p>The OHS Branch has delivered training to workgroups and managers as well as mentoring HSRs and OHS portfolio representatives. Training sessions have included safety leadership, manual handling, incident reporting, OHS incident investigations and targeted training on an ad hoc basis. OHS consultants also mentor unit managers to help them develop their own safety knowledge and skills to meet their OHS obligations.</p> <p>During 2018–19 new training packages have been developed and integrated into the e-learning training suite covering Dangerous and Hazardous Material handling, use of the Safe-T-net trauma early intervention wellbeing support system and the <i>It's About Respect: Building a safe, Inclusive and Respectful Workplace - Sexual Harrassment and Sex Discrimination</i> training module.</p>
<p>14</p> <p>Health and Safety Representative (HSR) Training</p>	<p>81 HSRs attended a WorkSafe approved initial five-day training course and 11 attended a refresher training course in the 2018–19 period.</p>
<p>15</p> <p>OHS Survey</p>	<p>Nil.</p>

APPENDIX E – VICTORIA POLICE GOVERNANCE

VICTORIA POLICE SENIOR LEADERSHIP

Executive Command and Command make up Victoria Police’s senior leadership group. Executive Command comprises of the Chief Commissioner of Police, all Victoria Police Deputy Commissioners and Deputy Secretaries and the Chief Information Officer and retired Air Chief Marshall Sir Angus Houston AK AC AFC as an independent member of Executive Command. Executive Command is the primary advisory and decision-making body for Victoria Police.

The broader Command leadership group comprises Executive Command members as well as Executive Directors, Directors, Assistant Commissioners and Commanders. Command has an advisory focus and provides input and advice to

Executive Command on emerging or existing policy and project development; shares information and informs Executive Command about current organisational issues.

The Chief Commissioner of Police chairs Executive Command and Command group meetings on a monthly and quarterly basis respectively.

VICTORIA POLICE COMMITTEES

Victoria Police is supported by a number of standing executive, corporate and advisory committees ensure good corporate governance with a focus on improving organisational performance.

Independent Committees

Committee	Focus	Chair	Meets
<p>Audit and Risk Committee <i>Independent Members</i> Ms Jane Brockington Ms Merran Kelsall Mr Stewart Leslie Ms Elizabeth Grainger Ms Gail Moody</p> <p><i>Management Representatives</i> Deputy Commissioner, Capability Deputy Secretary, Corporate and Regulatory Services Assistant Commissioner, Professional Standards Command Executive Director, Capability Department</p>	<p>Provides independent assurance and assistance to the Chief Commissioner of Police regarding Victoria Police governance, risk, control and compliance frameworks, and its external accountability responsibilities. Maintaining effective communication with external auditors and consider recommendations from internal and external auditors.</p> <p>Advisory focus.</p>	<p>Ms Jane Brockington (Chair) Ms Merran Kelsall (Deputy Chair)</p>	<p>Bi-monthly, plus two additional meetings dedicated to endorsement of financial statements.</p>
<p>Corporate Advisory Group <i>Independent members</i> Sir Angus Houston AK AC AFC Mr Ken Loughnan Ms Jane Brockington Ms Elizabeth Proust Mr Alex Malley Mr David Evans Ms Elizabeth Broderick Ms Holly Ransom Deputy Secretary, Department of Premier and Cabinet Secretary, Department of Treasury and Finance Deputy Secretary, Department of Justice and Community Safety</p> <p><i>Management Representatives</i> Chief Commissioner of Police Deputy Commissioner, Capability Deputy Secretary, Corporate and Regulatory Services Assistant Commissioner, Information Systems and Security Command – Chief Information Officer</p>	<p>Provides strategic advice to the Chief Commissioner of Police and Executive Command on a range of reforms to be undertaken by Victoria Police; continuously reviews strategic projects including advice on Victorian Equal Opportunity and Human Rights Commission Review implementation.</p> <p>Advisory focus.</p>	<p>Sir Angus Houston (Chair) Mr Ken Loughnan (Deputy Chair)</p>	<p>Quarterly</p>

Corporate Committees

Committee	Focus	Chair	Meets
Executive Remuneration Committee <i>Includes an independent member</i>	<p>Ensures that a consistent and rigorous approach is taken to setting and adjusting executive remuneration.</p> <p>Decision focus.</p>	<p>Chief Commissioner of Police (Chair)</p> <p>Deputy Secretary, Corporate and Regulatory Services (Deputy Chair)</p>	As required
Information Management Committee*	<p>Provides ongoing oversight of information management and information security initiatives and priorities, development of organisational information management strategy, and ensuring compliance with, and support for the Commissioner for Privacy and Data Protection.</p> <p>Decision focus.</p>	<p>Assistant Commissioner, Information Systems and Security Command – Chief Information Officer (Chair)</p> <p>Deputy Secretary, IT and Infrastructure Services (Deputy Chair)</p>	Bi-monthly
Operations Committee	<p>Identify and address significant emerging operational issues and trends. Focus on operational policy, strategy, improvement and innovative ideas and reforms relating to operations. Monitor key operational projects and risks. Submit proposals to Executive Command, as required.</p> <p>Decision focus.</p>	<p>Deputy Commissioner, Regional Operations (Chair)</p> <p>Deputy Commissioner, Specialist Operations (Deputy Chair)</p>	Bi-monthly
People, Safety and Culture Committee	<p>Identify and address significant emerging people, culture and safety issues and trends. Focus on people, culture and safety policy, strategy, improvement and innovative ideas and reforms. Monitor key reports, projects and risks. Proactively drive positive organisational cultural change by overseeing strategies and frameworks that develop organisational cultural aspirations. Submit proposals to Executive Command, as required.</p> <p>Decision focus.</p>	<p>Deputy Commissioner, Capability (Chair)</p>	Bi-monthly
Procurement Board	<p>Delegated responsibility to approve procurement process and requisitions within limits.</p> <p>Decision focus.</p>	<p>Director, Executive Services and Governance Department (Chair)</p> <p>Assistant Commissioner, State Emergencies and Support Command (Deputy Chair)</p>	Monthly

Note:

* Victoria Police's Information Management Committee (IMC) meets bi-monthly and has guided information management and security strategy, initiatives and investment. The IMC's Charter is under review as at the end of 2018–19. Executive Command has assumed the role of IMC during most of 2018–19. The IMC may be re-constituted during 2019–20 with a revised charter, focus and membership.

OVERSIGHT AND ASSURANCE

Audit and Risk Committee

Victoria Police Audit & Risk Committee (ARC) is established under the *Financial Management Act 1994*. Its objective is to provide independent assurance and assistance to the Chief Commissioner of Police regarding Victoria Police's risk, control and compliance framework and its external accountability responsibilities.

The Committee has no executive powers, except those expressly provided by the Standing Directions of the Minister for Finance and as may be delegated to it from time to time by the Chief Commissioner of Police. The ARC chair is external to, and independent of, the organisation. Counting the Chair, there are five independent ARC members and 4 management representative (internal) ARC members.

Internal Audit

Internal audit is an important part of Victoria Police's governance framework, providing an independent and objective assessment of the efficiency and effectiveness of the organisation's controls, and practical recommendations for improvement.

In the 2018–19 financial year, Ernst & Young provided Victoria Police's internal audit services via a co-sourced arrangement under a commercial contract. Victoria Police's internal audit program includes compliance and performance reviews, with results and follow-up actions reported to Executive Command and the Audit and Risk Committee on a bi-monthly basis.

Continuous Auditing

In 2018–19, continuous auditing programs (CAPs) provided control monitoring and data quality assurance to senior management. The results of all CAPs are reported to Executive Command and the Audit and Risk Committee on a quarterly basis. Continuous auditing activities aim to identify control issues related to high risk corporate and operational processes and systems through the use of data analytics.

Other Organisational Reviews

Recommendations to enhance or modify the activities of Victoria Police may arise through reviews, audits, or inquiries conducted internally or by external agencies and oversight bodies. These reviews generally result in agreed management actions aimed at addressing the risks identified in the findings and observations.

External reviews of Victoria Police are undertaken by a range of bodies including, but not limited to:

- Victorian Auditor-General's Office
- Victorian Ombudsman
- Independent Broad-Based Anti-Corruption Commission
- Office of the Victorian Information Commissioner
- Victorian Equal Opportunity and Human Rights Commission
- Coroner's Court.

Victoria Police may also assist in other public inquiries including but not limited to Royal Commissions and Parliamentary Inquiries.

APPENDIX F – INFORMATION UNDER SECTION 12 OF THE VICTORIA POLICE ACT 2013

ANNUAL REPORT OF THE CHIEF COMMISSIONER OF POLICE – 2018–19

Section 12(1) (a)

Any action taken by the Chief Commissioner of Police under Division 6 of Part 4 during that year and the outcome of that action including the result of any review of that action by the Police Registration and Services Board (PRSB).

No Victoria Police officer was terminated on the basis of incapacity for duty in accordance with this section of the Act in 2018–19.

Section 12(1) (b)

Any action taken by the Chief Commissioner of Police under Part 7 (Discipline) during that year and the outcome of that action including the result of any review of that action by the PRSB.

Please refer to the following tables regarding actions taken in 2018–19.

RESULTS OF DISCIPLINE CHARGES DETERMINED BY INQUIRY OFFICERS: FULL YEAR 2018–19

Victoria Police Officers/Protective Services Officers (PSO) charges and results of inquiries	Discipline Inquiries Victoria Police Act 2013 (section 125)	Inquiries into important matters found proven Victoria Police Act 2013 (section 136)
Total discipline charges laid against Victoria Police Officers/PSOs (Date Charge was Authorised)	67	2
Total Victoria Police Officers/PSOs charged (Date Charge was Authorised)	38	2
Victoria Police Officers/PSOs appearing before an inquiry officer (Last Hearing Date)	25	2
Victoria Police Officers/PSOs dismissed from force (Date Dismissed)	3	1
Victoria Police Officers/PSOs All charges dismissed after a discipline inquiry (Last Inquiry Date)	4	-

Notes:

This data only includes discipline outcomes under the Victoria Police Act 2013 Part 7 that occurred during 2018–19.

A Victoria Police officer can be charged with one or more discipline charges.

The data can include a police officer who has charges/outcomes from both section 125 and section 136 proceeding, i.e. they may appear in both columns.

The initial charges related to these outcomes may have been laid in 2018–19, or previous reporting period(s).

The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 16 July 2019.

RESULTS OF DISCIPLINE CHARGE NOTICES AND INQUIRIES

	Total	% Total
Discipline charges found proven section 125 only (Last Inquiry Date)	10	27%
Charge dismissed section 125 only (Last Inquiry Date)	4	11%
Charge section 125 or inquiry section 136 not heard (Resigned/Retired Prior to Discipline Inquiry) – (Count of Charges)	23	62%
Total Charges	37	100%

Notes:

This table includes discipline proceedings arising from public complaints and internally initiated investigations.

Discipline charges found proven and discipline charges dismissed only refer to section 125 as section 136 criminal charges have been proven in the criminal court and cannot be dismissed at inquiry. Also, the initial charges related to these outcomes may have been laid in 2018–19, or the previous reporting period(s).

Where the police officer resigned or retired prior to the inquiry relates to both section 125 and section 136.

All sections are charge centric and not person centric.

The data relates to outcomes during the reporting period notwithstanding the year in which the public complaint/internal investigation was commenced.

The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 16 July 2019.

REVIEW OF SANCTIONS BY THE POLICE REGISTRATION AND SERVICES BOARD (PRSB): FULL YEAR 2018–19

	PRSB REVIEW RESULT			
	Number of Sanctions Reviewed	Sanction Affirmed	Sanction (charge) Dismissed/ Officer withdrew appeal	Sanction Varied
Discipline Sanctions section 125 (section 132 <i>Victoria Police Act 2013</i>) (Last Review Date)	4	3	-	-
Inquiry into important Matters section 136 (section 136 <i>Victoria Police Act 2013</i>) (Last Review Date)	1	1	-	-

Notes:

Section 146 of the *Victoria Police Act 2013* only permits the Police Registration and Services Board (PRSB) to review specific sanctions (i.e. a fine in excess of five times a penalty unit, reduction in rank, seniority, remuneration; transfer to other duties, or dismissal from Victoria Police).

Data is from each discipline charge or criminal charge that received a sanction and was appealed (it is not person centric but charge centric).

Data relates to reviews completed during the reporting period. The initial sanctions in relation to these reviews may have been handed down in 2018–19, or previous reporting period(s). In relation to Discipline Sanctions section 125 (section 132 *Victoria Police Act 2013*) for this period, one outcome is still pending.

Discipline sanctions (section 132 *Victoria Police Act 2013*) relate to sanctions imposed if a Victoria Police officer/Protective Services Officer (PSO) is charged with a breach of discipline under section 125 *Victoria Police Act 2013*, whereas inquiry into imprisonment matter (section 136 *Victoria Police Act 2013*) relates to sanctions imposed if a Victoria Police officer/PSO has been charged under the criminal law with an offence punishable by imprisonment (whether in Victoria or elsewhere) and the offence has been found proven.

The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 16 July 2019.

Section 12 (1) (c)

Any action taken by the Chief Commissioner of Police under section 195 during that year.

No action was undertaken in accordance with this section of the Act in 2018–19.

Section 12 (1) (d)

The prescribed information in relation to Part 5.

Drug and alcohol testing of officers

Requirement	2018–19 Result
The number of tests involved taking of samples conducted during the relevant year	2,492
The number of persons tested	1,277
The number of those tests that indicated the presence of a drug of dependence or alcohol in a person's body	3

APPENDIX G – SUMMARY OF THE APPLICATION AND OPERATION OF THE *PROTECTED DISCLOSURE ACT 2012*

Protected disclosures are required to be included in the Annual Report in accordance with section 69 of the *Protected Disclosure Act 2012*.

a) Information about how to access the procedures established by the investigating entity under Part 9:		Guidelines for making, handling and investigating protected disclosures are available on the Victoria Police internet www.police.vic.gov.au
b) For the 2018–19 Financial Year:		
i) the number and types of disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) under section 21(2) or section 22	101	Includes allegations of: <ul style="list-style-type: none"> • Improper behaviour • Assault • Information release • Duty failure • Detrimental action • Pervert the course • Theft • Sexual assault • Dangerous driving • Workplace conflict
ii) the number and types of protected disclosure complaints referred to the investigating entity by the IBAC	141	Includes allegations of: <ul style="list-style-type: none"> • Improper behaviour • Assault • Information release • Duty failure • Detrimental action • Pervert the course • Theft • Sexual assault • Dangerous driving • Workplace conflict • Possess prohibited weapon • Misuse of position • Make false declaration
iii) the number and types of protected disclosure complaints investigated by the investigating entity	141	Includes allegations of: <ul style="list-style-type: none"> • Improper behaviour • Assault • Information release • Detrimental action • Pervert the course • Theft • Sexual assault • Dangerous driving • Workplace conflict • Possess prohibited weapon • Misuse of position • Make false declaration
iv) the number and types of protected disclosure complaints dismissed by the investigating entity	-	Victoria Police is not an investigating entity that can dismiss a protected disclosure.
c) The number of applications for an injunction made by the investigating entity under section 50 during the financial year:	-	

Note:
Each complaint may consist of one or more allegations of misconduct, e.g. a complaint of unlawful assault may consist of allegations of assault, misuse of equipment, duty failure and failure to obey instructions.

APPENDIX H – DISCLOSURE OF CONSULTANCY EXPENDITURE AND DISCLOSURE OF MAJOR CONTRACTS

In accordance with Financial Reporting Direction 22H, information below pertains to consultancy expenditure in 2018–19.

Details of consultancies valued at \$10,000 or greater

In 2018–19, there were 68 consultancies where the total fees payable to the consultants were \$10,000 or greater.

The total expenditure incurred during the financial year in relation to these consultancies was \$9.2 million (excl. GST).

Details of consultancies under \$10,000

In 2018–19, there were 14 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during the financial year in relation to these consultancies was \$0.1 million (excl. GST).

Details of individual consultancies can be made available on request by writing to:

Chief Commissioner of Police
GPO Box 913
Melbourne VIC 3001

Disclosure of Major Contracts

Victoria Police has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the financial year ended 30 June 2019.

Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at: www.procurement.vic.gov.au.

APPENDIX I – DISCLOSURE OF GOVERNMENT ADVERTISING EXPENDITURE

In accordance with Financial Reporting Direction 22H, Victoria Police undertook the following government advertising campaigns for 2018–19 with a media spend of \$100,000 or greater.

Police Recruitment Campaign

Campaign Summary	Start/End Date	Advertising (Media) Expenditure 2018–19 (excl. GST)	Creative and Campaign Development Expenditure 2018–19 (excl. GST)	Research and Evaluation Expenditure 2018–19 (excl. GST)	Print and Collateral Expenditure 2018–19 (excl. GST)	Other Campaign Expenditure 2018–19 (excl. GST)
Advertising, communication and marketing activities for the recruitment of police.	1 July 2018 – 30 June 2019	\$3,592,000	\$682,000	\$250,000	\$23,000	\$137,000

PSO Community Assurance Campaign

Campaign Summary	Start/End Date	Advertising (Media) Expenditure 2018–19 (excl. GST)	Creative and Campaign Development Expenditure 2018–19 (excl. GST)	Research and Evaluation Expenditure 2018–19 (excl. GST)	Print and Collateral Expenditure 2018–19 (excl. GST)	Other Campaign Expenditure 2018–19 (excl. GST)
Advertising, communication and marketing activities for the community awareness and recruitment of PSOs.	1 July 2018 – 30 June 2019	\$1,740,000	\$603,000	\$58,000	\$1,200	\$26,000

APPENDIX J – DISCLOSURE OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

In accordance with Financial Reporting Direction 22H Victoria Police had a total Information and Communication Technology expenditure of \$383,905,537 with the details shown below for the 2018–19 reporting period:

	\$'000
Total Business As Usual ICT Expenditure	\$255,250
Non-Business As Usual Expenditure	
Operational Expenditure	\$93,227
Capital Expenditure	\$35,428
Total Non-Business As Usual (Operational Expenditure and Capital) Expenditure	\$128,656
Total ICT Expenditure	\$383,906

Notes:

ICT expenditure refers to the Victoria Police costs in providing business-enabling ICT services such as communications and computers. It comprises Business As Usual (BAU) ICT expenditure and Non Business As Usual (Non-BAU) ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the Victoria Police current ICT capabilities.

BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Totals may not tally due to rounding of figures in above table.

APPENDIX K – LOCAL JOBS FIRST

The *Local Jobs First Act 2003* (the Act) introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy that were previously administered separately.

Local Jobs First relates to the participation by local industry in projects, developments, procurements and other initiatives undertaken or funded (whether wholly or partially) by the state.

It also relates to the requirement that local apprentices, trainees and cadets complete at least 10 per cent of hours on certain projects.

Victoria Police is required to apply the Local Jobs First policy to all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects. The policy also applies to projects in regional Victoria valued at \$1 million or more.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

Projects Commenced – Local Jobs First Standard

A Local Jobs First Standard Project is a project:

- with a budget of \$1 million or more in rural and regional Victoria;
- with a budget of \$3 million or more for state-wide projects or for projects in metropolitan Melbourne;
- declared to be a standard project by the Minister under section 7A (1) of the Act.

During 2018–19, Victoria Police commenced three Local Jobs First Standard projects totalling \$59.24 million. Of those projects, all three were in metropolitan Melbourne, with an average commitment of 76 per cent local content. No projects were commenced that occurred state-wide.

The outcomes expected from the implementation of the Local Jobs First policy to these projects, where information was provided are as follows:

- an average of 76 per cent of local content commitment was made;
- a total of 92 annualised employee equivalent (AEE) jobs were committed, including the creation of 20 new jobs and the retention of 72 existing AEE jobs.

Projects completed – Local Jobs First Standard

During 2018–19, Victoria Police completed 11 Local Jobs First Standard Projects, totalling \$31.80 million. Of those projects, four were located in regional Victoria, with an average commitment of 84 per cent local content, and seven in metropolitan Melbourne, with an average commitment of 85 per cent local content. The MPSG did not apply to any of these projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects, where information was provided, were as follows:

- an average of 85 per cent of local content commitment was made;
- 89 AEE positions were created and 538 AEE positions were retained;
- 80 apprenticeships, traineeships and cadet positions were created and 48 retained.

Projects commenced – Local Jobs First Strategic

A Local Jobs First Strategic Project is a project with a budget of \$50 million or more or any other project declared to be a Strategic Project by the Minister under section 7A(2) of the Act.

During 2018–19, Victoria Police commenced one Local Jobs First Strategic Project, valued at \$121 million. The project is based in regional Grampians planning to deliver 98 per cent of estimated local content. The MPSG applied to this project.

The outcomes to date reported from the implementation of the policy, where information was provided, were as follows (noting that as at 30 June 2019, the project has not yet concluded):

- an average of 98 per cent of local content outcome has been recorded;
- a total of 1,021 AEE positions have been created;
- two existing local jobs have been retained.

No new apprenticeships and traineeships were created during 2018–19.

Projects completed – Local Jobs First Strategic

During 2018–19, Victoria Police completed no Local Jobs First Strategic Projects.

Reporting requirements – all projects

During 2018–19, there were 11 businesses that applied for a Local Industry Development Plan (LIDP) for contracts. A LIDP is a document prepared by the supplier as part of the Expression of Interest or Request for Proposal, and/or tender submission for a Local Jobs First project. The LIDP details the supplier's commitment to address the Local Jobs First requirements and details the expected local content and job outcomes.

The LIDP supersedes the previous Victorian Industry Participation Policy (VIPP) Plan as a result of the creation of the *Local Jobs First Act 2003*.

Victoria Police commenced one contract prior to 15 August 2018 with a total of 100 per cent estimated to be of local content for which a VIPP Plan or LIDP was required.

During 2018–19, there were four small to medium sized businesses successfully appointed as Principal Contractor, which had prepared a VIPP Plan or LIDP for contracts.

Reporting requirements – grants

Nil

APPENDIX L – NATIONAL COMPETITION POLICY (NCP) COMPLIANCE

Despite the conclusion of the NCP, Victoria Police is still required to comply with the State Competitive Neutrality Policy.

The NCP aims to promote greater competition and encourages economic growth. One of the key requirements of the policy is in regard to competitive neutrality. Competitive neutrality requires government businesses to ensure, where services compete with the private sector, advantages arising from their government ownership are removed if they are not in the public interest.

This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

During the reporting period, Victoria Police did not receive any responses from the market where the competitive neutrality policy could be applied.

APPENDIX M – SUMMARY OF THE APPLICATION AND OPERATION OF THE FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* (the Act) gives people the right to request access to information held by the Victorian Government and its agencies, including personal documents and documents relating to government activities. The Act also allows people to request that incorrect or misleading information held by an agency is amended and provides an appeal process to review access decisions.

In 2018–19, Victoria Police received 3,991 requests for access to documents under the *Freedom of Information Act 1982*, including requests from applicants to amend personal information. Of those applications 2,865 related to personal requests and 1,126 were non-personal requests. Four applications were received from Members of Parliament, 75 were received from the media and the remainder (3,912) were from the general public.

Reviews of decisions made since 1 December 2012 are the responsibility of the Office of the Victorian Information Commissioner. Details of the number of applications for review and the decisions are published in the Freedom of Information Commissioner's Annual Report.

Twenty-two appeals were lodged with the Victorian Civil and Administrative Tribunal (VCAT) for final determination, with 23 cases being decided upon in 2018–19, including cases from previous years. Fifteen of these cases were withdrawn

Request for Access to Documents

Type of Request	
Personal	2,865
Non Personal	1,126
Total	3,991
Appeals to VCAT	22
Appeals actually determined	23

Notes:

During 2017–18 a change to statutory time periods occurred and therefore reporting cannot be compared to previous years. 2018–19 was the first full 12-month period under the new statutory time periods. A comparison can thus again be made in the 2019–20 annual report.

Compliance

For the 12 months ending 30 June 2019, Victoria Police processed 42 per cent of requests within the statutory time period, 33 per cent within 1–45 days after the statutory time period, and 25 per cent 46 or more days after the statutory time period. The average processing time taken to finalise requests was 45 days.

Application Procedure

Since 1 July 2015, the Principal Officer for the purpose of administering the requirements of the *Freedom of Information Act 1982* is the Chief Commissioner of Police, Graham Ashton AM. The authorised officer is the Manager of the Freedom of Information Division who is responsible for all decisions relating to Freedom of Information applications received by Victoria Police.

Applications for documents under the provisions of the *Freedom of Information Act 1982* must be in writing and addressed to:

Freedom of Information Division
GPO Box 913 MELBOURNE VIC 3001
PH: (03) 9247 6801

Alternatively, you may apply online at the Victorian Information Commissioner website at: www.ovic.vic.gov.au.

Categories of Documents

The general types of documents which may be the subject of an FOI request include briefs of evidence, patrol duty returns and incident reports.

Additional Information

Additional information about Victoria Police is available from our website located at: www.police.vic.gov.au.

Publication Requirements

Victoria Police publishes a range of material regarding crime prevention and community safety issues. Members of the community requiring such information should contact:

Media and Corporate Communications Department Community and Employee Communications Division Victoria Police Centre
GPO Box 913
MELBOURNE VIC 3001
PH: (03) 9247 3772

Documents Available for Purchase

The Victoria Police Manual is available for purchase from the Capability Department within the Victoria Police Centre. The contact telephone number is (03) 9247 6719.

Accident reports and crime reports (insurance) are also available for purchase. Further information is available at: www.police.vic.gov.au.

The Corporate Statistics Unit collects, collates, analyses and disseminates statistical data collected by Victoria Police. Reports that provide non-crime statistics are available upon request. Further information is available at: www.police.vic.gov.au.

Documents Available for Public Inspection

The Victoria Police Manual is available for perusal at the Supreme Court Library and the State Law Library, Melbourne.

Privacy Policy Statement

Victoria Police is bound by the *Privacy and Data Protection Act 2014* and *Health Records Act 2001* in how it manages personal and health information.

Victoria Police is committed to protecting the personal and health information of the persons with whom it interacts within the course of its functions and activities.

In line with the provisions of the *Freedom of Information Act 1982*, individuals can request access to personal and health information held by Victoria Police. Applications should be addressed to the Freedom of Information Officer, Freedom of Information Division.

Further information about the *Privacy and Data Protection Act 2014* or *Health Records Act 2001* can be obtained from:

Privacy Unit
Victoria Police Centre GPO Box 913
MELBOURNE VIC 3001
PH: (03) 9628 8446 or (03) 9628 7347

APPENDIX N – LICENCING AND REGULATION

Regulatory Performance

Victoria Police plays a key role in regulation and adherence to legislation. This section provides an overview of Victoria Police's role in regulating the firearms, private security and weapons industry. Regulation of these industries is achieved by the appropriate licensing and registration of individuals and organisations as well as through the registration of firearms and weapons.

2018–19 Statement

On 21 June 2018, the Minister for Police and Emergency Services, the Honourable Lisa Neville MP, issued a Statement of Expectations (SoE) for Victoria Police, setting the following performance objectives for the 2018–19 financial year:

1. New Firearm Licence application forms converted to online e-forms
2. Firearm and private security licence renewal application forms converted to online e-forms
3. Information previously provided to the Licensing and Regulation Division (LRD) by individuals and businesses including small businesses is pre-populated in renewal applications
4. Online access to the status of a firearm or private security licence application
5. A risk-based framework that supports compliance activities within the Regulation Support Unit of LRD is implemented.

Progress against Statement of Expectations

In 2019, Victoria Police replaced manual application forms with electronic forms completed online via the Victoria Police eServices Portal for the majority of new business and individual firearms licences. In support of the transition to electronic forms, online instructional information buttons have been incorporated into forms and frequently asked questions have been published on the new Victoria Police website. Enhancements have also been made to these forms to increase accessibility and improvements to assist applicants determine satisfaction of eligibility requirements.

Work has commenced on an additional range of functions provided by the Victoria Police eServices Portal to provide a more modern service for firearm licence holders and private security licence and registration holders.

Conversion of all private security and firearms renewal applications to e-forms, which will be accessed online and lodged via the eServices portal, has commenced. The conversion of other processes to online functions is in progress such as change of details at any time during the life of a licence and more streamlined selections for genuine reason for the use of a firearm by applicants. Once implemented it is anticipated that transition to an online renewal process and the ability to change details online will improve accessibility and efficiency for licence and registration holders into the future. The move to online submission will also increase the security of applicants' and licensees' private details and licence information.

Use of a risk-based regulation framework has been developed and implemented to support all compliance and enforcement activities conducted by the Licensing and Regulation Division. Resources are prioritised according to the most significant risks which are continually assessed and mitigated. The compliance and enforcement arm of the Licensing and Regulation Division implemented a number of measures in the past 12 months in support of risk-based regulation under the risk-based framework. These measures include a more Victoria Police Intelligence Doctrine (VPID) compliant Tasking and Coordination process, an updated tasking database and implementation of a formal process to escalate licence applications for further scrutiny from the Assessments and Determination Unit (ADU) to the Regulation Support Unit.

Regulating the Firearms, Weapons and Private Security Industries

Risk-based compliance applies risk management to achieve good public policy that ensures public safety and the integrity of the firearms, weapons and private security licensing regime.

Like many other regulatory bodies across Australia, the Victoria Police Licensing and Regulation Division employs a risk-based compliance model in its role as regulator of the firearms, weapons and private security industries.

Victoria Police undertakes risk-based compliance based on the following principles:

- Maintaining public safety and the integrity of Victoria's licensing regime through pre-entry assessment to post-entry regulation
- Conducting regulation by combining professional experience and judgement with organisational risk policies and tools
- Using intelligence-based information to identify and prioritise risk
- Engaging with stakeholders to encourage compliance and provide transparency regarding policy decisions
- Reducing regulatory burden through the effective use of technology-based application solutions where possible.

In 2018–19, the Licensing and Regulation Division processed 142,081 new and renewal applications for firearm permits and licences, private security licences and registrations; and Chief Commissioner of Police weapon approvals. This figure represents a 0.01 per cent decrease on applications processed in 2017–18. Of the applications processed in 2018–19, 95 per cent were approved.

As at 30 June 2019, there were:

- 226,934 current Victorian firearm licences;
- 856,052 registered firearms attached to 226,528 current firearm licences;
- 38,100 private security licences and registrations; and
- 823 Chief Commissioner of Police weapon approvals.

The focus for Victoria Police continues to be on ensuring that only those people are licensed that comply with regulatory and character requirements. Across the state, 2,088 private security licences and registrations and firearms licences were cancelled in the 2018–19 financial year.

APPENDIX O – STATEMENT OF COMPLIANCE WITH THE BUILDING AND MAINTENANCE PROVISIONS OF THE BUILDING ACT 1993

Victoria Police complies with the requirements of the *Building Act 1993*, the *Building Regulation Act 2006* and other Victorian legislation referenced by the Building Commission. Victoria Police controls a large property portfolio comprising: police stations, police residences, educational, administrative and training complexes, forensic laboratories and other special purpose facilities.

New Buildings Conforming to Standards

For the 2018–19 financial year, Victoria Police conducted capital and minor works in compliance with the *Building Act 1993*, other relevant building regulations and statutory requirements. Victoria Police maintains the appropriate mechanisms to ensure all building conformity is met. Capital commitments completed during the year were:

- Replacement police stations at Melbourne East, Warburton, Colac, Cowes, Bright, Corryong, Mallacoota, Tangambalanga, Wycheproof, Rutherglen, Alexandra, Warracknabeal and Wedderburn.
- New police residences at Rokewood, Wedderburn, Goornong, Port Fairy, St Arnaud, Underbool, Yackandandah and Woomelang.
- Major police station refurbishments at Mt Buller, Portland, Warrnambool, Benalla, Churchill, Cobden, Geelong, Lakes Entrance, Maffra, Rosebud, Sorrento, Warragul, Bacchus Marsh and Bairnsdale.
- New Centre for Family Violence at the Victoria Police Academy.
- New Forensic Hubs at Ballarat and Morwell.

Maintenance of Buildings in Safe and Serviceable Condition

Maintenance of Victoria Police-owned buildings, including essential safety measures (ESM), were arranged through internal resources and external contractors. The Victorian Government Shared Services Provider continues to manage all maintenance, including ESM, for leased facilities. Occupational health and safety, functionality for service delivery and upkeep of plant and equipment are the key corporate priorities for the allocation of funding for maintenance. All legislative requirements for asbestos inspections and monitoring have been met. Victoria Police has no cooling towers at its owned sites.

Registered Building Practitioners

Victoria Police continues to maintain a contractor list to ensure that only registered building practitioners perform work on its properties. Victoria Police also complies with the Ministerial Directions issued pursuant to the *Project Development and Construction Management Act 1994* by engaging contractors and consultants from the Department of Treasury and Finance's Construction Supplier Register, where required.

APPENDIX P – OFFICE-BASED ENVIRONMENTAL IMPACTS

Victoria Police is focused on delivering environmental and efficiency programs which achieve improvements across all areas of the organisation, rather than only office-based locations. In support of this, Victoria Police has progressively developed and introduced a wide range of initiatives to reduce adverse impacts on the environment.

Reporting disclaimer: All effort has been made to ensure the reliability and validity of all reported information. Victoria Police notes that, in some instances, reported data is dependent on:

- *an assumption of the accuracy and veracity in third-party data.*
- *assumptions regarding coverage of third-party data.*
- *the extrapolation of data where unavoidable information gaps exist.*

ENERGY

Victoria Police consumes energy at many different facilities including police stations, administration offices, training facilities, transport complexes and storage warehouses.

These include:

- 333 police stations that vary in size depending on the functions and services delivered.
- 185 police residences.
- 96 other support facilities including training and forensic facilities, central property and documents storage and transport operations.

The majority of energy consumption falls within three key areas – lighting, information technology operation and HVAC (heating, ventilation and air-conditioning).

Data was obtained from a variety of sources including energy providers, other government agency data systems as well as legacy in-house systems. This covers up to 85 per cent of the sites occupied by Victoria Police and 97 per cent of staff (FTE). Residences were not included in the analysis as energy consumption is paid for by the occupants.

Actions Undertaken During 2018–19

During 2018–19, Victoria Police identified opportunities and implemented initiatives to improve the efficiency of existing and new infrastructure to reduce the environmental impact.

Victoria Police continues to review aspects of building design, construction, maintenance and operation with the intention of reducing life-cycle costs. An example includes the use of LED lighting in existing and new buildings, rather than traditional less efficient lighting systems. A pilot retro-fit of LED lighting was undertaken in 2018–19 to substantiate cost and greenhouse gas emission reductions while also identifying any unforeseen issues with a future project to retro-fit all buildings with LED lighting.

Victoria Police continues to engage with RMIT University to further strengthen sustainable building design, practice and technological capability. The focus of this partnership is to investigate the practical applications of sustainability initiatives that are designed to enhance the management of building projects and future policy.

Victoria Police has progressively developed and introduced a wide range of initiatives to significantly reduce adverse impacts on the environment.

Victoria Police is focused on delivering environmental and efficiency programs across all areas of the organisation, rather than just the required office-based locations, which results in more wide-ranging improvements across Victoria Police.

Energy Results For 2018–19

Description	2018–19	2017–18	% Change
Total energy usage segmented by primary source (GJ)			
Electricity	250,163	248,569	0.6%
Natural gas	107,280	106,094	1.1%
LPG	305	327	-6.7%
Green power	-	-	-
Total	357,748	354,989	0.1%

Total greenhouse gas emissions by primary source (Tonnes of CO₂e)

Electricity	74,354	74,571	-0.3%
Natural gas	5,514	5,453	1.1%
LPG	18	20	-6.7%
Green power	-	-	-
Total	79,887	80,044	-0.2%

Energy consumption and greenhouse gas emissions by FTE

Energy used per FTE (GJ/FTE)	17.243	18.079	-4.6%
Energy intensity (GJ/m ²)	0.681	0.683	-0.1%
Tonnes of CO ₂ e per FTE	3.9	4.1	-5.5%

Notes:

All consumption data is for the period 1 April 2018 to 31 March 2019, except where stated. Data for sites where a complete year of bills is not available has been extrapolated as per FRD 24D guidelines. Data for 2017–18 has been updated to reflect actual usage over a 12-month period to 30 June.

Totals do not include police residences and may not tally due to rounding of figures in above table.

The purchase of Green Power was discontinued a number of years ago.

The emission factor for carbon dioxide equivalent is sourced from the Department of the Environment and Energy 'National Greenhouse Accounts Factor – July 2018', with CO₂e emissions from electricity reducing from 1.08 to 1.07 tonnes per Gigajoule in 2018–19.

During 2018–19, there has been a small increase in both the amount of electricity and natural gas used. These increases are generally in line with the increases in staff numbers resulting from the government's commitment to the Community Safety Statement and Public Safety Package and a modest increase in the number and size of sites to accommodate the increased staff and services.

There has been a reduction in the use of LPG, which can be attributed to reduced usage at a number of sites, and redevelopment of some sites which removed the use of LPG.

During the same period there has been an increase in employees (FTE) of 5.7 per cent combined with a 1.0 per cent increase in floor area, resulting in reduced energy consumption and greenhouse gas production on a per staff and area basis.

Targets for 2019–20

It is anticipated that the continued adoption of energy efficient design principles will lead to further reductions in energy consumption by Victoria Police in the future. While no specific targets have been set for 2019–20, it can be expected that the energy use per FTE will continue to decrease as the number of employees increases, mostly within existing infrastructure.

WATER

The reported water usage covers all Victoria Police sites and staff and is based on water meter readings from approximately 69 per cent of Victoria Police buildings (leased and owned), and an estimation for the remainder of sites.

Water Results for 2018–19

Indicator	2018–19	2017–18	% Change
Total units of metered water consumed (kl)	272,851	268,949	1.5%
Units of metered water consumed per FTE (kl/FTE)	13.3	13.8	-3.7%
Units of metered water consumed per area (kl/m ²)	0.53	0.54	-2.2%

Note:

Totals do not include police residences. Data for 2017–18 which was published for the period April 2017 – March 2018 in the Victoria Police 2017–18 Annual Report, has been updated to reflect actual usage over a 12-month period.

Overall water consumption increased during the reporting period, with a minor decrease per FTE. Analysis indicates the increases were across the infrastructure portfolio, rather than in specific locations, which may be the result of environmental factors. The decrease per FTE is a result of some water-saving refits at locations such as the Victoria Police Academy where water-saving toilets and showers replaced aged fittings.

Targets for 2019–20

There are no set targets for water consumption in 2019–20. However, improvements in water usage data quality and analysis will most likely result in the identification of opportunities to reduce the amount of water consumed per FTE.

PAPER MANAGEMENT

Victorian Government policy requires all copy paper to be purchased through the Victorian Government nominated provider.

Paper Usage Results for 2018–19

Indicator	2018–19	2017–18	% Change
Indicator (A4 ream equivalent)			
Total units of copy paper used	207,388	203,220	2.1%
Units of copy paper used per FTE (reams/FTE)	10.0	10.3	-3.4%
Percentage of 76–100% recycled content copy paper purchased	98.4%	97.6%	0.8%
Percentage of virgin fibre copy paper purchased	1.6%	2.4%	-32.9%

The continued improvement in the use of copy paper with more than 76 per cent recycled content is due to the ongoing implementation of targeted procurement practices and processes. The purchase of virgin fibre paper has reduced, with a smaller amount remaining necessary for the purchase of coloured paper to support a number of functions.

Actions undertaken during 2018–19

Victoria Police continues to influence the purchasing behaviours of employees by communicating the expectations of government and by implementing restrictions to only allow a minimum of 80 per cent recycled content for all copy paper available to purchase. Increased workplace mobility, tablet or laptop usage, is reducing the need to print meeting material.

Targets for 2019–20

While no specific target has been established, it is likely that paper usage will continue to decline as the Workplace Modernisation program continues. At least another 7,000 tablets and laptops are expected to be deployed across Victoria Police in 2019–20. Additionally, the BlueConnect project is enhancing Victoria Police's technological capabilities by giving frontline police officers access to operational information in the field via mobile devices. This will assist in Victoria Police's commitment to move away from paper-based and printed documents.

WASTE

Victoria Police is committed to the management of office-based waste to reduce operational costs and environmental impacts, as well as potential health risks to staff and the broader Victorian community. Waste data are reported from vendors that remove office-based waste from 34 per cent of sites (145 locations) that cover approximately 94 per cent of staff (FTE).

Waste Results for 2018–19

Description	2018–19*	2017–18
Total units of office waste disposed of by destination	Kilograms	Kilograms
Landfill	2,640,122	2,128,257
Recycling	585,714	422,923
Total	3,225,836	2,551,180
Total units of waste disposed of per FTE by destination	Kilograms/FTE	Kilograms/FTE
Landfill	135.6	178.7
Recycling	30.1	35.5
Total	165.7	214.2
Recycling rate (per cent)	18.2%	16.6%
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ e)	3,696	2,980

Notes:

* In 2018–19, improvements were made in the collection of waste data from vendors that remove office-based waste from Victoria Police sites. This improvement in data collection presents a break in the data series and a direct comparison as a percentage change against previous years' figures has not been made.

Factors used to calculate greenhouse gas emissions are based on those contained in the National Greenhouse Accounts Factors – July 2018.

Waste results include police stations, which are a mixture of office-based and other functions.

Actions undertaken during 2018–19

Actions during 2018–19 relate to ongoing advice to employees and managers regarding waste management.

Targets for 2019–20

While no specific target has been established, ongoing advice to employees is likely to continue to have a positive impact on waste management.

SUSTAINABLE TRANSPORT

With the demise of the Australian car industry the previously applied Whole-of-Victorian Government (WOVG) policy requiring all mainstream fleet vehicles to be Australian-made no longer applies. Victoria Police has begun to phase out the Australian-made vehicles that it uses as their age or distance travelled dictates.

Indicator	2018–19					2017–18				
	Petrol	Diesel	LPG	Electric	Total	Petrol	Diesel	LPG	Electric	Total
Total energy consumption by vehicles (Gj)	252,345	110,902	2,416	-	365,662	238,441	113,955	9,125	-	361,522
Total vehicle travel ('000 km)	64,438	28,504	643	3.1	93,585	58,226	28,721	2,270	-	89,217
Greenhouse gas emissions from vehicles (tCO ₂ e)	17,920	8,151	154	-	26,215	16,929	8,376	582	-	25,887
Greenhouse gas emissions from vehicles per 1,000km travelled (tCO ₂ e)/1,000km)	0.278	0.286	0.240	-	0.280	0.291	0.292	0.256	-	0.290
Number of Vehicles	2,143	1,027	23	1	3,194	2,028	979	55	-	3,062

Notes:

Sustainable transport data is for the period 1 July to 30 June.

Petrol Vehicles includes Petrol Hybrids that are not able to be separately assessed at this point.

Energy consumption for the electric vehicle is not able to be determined as there are no monitoring services for charging.

Totals may not tally due to rounding of figures in above table.

Total energy consumption and greenhouse gas emissions produced by vehicles increased during the reporting period in line with an increase to Victoria Police staff numbers. In 2018–19, there has been a decrease in greenhouse gas emissions per 1,000 kilometres travelled, this is a direct result of the changes in the composition of Victoria Police's fleet of vehicles which are both more fuel efficient and meet higher emission standards than the Australian-made models which they are replacing.

Actions undertaken during 2018–19

In 2018–19, Victoria Police continued to respond to changes in the automotive industry, most notably the cessation of Australian-made vehicles, to ensure continuity in the availability and provision of fleet vehicles to support service delivery. Victoria Police is one of the first jurisdictions in the world to acquire an all-electric Tesla Model X vehicle, this one-off purchase will be part of a feasibility study into developing fully integrated electric, IT-based police vehicles for fleet use.

Targets for 2019–20

No specific targets have been established; however, it is likely that the fleet of vehicles will continue to grow as employee numbers increase during 2019–20. The vehicle fleet will continue to transition away from Australian-made vehicles and subsequently the fleet should become more fuel efficient and produce fewer greenhouse gases per kilometre travelled.

Air Travel

Description	2018–19	2017–18
Total distance travelled (kilometres)	9,196,703	7,848,573
Greenhouse gas emissions (tonnes CO ₂ e)	1,791	1,570

Note:

Includes travel undertaken by members of Australia and New Zealand Policing Advisory Agency (ANZPAA) and National Institute of Forensic Science (NIFS).

Commuter Travel

Ongoing VPS employees are able to participate in the Commuter Club Scheme. The scheme offers public transport users a discount on a 365-day (annual) pass with staff paying for the pass as a deduction from their fortnightly salary.

Commuter Club Members	2018–19 Estimate	2017–18 Estimate
Myki	445	419
V/Line	34	23

PROCUREMENT

Victoria Police has incorporated environmental considerations into its procurement decision-making where possible.

All procurement undertaken by Victoria Police includes the mandatory requirement for a supplier to provide a supplier Code of Conduct letter with their response. This aims to ensure that suppliers adhere to minimum standards of ethical, sustainable and socially responsible practices when providing goods or services. Under these requirements, suppliers have to acknowledge the code by signing and returning a commitment letter as part of the procurement process.

All procurement also considered objectives under the Buying for Victoria – Social Procurement Framework by seeking a response from suppliers in relation to their levels of commitment to social procurement, women’s equality, diversity, safe and fair workplaces and any other social procurement initiatives that may apply in their organisation.

As a government member to Supply Nation, Australia’s largest national directory of Indigenous suppliers, Victoria Police has committed to considering certified indigenous suppliers in its procurement activities where possible and appropriate.

The table below provides a selection of examples of further sustainable and environmental considerations that were applied by Victoria Police during the procurement process for contracts entered into during 2018–19.

Procurement Contract	Additional sustainable and environmental considerations applied during procurement
<ul style="list-style-type: none"> Regional Disposal Hubs 	<p>The market document emphasised that Victoria Police is committed to, and supports environmental responsibility and that the service providers had to demonstrate appropriate qualification under the <i>Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995</i> to lawfully remove batteries, refrigerant and fluids from the motor vehicle prior to destruction.</p>
<ul style="list-style-type: none"> Alpine cold and wet weather clothing Interim supply of office shirts Supply of DNA sample kits Pathology and toxicology laboratory services Manufacture and supply of police medals and awards Provision of general duty uniform items Anti-exposure suits Purchase of Field Catering Unit meal packs Specialist food supplies at the Academy and Airlie Training facilities Provision of holsters and accessories 	<p>The market document emphasised that Victoria Police is committed to, and supports environmental responsibility and sought responses from suppliers around how factors such as material minimisation, use of recycled materials and material re-use was balanced with mandatory requirements such as garment protection, goods handling, distribution and system processing, minimising risk of contamination.</p>
<ul style="list-style-type: none"> Intranet creative project services Recycling and waste management services Office furniture for multiple furniture packages 	<p>Responses from tenderers were sought outlining initiatives to reduce waste, water use, energy and fuel consumption, and increase recycling where possible (example: carbon offset forestry projects).</p>
<ul style="list-style-type: none"> Offsite mail security screening and transport services 	<p>The specification for this procurement has been developed to include transport of archive boxes from nominated facilities to Victoria Police Archive Services Centre. This service will eliminate the duplication of transport arrangements for the collection of archive boxes. This will result in less distance travelled overall to deliver archive boxes to Victoria Police Archive Services Centre reducing carbon emission and impact to the environment.</p>
<ul style="list-style-type: none"> Purchase of two high performance liquid chromatography and ultra-high-performance liquid chromatography laboratory systems Annual maintenance and service of scientific equipment 	<p>Market documentation sought responses that would indicate that devices are within their serviceable life and working with maximum performance and minimal breakdown, waste (power, water, chemicals, paper, toner cartridges, etc.) caused as a result of leakages and repeat analysis will be reduced and/or eliminated.</p>

IT Supplies and Marketing	Detail Any Sustainable Procurement Initiatives That Apply
<ul style="list-style-type: none"> • Automated Number Plate Recognition Project <ul style="list-style-type: none"> – HP Blade Servers and Enclosures – Cisco WAPS for Phase 2 stations • Cisco equipment <ul style="list-style-type: none"> – Additional body-worn camera sites under the Lifecycle Management and Application Modernisation Project – Data Centre refresh – Meraki equipment purchase – Audio visual switches and components for new audio visual services at new Centre of Family Violence – VAESM purchase • Creative agency services <ul style="list-style-type: none"> – Be a Force For Good (Phase 2 & 3) recruitment campaign – PSO Community Assurance campaign – Police Assistance Line and Online Reporting • Acer notebooks and docking stations order • Dell EMC SAN fabric replacement • Data Centre Build • Packetlight equipment for Data Centre refresh • SPARC Server to enable the Intelligence Management Project to set up a second Change Data Capture environment • Station Uplift program of works Academy • Purchase of Mobility Devices • E-Crime Squad forensic laboratory computer upgrade 	<p>The listed contracts have been leveraged from Mandated State Purchase Contracts where Corporate Social and Environmental requirements apply.</p>
Capital Works Projects	
<ul style="list-style-type: none"> • New Ballarat West forensic hub • New Morwell forensic hub • Melbourne East police station – fit-out works • Construction of the new Rokewood police residence • New Wycheproof 8-hour police station 	<p>All construction projects are compelled to comply with Section J [Energy Efficiency] of the Building Code of Australia. That section defines requirements for building fabric; glazing; building sealing; electrical services including lighting and lighting controls; heating, ventilation and air conditioning; energy efficiency monitoring for buildings >2,500m² GFA. Residential buildings (e.g. Rokewood) are self-sufficient in terms of solar powered electrical supply and rain water harvesting tanks for landscape irrigation and toilet flushing.</p>

Note:

The above table is prepared in accordance with Financial Reporting Direction 24D.

APPENDIX Q – REPORT UNDER THE CORRECTIONS ACT 1986

Section 9D (3A) of the *Corrections Act 1986* requires the Chief Commissioner of Police to provide to the Minister, for inclusion in the annual report under Part 7 of the *Financial Management Act 1994*, a report on the provision of services by contractors during the financial year. In accordance with section 9D (3A) Victoria Police key actions and achievements in relation to prisoner management in 2018–19 are outlined below.

Melbourne Custody Centre, Moorabbin Justice Centre and the Ringwood Court Cells

Victoria Police manage the Melbourne Custody Centre (MCC), Moorabbin Justice Centre (MJC) and the Ringwood Court Cell (RCC) facilities under contract with G4S. The contract with G4S was renewed for a period of three years in March 2017.

Ringwood Magistrates' Court Cells

In April 2014 Corrections Victoria recommissioned the Ringwood Magistrates' Court cells, which are managed by G4S to provide custody and escort services as an additional service under the existing contract. This initiative has positively impacted both the courts and police cells at Ringwood.

Prisoner Escort and Custody Contract Services

Victoria Police engages G4S Australia (G4S) as a private contractor responsible for prisoner transport, including court movements, police cell and inter-prison movements. G4S work collaboratively with Victoria Police to ensure compliance with the *Charter of Human Rights and Responsibilities Act 2006*, which took effect on 1 January 2008. G4S have ongoing mandatory human rights and responsibilities training for all staff. G4S is accredited with an AS/NZS ISO 9001:2015 Certified Quality Management System.

The Bail Amendment (Stage 2) Act 2018 legislative reforms resulted in the staged rollout of the Bail and Remand Court (BaRC) model. The BaRC initiative was fully implemented at the Melbourne Magistrates' Court in July 2018 and the Melbourne Prosecutions Unit has been servicing this new court on evenings and weekends for 27 shifts per week. This additional service delivery model has resulted in corresponding increases in legal visits to prisoners and physical movements of prisoners from the cells to the courtroom.

During 2018–19, G4S provided the following contract services:

Melbourne Custody Centre

- Managed 32,863 prisoner movements (counted in and out). In addition, 663 intoxicated persons were lodged.
- Managed 18,356 court movements between the MCC and Melbourne Magistrates' Court. This includes 4,804 court movements between the MCC and Melbourne Magistrates' Court Night Court.
- Provided full time security of prisoners in up to 14 Melbourne Magistrates' Courts.
- Facilitated a total of 23,130 visits to prisoners, including 446 visits by relatives and friends, 22,081 legal visits to prisoner clients and 603 police visits to prisoners.
- Escorted 27 prisoners to hospital and provided 440.9 hours of guard duties while prisoners received medical treatment.

Moorabbin Justice Centre

- Managed 638 prisoner admissions.¹
- Managed 1,099 court movements.
- Facilitated a total of 1,640 legal visits to prisoners.

Ringwood Magistrates' Court Cells

- Managed 1,799 prisoner admissions.¹
- Managed 2,146 court movements
- Facilitated a total of 3,375 legal visits to prisoners.

Note:

Victoria Police notes that the terminology 'prisoner movements' referenced in previously published annual reports was incorrectly used for Moorabbin Justice Centre and Ringwood Magistrates' Court Cells. Prisoner movements count both prisoner admissions and discharges and this metric only applies in the context of the Melbourne Custody Centre. The change in terminology to 'prisoner admissions' does not affect the figures reported in previous years as these correctly corresponded to the counting methodology for prisoner admissions.

APPENDIX R – COMPLIANCE WITH OTHER LEGISLATION

DRUGS, POISONS AND CONTROLLED SUBSTANCES ACT 1981 (SECTION 60S)

Section 60S of the *Drugs, Poisons and Controlled Substances Act 1981* states that the Chief Commissioner of Police is to report on actions under this Division and must provide to the Minister for inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994*, a report containing:

- (a) Number of searches without warrant under section 60E conducted during financial year
- | | |
|---------------------------------|-----------|
| Person under 18 years searched: | 3 persons |
|---------------------------------|-----------|
- (b) Number of searches of persons irrespective of age without warrant under section 60F conducted during financial year
- | | |
|---------------------------------------|-----------|
| Persons searched irrespective of age: | 4 persons |
|---------------------------------------|-----------|
- (c) Number and type of volatile substances and items used to inhale a volatile substance seized as a result of conducting those searches.
- | | |
|---|---|
| Number of substances seized: | |
| Backpack | 1 |
| Spray Paint | - |
| Plastic bag (with paint) | 1 |
| Socks (used to filter deodorant) | 1 |
| Gases (Compressed air / CO ₂) | - |
| Deodorant (multiple cans) | 2 |
- (d) Number and type of volatile substances and items used to inhale a volatile substance received by members of the police force when produced in accordance with a request under section 60H(1)(b)
- | | |
|-----------|---|
| Deodorant | 1 |
|-----------|---|
- (e) Number and type of volatile substances and items used to inhale a volatile substance returned to persons under section 60N
- | | |
|----------------|---|
| Not applicable | - |
|----------------|---|
- (f) Number and type of volatile substances and items used to inhale a volatile substance disposed of or made safe under section 60O
- | | |
|--------------------------|---|
| Deodorant | 1 |
| Plastic bag (with paint) | 1 |
- (g) Number and type of volatile substances and items used to inhale a volatile substance forfeited to the Crown under section 60P
- | | |
|----------------------------------|---|
| Deodorant | 1 |
| Socks (used to filter deodorant) | 1 |

- (h) Number of persons apprehended and detained without warrant under section 60L Persons (under 18 years) apprehended and detained

Persons (under 18 years) apprehended and detained	-
Persons (irrespective of age) apprehended and detained	-
Male	-
Female	-
Indigenous	-
Non Indigenous	-

Note:

Each contact or occasion may involve multiple items or substances. Figures do not include prescribed or prohibited volatile substances. Incidents may involve persons detained or transported under different legislative provisions resulting from the initial contact.

CONTROL OF WEAPONS ACT 1990

Section 10B of the *Control of Weapons Act 1990* states that the Chief Commissioner of Police is to report on actions under this Division, and must provide to the Minister for inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994*, a report on searches without warrant under section 10A or 10AA and the number of strip searches under section 10G:

(Section 10B)

The number of searches without warrant under section 10A or 10AA.

Search Type	2018–19	2017–18
Searches Conducted	752	656

Prohibited, Dangerous and Controlled weapons found as result of *Control of Weapons Act 1990* search.

Weapon Type	2018–19	2017–18
Prohibited weapons		
Slingshot	-	1
Capsicum spray	-	-
Offensive/Noxious liquid/Gas	2	-
Electric current emit	16	7
Laser pointer	4	5
Mace or similar	1	-
Baton/Bo-chucks	1	-
Kasari-Fundo/Manrikigusari	-	2
Nunchaku	-	7
Flick knife	10	6
Dagger	4	4
Knuckle knife	-	-
Bowen knife belt	1	1
Swordstick	2	1

Prohibited, Dangerous and Controlled weapons found as result of *Control of Weapons Act 1990* search.

Weapon Type	2018-19	2017-18
Butterfly knife	1	1
Double-end knife	-	1
Black eagle knife	-	-
Push knife	4	3
Throwing blade	-	1
Ballistic knife	1	-
Shark dart	2	-
Crossbow	-	-
Dart from blow gun or similar	-	-
Saunders falcon hunting sling	-	-
Extendable baton	11	1
Sword	2	5
Knuckle duster	15	14
Imitation handgun	6	4
Imitation long-arm	1	-
Dangerous articles		
Bottle/Glass	-	1
Axe/Tomahawk	10	11
Bat/Bar/Club	9	15
Syringe	8	8
Other weapon	18	16
Controlled weapons		
Knife	179	164
Speargun	-	-
Baton or Cudgel	4	1
Bayonet	-	1
Cattle prod	-	-
TOTAL	312	281

Note:
Data extracted from LEAP on 18 July 2019 and subject to variation. Due to limited coding on field contract data, weapon seizure data are only partially available.

(Section 10G)

The number of strip searches conducted under section 10G.

Search Type	2018-19	2017-18
Control of Weapons Act Searches Conducted	3	2

The number of strip searches conducted under section 10G where a declaration of a designated area was in effect.

	2018-19	2017-18
Total	3	2

The number of strip searches conducted under section 10G where a declaration of an unplanned designated area was in effect.

	2018-19	2017-18
Total	-	-

Prohibited, Dangerous and Controlled weapons found as result of searches under section 10G.

	2018-19	2017-18
Electric current emit	1	-
Extendable baton	1	-
Knuckle duster	-	-
Imitation handgun	-	-
Bat/Bar/Club	-	-
Other weapon	-	-
Knife	-	-
Total	2	-

Note:
Data extracted from LEAP on 18 July 2019 and subject to variation.

(Section 10KB)

In accordance with section 10KB of the *Control of Weapons Act 1990* the Chief Commissioner of Police must provide to the Minister for inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994* a report containing

- (a) the number of declarations made under each of sections 10D (Planned designation of area) and 10E (Unplanned designation of area) during that financial year¹; and

Number of declarations made regarding planned designation of search area (section 10D).

	2018-19	2017-18
Total	17	13

Number of declarations made regarding unplanned designation of search area (section 10E).

	2018-19	2017-18
Total	1	-

- (b) for each declaration reported under paragraph (a), information about whether a power under section 10KA was exercised in relation to the designated area that was the subject of the declaration.

	2018-19	2017-18	Power exercised under section 10KA
Section 10D	6	2	3 x face mask removed, 3 x direction to leave designated area
Section 10E	-	-	

Note:
Each designation (planned or unplanned) under s. 10D & 10E will involve multiple searches. Therefore the figures reported are not indicative of the amount of searches conducted during the reported financial year.

FIREARMS ACT 1996 (SECTION 153C)

Section 153C of the *Firearms Act 1996* states that the Chief Commissioner of Police must provide to the Minister for inclusion in the Annual Report of Operations under Part 7 of the *Financial Management Act 1994* a report containing:

(a) Number of searches without warrant under section 149 conducted during that financial year.

	2018–19	2017–18
Searches	121	82

(b) Number and type of firearms, cartridge ammunition, silencers and prescribed items found during the course of those searches.

Firearms found	2018–19	2017–18
Rifle	4	2
Air rifle/gun	2	-
Shotgun	2	-
Handgun	-	-
Sawn-off firearm	-	1
Imitation firearm	1	9
Cartridge ammunition	7	8
Other firearm	-	7
Shotgun shell	-	-
Bullet	5	1
Revolver	-	-
Shotgun rounds	-	2
Firearm	3	-
Pistol	5	-
Handgun magazine	1	-
Magazine	1	-
Total	31	30

c) Any other information requested by the Minister.

No information requested.

Notes:

Data extracted from LEAP on 18 July 2019 and are subject to variation. Weapon seizure data only partially available.

Searches without warrant occur under other legislative provisions and may result in the seizures of firearms.

These data are held in a free text field, not coded, and may not be complete.

FIREARMS ACT 1996 (SECTION 172.1)

Section 172.1 of the *Firearms Act 1996* states that the Chief Commissioner of Police must provide to the Minister for inclusion in the Annual Report of Operations under Part 7 of the *Financial Management Act 1994* a report containing:

	2018–19	2017–18
a) Number of firearm prohibition orders issued	111	92
b) Number of prohibition orders in operation	176	69
c) the number of people under 18 years of age who are subject to firearm prohibition orders	3	2
d) the number of firearms and firearm-related items seized during any exercise of powers under Part 4A	162*	52
e) the number of charges laid for offences under this Act connected with searches under Part 4A	44	3
f) the number of charges laid for other offences connected with searches under Part 4A	76	9

Notes:

* Imitation firearms have been excluded from this count as they fall outside of the definition of a firearm pursuant to Section 3 of the *Firearms Act 1996*. Some records of ammunition seized do not have sufficient detail to identify the quantity of ammunition seized and have not been included.

It should be noted that the 2017–18 reporting year only covered the period between 9 May and 30 June 2018 as the Firearm Prohibition Order scheme commenced on 9 May 2018.

GRAFFITI PREVENTION ACT 2007 (SECTION 17)

The Chief Commissioner of Police is required to report on searches without warrant undertaken in accordance with section 17 of the *Graffiti Prevention Act 2007*.

Persons searched during graffiti related search without warrant

Age Group	2018–19	2017–18
14–17	161	168
18–23	98	82
24+	41	34
Unspecified	17	5
Total persons contacted	317	289
Total reports	224	204

Graffiti implements found during graffiti related search without warrant

Implement type	2018–19	2017–18
Aerosol paint container	75	89
Texta/marker	103	81
Other graffiti implement	23	21
Total implements	201	191

Note:

Data extracted from LEAP on 18 July 2019 and subject to variation. A field contact report may have multiple persons recorded.

SENTENCING ACT 1991 (SECTION 89DH)

In accordance with section 89DH of the *Sentencing Act 1991*, the Chief Commissioner of Police must provide to the Minister for Police for inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994* a report containing:

Reporting Requirement	Results for 2018–19	Results for 2017–18
(a) the number of applications made for alcohol exclusion orders during that financial year.	Not reported	Not reported
(b) the number of applications for alcohol exclusion orders that were withdrawn during that year.	Not reported	Not reported
(c) the number of applications for alcohol exclusion orders that were dismissed during that year.	Not reported	Not reported
(d) the number of alcohol exclusion orders made during that year.	32 Orders have been made by the courts	63 Orders have been made by the courts
(e) the number of persons charged with an offence against section 89DF (1) or (2) during that year.*	Three or less than three (≤ 3) persons charged resulted in a finding of guilt	6 persons charged with offences
(f) the number of charges for an offence under section 89DF (1) or (2) that resulted in a finding of guilt in that year.**	Three or less than three (≤ 3) charges resulted in a finding of guilt	11 charges
(g) the number of contraventions of an alcohol exclusion order that were recorded by members of the police force during that year in respect of which no charge sheet was filed.	Not reported	Not reported
(h) a comparison with the immediately preceding three financial years of the information required under this subsection.	Not reported	Not reported

Notes:

'Not Reported' – Victoria Police does not separately capture these data, as the application is part of a brief of evidence. (Data cannot be disaggregated for this purpose.)

Data extracted from LEAP on 18 July 2019 and subject to variation.

* Number of persons refers to unique individuals processed for the offences.

** Number of charges refers to charges processed by individuals.

SEX OFFENDERS REGISTRATION ACT 2004 (SECTION 62)

The Chief Commissioner of Police is required to establish and maintain a Register of Sex Offenders (RSO) under section 62 of the *Sex Offenders Registration Act 2004* (the Act). Throughout 2018–19 the Sex Offenders Registry has been working closely with the Department of Justice and Community Safety to develop and refine amendments to the Act to better protect the community in accordance with the purpose of the Act.

The composition of the register is as follows:

Data for the 2018–19 financial year¹:

	In the community	Other ²	Gender totals
Total males	4,334	3,839	8,173
Total females	123	53	176
Total juveniles	2 ³	-	-
Total	4,457	3,892	8,349

Breakdown of 'Other' status

Other Status	Other ²
In custody	978
Interstate/overseas	1,200
Expired Reporting Obligations ⁴	1,234
Deceased	467
Suspended (per section 45A) ⁵	13
Total	3,892

RSO Reporting period	In the community	Overall total
4 years	3	14
7.5 years	19	74
Custom	44	192
8 years	1,112	2,402
15 years	1,638	2,525
Life	1,641	2,287
Total	4,457	7,494⁶

New Registrations	2018–19
Offenders added to the register	550
Prohibition orders made ⁷	15
Registration orders made	3
Offenders aged under 18 added	1
Offenders added following section 11	33
Corresponding offenders added	79

Notes:

1. Data is current as at 1 July 2019 for the 2018–19 financial year.
2. Other refers to RSOs that are in custody, deceased, interstate/overseas, expired reporting obligations or suspended.
3. Figure included in 'In the community' male total of 4,334 and not counted separately towards "Total".
4. Previously reported as 'de-registered'. Amended to better describe RSO status.
5. There are no offenders subject to an order under section 39A of the *Sex Offenders Registration Act 2004*.
6. Overall reporting period total is 855 less than registry total (8,349) due to legislative and procedural requirements (for example, RSOs in custody do not have a recorded reporting period until their release from custody).
7. Section 66ZR of the *Sex Offenders Registration Act 2004* allows for prohibition orders from interstate to be registered in Victoria.

APPENDIX S – 2018–19 VICTORIA POLICE HONOURS AND AWARDS

Australian Police Medal (APM)

Rank at time of award	First Name	Surname
Superintendent	Charles Thomas	ALLEN
Superintendent	Alison Catherine	BOYES
Commander	Lauren Elizabeth	CALLAWAY
Superintendent	David John	CLAYTON
Senior Sergeant	Patricia Maree	DUKE
Inspector	Andrew Stephen	GUSTKE
Senior Sergeant	Craig Robert	GYE
Superintendent	Peter Geoffrey	LARDNER
Inspector	Danielle Marie	LEEMON
Commander	Andrea Leigh	MCALPINE
Inspector	Stephen John	MUTTON
Senior Sergeant	Steven Thomas	ROSEWARNE
Inspector	Kathryn Ann	RUDKINS
Sergeant	Maha	SUKKAR
Commander	Neville Leigh	TAYLOR

Public Service Medal

Rank at time of award	First Name	Surname
Executive Director	Rebecca Justine	KOGIOS

Medal for Courage

Rank at time of incident	First Name	Surname
Acting Sergeant	Jack	ARMSTRONG
Senior Constable	Glenn	DALZOTTO
Senior Constable	Blake Richard	GILBERT
Sergeant	Luke Russell	HOLMES
First Constable	Chantelle Marie	PETERS
Sergeant	Emanuele	PIETROSANTO
Senior Constable	Darren Michael	PRESTNEY

Medal for Merit

Rank at time of incident	First Name	Surname
Superintendent	John Timothy	O'CONNOR

Citizen Commendation

First Name	Surname
David	FALLON
Kay	GIBSON
Wendy	HENGER
Matiu	WILLSON

Australian Bravery Award

Rank	First Name	Surname
<i>nil</i>	<i>nil</i>	<i>nil</i>

Commendation for Brave Conduct

Rank	First Name	Surname
<i>nil</i>	<i>nil</i>	<i>nil</i>

Royal Humane Society Certificate of Merit

Rank at time of incident	First Name	Surname
<i>nil</i>	<i>nil</i>	<i>nil</i>

Victoria Police Star

Rank at time of incident	First Name	Surname
Senior Constable	Benjamin	ASHMOLE
First Constable	George William John	CARTER
Senior Constable	James Leslie	DUNSCOMBE
Senior Constable	David Michael	FULLER
Sergeant	Edward	LEONARD
Senior Constable	Peter	LIGHT
Constable	James	MAGUIRE
	Aimee	MILNE*
Constable	Shaun Gerard	MOYNIHAN
Constable	Catherine Anne	O'NEILL
Senior Constable	Keith Alexander	PATTERSON
Senior Constable	Graeme George	PENDER
Constable	Luke David	SMEATON
Senior Constable	Peter	STEELE
Senior Constable	Nicholas	WETHEY

Group Citation for Merit

Rank at time of award	First Name	Surname
Inspector	Danny Russell	BODYCOAT
Inspector	Kelvin John	GALE
VPS3	Meaghan Emma	GURR
Inspector	Stephen John	MCCARTHY
Inspector	Matthew Michael	MULCAHY
VPS5	Suzanne	SMITH
VPS3	Amy Elise	TURNER
VPS6	Craig Allan	VAN DUGTEREN
VPS4	Sarah	WARDLEY

Valour Award

Rank at time of incident	First Name	Surname
Constable	Neil Francis	CLINCH
Sergeant	Laurence	MCCAUGHEY
Constable	Peter	SINGE
Senior Constable	Brenda Joy	STORK
Senior Constable	Adam	TAVINOR

Notes:

* Aimee MILNE, who was awarded the Victoria Police Star posthumously, was not a Victoria Police employee. She was the wife of a police officer and was tragically killed when two bombs were thrown into the family home in Geelong in 1936.

Please note the following amendment to the 2012–13 Victoria Police Annual Report (page 49): Senior Constable Wayne Nagorcka registered number 27704 was incorrectly published as 22704.

APPENDIX T – COMPLAINTS REGISTERED

In September 2016, the report by the Independent Broad-based Anti-corruption Commission (IBAC) of an audit of Victoria Police regional complaints handling processes was published. The objective of the audit was to identify areas for improvement in the complaint handling process and to identify good practice.

IBAC made a number of findings – resulting in nine specific recommendations underpinned by areas for improvement, to strengthen Victoria Police’s complaint handling processes.

Recommendation 7 relates to publicly releasing aggregated information on a regular basis (such as in the Victoria Police Annual Report) on the number of complaints received, their classifications, determinations and recommendations to improve the transparency and accountability for outcomes.

Breakdown of Complaints

Complaint Classification	Definition	2018–19	2017–18	2016–17
Management Intervention Model (MIM) and Local Management Resolution (LMR)	Allegations of minor nature regarding service delivery, performance management or professional conduct.	1,049	1,104	925
Misconducts – Minor/Serious/Corruption	Misconduct as per the <i>Victoria Police Act 2013</i> section 166 and the <i>Public Administration Act</i> section 4.	796	681	621
Complaints registered as Incidents and Resolved immediately	Resolved in the first instance by the Police Conduct Unit, Professional Standards Command and no further formal investigation required.	637	585	508
Total		2,482	2,370	2,054

Notes:

Data include complaints raised or received by Victoria Police. For the 2018–19 reporting period, the type of metrics presented above vary from previous years as oversight data has been removed (oversight matters are not regarded as ‘complaints’ for the purposes of reporting against IBAC Recommendation 7).

Allegation Determination – Complaint ‘allegations’ finalised by Financial Year

Category	Determination	2018–19		2017–18		2016–17	
		Count	%	Count	%	Count	%
Case to Answer	Lesser Deficiency Found	16	0.55%	10	0.29%	13	0.33%
	Substantiated	347	11.86%	390	11.16%	512	13.16%
No Case to Answer	False Report	1	0.03%	6	0.17%	1	0.03%
	For Intelligence Purposes Only	39	1.33%	33	0.94%	50	1.29%
	Member Exonerated	54	1.84%	53	1.52%	54	1.39%
	No Complaint	551	18.82%	542	15.51%	645	16.58%
	Not Substantiated	443	15.13%	527	15.08%	575	14.78%
	Unable to Determine	162	5.53%	130	3.72%	131	3.37%
	Unfounded	346	11.82%	289	8.27%	409	10.51%
	Withdrawn	27	0.92%	56	1.60%	66	1.70%
Other	Conciliated	6	0.20%	3	0.09%	5	0.13%
	Not Finalised	7	0.24%	2	0.06%	9	0.23%
	Not Proceeded With	103	3.52%	100	2.86%	100	2.57%
Other (Local Management Actions)	Not Resolved	193	6.59%	368	10.53%	365	9.38%
	Resolved	632	21.59%	986	28.21%	955	24.55%
	Total	2,927	100%	3,495	100%	3,890	100%

Notes:

A complaint may consist of one or more allegations against one or more employees. The figures in this table reflect the determination for each allegation, not the outcome of a single complaint.

Figures in the above table represent all allegations Determined (finalised) by financial year, and may include complaints lodged in previous financial years.

Data provided in the above table for earlier financial years may vary from that previously published due to back capturing of information and data settling.

Data extracted 16 July 2019.

Recommendations – Recommended actions for complaint ‘allegations’ finalised by Financial Year

Recommendations	2018–19		2017–18		2016–17	
	Count	%	Count	%	Count	%
Admonishment	70	2.87%	115	3.48%	189	4.79%
Criminal charges	44	1.81%	33	1.00%	68	1.72%
Discipline charges	25	1.03%	7	0.21%	43	1.09%
Management actions	568	23.33%	435	13.16%	497	12.60%
No action	1,706	70.06%	2,651	80.21%	3,082	78.10%
Resigned/Retired	20	0.82%	58	1.75%	60	1.52%
Terminated	2	0.08%	6	0.18%	7	0.18%
Total (ALL)	2,435	100%	3,305	100%	3,946	100%

Notes:

Figures in the above table represent Recommendations made against allegations determined (finalised) by financial year, and may include Recommendations for complaints lodged in previous financial years.

Data provided in the above table for earlier financial years may vary from that previously published due to back capturing of information and data settling.

Data extracted 16 July 2019.

APPENDIX U – IBAC DRINK DRIVING DETECTIONS REPORTING

In December 2016 IBAC released a report and recommended (recommendation 3) Victoria Police consider publicly reporting (for transparency purposes) each year on several specific measures, including reporting on police officers detected drink driving.

Victoria Police has accepted the IBAC recommendation to include this information in the annual report.

Drink driving detections of Victoria Police officers during 2018–19

0.058	N	Determination pending
0.067	N	Substantiated – Admonishment
0.077	Y	Determination pending
0.105	N	Determination pending
0.112	N	Determination pending
0.137	Y	Determination pending
0.139	Y	Determination pending
0.165	N	Substantiated – Court hearing

Note:

1. BAC Stands for Blood Alcohol Concentration.

APPENDIX V – REPORTING ON FAMILY VIOLENCE

Victoria Police has implemented 24 of the 26 police-specific recommendations arising from the 2016 *Royal Commission into Family Violence* (RCFV). The organisation is supporting the implementation of recommendations led by other government agencies that have an effect on Victoria Police.

The RCFV recommendations directed to Victoria Police aim to improve responses to family violence and support for victims through systemic change. This involves adapting the organisational structure to reflect family violence as core business, enabling multi-agency information sharing, utilisation of technology and improvement of education and guidance.

Over the past year, Victoria Police has continued to implement recommendations and embed reforms across the organisation, through the deployment of new Family Violence Investigations Units across the state, the rollout of a new Family Violence Report, and the trial of digitally recorded evidence from victims of family violence. Policies, practices and training continued to be enhanced throughout the year to support frontline police officers in responding to family violence.

In supporting the whole of system reforms being led by other agencies, Victoria Police continues to work closely with Family Safety Victoria and other agencies in the finalisation of the Multi Agency Risk Assessment Model, the delivery of the Central Information Point and the implementation of the child and family violence information schemes.

Victoria Police continues to implement *Policing Harm, Upholding the Right: Victoria Police Strategy for Family Violence, Sexual Offences and Child Abuse 2018–2023*, through a range of initiatives and commitments, set out under four strategic priorities: victim safety, offence and offender management, child safety and a safe and capable workforce. These initiatives focus on improving responses to family violence, sexual offences and child abuse, in recognition of the links between these types of harm.

Victoria Police opened the Centre of Learning for Family Violence at the Police Academy on 26 April 2019. In addition, new Family Violence Training Officers located in divisions across the state have commenced to deliver training to all police responding to family violence. This has resulted in an almost 20 per cent increase in training hours in family violence-related education delivered to Victoria police employees during 2018–19. The centre will continue to implement an education strategy for all police responding to family violence, sexual offences and child abuse (RCFV recommendation 42).

APPENDIX W – ATTESTATION



VICTORIA POLICE

Victoria Police Financial Management Compliance Attestation Statement 2018-19

This attestation is in accordance with Standing Direction 5.1.4 of Standing Directions 2018 under the *Financial Management Act 1994*.

I, Graham Ashton, Chief Commissioner on behalf of the Victoria Police, certify that the Victoria Police has complied with the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'Graham Ashton'.

Graham Ashton AM
Chief Commissioner of Victoria Police
6 September 2019

APPENDIX X – GLOSSARY

AFL	Australian Football League	LEAP	Law Enforcement Assistance Program
AFP	Australian Federal Police	LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
AM	Member of the Order of Australia	LTIFR	Lost Time Injury Frequency Rate
ANZPAA	Australia & New Zealand Policing Advisory Agency	MP	Member of Parliament
APM	Australia Police Medal	OHS	Occupational Health and Safety
BAC	Blood Alcohol Content	OLR	Online Reporting
BWC	Body-worn camera	PAL	Police Assistance Line
CALD	Culturally and Linguistically Diverse	PBT	Preliminary Breath Tests
CSA	Crime Statistics Agency (Victorian)	PCO	Police Custody Officer
CSS	Community Safety Statement	PRSB	Police Registration and Services Board
DNA	Deoxyribonucleic Acid	PSO	Protective Services Officer
EBA	Enterprise Bargaining Agreement	RoGS	Report on Government Services
EO	Executive Officer	RSO	Registered Sex Offender
FO	Forensic Officer	TAC	Transport Accident Commission
FRD	Financial Reporting Directions	VCAT	Victorian Civil and Administrative Tribunal
FTE	Full Time Equivalent	VEOHRC	Victorian Equal Opportunity and Human Rights Commission
IBAC	Independent Broad-based Anti-corruption Commission	VPC	Victoria Police Centre
ICT	Information and Communications Technology	VPS	Victorian Public Service
KPIs	Key Performance Indicators		

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

REPORT STRUCTURE

The Chief Commissioner of Victoria Police has the pleasure of presenting the audited general purpose financial statements of Victoria Police for the financial year ended 30 June 2019. These financial statements provides users with information about Victoria Police's stewardship of resources entrusted to it. It is presented in the following structure:

		Pages
Report Certifications	Accountable Officer's and Chief Finance and Accounting Officer's Declaration	88
	Independent Auditor's Report from the Victoria Auditor-General's Office	89–90
Primary Statements	Comprehensive Operating Statement	91
	Balance Sheet	92
	Statement of Changes in Equity	93
	Cash Flow Statement	94
Notes to the financial statements	1. About This Report <i>The basis on which the financial statements have been prepared and compliance with reporting regulations</i>	95
	2. Funding Delivery of Our Services <i>Revenue recognised in respect of grants from government, sale of goods and services and other sources</i>	97
	3. The Cost of Delivering Services <i>Operating expenses of Victoria Police</i>	100
	4. Administered Items <i>Policing Services Output and Administered (non-controlled) items</i>	105
	5. Key Assets Available To Support Output Delivery <i>Land, buildings, plant & equipment, motor vehicles, construction-in-progress and intangible assets</i>	108
	6. Other Assets And Liabilities <i>Working capital balances and other key assets and liabilities</i>	116
	7. Financing Our Operations <i>Borrowings, cash flow information and leases</i>	120
	8. Risks, Contingencies And Valuation Judgements <i>Financial risk management, contingent liabilities, contingent assets and fair value determination disclosures</i>	127
	9. Other Disclosures <i>Additional disclosures that are material for the understanding of this financial report</i>	142



VICTORIA POLICE

Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for Victoria Police have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, present fairly the financial transactions during the year ended 30 June 2019 and financial position of Victoria Police as at 30 June 2019.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 6 September 2019.

Graham Ashton AM
Chief Commissioner
Victoria Police

Peter Froutzis
Chief Finance and
Accounting Officer
Victoria Police

Melbourne
6 September 2019

Melbourne
6 September 2019

Independent Auditor's Report

To the Chief Commissioner of Victoria Police

Opinion I have audited the financial report of Victoria Police (the authority) which comprises the:

- balance sheet as at 30 June 2019
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- accountable officer's and chief finance and accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority 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 Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Chief Commissioner's responsibilities for the financial report The Chief Commissioner of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Chief Commissioner determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Commissioner is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

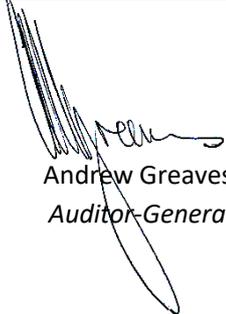
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Commissioner
- conclude on the appropriateness of the Chief Commissioner'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 authority'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority 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 Chief Commissioner 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.

MELBOURNE
13 September 2019



Andrew Greaves
Auditor-General

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2019

(\$ thousand)

	Notes	2019	2018
Income From Transactions			
Grants from government	2.2	3,362,390	3,051,626
Sale of goods and services		1,711	1,255
Grants		6,325	7,398
Fair value of assets received free of charge or for nominal consideration		335	210
Other income	2.3	9,862	12,777
Total Income From Transactions		3,380,623	3,073,265
Expenses From Transactions			
Employee expenses	3.1.1	2,505,357	2,297,053
Depreciation and amortisation	5.1.1	121,704	100,577
Interest expense	7.2	2,079	1,590
Capital asset charge	3.2	103,720	97,692
Operating expenses	3.3	666,340	568,850
Total Expenses From Transactions		3,399,200	3,065,762
Net Result From Transactions (Net Operating Balance)		(18,577)	7,503
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets	9.1	9,698	7,861
Net gain/(loss) from other economic flows	9.1	(21,457)	439
Total Other Economic Flows Included in Net Result		(11,759)	8,300
Net Result		(30,336)	15,803
Other Economic Flows – Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	5.3	103,429	77,801
Total Other Economic Flows – Other Comprehensive Income		103,429	77,801
Comprehensive Result		73,093	93,604

Note:

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 30 June 2019

(\$ thousand)

	Notes	2019	2018
Assets			
Financial Assets			
Cash and deposits	7.3	45,952	41,788
Receivables	6.1	474,835	487,400
Total Financial Assets		520,787	529,189
Non-Financial Assets			
Inventories		6,941	6,954
Non-financial physical assets classified as held-for-sale		1,946	1,865
Property, plant and equipment	5.1	1,878,453	1,692,883
Intangible assets	5.2	95,425	68,862
Other non-financial assets	6.3	40,705	43,685
Total Non-Financial Assets		2,023,470	1,814,249
Total Assets		2,544,257	2,343,438
Liabilities			
Payables	6.2	130,153	112,422
Borrowings	7.1	83,067	77,482
Employee related provisions	3.1.2	642,554	566,334
Other provisions	6.4	8,307	8,149
Total Liabilities		864,081	764,387
Net Assets		1,680,176	1,579,051
Equity			
Accumulated surplus		14,938	45,274
Physical asset revaluation surplus	5.3	866,161	762,732
Contributed capital		799,077	771,045
Net worth		1,680,176	1,579,051

Note:

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

(\$ thousand)

	Notes	Physical Asset Revaluation Surplus	Accumulated Surplus/ (Deficit)	Contributed Capital	Total
Balance at 1 July 2017		684,931	29,471	718,391	1,432,793
Net result for the year		-	15,803	-	15,803
Capital contribution (to) other state departments/entities		-	-	(852)	(852)
Capital contribution by Government as part of annual grants		-	-	53,506	53,506
Revaluation surplus adjustment	5.3	77,801	-	-	77,801
Balance at 30 June 2018		762,732	45,274	771,045	1,579,051
Net result for the year		-	(30,336)	-	(30,336)
Capital contribution (to) other state departments/entities		-	-	(20,743)	(20,743)
Capital contribution by Government as part of annual grants		-	-	48,775	48,775
Revaluation surplus adjustment	5.3	103,429	-	-	103,429
Balance at 30 June 2019		866,161	14,938	799,077	1,680,176

Note:

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

For the financial year ended 30 June 2019

(\$ thousand)

	Notes	2019	2018
Cash Flows From Operating Activities			
Receipts			
Receipts from government		3,377,136	3,010,333
Other income		16,445	20,971
Sales of goods and services		756	1,212
Interest received	2.3	59	51
GST received from ATO ^(a)		82,603	70,899
Payments			
Payments to suppliers and employees		(3,181,034)	(2,887,523)
Capital asset charge payments	3.2	(103,720)	(97,692)
Interest paid	7.2	(2,079)	(1,590)
Net Cash Flows From Operating Activities	7.3.1	190,166	116,661
Cash Flows From Investing Activities			
Proceeds from sale of property, motor vehicles, plant and equipment		19,412	23,708
Payments for property, plant and equipment		(186,379)	(143,791)
Net Cash Flows (Used In) Investing Activities		(166,967)	(120,084)
Cash flows from Financing Activities			
Proceeds from capital contributed by Government		28,031	52,654
Repayment of finance leases		(47,066)	(48,362)
Net Cash Flows From Financing Activities		(19,035)	4,292
Net Increase In Cash And Cash Equivalents		4,164	869
Cash and cash equivalents at the beginning of the financial year		41,788	40,919
Cash and Cash Equivalents At The End Of The Financial Year	7.3	45,952	41,788

The above cash flow statement should be read in conjunction with the accompanying notes.

Note:

(a) Goods and Services Tax is presented on a net basis.

1. ABOUT THIS REPORT

Victoria Police is the primary law enforcement agency of Victoria, Australia that provides policing services to the community. It was formed in 1853 and operates under the *Victoria Police Act 2013*. Victoria Police is an administrative agency acting on behalf of the Crown. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements. Its principal address is:

Victoria Police Centre
637 Flinders Street
Docklands VIC 3008

The annual financial statements represent the audited general purpose financial statements of Victoria Police for the year ended 30 June 2019. The purpose of the report is to provide users with information about Victoria Police's stewardship of resources entrusted to it.

BASIS OF PREPARATION

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and therefore, do not form part of the income and expenses of Victoria Police.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment – refer to Note 5.1 Property, Plant and Equipment and Note 8.3 Fair Value Determination; and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates – refer to Note 3.1.2 Employee Related Benefits Provisions in the Balance Sheet.

These financial statements are prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Refer to Note 8.3.2 Fair Value Determination: Non-Financial Physical Assets.

The primary financial statements show controlled items which generally reflect the capacity of Victoria Police to benefit from that item in the pursuit of its objectives and to deny or regulate the access of others to that benefit.

Administered items as disclosed in Note 4 are transactions and activities that are managed or administered by Victoria Police on behalf of the state or another entity. Generally Victoria Police would lack the capacity to benefit from such transactions in pursuit of the state or other entity's objectives and deny or regulate access of others to that benefit. Administered transactions give rise to income, expenses, assets and liabilities.

Amounts have been rounded to the nearest thousand dollars unless otherwise stated. The functional and presentation currency of Victoria Police is in Australian dollars.

COMPLIANCE INFORMATION

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Notes 9.9 Glossary and 9.10 Style Conventions.

The annual financial statements were authorised for issue by the Chief Commissioner of Police on 6 September 2019.

REPORTING ENTITY

The financial statements cover Victoria Police as an individual reporting entity.

The financial statements include all the controlled activities of Victoria Police, including all funds through which Victoria Police controls the resources to carry on its functions.

BASIS OF CONSOLIDATION

In accordance with AASB 10 *Consolidated Financial Statements*, the financial statements exclude bodies within Victoria Police's portfolio that are not controlled by Victoria Police, and therefore are not consolidated. Bodies such as the Australia New Zealand Policing Advisory Agency (ANZPAA) and activities that are administered are also not controlled and not consolidated. Details of this are disclosed in Note 4.1 Administered Items.

ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the Australian Tax Office (ATO). In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing, or financing activities which are recoverable from, or payable to the ATO are presented as operating cash flows.

Commitments and contingent liabilities are also stated inclusive of GST.

2. FUNDING DELIVERY OF OUR SERVICES

INTRODUCTION

Victoria Police's role is to provide effective police and law enforcement services that aim to prevent, detect, investigate and prosecute crime, and promote safer road user behaviour. It focuses on activities which enable Victorians to undertake their lawful pursuits confidently, safely and without fear of crime.

This section presents the sources and amounts of revenue raised to enable Victoria Police to deliver its services.

Structure		Pages
2.1	Summary of Income that Funds the Delivery of Our Services	98
2.2	Grants from government	98
2.3	Other Income	98
2.4	Annotated Income Agreements	99

2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

(\$ thousand)

	Notes	2019	2018
Grants from Government	2.2	3,362,390	3,051,626
Sale of goods and services		1,711	1,255
Grants		6,325	7,398
Fair value of assets received free of charge or for nominal consideration		335	210
Other income	2.3	9,862	12,777
Total Income From Transactions		3,380,623	3,073,266

Income Recognition and Measurement

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which Victoria Police does not have control are disclosed as administered income in the schedule of administered income and expenses. Refer to Note 4.1 Administered Items.

2.2 GRANTS FROM GOVERNMENT

(\$ thousand)

	2019	2018
Grants from Victorian Government	3,362,390	3,051,626
Total Grants from Government	3,362,390	3,051,626

Grants Received from Victorian Government

Income from grants received is based on the output Victoria Police provides to Government and is recognised when the output has been delivered and the relevant Minister has certified delivery of the output in accordance with specified performance criteria.

2.3 OTHER INCOME

(\$ thousand)

	2019	2018
Interest income	59	51
Donations and other trust income	9,803	12,726
Total Other Income	9,862	12,777

Interest income includes interest received on bank term deposits. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Donations and other trust income includes private sector donations which are recognised upon receipt.

2.4 ANNOTATED INCOME AGREEMENTS

Victoria Police is permitted under Section 29 of the Financial Management Act (FMA) to have certain income annotated to the annual appropriation. The income, which forms part of a Section 29 agreement, is recognised by Victoria Police and the receipts are paid into the Consolidated Fund as an administered item. At the point of income recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. The following is a listing of the annotated income agreements approved by the Treasurer.

(\$ thousand)

	2019	2018
User Charges Or Sales of Goods and Services		
Information services	4,240	4,061
Event management	6,140	5,348
Training services	55	51
Insurance ^(a)	7,593	-
Total User Charges Or Sales of Goods and Services ^(b)	18,029	9,459
Asset Sales		
Motor vehicles	303	196
Land and buildings	-	-
Plant & equipment	58	128
Total Proceeds From Asset Sales	361	324
Commonwealth specific purpose payments		
Commonwealth special purpose grants	582	-
Total Commonwealth specific purpose payments	582	-
Total Annotated Income Agreements	18,972	9,784

Notes:

(a) This balance represents partial reimbursement of costs of the Royal Commission into the Management of Police Informants.

(b) The annotated income of \$18.00 million (2018: \$9.46 million) forms part of the Grants from the Victorian Government in Note 2.2 Grants from Government.

3. THE COST OF DELIVERING SERVICES

INTRODUCTION

This section provides an account of the operating expenses incurred by Victoria Police in providing effective police and law enforcement services.

In section 2, the funds that enable the provision of such services were disclosed and in this note, the costs associated with such provisions are recorded.

Structure		Pages
3.1	Expenses Incurred in Delivery of Services	101
3.2	Capital Asset Charge	103
3.3	Operating Expenses	104

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

3.1.1 Employee Expenses in the Comprehensive Operating Statement

(\$ thousand)

	Notes	2019	2018
Defined contribution superannuation expense	3.1.3	28,034	25,000
Defined benefit superannuation expense	3.1.3	208,263	193,474
Salaries, wages and annual leave		1,993,801	1,846,873
Long service leave		84,402	63,912
Other on-costs (Fringe Benefits Tax, Payroll Tax and WorkCover Levy)		190,857	167,795
Total Employee Expenses		2,505,357	2,297,053

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Victoria Police does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

3.1.2 Employee Related Provisions in the Balance Sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

(\$ thousand)

	2019	2018
Current Provisions: ^(a)		
Annual leave		
Unconditional and expected to be settled within 12 months ^(b)	59,950	53,995
Long service leave		
Unconditional and expected to be settled within 12 months ^(b)	39,030	35,771
Unconditional and expected to be settled after 12 months ^(c)	351,274	321,941
Provisions for on-costs:		
Unconditional and expected to be settled within 12 months ^(b)	21,791	19,082
Unconditional and expected to be settled after 12 months ^(c)	82,379	71,672
Commuted overtime ^(d)		
Commuted overtime allowance	2,341	2,560
Total Current Provisions for Employee Benefits	556,765	505,020
Non-Current provisions: ^(a)		
Employee benefits – conditional long service leave ^(c)	67,401	49,136
On-costs ^(c)	15,757	10,895
Deferred salary scheme ^(e)	2,631	1,284
Total Non-Current Provisions for Employee Benefits	85,789	61,314
Total Provisions for Employee Benefits	642,554	566,334

Notes:

(a) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees not including on-costs.

(b) The amounts disclosed are nominal amounts.

(c) The amounts disclosed are discounted to present values.

(d) The provision for commuted overtime allowance relates to a decision of the Australian Fair Work Commission in December 2014 which resulted in the back pay of claims to Sworn members.

(e) Effective from 2017, the scheme is only made available to Sworn members.

3.1.2 Employee Benefits in the Balance Sheet (Cont'd)

(\$ thousand)

Opening balance 1 July 2018	101,648	2,560	
Additional provisions recognised	37,361	1,494	
Reductions arising from payments/other sacrifices of future economic benefits	(19,082)	(1,713)	
Closing balance 30 June 2019	119,927	2,341	
Current	104,170	2,341	
Non-current	15,757	-	
Closing balance 30 June 2019	119,927	2,341	

Wages & Salaries and Annual Leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are all recognised in the provision for employee benefits as 'current liabilities' because Victoria Police does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As Victoria Police expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Victoria Police does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where Victoria Police does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if Victoria Police expects to wholly settle within 12 months; and
- present value – if Victoria Police does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following the revaluation of the present value of LSL liability is recognised in the 'net result from transactions', except to the extent that any gain or loss arising from changes in bond interest rates is recognised in the net result as other economic flow – refer to Note 9.1 Other Economic Flows Included in Net Result.

The Minister for Finance approved an alternative wage inflation rate of 5.3 per cent to calculate the LSL liabilities for Sworn members from 2015–16 until the expiry of the current Enterprise Bargaining Agreement (EBA) on 30 November 2019.

The approved inflation rate for Victoria Public Servant (VPS) employees for LSL is 3.9 per cent.

Deferred Salary Scheme

Public service employees may choose to participate in a deferred salary scheme which allows them to be paid the equivalent of four years salary over a five-year period. During the first four years, the employee receives 80 per cent of their salary. A provision is raised for the balance, which is paid during the fifth year while the employee is on leave. Effective from 2017, the scheme is only made available to Sworn members.

3.1.3 Superannuation Contributions

Employees of Victoria Police are entitled to receive superannuation benefits and Victoria Police contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

As noted before, the defined benefit liability is recognised by the Department of Treasury and Finance (DTF) as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Victoria Police.

The names, details and amounts expensed in relation to the major employee superannuation funds and contributions made by Victoria Police are as follows:

(\$ thousand)

	Contributions Paid For The Year		Contributions Outstanding At Year End	
	2019	2018	2019	2018
Defined benefit plans ^(a)				
Emergency Services and State Super	203,447	189,492	4,816	3,982
Subtotal	203,447	189,492	4,816	3,982
Defined contribution plans:				
VicSuper	18,292	17,210	440	367
Other	9,090	7,272	212	151
Subtotal	27,382	24,482	652	518
Total	230,829	213,974	5,468	4,501

Note:

(a) The basis for contributions is determined by the various schemes.

3.2 CAPITAL ASSET CHARGE

(\$ thousand)

	2019	2018
Capital asset charge	103,720	97,692
Total Capital Asset Charge	103,720	97,692

A capital asset charge is a charge levied on the written-down value of controlled non-current physical assets in Victoria Police's balance sheet. It aims to attribute to Victoria Police outputs, a cost of capital used in service delivery. Imposing this charge provides incentives for Victoria Police to identify and dispose of underutilised or surplus non-current physical assets.

3.3 OPERATING EXPENSES

(\$ thousand)

	2019	2018
Supplies and Services		
Motor-vehicle expenses	43,302	39,734
Travel and Accommodation ^(a)	16,690	14,568
Contributions ^(a)	7,521	5,526
Property rental and maintenance	141,784	124,670
- Utilities ^(h)	16,640	14,234
- Property maintenance	41,270	35,930
- Rental, including rental under operating leases ^(b)	83,874	74,506
Computer expenses	92,977	87,992
- IT maintenance	54,854	53,992
- Software licenses	26,693	24,958
- Computer equipment & accessories	6,206	4,636
- Other IT services ^(c)	5,224	4,406
Legal	28,077	17,378
Operation support	235,082	197,886
- Communications ^{(d) (h)}	69,329	79,060
- Aviation expenses	23,713	21,121
- Professional services ^(e)	59,819	33,461
- Agency services ^(e)	11,712	4,979
- Mobile Data Network/Radio	43,406	35,242
- Transcription costs	2,589	2,065
- Inquiry Fees	4,413	3,867
- Others	20,102	18,091
Other operating expenses	99,865	80,874
- Equipment and office expenses	26,772	22,126
- Uniforms and personal equipment	24,319	17,749
- Incidentals ^(f)	37,199	30,720
- Forward exchange contract costs	54	-
- Prisoner supplies	2,439	2,160
- Custody centres	9,082	8,119
Subtotal for Supplies and Services	665,298	568,626
Bad debts from transactions	887	43
Ex-gratia expenses ^(g)	155	178
Total Operating Expenses	666,340	568,848

Notes:

(a) To conform with the current year's presentation, the comparative 30 June 2018 balance of \$20,093,000 for Administration expenses has been reclassified as Travel and Accommodation of \$14,567,000 and Contributions of \$5,526,000.

(b) Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

(c) To conform with the current year's presentation, the comparative 30 June 2018 balances for IT consultancies/contractors and Others of \$3,500,000 and \$906,000 respectively have been consolidated and restated as Other IT Services with a balance of \$4,406,000.

(d) This balance relates to expenses associated with the Emergency Services Telecommunication Authority (ESTA).

(e) To conform with the current year's presentation, the comparative 30 June 2018 balance of \$38,440,000 for Consultancies/contractors have been restated as Professional services and Agency services of \$33,461,000 and \$4,979,000 respectively.

(f) Auditors (Victorian Auditor-General's Office) remuneration expense of \$210,000 (2018: \$388,000) forms part of the Incidental expenses. The total audit fee for the year-ended 30 June 2019 is \$379,300 (excluding GST).

(g) These are payments made to employees or members of the public to reimburse them for economic loss incurred resulting from policing services.

(h) To conform with the current year's presentation, Telecommunication expenses of \$28,005,967 that were previously classified under Utilities as at 30 June 2018 have been reclassified as Communication expenses in the current year.

Operating expenses generally represent the day-to-day running costs incurred in normal operations.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

4. ADMINISTERED ITEMS

INTRODUCTION

Administered income includes fees, seized monies, fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses include payments made on behalf of an entity and payments into the Consolidated Fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid.

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the Victoria Police items in the financial statements.

Victoria Police does not gain control over assets arising from fees and fines, consequently no income is recognised in Victoria Police's financial statements. Victoria Police collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of Administered Items. Both controlled and administered items of Victoria Police are consolidated into the financial statements of the State.

Victoria Police administers or manages activities and resources on behalf of the State and other entities such as Australia & New Zealand Policing Advisory Agency (ANZPAA). The transactions relating to these activities are reported as administered items in this note, and they include third party funds under management for the ANZPAA. Administered transactions give rise to income, expenses, assets and liabilities.

Structure		Pages
4.1	Administered Items	106

4.1 ADMINISTERED ITEMS

Administered (Non-Controlled) Income and Expenses

For the financial year ended 30 June 2019

(\$ thousand)

	2019	2018
Administered Income From Transactions		
Regulatory fees and fines	36,245	32,412
Sale of Government property	362	324
Seized and unclaimed monies	11,331	13,761
Commonwealth grants	1,267	1,112
Other agency contributions	4,502	3,923
Other income ^(a)	8,160	757
Total Administered Income From Transactions	61,867	52,289
Administered Expenses From Transactions		
Payments into the Consolidated Fund	38,827	34,473
Payment of seized and unclaimed monies	9,967	12,608
Other agency expenses	5,081	5,973
Total Administered Expenses From Transactions	53,875	53,054
Total Administered Net Result From Transactions (Net Operating Balance)	7,992	(764)
Administered Other Economic Flows Included In Administered Net Result		
Other gains/(losses) from other economic flows	22	(35)
Administered Net Result	8,014	(799)

Administered (Non-Controlled) Assets and Liabilities

As at 30 June 2019

(\$ thousand)

	Notes	2019	2018
Administered Financial Assets			
Cash held at Treasury ^(b)	7.4	39,857	31,973
Receivables ^(a)		8,891	597
Total Administered Financial Assets		48,748	32,570
Administered Non-Financial Assets			
Non-current physical assets		2	4
Total Administered Non-Financial Assets		2	4
Total Administered Assets		48,750	32,574
Administered Liabilities			
Trade creditors and accruals		877	924
Seized and unclaimed funds		38,333	30,667
Other liabilities – trusts		1,526	1,782
Total Administered Liabilities		40,736	33,373
Total Administered Net Assets ^(c)		8,014	(799)

Note:

(a) Included in this balance is \$7.60 million of partial reimbursements relating to the costs of the Royal Commission into the Management of Police Informants.

(b) This balance is made up of the Administered Trusts and Australia & New Zealand Policing Advisory Agency (ANZPAA) balances of \$38,133 and \$1,723 (2018: \$30,506 and \$1,467) respectively.

(c) The net administered assets position is the result of timing difference between financial years in regards to the receipts and payments associated with the Consolidated Fund.

5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

INTRODUCTION

Victoria Police controls property, plant and equipment and intangible assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to Victoria Police to be utilised for delivery of those outputs.

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 Fair Value Determination in connection with how those fair values were determined.

Structure		Pages
5.1	Property, Plant and Equipment	109–113
5.2	Intangible Assets	114
5.3	Physical Asset Revaluation Surplus	115

5.1 PROPERTY, PLANT AND EQUIPMENT

(\$ thousand)

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2019	2018	2019	2018	2019	2018
Crown land at fair value	506,056	459,253	-	-	506,056	459,253
Buildings at fair value (excluding heritage buildings)	1,143,873	1,040,040	178,823	129,169	965,049	910,871
Leasehold improvements at fair value					0	0
Heritage buildings at fair value ^(a)	82,096	75,023	8,469	5,641	73,627	69,382
Plant & equipment at fair value	245,880	186,420	142,098	124,148	103,783	62,272
Motor vehicles under finance lease at fair value	132,943	119,931	50,917	43,829	82,026	76,102
Assets under construction at cost	143,033	110,124	-	-	143,033	110,124
Cultural artworks at fair value	4,879	4,879	-	-	4,879	4,879
Net carrying amount	2,258,760	1,995,670	380,307	302,787	1,878,453	1,692,883

Note:

(a) These heritage assets cannot be modified or disposed off without formal Ministerial approval.

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement: Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Non-specialised land, non-specialised buildings and cultural artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is also used for specialised land, although it is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For the majority of Victoria Police's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation.

Heritage buildings are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Vehicles are valued using the current replacement cost method. Victoria Police acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in Victoria Police who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use is determined using the current replacement cost method.

Refer to Note 8.3 Fair Value Determination for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

5.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

5.1.1 Depreciation and Amortisation

		(\$ thousand)	
	Notes	2019	2018
Buildings (including heritage buildings)		53,085	51,230
Plant and equipment ^(a)		31,236	13,944
Leased motor vehicles		35,301	34,468
Intangible assets (amortisation)	5.2	2,082	935
Total Depreciation and Amortisation		121,704	100,577

Note:
 (a) Included in the Plant and Equipment category is a catch-up depreciation of \$5.9 million relating to the late capitalisation of computer equipment that was put in service in prior years under the LifeCycle Project.

All buildings (including leasehold improvements), plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held-for-sale and land) that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over the estimated useful life.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Assets	Useful life
Buildings	1–50 years
Plant and equipment	1–40 years
Leased plant and equipment	1–3 years
Leased motor vehicles	1–3 years
Heritage assets	1–50 years
Cultural artworks	1–100 years
Software – Internally Generated Intangible Asset	1–12 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

In the event of a loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

Indefinite life assets: Land and cultural assets which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Internally Generated Intangible Assets: Refer to Note 5.2 Intangible Assets.

Amortisation of Internally Generated Intangible Assets

Internally generated intangible assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The estimated useful lives, residual values and amortisation method are reviewed at the end of each annual reporting period and adjustments are made where appropriate.

5.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

5.1.2 Carrying values by 'purpose' groups ^(a)

(\$ thousand)

Nature Based Classification	Public Safety and Environment					
	Specialised		Non-Specialised		Total	
	2019	2018	2019	2018	2019	2018
Crown land at fair value	484,259	436,988	21,798	22,265	506,056	459,253
Buildings at fair value (excluding heritage buildings)	934,239	881,801	30,810	29,070	965,049	910,871
Heritage buildings ^(b)	73,627	69,382	-	-	73,627	69,382
Plant & equipment at fair value	103,783	62,272	-	-	103,783	62,272
Motor vehicles under finance lease at fair value	82,026	76,102	-	-	82,026	76,102
Assets under construction at cost	143,033	110,124	-	-	143,033	110,124
Cultural artworks at fair value	4,879	4,879	-	-	4,879	4,879
Net carrying amount	1,825,846	1,641,549	52,608	51,335	1,878,453	1,692,883

Note:

(a) All assets in this purpose group are further sub-categorised according to the asset's nature (i.e. buildings, plant etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

(b) These heritage assets cannot be modified nor disposed off without formal Ministerial approval.

5.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

5.1.3 Reconciliation of Movements in Carrying Amounts of Property, Plant and Equipment

	Crown land at fair value		Buildings at fair value		Plant and Equipment at fair value	
	2019	2018	2019	2018	2019	2018
Opening balance	459,253	379,040	980,253	990,831	62,272	55,384
Fair value of assets received free of charge or for nominal considerations	-	-	-	-	335	210
Fair value of assets recognised for first time	-	-	3	-	2,777	155
Additions	-	-	101	274	9,028	14,078
Disposals	-	-	(1,418)	(1,194)	(888)	(209)
Transfer in/(out) of assets under construction	26,856	-	29,615	39,561	61,489	6,597
Revaluation of PPE	20,057	78,999	83,372	-	-	-
Transfer (to)/from Advances	-	-	-	-	-	-
Depreciation ^(a) ^(b)	-	-	(53,085)	(51,230)	(31,235)	(13,944)
Transfers (to)/from assets classified as held for sale	(110)	1,215	(165)	2,012	-	-
(Over)/under capitalisation	-	-	-	-	5	-
Closing balance	506,056	459,253	1,038,676	980,253	103,783	62,272

- Note:**
- (a) This note only discloses the total depreciation amount of \$119.62 million (2018: \$99.64 million), excluding amortisation amount of \$2.08 million (2018: \$0.94 million) for intangible assets. Refer to Note 5.1.1 Depreciation for the aggregate amount of \$121.70 million (2018: \$100.58 million) for depreciation and amortisation.
- (b) Under the Plant and Equipment category, there is a catch-up depreciation of \$5.9 million relating to the late capitalisation of computer equipment that was put in service in the prior years under the LifeCycle Project.

(\$ thousand)

	Motor vehicles under finance lease at fair value		Assets under construction at cost		Cultural artworks at fair value		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	76,102	67,999	110,124	75,568	4,879	4,810	1,692,883	1,573,632
	-	-	-	-	-	-	335	210
	-	-	51	-	-	-	2,831	155
	52,651	56,610	144,162	84,281	-	-	205,942	155,244
	(11,620)	(13,745)	-	-	-	-	(13,926)	(15,148)
	-	-	(113,464)	(46,227)	-	69	4,496	-
	-	-	-	(1,198)	-	-	103,429	77,801
	-	-	4,869	-	-	-	4,869	-
	(35,301)	(34,468)	-	-	-	-	(119,621)	(99,642)
	194	(295)	-	-	-	-	(81)	2,932
	-	-	(2,709)	(2,300)	-	-	(2,704)	(2,300)
	82,026	76,102	143,033	110,124	4,879	4,879	1,878,453	1,692,883

5.2 INTANGIBLE ASSETS

(\$ thousand)

	Capitalised Computer Software		Work-In-Progress Computer Software		Total	
	2019	2018	2019	2018	2019	2018
Gross Carrying Amount						
Opening balance	12,303	15,896	66,537	33,617	78,840	49,513
Additions from internal development	-	-	33,088	36,058	33,088	36,058
Transfers in/(out) of assets under construction	6,886	-	(11,380)	-	(4,494)	-
Disposals	-	(3,593)	-	-	-	(3,593)
Fair value of assets recognised for first time	68	-	188	-	256	-
Other (over/under capitalisation)	-	-	(205)	(3,139)	(205)	(3,139)
Closing balance	19,257	12,303	88,228	66,537	107,485	78,840
Accumulated depreciation, amortisation and impairment						
Opening balance	(9,978)	(12,635)	-	-	(9,978)	(12,635)
Disposals	-	3,593	-	-	-	3,593
Amortisation ^(a)	(2,082)	(935)	-	-	(2,082)	(935)
Closing balance	(12,060)	(9,978)	-	-	(12,060)	(9,978)
Net book value at end of financial year	7,197	2,325	88,228	66,537	95,425	68,862

Note:

(a) Amortisation expense is included in the line item 'depreciation and amortisation' in the Comprehensive Operating Statement and is disclosed in Note 5.1.1.

Initial Recognition

Purchased intangible assets are initially measured at cost. When the recognition criteria in AASB 138 *Intangible Asset* is met, internally generated assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Victoria Police.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent Measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 12 years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is 3 to 5 years.

Impairment of Intangible Assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

The policy in connection with testing for impairments is outlined in Note 5.1 Property, Plant and Equipment.

5.3 PHYSICAL ASSET REVALUATION SURPLUS

(\$ thousand)

2019	Land	Buildings	Cultural and Heritage Assets	Total
Revaluation Surplus				
Balance at beginning of financial year	384,866	373,335	4,531	762,732
Revaluation increments	20,057	83,372	-	103,429
Balance at End of Financial Year	404,923	456,707	4,531	866,161

2018	Land	Buildings	Cultural and Heritage Assets	Total
Revaluation Surplus				
Balance at beginning of financial year	305,867	374,533	4,531	684,931
Revaluation increments/(decrements)	78,999	(1,198)	-	77,801
Balance at End of Financial Year	384,866	373,335	4,531	762,732

Revaluations and Subsequent Measurements of Non-Financial Physical Assets

Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value. In determining the the fair value of an asset other than land, it is generally based on the assets' current replacement value.

Consistent with AASB 13 *Fair Value Measurement*, Victoria Police determines the policies and procedures for both recurring and fair value measurements such as property, plant and equipment and for non-recurring fair value measurements such as non-financial physical assets held for sale in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions (FRDs).

All assets for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note 8.3 Fair Value Determination.

Subsequent Measurements

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with the FRDs issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the government purpose classification of assets, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – changes in physical asset revaluation surplus' and accumulated in equity under the physical asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result. Conversely, net revaluation decreases are recognised immediately as other economic flows in the net results unless a credit balance exists in the physical asset revaluation surplus, to which the net revaluation decrease is recognised in 'Other economic flow – changes in physical asset revaluation surplus' to the extent of the credit balance.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

The last independent revaluation that was undertaken by the Valuer-General Victoria (VGV) was in 2015–16. On a semi-annual basis, Victoria Police monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

A managerial revaluation of land and buildings was undertaken in 2018–19 using indices provided by the VGV. The last managerial revaluation undertaken was in 2017–18 with a net revaluation increment of \$77.8 million.

6. OTHER ASSETS AND LIABILITIES

INTRODUCTION

This section sets out those assets and liabilities that arose from Victoria Police's controlled operations.

Structure		Pages
6.1	Receivables	117
6.2	Payables	117
6.3	Other Non-Financial Assets	118
6.4	Other Provisions	118

6.1 RECEIVABLES

(\$ thousand)

	2019	2018
Contractual		
Sale of goods and services	2,035	1,817
Other receivables	12,543	7,555
Provision for doubtful contractual receivables	(2,412)	(51)
Statutory		
Amounts due from the Victorian Government ^(a)	460,387	475,135
GST input tax credit recoverable	2,282	2,943
Total Receivables	474,835	487,400
Represented by:		
Current receivable	388,593	325,515
Non-current receivable	86,242	161,885
Total Receivables	474,835	487,400

Note:

(a) Amounts owing from the Victorian Government relate to all funding commitments incurred, which are drawn through grants from the Consolidated Funds as they fall due.

Contractual receivables are classified as financial instruments and categorised as financial assets at amortised costs. They are initially recognised at fair value plus any directly attributable transaction costs. Victoria Police holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Victoria Police applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about Victoria Police's impairment policies, Victoria Police's exposure to credit risk, and the calculation of the loss allowance are set out in Note 8.1.3 Financial Risk Management Objectives and Policies.

6.2 PAYABLES

(\$ thousand)

	2019	2018
Contractual		
Supplies and services	68,289	60,621
Amounts payable to government and agencies	2,554	2,097
Other payables	51,956	42,870
Statutory		
Payroll tax payable	7,058	6,616
Other payables	296	218
Total payables	130,153	112,422
Represented by:		
Current payables	130,153	112,422
Non-current payables	-	-
Total payables	130,153	112,422

Payables consist of:

- **contractual payables** classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Victoria Police prior to the end of the financial year that are unpaid. Victoria Police's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. The carrying amount of the contractual financial liabilities recorded above represents Victoria Police's maximum exposure to liquidity risk; and
- **statutory payables** are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions in relation to the amounts payable to the government and agencies vary according to the particular agreements. As they are not legislative payables, they are not classified as financial instruments.

Please refer to Note 8.1.3 Financial Risk Management Objectives and Policies for Maturity Analysis of Contractual Financial Liabilities and Borrowings.

6.3 OTHER NON-FINANCIAL ASSETS

(\$ thousand)

	2019	2018
Current Other Assets		
Advances paid to the Department of Treasury and Finance	12,837	17,706
Prepayments	23,950	20,909
Total Current Other Assets	36,787	38,615
Non-Current Other Assets		
Prepayments	3,918	5,070
Total Non-Current Other Assets	3,918	5,070
Total Other Assets	40,705	43,685

Advances paid to the Department of Treasury and Finance are payments to the Department of Treasury and Finance (DTF) primarily for services to be provided for the acquisition of land and buildings on behalf of Victoria Police.

Prepayments represent payments made in advance of receipt of goods or services.

6.4 OTHER PROVISIONS

(\$ thousand)

	2019	2018
Current Provisions		
Other provisions	647	2,108
Make-good provision	3,406	-
Total Current Provisions	4,053	2,108
Non-Current Provisions		
Make-good provision	4,254	6,041
Total Non-Current Provisions	4,254	6,041
Total Other Provisions	8,307	8,149

Other provisions are recognised when Victoria Police has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

Reconciliation of Movements in Other Provisions

(\$ thousand)

	Make-Good	Other	Total
Current			
Opening balance	-	2,108	2,108
Additional provisions recognised	-	935	935
Reductions arising from payments/other sacrifices of future economic benefits	-	(2,396)	(2,396)
Reclassification from non-current to current ^(a)	3,406	-	3,406
Total Current Provisions	3,406	647	4,053
Non-Current			
Opening balance	6,041	-	6,041
Additional provisions recognised	1,619	-	1,619
Reductions arising from payments/other sacrifices of future economic benefits	-	-	-
Reclassification from non-current to current ^(a)	(3,406)	-	(3,406)
Total Non-Current Provisions	4,254	-	4,254
Closing balance	7,660	647	8,307

Note:

(a) The reclassification of make-good provision from non-current to current relates to the office premises at the World Trade Centre that will be relocated to 313 Spencer Street on 11 February 2020 as advised by the Independent Certifier.

When some or all of the economic benefits that are required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Make Good Provision: Properties occupied by Victoria Police are subject to make-good costs (where applicable) when vacated at the termination of the lease. The make-good provision is calculated at the commencement of the lease. Annually, the make-good expense and provision are recognised on a straight-line basis in the comprehensive operating statement and balance sheet respectively during the duration of the lease term. Any difference between the provision and the amount paid in the final settlement is recognised as a make-good expense or gain.

7. FINANCING OUR OPERATIONS

INTRODUCTION

This section provides information on the sources of finance utilised by Victoria Police during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Victoria Police.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 8.1 Financial Instruments Specific Disclosures provides additional, specific financial instrument disclosures.

Structure		Pages
7.1	Borrowings	121
7.2	Leases	121–122
7.3	Cash Flow Information and Balances	122–123
7.4	Trust Account Balances	124–125
7.5	Commitments for Expenditure	126

7.1 BORROWINGS

(\$ thousand)

	2019	2018
Current Borrowings		
Finance lease liabilities ^(a)	47,599	47,025
Total Current Borrowings	47,599	47,025
Non-current borrowings		
Finance lease liabilities ^(a)	35,468	30,457
Total Non-Current Borrowings	35,468	30,457
Total Borrowings	83,067	77,482

Note:

(a) Secured by the assets leased. Finance leases are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

Borrowings refer to interest bearing liabilities arising from finance lease arrangements.

Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Victoria Police has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest bearing liabilities. Victoria Police determines the classification of its interest bearing liabilities at initial recognition.

Please refer to Note 8.1.3 Financial Risk Management Objectives and Policies for Maturity Analysis of Contractual Financial Liabilities.

7.2 LEASES

Finance Lease Liabilities (Victoria Police as Lessee)

(\$ thousand)

	Minimum Future Lease Payments ^(a)		Present Value of Minimum Future Lease Payments	
	2019	2018	2019	2018
Finance Lease Liabilities ^(b)				
Not longer than one year	49,310	48,527	47,599	47,025
Longer than one year but not longer than five years	36,400	31,139	35,468	30,457
Minimum Future Lease Payments	85,710	79,666	83,067	77,482
Less: Future finance charges	(2,643)	(2,184)	-	-
Present Value of Minimum Lease Payments	83,067	77,482	83,067	77,482

Note:

(a) Minimum future lease payments includes the aggregate of all base payments and any guaranteed residual.

(b) Finance leases relate to motor vehicles mainly with lease terms of 36 months or 60,000 kms, whichever comes first. The weighted average interest rate for finance leases are 3.15% (2018: 3.26%). The lease terms and conditions are in accordance with the whole of government lease management facility.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Interest Expense

(\$ thousand)

	2019	2018
Interest on finance leases	2,079	1,590
Total Interest Expense	2,079	1,590

Interest expense relates to the interest component of finance leases repayments. Interest expense is recognised in the period in which it is incurred.

7.2 LEASES (CONT'D)

Finance Lease Liabilities (Victoria Police as Lessee)

(\$ thousand)

2019	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	1 – 5 Years
Finance lease liabilities	83,067	85,710	12,548	6,723	30,039	36,400
Total	83,067	85,710	12,548	6,723	30,039	36,400

2018	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	1 – 5 Years
Finance lease liabilities	77,482	79,666	13,686	6,924	27,901	31,155
Total	77,482	79,666	13,686	6,924	27,901	31,155

7.3 CASH FLOW INFORMATION AND BALANCES

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(\$ thousand)

	2019	2018
Cash and term deposits ^(a)	797	911
Funds held in trust ^(b)	45,155	40,878
Balance as per Cash Flow Statement	45,952	41,788

Notes:

(a) The term deposits held during the year were bearing a weighted average interest rate of 1.81% (2018: 1.69%).

(b) These are monies provided by outside organisations for special purpose projects related to the normal operating activities of Victoria Police. The funds can only be used for those purposes and each trust fund has a nominated trustee. The funds are held in a departmental suspense account at the Department of Treasury and Finance on behalf of Victoria Police.

Due to the state's investment policy and funding arrangements, Victoria Police does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the state's bank account ('public account'). Similarly, any expenditure, including in the form of cheques drawn for Victoria Police to its suppliers and creditors are made via the public account. The public account remits to Victoria Police the cash required upon presentation of cheques by Victoria Police's suppliers or creditors.

These funding arrangements often result in Victoria Police having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the reporting date. As at 30 June 2019, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$457,670 (2018: \$539,068).

7.3.1 Reconciliation of Net Result for the Year to Cash Flow from Operating Activities

(\$ thousand)

	Notes	2019	2018
Net result for the year		(30,336)	15,803
Non-Cash Movements			
(Gain)/loss on sale or disposal of non-current assets	9.1	(6,611)	(7,706)
Depreciation and amortisation of non-current assets	5.1.1	121,704	100,577
Plant and equipment received free of charge or for nominal consideration	2.1	(335)	(210)
Assets recognised for first time	9.1	(3,087)	(155)
Other non-cash movements		24,367	5,000
Movements in Assets and Liabilities			
(Increase)/decrease in receivables		11,330	(37,318)
(Increase)/decrease in prepayments		(1,890)	(12,302)
(Increase)/decrease in inventories		14	(646)
Increase/(decrease) in payables		17,730	17,220
Increase/(decrease) in provisions		57,280	36,397
Net Cash Flows From Operating Activities		190,166	116,661

7.4 TRUST ACCOUNT BALANCES

Victoria Police has responsibility for the transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by Victoria Police.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

Trust Account Balances Relating to Trust Accounts Controlled and/or Administered by Victoria Police

Cash and cash equivalents and investments	2019			
	Opening Balance	Total Receipts	Total Payments	Closing Balance
Controlled Trusts				
4165 Departmental Suspense Account <i>To record donations and grants to Victoria Police as required by the Financial Management Act 1994.</i>	37,392	19,063	(15,494)	40,961
4288 FBT Trust Account <i>To record the receipt of fringe benefits tax deducted from executive salaries and repayments of FBT from drivers of novated lease vehicles when FBT obligations have not been met through scheduled payroll deductions. The funds are disbursed to the Australian Taxation Office.</i>	418	186	(94)	510
4700 Traffic Accident Info System Trust Account <i>To record transactions relating to the operations of the traffic accident information system, which was established to coordinate the distribution of accident data to agencies responsible for road traffic programs and the administration of road accident legislation.</i>	2,986	1,181	(568)	3,599
4740 Inter Departmental Transfer Trust <i>To record inter-departmental transfers when no other trust arrangement exists.</i>	81	309	(305)	85
Total Controlled Trusts ^(b)	40,878	20,739	(16,461)	45,155
Administered Trusts				
4165 Departmental Suspense Account <i>Under the Financial Management Act 1994 to record the receipt and disbursement of seized and unclaimed money.</i>	29,558	20,747	(13,294)	37,011
4742 Treasury Trust Fund <i>Under the Financial Management Act 1994 to record the receipt and disbursement of unclaimed and unidentified money (unpresented cheques, surplus cash).</i>	1,127	10,891	(10,704)	1,314
4765 Public Service Commuter Club ^(a) <i>Under the Financial Management Act 1994 to record the receipt of amounts associated with the scheme and deductions from Club members salaries as well as recording payment to the Public Transport Corporation.</i>	(179)	732	(745)	(191)
Total Administered Trusts ^(c)	30,506	32,371	(24,742)	38,134

Third Party Funds Under Management (Accounted for Under Administered Items)

Cash and cash equivalents and investments	2019			
	Opening Balance	Total Receipts	Total Payments	Closing Balance
4057 Australia and New Zealand Policing Advisory Agency <i>Under the Financial Management Act 1994 for contributions from various police organisations throughout Australia and New Zealand.</i>	1,467	5,788	(5,532)	1,723
Total Third Party Funds Under Management ^(a)	1,467	5,788	(5,532)	1,723

(\$ thousand)

2018				
	Opening Balance	Total Receipts	Total Payments	Closing Balance
	37,132	21,614	(21,354)	37,392
	288	176	(46)	418
	3,045	742	(800)	2,986
	-	534	(452)	81
	40,465	23,065	(22,653)	40,878
	31,038	14,583	(16,063)	29,558
	1,074	13,333	(13,280)	1,127
	(185)	725	(718)	(179)
	31,926	28,640	(30,062)	30,506

(\$ thousand)

2018				
	Opening Balance	Total Receipts	Total Payments	Closing Balance
	2,120	5,541	(6,194)	1,467
	2,120	5,541	(6,194)	1,467

Note:

- (a) Victoria Police's portion of the Public Service Commuter Club Trust is temporarily in deficit due to the timing difference between the purchase of travel tickets and reimbursement from employees. The trust's working capital is funded by the Department of Treasury and Finance. The overall Public Service Commuter Club Trust is in surplus.
- (b) The closing balance forms part of Victoria Police's cash balances as at 30 June 2019.
- (c) The closing balance does not form part of Victoria Police's cash balances as at 30 June 2019.

7.5 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of the Goods and Services Tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

7.5.1 Total commitments payable ^(a)

(\$ thousand)

2019	Less than 1 year	1 – 5 years	5+ years	Total
Capital Expenditure Commitments Payables				
Plant, equipment and motor vehicles	8,022	14,673	-	22,695
Buildings	2,835	169	-	3,004
Operating lease commitments payables ^{(b) (c)}	81,314	355,093	2,300,650	2,737,057
Other commitments payables	220,238	363,930	242,211	826,379
Total commitments (inclusive of GST)	312,409	733,865	2,542,861	3,589,134
Less GST recoverable				(326,285)
Total commitments (exclusive of GST)				3,262,850
2018	Less than 1 year	1 – 5 years	5+ years	Total
Capital Expenditure Commitments Payables				
Plant, equipment and motor vehicles	4,096	-	-	4,096
Buildings	30,139	1,145	-	31,284
Operating lease commitments payables ^{(b) (c)}	61,061	329,611	2,280,358	2,671,030
Other commitments payables	174,265	85,004	5,732	265,001
Total commitments (inclusive of GST)	269,561	415,760	2,286,090	2,971,412
Less GST recoverable				(270,128)
Total commitments (exclusive of GST)				2,701,283

Notes:

(a) Future finance lease payments are recognised on the balance sheet.

(b) These are non-cancellable operating leases. Some property leases are subject to annual indexation movements.

(c) Included in this balance is the lease for 311 Spencer Street where the lease is expected to commence in February 2020 for a term of 30 years and expiring in January 2050. This leasehold will form part of the Victoria Police Centre Precinct where 313 Spencer Street is co-located. The lease commitment for the latter is included above for the remainder of its initial 20-year lease term, which commenced in March 2015 and is expiring in March 2035. When Victoria Police occupies 311 Spencer Street, 15 years will still remain for the 313 Spencer Street leasehold. To align the lease term with 311 Spencer Street, lease renewal options of 3 x 5 years for 313 Spencer Street will need to be exercised. As such there is a high likelihood that the lease renewal options for 313 Spencer Street would be exercised post 30 June 2019.

8. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

INTRODUCTION

Victoria Police is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Victoria Police relates mainly to fair value determination.

Structure		Pages
8.1	Financial Instruments Specific Disclosures	128–135
8.2	Contingent Liabilities and Contingent Assets	135
8.3	Fair Value Determination	136–141

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Victoria Police's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Guarantees issued by the Treasurer of Victoria on behalf of Victoria Police are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

From 1 July 2018, the Victoria Police applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Victoria Police to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Victoria Police recognises the following assets in this category:

- cash and deposits (which includes term deposits) – refer to Note 7.3 Cash Flow Information and Balances; and
- receivables (excluding statutory receivables) – refer to Note 6.1 Receivables.

Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Victoria Police to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and Victoria Police has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings. Victoria Police does not have any unlisted equity instruments in this category.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, Victoria Police may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Victoria Police does not have any listed equity instruments in this category.

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). Victoria Police recognises the following assets in this category:

- cash and deposits (which includes term deposits) – refer to Note 7.3 Cash Flow Information and Balances; and
- receivables (excluding statutory receivables) – refer to Note 6.1 Receivables; and

Categories of financial liabilities under AASB 9 and previously under AASB 139

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the comprehensive operating statement over the period of the interest-bearing liability, using the effective interest rate method. Victoria Police recognises the following liabilities in this category:

- payables (excluding statutory payables) – refer to Note 6.2 Payables; and
- borrowings (including finance lease liabilities) – refer to Note 7.1 Borrowings.

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Victoria Police retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Victoria Police has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where Victoria Police has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Victoria Police's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments: Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net results, fair value through other comprehensive income and amortised cost when and only when the Victoria Police's business model for managing financial assets has changed such that its previous model would no longer apply.

Victoria Police is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and it is required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

8.1.1 Financial Instruments: Categorisation

(\$ thousand)

2019	Cash and deposits	Contractual financial assets	Contractual financial liabilities at amortised cost	Total
Contractual financial assets				
Cash and deposits	45,952	-	-	45,952
Receivables ^(a)				
Sale of goods and services	-	1,981	-	1,981
Other receivables	-	10,185	-	10,185
Total contractual financial assets	45,952	12,166	-	58,118
Contractual financial liabilities				
Payables ^(a)				
Supplies and services	-	-	68,289	68,289
Amounts payable to government and agencies	-	-	2,554	2,554
Other payables	-	-	51,956	51,956
Borrowings				
Finance lease liabilities	-	-	83,067	83,067
Total contractual financial liabilities	-	-	205,866	205,866

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.1 Financial Instruments: Categorisation (Cont'd)

(\$ thousand)

2018	Cash and deposits	Contractual financial assets	Contractual financial liabilities at amortised cost	Total
Contractual financial assets				
Cash and deposits	41,788	-	-	41,788
Receivables^(a)				
Sale of goods and services	-	1,766	-	1,766
Other receivables	-	7,555	-	7,555
Total contractual financial assets	41,788	9,321	-	51,110
Contractual financial liabilities				
Payables^(a)				
Supplies and services	-	-	60,621	60,621
Amounts payable to government and agencies	-	-	2,097	2,097
Other payables	-	-	42,870	42,870
Borrowings				
Finance lease liabilities	-	-	77,482	77,482
Total contractual financial liabilities	-	-	183,070	183,070

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

8.1.2 Financial Instruments: Net Holding Gain/(Loss) in Financial Instruments Category

(\$ thousand)

2019	Net holding gain/(loss)	Fee income (expense)	Total
Contractual financial assets			
Financial assets at amortised costs	-	-	-
Total contractual financial assets	-	-	-
Contractual financial liabilities			
Financial liabilities at amortised costs ^(a)	66	(54)	12
Financial liabilities designated at fair value through the operating statement	-	-	-
Total contractual financial liabilities	66	(54)	12

2018	Net holding gain/(loss)	Fee income (expense)	Total
Contractual financial assets			
Financial assets at amortised costs	-	-	-
Total contractual financial assets	-	-	-
Contractual financial liabilities			
Financial liabilities at amortised costs ^(a)	-	-	-
Financial liabilities designated at fair value through the operating statement	-	-	-
Total contractual financial liabilities	-	-	-

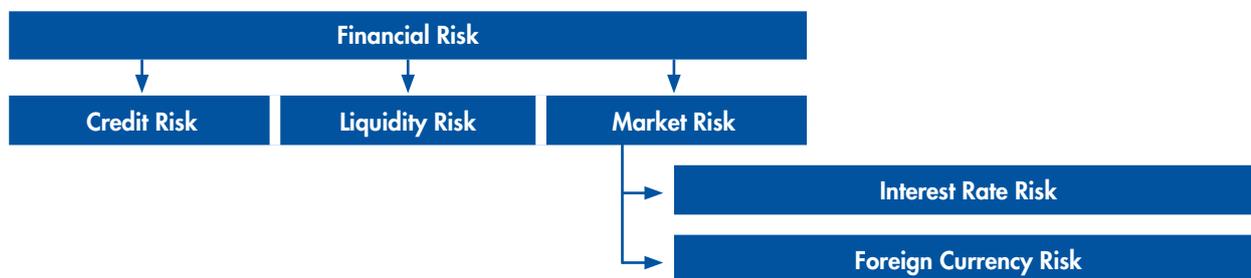
Note:

(a) For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.3 Financial Risk Management Objectives and Policies

As a whole, Victoria Police's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. Victoria Police is exposed to a number of financial risks, including:



Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.3 Fair Value Determination to the financial statements.

The main purpose in holding financial instruments is to prudentially manage Victoria Police's financial risks within the government policy parameters.

Victoria Police's main financial risks include credit risk, liquidity risk, and interest rate risk. Victoria Police manages these financial risks in accordance with its financial risk management policy.

Victoria Police uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Chief Finance Officer.

Financial Instruments: Credit Risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Victoria Police's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Victoria Police. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Victoria Police's contractual financial assets is minimal as the main debtor is the Victorian Government. For debtors other than the Government, it is Victoria Police's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements where appropriate.

In addition, Victoria Police does engage in hedging some of its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Victoria Police's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Victoria Police will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debts written off by mutual consent are classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Victoria Police's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Victoria Police's credit risk profile in 2018–19.

Credit Quality of Financial Assets

(\$ thousand)

2019	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
Cash and deposits (not assessed for impairment due to materiality)	395	45,557	-	45,952
Statutory receivables (with no impairment loss recognised)	-	462,669	-	462,669
Contractual receivables applying the simplified approach to impairment	2	11,955	208	12,165
Total contractual financial assets	397	520,181	208	520,786

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.3 Financial Risk Management Objectives and Policies (Cont'd)

Credit Quality of Contractual Financial Assets that are Neither Past Due Nor Impaired ^(a)

(\$ thousand)

2018	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
Cash and deposits	537	41,251	-	41,788
Contractual receivables	3	8,681	638	9,322
Total contractual financial assets	540	49,932	638	51,110

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Community Services and GST input tax credit).

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, Victoria Police has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include Victoria Police's contractual and statutory receivables.

Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

Victoria Police applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Victoria Police has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Victoria Police's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

Applying AASB 9's simplified approach to measure the expected credit losses, Victoria Police has determined that allowance was immaterial on initial application of AASB 9. As such no opening loss adjustment is required upon transition to AASB 9 on 1 July 2018.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are written off by mutual consent.

Statutory receivables at amortised cost

Victoria Police's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance was recognised at 30 June 2018 under AASB 139. No additional loss allowance is required upon transition into AASB 9 on 1 July 2018.

Financial Instruments: Liquidity Risk

Liquidity risk arises from Victoria Police being unable to meet its financial obligations as they fall due. Victoria Police operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Victoria Police is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. Victoria Police manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

Victoria Police's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents Victoria Police's maximum exposure to liquidity risk.

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.3 Financial Risk Management Objectives and Policies (Cont'd)

Maturity Analysis of Contractual Financial Liabilities ^(a)

(\$ thousand)

2019	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	1 – 5 Years
Payables ^(b)						
Supplies and services	68,289	68,289	67,892	397	-	-
Amounts payable to government and agencies	2,554	2,554	1,431	55	1,068	-
Other payables	51,956	51,956	51,956	-	-	-
Borrowings						
Finance lease liabilities	83,067	85,710	12,548	6,723	30,039	36,400
Total contractual financial liabilities	205,866	208,509	133,827	7,175	31,107	36,400

2018	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	1 – 5 Years
Payables ^(b)						
Supplies and services	60,621	60,621	59,507	1,072	43	-
Amounts payable to government and agencies	2,097	2,097	2,097	-	-	-
Other payables	42,870	42,870	42,870	-	-	-
Borrowings						
Finance lease liabilities	77,482	79,666	13,686	6,924	27,901	31,155
Total contractual financial liabilities	183,070	185,254	118,159	7,996	27,943	31,155

Notes:

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

(b) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Community Services and GST input tax credit recoverable and taxes payable).

Financial Instruments: Market Risk

Victoria Police's exposures to market risk is primarily through interest rate risk. Victoria Police's exposure to other financial price risks is insignificant. These liabilities relate to the whole of government VicFleet motor vehicle leasing arrangement. As the interest rates applied to the vehicle leases are not variable or floating in nature, the vehicle leases are not subject to a sensitivity analysis. The adjustment to the interest rate that is made upon the settlement of the VicFleet leases is regarded as a recovery by the lessor of their borrowing costs. Hence the underlying interest rates in these leases are based on fixed interest rate exposure.

Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Victoria Police does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Victoria Police has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits that are at floating rate.

Victoria Police manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank as financial assets, can be left at floating rate without necessarily exposing Victoria Police to significant bad risk. Management monitors movement in interest rates on a daily basis.

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.3 Financial Risk Management Objectives and Policies (Cont'd)

Interest Rate Risk (Cont'd)

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the tables below.

Interest Rate Exposure of Financial Instruments

(\$ thousand)

2019	Interest rate exposure				
	Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets					
Cash and deposits (including cash equivalents)	1.81	45,952		3,610	42,342
Receivables ^(a)					
Sale of goods and services (net of doubtful receivables)		1,986	-	-	1,986
Other receivables (net of doubtful receivables)		10,180	-	-	10,180
Total financial assets		58,118	-	3,610	54,508
Financial liabilities					
Payables ^(a)					
Supplies and services		68,289	-	-	68,289
Amounts payable to government and agencies		2,554	-	-	2,554
Other payables		51,956	-	-	51,956
Borrowings					
Finance lease liabilities	3.15	83,067	83,067	-	-
Total financial liabilities		205,866	83,067	-	122,799

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Community Safety and GST input tax credit recoverable and taxes payable).

2018	Interest rate exposure				
	Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets					
Cash and deposits (including cash equivalents)	1.69	41,788		3,275	38,513
Receivables ^(a)					
Sale of goods and services (net of doubtful receivables)		1,766	-	-	1,766
Other receivables (net of doubtful receivables)		7,555	-	-	7,555
Total financial assets		51,110	-	3,275	47,835
Financial liabilities					
Payables ^(a)					
Supplies and services		60,621	-	-	60,621
Amounts payable to government and agencies		2,097	-	-	2,097
Other payables		42,870	-	-	42,870
Borrowings					
Finance lease liabilities	3.26	77,482	77,482	-	-
Total financial liabilities		183,070	77,482	-	105,588

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Community Safety and GST input tax credit recoverable and taxes payable).

Interest Rate Sensitivity Analysis

As Victoria Police's exposure to interest rate risk sensitivity is deemed insignificant based on the current year's interest income of \$58,712 (2018: \$50,955), no interest rate risk sensitivity analysis was performed for 2018-19.

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.3 Financial Risk Management Objectives and Policies (Cont'd)

Foreign Currency Risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Victoria Police is exposed to foreign currency risk mainly through payables relating to purchases of supplies and consumables from overseas. Victoria Police has a limited amount of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement, therefore risk is minimal and immaterial.

8.2 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and contingent assets are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

No contingent assets have been recognised for the year ended 30 June 2019 (2018: Nil).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities.

Non-quantifiable contingent liabilities include potential obligations arising from indemnities provided in relation to transactions (including financial arrangements and consultancy services) as well as for directors and administrators, performance guarantees, warranties and letters of comfort, deeds in respect of certain obligations and unclaimed monies, which may be subject to future claims by the general public against the state. As at 30 June 2019, there are no such non-quantifiable contingent liabilities that require disclosure in the current financial year (2018: Nil).

The Royal Commission Into the Management of Police Informants commenced hearings in February 2019 and is scheduled to complete its hearings in July 2020. Victoria Police anticipates it might receive claims for compensation from certain individuals as a result of matters considered by, or findings of, the Commission. At the date of this report Victoria Police has not received any such claims.

Quantifiable contingent liabilities

(\$ thousand)

	2019	2018
Legal proceedings and disputes ^(a)	34,190	31,615
Total Contingent Liabilities	34,190	31,615

Note:

(a) These estimates are based on a separate assessment of all Victoria Police files by our legal advisors.

8.3 FAIR VALUE DETERMINATION

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Victoria Police.

This section sets out information on how Victoria Police determines fair value for financial reporting purposes. Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through the Comprehensive Operating Statement;
- available-for-sale financial assets; and
- land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

Victoria Police determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair Value Hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Victoria Police determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Victoria Police's independent valuation agency. Victoria Police, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1 Fair Value Determination of Financial Assets and Liabilities) and non-financial physical assets (refer to Note 8.3.2 Fair Value Determination - Non-Financial Physical Assets).

8.3.1 Fair Value Determination of Financial Assets and Liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

Level 1 – The fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 – The fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 – The fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using observable market inputs.

Victoria Police currently holds Level 1 financial instruments. We consider the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair value, because of the short-term nature of the financial instruments and the expectation that they will be paid in full by the end of 2019–20 reporting period.

These financial instruments include:

Financial Assets	Financial Liabilities
Cash and deposits	Payables:
Receivables:	- For supplies and services
- Sales of goods and services	- Amounts payable to government and agencies
- Other receivables	- Other payables
Investment and other contractual assets:	Borrowings:
- Term deposits	- Finance lease

8.3 FAIR VALUE DETERMINATION (CONT'D)

8.3.2 Fair Value Determination: Non-Financial Physical Assets

Fair Value Measurement Hierarchy

(\$ thousand)

2019	Note	Carrying Amount as at 30 June 2019	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at Fair Value					
Non-specialised land		21,798	-	21,798	-
Specialised land		484,259	-	-	484,259
Total of Land at Fair Value	5.1.2	506,057	-	21,798	484,259
Buildings at Fair Value					
Non-specialised buildings		30,810	-	30,810	-
Specialised buildings		857,080	-	-	857,080
Heritage assets ^(b)		73,627	-	-	73,627
Leasehold improvement		77,159	-	-	77,159
Total of Buildings at Fair Value	5.1.2	1,038,676	-	30,810	1,007,866
Plant, Equipment and Vehicles at Fair Value					
Plant and equipment	5.1.2	103,783	-	-	103,783
Total Plant, Equipment and Vehicles at Fair Value		103,783	-	-	103,783
Cultural Assets at Fair Value					
Artworks	5.1.2	4,879	-	-	4,879
Total of Cultural Assets at Fair Value		4,879	-	-	4,879

Notes:

(a) Classified in accordance with the fair value hierarchy.

(b) The Agency holds \$73.63 million worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

(\$ thousand)

2018	Note	Carrying Amount as at 30 June 2019	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at Fair Value					
Non-specialised land		22,265	-	22,265	-
Specialised land		436,988	-	-	436,988
Total of Land at Fair Value	5.1.2	459,253	-	22,265	436,988
Buildings at Fair Value					
Non-specialised buildings		29,070	-	29,070	-
Specialised buildings		790,801	-	-	790,801
Heritage assets ^(b)		69,382	-	-	69,382
Leasehold improvement		90,999	-	-	90,999
Total of Buildings at Fair Value	5.1.2	980,252	-	29,070	951,182
Plant, Equipment and Vehicles at Fair Value					
Plant and equipment	5.1.2	62,272	-	-	62,272
Total Plant, Equipment and Vehicles at Fair Value		62,272	-	-	62,272
Cultural Assets at Fair Value					
Artworks	5.1.2	4,879	-	-	4,879
Total of Cultural Assets at Fair Value		4,879	-	-	4,879

Notes:

(a) Classified in accordance with the fair value hierarchy.

(b) The Agency holds \$69.38 million worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

8.3 FAIR VALUE DETERMINATION (CONT'D)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Fair Value Measurement Hierarchy (Cont'd)

There have been no transfers between levels during the year.

Non-specialised land, non-specialised buildings and artworks are valued using the market approach whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Every five years, an independent valuation is performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach. The last independent valuation was performed during the 2015–16 financial year. The valuation of the assets was determined by analysing sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. A managerial revaluation of non-specialised land and non-specialised buildings was also undertaken in 2018–19 using indices provided by VGV.

For artwork, valuation of the assets is determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on recent prices paid for similar examples offered at auctions or through art galleries. No revaluation was performed for artwork for the financial period ended 30 June 2019.

To the extent that non-specialised land, non-specialised buildings and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered significant unobservable inputs, specialised land would be classified as Level 3 assets. A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.

For the majority of Victoria Police's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of Victoria Police's specialised land and specialised buildings was performed by VGV. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2016.

A managerial revaluation of specialised land and specialised buildings was also undertaken in 2018–19 using indices provided by the VGV.

Heritage assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the current replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of Victoria Police's heritage assets was performed by VGV. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation was 30 June 2016. As adjustments of heritage assets are considered significant unobservable inputs, these assets would be classified as Level 3 assets.

Plant and Equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. Any adjustments of plant and equipment are considered significant unobservable inputs, as such these assets would be classified as Level 3 assets.

There were no changes in valuation techniques throughout the period to 30 June 2019.

For all assets measured at fair value, the current use is considered the highest and best use.

8.3 FAIR VALUE DETERMINATION (CONT'D)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Reconciliation of Level 3 Fair Value Movements

(\$ thousand)

2019	Specialised Land	Specialised Buildings	Heritage Assets	Leasehold Improvement	Plant and Equipment	Cultural Artworks
Opening balance	436,989	790,802	69,383	90,999	62,271	4,879
Purchases	-	56	19	26	9,028	-
Sales	-	(1,418)	-	-	(888)	-
Assets free of charge	-	-	-	-	335	-
Assets recognised for first time	-	3	-	-	2,782	-
Transfers:						
In (out) of level 3	-	-	-	-	-	-
In (out) of assets under construction	26,695	25,878	164	2,851	61,489	-
Between asset classes	-	-	-	-	-	-
From contributed capital	-	-	-	-	-	-
Gains or losses recognised in net result:	-	-	-	-	-	-
Depreciation	-	(31,731)	(2,828)	(16,718)	(31,235)	-
Subtotal	26,695	(7,212)	(2,645)	(13,841)	41,511	-
Gains or losses recognised in other economic flows – other comprehensive income:						
Revaluation	20,575	73,492	6,889	-	-	-
Closing Balance	484,259	857,082	73,627	77,158	103,782	4,879
Unrealised gains/(losses) on non financial assets	-	-	-	-	-	-

2018	Specialised Land	Specialised Buildings	Heritage Assets	Leasehold Improvement	Plant and Equipment	Cultural Artworks
Opening balance	359,943	804,420	72,029	84,886	55,384	4,810
Purchases	-	215	41	18	14,078	-
Sales	-	(1,083)	-	(103)	(209)	-
Assets free of charge	-	-	-	-	210	-
Assets recognised for first time	-	-	-	-	155	-
Transfers:						
In (out) of level 3	868	1,510	-	-	-	-
In (out) of assets under construction	-	17,152	135	21,033	6,597	69
Between asset classes	-	-	-	-	-	-
From contributed capital	-	-	-	-	-	-
Gains or losses recognised in net result:	-	-	-	-	-	-
Depreciation	-	(31,412)	(2,822)	(14,835)	(13,944)	-
Subtotal	868	(13,618)	(2,646)	6,113	6,887	69
Gains or losses recognised in other economic flows – other comprehensive income:	-	-	-	-	-	-
Revaluation	76,178	-	-	-	-	-
Closing Balance	436,989	790,802	69,383	90,999	62,271	4,879
Unrealised gains/(losses) on non financial assets	-	-	-	-	-	-

8.3 FAIR VALUE DETERMINATION (CONT'D)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Description of Significant Unobservable Inputs to Level 3 Valuations

Asset Class	Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)	Sensitivity Of Fair Value Measurement to Changes in Significant Unobservable Inputs
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment	20%	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised Buildings	Market approach	Community Service Obligation (CSO) adjustment	20%	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
	Depreciated replacement cost	Direct cost per square metre	\$41 – \$8,422/m ² (\$2,709/m ²)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	10–50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Heritage Assets	Depreciated replacement cost	Direct cost per square metre	\$280 – \$5,073/m ² (\$4,047/m ²)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of heritage assets	18–50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Leasehold Improvements	Depreciated replacement cost	Cost per lease	\$27 – \$25,019,853 (\$347,560 per lease)	A significant increase or decrease in cost per lease would result in a significantly higher or lower fair value.
		Lease period	1–20 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and Equipment	Depreciated replacement cost	Cost per unit	\$58 – \$9,491,095 (\$20,266.43 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	2–40 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Cultural Artworks	Depreciated replacement cost	Cost per unit	\$800 – \$2,250,000 (\$212,137.70 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of cultural artworks	23–100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Significant unobservable inputs have remained unchanged since June 2018.

8.3 FAIR VALUE DETERMINATION (CONT'D)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Non-Financial Physical Assets Held for Sale

The following table provides the fair value measurement hierarchy of Victoria Police's non-financial physical assets held for sale.

(\$ thousand)

2019	Carrying Amount as at 30 June	Fair Value Measurement at end of Reporting Period Using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Freehold land held for sale ^(b)	460	-	460	-
Freehold buildings held for sale ^(b)	190	-	190	-
Total Non-Financial Physical Assets Classified As Held-For-Sale ^(c)	650	-	650	-

2018	Carrying Amount as at 30 June	Fair Value Measurement at end of Reporting Period Using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Freehold land held for sale ^(b)	350	-	350	-
Freehold buildings held for sale ^(b)	25	-	25	-
Total Non-Financial Physical Assets Classified As Held-For-Sale ^(c)	375	-	375	-

Notes:

(a) Classified in accordance with the fair value hierarchy.

(b) Freehold land and buildings held for sale are carried at fair value less cost to disposal. Refer to Non-Specialised Land and Non-Specialised Buildings for the valuation technique applied to non-specialised land and buildings.

(c) This balance excludes the net book value of motor vehicles of \$82.03 million (2018: \$76.10 million) which are not carried at fair value.

9. OTHER DISCLOSURES

INTRODUCTION

This section includes those additional disclosures required by accounting standards or otherwise, that are material for the understanding of this financial report.

Structure		Pages
9.1	Other Economic Flows Included in Net Result	143
9.2	Change in Accounting Policies	143
9.3	Responsible Persons	144
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9.5	Related Parties	146–147
9.6	Subsequent Events	148
9.7	Other Accounting Policies	148
9.8	Australian Accounting Standards Issued That Are Not Yet Effective	148–149
9.9	Glossary	150–151
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9.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

(\$ thousand)

	2019	2018
Net Gain/(Loss) on Non-Financial Assets		
Net gain on disposal of plant, equipment and motor vehicles	6,611	7,706
Assets recognised for the first time	3,087	155
Total Net Gain/(Loss) on Non-Financial Assets	9,698	7,861
Other Gain/(Loss) from Other Economic Flows		
Net gain/(loss) arising from revaluation of long service leave liability ^(a)	(19,097)	428
Net gain/(loss) from bad/doubtful debts	(2,360)	11
Total Other Gain/(Loss) from Other Economic Flows	(21,457)	439

Note:

(a) Revaluation gain/(loss) are due to changes in bond rates.

Net Gain/(Loss) on Non-Financial Assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- **Disposal of Non-Financial Assets**
Any gain or loss on the sale of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at the time.
- **Impairment of Non-Financial Assets**
Refer to Note 5.1 Property, Plant and Equipment.

Net Gain/(Loss) on Disposal of Non-Financial Assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

(\$ thousand)

	2019	2018
Proceeds from disposal of plant, equipment and motor vehicles	20,536	22,856
Written down value of assets sold /disposed of	(13,925)	(15,150)
Net Gain/(Loss) on Disposal of Non-Financial Assets	6,611	7,706

9.2 CHANGE IN ACCOUNTING POLICIES

Victoria Police has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

AASB 9 introduces a major change to hedge accounting. However, it is Victoria Police's policy not to apply hedge accounting.

The impact on the adoption of AASB 16, which is effective from 1 January 2019 are detailed in Note 9.8 – Australian Accounting Standards Issued That Are Not Yet Effective.

9.2.1 Changes to Classification and Measurement

On initial application of AASB 9 on 1 July 2018, Victoria Police's management has assessed for all financial assets based on the Victoria Police's business models for managing the assets, there are no changes in the classification of Victoria Police's financial assets.

The accounting for financial liabilities remains largely the same as it was under AASB 139 where financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the comprehensive operating statement over the period of the interest-bearing liability, using the effective interest rate method.

Victoria Police's accounting policies for financial assets and liabilities are set out in Note 8.1 Financial Instruments Specific Disclosures.

9.2.2 Changes to the Impairment of Financial Assets

Under AASB 9, all loans and receivables are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, Victoria Police applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method has resulted in no material increase in the impairment loss allowance.

9.2.3 Transition Impact

There is no material transition impact of first-time adoption of AASB 9 on Comprehensive Operating Statement and Balance Sheet.

9.3 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in Victoria Police are as follows:

Responsible Ministers		
Minister for Police and Emergency Services	The Hon. Lisa Neville MP	29 November 2018 to 30 June 2019
Minister for Police	The Hon. Lisa Neville MP	1 July 2018 to 28 November 2018
Acting Minister for Police	The Hon. James Merlino MP	1 July 2018 to 8 July 2018 23 March 2019 to 4 April 2019
Acting Minister for Police	The Hon. Ben Carroll MP	5 April 2019 to 9 April 2019
Acting Minister for Police	The Hon. Jill Hennessy MP	14 April 2019 to 16 April 2019
Accountable Officers		
Chief Commissioner of Police	Graham Ashton AM, APM	1 July 2018 to 30 June 2019
Acting Chief Commissioner of Police	Shane Patton APM	8 September 2018 to 18 September 2018 29 June 2019 to 30 June 2019

Remuneration

Total remuneration including long service leave payments, redundancy payments and retirement benefits received or receivable by the Accountable Officer in connection with the management of Victoria Police during the reporting period was in the range of \$500,000 and \$509,999 (2018: \$470,000 and \$479,999).

9.4 REMUNERATION OF EXECUTIVES

Remuneration of Executives

The number of executive officers (other than the Minister, Accountable Officer and Governor-in-Council (GIC) appointees) and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

- a) **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- b) **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- c) **Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.
- d) **Termination benefits** include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of executive officers retired or resigned in the past year. The impact of this is shown in the table below.

(\$ thousand)

Remuneration of executive officers (including Key Management Personnel disclosed in Note 9.5 Related Parties and excluding GIC appointees)	Total Remuneration	
	2019	2018
Short-term employee benefits	10,023	9,285
Post employment benefits	664	582
Other long-term benefits	235	206
Termination benefits	-	-
Total remuneration	10,923	10,073
Total number of executives ^(a)	49	45
Total annualised employee equivalent ^(b)	43	38

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (refer to Note 9.5 Related Parties). This number includes all executives that have been employed during the year, including those who have left Victoria Police during the course of the year.

(b) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

9.5 RELATED PARTIES

Victoria Police is a wholly owned and controlled entity of the state of Victoria. Related parties of Victoria Police include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities that they have significant influence over); and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Significant transactions with government-related entities

Victoria Police received funding and made payments to the Consolidated Fund of \$3.36 billion and \$39.86 million respectively (2018: \$3.11 billion and \$34.50 million respectively).

During the year, Victoria Police incurred the following material government related entity transactions and balances at year-end 30 June 2019. All related party transactions have been entered into on an arm's-length basis.

(\$ thousand)

2019		Receipts		Balance Outstanding	
Receipts/Receivables Entity	Portfolio Dept	Nature	Amount	Nature	Amount
Department of Justice and Community Safety	DJCS	Grants	3,361,313	Receivables	550
Department of Justice and Community Safety	DJCS	Other Income	1,182		
Department of Premier & Cabinet	DPC	Grants	2,916	Receivables	48
Family Safety Victoria	DHHS	Grants	619		-
Transport Accident Commission	DoT	Contributions	233	Receivables	983
Transport Accident Commission	DoT	Grants	5,834		

Note:

The amount owing from the Victorian Government as disclosed in Note 6.1 Receivables are amounts due from the Department of Treasury and Finance. This amount relates to all funding commitments incurred and drawdown through grants from the Consolidated Funds.

(\$ thousand)

Payments/Liabilities Entity	Portfolio Dept	Payments		Balance Outstanding	
		Nature	Amount	Nature	Amount
Ballarat Health Services	DHHS	Medical Services	1,354	Payables	-
Court Services of Victoria	CSV	Court Services	2,356	Payables	36
Department of Premier & Cabinet	DPC	Various Expenses	1,455	Payables	-
Department of Treasury & Finance	DTF	Various Expenses	34,602	Payables	32
Emergency Services Telecommunication Authority	DJCS	Tele-Communications	87,582	Payables	23
State Revenue Office	DTF	Payroll Tax	107,947	Payables	8,458
VicRoads	DoT	Registration & Records Check	2,365	Payables	113
VicFleet Lease Management	DTF	Leasing of Motor Vehicles	43,731	Payables	83,067
Victoria Government Solicitors Office	DJCS	Legal Expenses	11,963	Payables	2
Victoria Institute of Forensic Medicine	DJCS	Forensic Medical Services	11,824	Payables	2,262
Victoria WorkCover Authority	DJCS	Insurance	82,327	Payables	-
Victoria Managed Insurance Authority	DTF	Insurance	1,428	Payables	-

9.5 RELATED PARTIES (CONT'D)

Significant transactions with government-related entities (cont'd)

(\$ thousand)

2018 Receipts/Receivables Entity	Portfolio Dept	Receipts		Balance Outstanding	
		Nature	Amount	Nature	Amount
Department of Justice and Regulation ^(a)	DJR	Grants	3,051,626	Receivables	3
Department of Justice and Regulation ^(a)	DJR	Other Income	1,255	Receivables	-
Department of Premier & Cabinet	DPC	Grants	3,779	Receivables	-
Transport Accident Commission	DTF	Contributions	116	Receivables	441
Transport Accident Commission	DTF	Grants	6,997		

Notes:

(a) The Department of Justice and Regulation is now known as the Department of Justice and Community Safety.

The amount owing from the Victorian Government as disclosed in Note 6.1 Receivables are amounts due from the Department of Treasury and Finance. This amount relates to all funding commitments incurred and drawdown through grants from the Consolidated Funds.

(\$ thousand)

Payments/Liabilities Entity	Portfolio Dept	Payments		Balance Outstanding	
		Nature	Amount	Nature	Amount
Cenitex	DTF	Information Technology	1,545	Payables	-
Department of Treasury & Finance	DTF	Expenses	31,660	Payables	2,501
Department of Premier & Cabinet	DPC	Expenses	1,046	Payables	23
Emergency Services Telecommunication Authority	DJR	Tele-Communications	89,173	Payables	-
State Revenue Office	DTF	Payroll Tax & Records	98,967	Payables	6,616
VicRoads	DEDJTR	Registration & Records Check	2,206	Payables	511
VicFleet Lease Management	DTF	Leasing of Motor Vehicles	37,729	Payables	80,881
Victoria Government Solicitors Office	DJCS	Legal Expenses	11,389	Payables	611
Victoria Institute of Forensic Medicine	DJCS	Forensic Medical Services	9,744	Payables	1,034
Victoria WorkCover Authority	DTF	Insurance	63,392	Payables	-
Victoria Managed Insurance Authority	DTF	Insurance	2,052	Payables	212

Key Management Personnel

The compensation detailed below only includes salaries and benefits of key management personnel of Victoria Police Executive Command. As at 30 June 2019, the Victoria Police Executive Command is made up of seven members. The members comprise the Chief Commissioner of Victoria Police, Deputy Commissioners, Deputy Secretaries and an Assistant Commissioner (CIO). It excludes the salaries and benefits received by the Portfolio Minister where the remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Department of Parliamentary Services' Financial Report.

(\$ thousand)

	Total Remuneration	
	2019	2018
Short-term employee benefits	2,302	2,078
Post employment benefits	99	99
Other long-term benefits	52	42
Termination benefits	-	-
Total remuneration	2,453	2,219

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Victoria Police, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.6 SUBSEQUENT EVENTS

There are no known material subsequent events for the current reporting year.

9.7 OTHER ACCOUNTING POLICIES

Assets and Services Provided Free of Charge or for Nominal Consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at its carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased.

Contributions by Owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owner (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Victoria Police.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

9.8 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian Accounting Standards (AASs) have been published that are not mandatory for the 30 June 2019 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Victoria Police of their applicability and early adoption where applicable.

As at 30 June 2019, the following AASs have been issued by the Australian Accounting Standards Board (AASB) but are not yet effective. They become effective for the first financial statements for reporting periods commencing after 1 July 2019.

- AASB 1059 *Service Concession Arrangements: Grantor*;
- AASB 16 *Leases*;
- AASB 15 *Revenue from Contract with Customers*; and
- AASB 1058 *Income of Not-for-Profit Entities*.

Service concession arrangements

Prior to the issuance of AASB 1059, there was no definitive accounting guidance in Australia for service concession arrangements, which include a number of public private partnership (PPP) arrangements. The AASB issued the new standard to address the lack of specific accounting guidance and based the content therein broadly on its international equivalent: International Public Sector Accounting Standard 32: *Service Concession Arrangements: Grantor*.

For arrangements within the scope of AASB 1059, the public sector grantor will be required to record the asset(s) used in the service concession arrangement at current replacement cost in accordance with the cost approach to Fair Value under AASB 13 *Fair Value Measurement*, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the 'Grant Of A Right To The Operator' or GORTO liability) or a combination of both. The AASB recently announced a one-year deferral on the new accounting requirements for public sector grantors in service concession arrangements. As a result, AASB 1059 will apply to annual periods beginning on or after 1 January 2020, rather than 1 January 2019.

Victoria Police has determined that it has not entered into any Service Concession Arrangements.

Leases

AASB 16 *Leases* replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases

The effective date is for annual reporting periods beginning on or after 1 January 2019. Victoria Police intends to adopt AASB 16 in 2019–20 financial year when it becomes effective.

9.8 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE (CONT'D)

Victoria Police will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. Victoria Police will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

In addition, AASB 2018-8 – *Amendments to Australian Accounting Standards – Right-of-Use Assets (RoU) of Not-for-Profit Entities* allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. Victoria Police intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

Victoria Police has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU – \$1.7 billion,
- increase in related depreciation – \$65.7 million,
- increase in lease liability – \$1.7 billion,
- increase in related interest – \$55.0 million (calculated using effective interest method), and
- decrease in rental expense – \$65.0 million

Revenue and Income

AASB 15 (effective from 1 January 2019) supersedes AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for NFP Entities* (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors* (2018-4), to provide guidance on how to distinguish payments received in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 *Contributions*.

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. Victoria Police intends to adopt these standards in the 2019–20 financial year when it becomes effective.

Victoria Police will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Victoria Police has performed a detailed impact assessment of AASB 15 and AASB 1058 and the potential impact in the initial year of application has been estimated to be immaterial.

9.9 GLOSSARY

Administered item generally refers to Victoria Police lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Amortisation is the expense which results from the consumption, extraction or use over time of a produced physical or intangible asset relating to motor vehicles and IT software. This expense is classified as a 'transaction' and so reduces the net result from transactions.

Borrowings refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest bearing arrangements. Borrowings also include non-interest bearing advances from government that are acquired for policy purposes.

Capital asset charge is a charge levied on the written-down value of controlled non-current physical assets in Victoria Police's balance sheet. It aims to attribute Victoria Police's outputs the opportunity cost of capital used in service delivery and provide incentives to identify and dispose of underutilised or surplus assets in a timely manner. Imposing this charge provides incentives to identify and dispose of underutilised or surplus non-current physical assets.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of Victoria Police to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- (a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprises of:

- (a) a comprehensive operating statement for the period;
- (b) a balance sheet as at the end of the period;
- (c) a cash flow statement for the period;
- (d) a statement of changes in equity for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information; and
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*.

9.9 GLOSSARY (CONT'D)

Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Net operating balance or net result from transactions is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services.

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of Victoria Police.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

Trust Accounts are separate accounts within the Trust Fund, which contain moneys held on trust or for specific purposes pursuant to section 19 of the FMA.

9.10 STYLE CONVENTIONS

Figures in the tables and in the text have been rounded to the nearest thousand dollars, unless otherwise stated. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero or rounded to zero
- (xxx.x) negative numbers
- 200x year period



VICTORIA POLICE

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Statement of availability of other information

Financial Reporting Direction (FRD) 22H of the *Financial Management Act 1994* requires that certain categories of information not contained in the Annual Report be available on request.

Further information may be obtained by writing to:
Chief Commissioner
GPO Box 913
Melbourne VIC 3001

Additional information about Victoria Police may be obtained from our website www.police.vic.gov.au