



VICTORIA POLICE

ANNUAL REPORT 2017-2018



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



In accordance with the *Financial Management Act 1994*, I am pleased to present the Victoria Police Annual Report for the 2017-2018 financial year.

In 2017 Victoria experienced the most significant drop in crime in the 12 years of data examined by the independent Crime Statistics Agency. This is undoubtedly a remarkable development, reinforcing positive changes over the last 12 months and provides an impetus to continue our reforms and projects to promote a safe, secure and orderly Victoria.

Victoria Police remains committed to reducing road trauma and enhancing safety on our roads. Victorians are working with us to achieve this, with data indicating that 99.9 per cent of drivers tested complied with alcohol limits and 99.8 per cent of drivers tested by a road safety camera complied with posted speed limits. This year the number of reported fatalities on Victorian roads decreased by 28 compared with 2016-17 and the number of injuries and collisions decreased to the lowest recorded numbers over the past five years.

This year, Victoria Police has continued implementation of a modernisation program which provides the right skills, equipment and technology across the organisation to meet the community's expectations on public safety. There has been a continued focus on improving responses and practices to respond effectively to perpetrators and victims of family violence, sexual offences or child abuse. We have also maintained a focus on the important issues of diversity, gender and inclusion by continuing to address issues called out by VEOHRC and prioritising the mental health of current and former employees.

The Victoria Police Capability Plan 2016-2025 (Capability Plan), in its second year of implementation, outlines the capabilities we need to be an effective police force now and in the future. The Plan provides us with a clear strategic vision based on changing needs within Victoria Police and across our communities to guide our reform and investment decisions. The Capability Plan has allowed us to maximise the benefits of the continued, substantial investment from the Victorian Government through the *Community Safety Statement*. We are grateful to the Government for their significant investment in Victoria Police, making our modernisation possible.

Ongoing investment will strengthen the capability for our workforce. We are continuing the recruitment of 2,729 general and specialist police and 100 Protective Services Officers. We are also rolling out upgrades to infrastructure and equipment, including new Alcohol and Drug Testing Vehicles to improve road safety and the opening of Mernda Police Station. These measures will assist Victoria Police to strengthen our response to important issues including crime prevention, road safety, counter-terrorism and management of public order.

The communities that we serve are diverse, we engage on a daily basis with all community groups and through this engagement we continue to strengthen our policing response. Engaging with youth is particularly crucial in understanding the changes in the nature of offending and how we can better support young people to connect with their communities. For this reason a broad range of initiatives are being implemented across government to address the causes and consequences of youth offending. In October 2017, a second Chief Commissioner's Youth Summit was held to identify opportunities to support young people to transition into employment and to foster a shared understanding of the critical issues affecting youth employment.

At the forefront of our decisions is the endeavour to protect the safety and wellbeing of our people. Victoria Police continues to manage, coordinate and educate employees to improve safety awareness across the workplace. This year the total number of occupational health and safety work place incidents decreased by 12 per cent compared with last financial year. A new anti-bullying framework is being developed to reinforce the importance of preventing and addressing inappropriate behaviours in the workplace. This will help to promote and protect the mental health of employees, and complements current work to deliver cultural change across the organisation to ensure safe, respectful and inclusive workplaces.

As part of our efforts to modernise policing, Victoria Police is rolling out major technological transformation projects. Since October 2017 Mobile Technology has equipped police in the field with more immediate access to information. This is helping to create safer communities through more informed and responsive policing, and improved crime detection and prevention. The rollout of Body Worn Cameras will continue to improve evidence capture of police incidents, increasing the safety of police and confidence in the community.

Victoria Police is committed to creating a safe and inclusive work culture. We are investing in the development of leaders, both operational and Victorian Public Sector employees, and working on key strategies and action plans to address respectful and inclusive work practices. We are committed to community engagement through our work with young people and ethnic minorities, and are supporting human rights awareness across all Victoria Police training and education opportunities.

In 2017 we were proud to mark the historic milestone of 100 years of women in policing. It is important to acknowledge and celebrate the significant contribution women have made to Victoria Police. Through strong executive leadership, Victoria Police is continuing to drive cultural reform across the organisation to address gender inequalities within the organisation.

Women are represented and contribute across almost all facets of Victoria Police. This includes general duties policing, investigation of serious crimes, protective services, the Critical Incident Response Team, and senior and executive leadership roles. It is a positive development to see more women joining Victoria Police, making a positive impact in our workforce and communities. To provide more support to women, over 30 Women in Policing Local Committees have been established across different regions, departments and commands. These committees provide female employees a safe and constructive forum to raise relevant workplace issues.

We continue to reform and modernise our police force to meet current and future challenges. It is an honour to serve the Victorian community and we remain committed to our focus on reducing harm, working more closely with victims and connecting to improve community safety.



Graham Ashton AM
Chief Commissioner of Victoria Police
30 August 2018

1. ABOUT VICTORIA POLICE

Our Organisation

Victoria Police has been working to keep Victoria safe since 1853. The agency provides services 24 hours a day, seven days a week, to over 6.3 million¹ Victorians. Police and Protective Services Officers (PSOs) are present in all communities across Victoria – providing a representation of community safety and criminal deterrence. Police and PSOs are supported in their roles by public service professionals who work as administrators, managers and specialists in a range of functions such as Police Custody Officers, prisoner management, legal services, accounting, procurement, psychology, intelligence 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 functions² of Victoria Police include:

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

Our Values

The Victoria Police values underpin the culture and behaviour of all staff within our organisation and help us to become a more effective and capable policing service. Our values are³:

- **Safety** – the health, safety and wellbeing of our police, and 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, respecting the right of fair process for all, maintain confidentiality and respect for those we deal with, demonstrate moral strength and courage, and behave with honour and impartiality.

- **Leadership** – are approachable and consistent when dealing with colleagues, partners and the community, apply fair process and strongly commit to the values of the organisation. Guide, trust, develop and empower colleagues, make timely decisions that are guided by both values and evidence, inspire participation and commitment through a shared vision.
- **Flexibility** – are open minded and adaptive to change, adopt an attitude of continuous improvement, encourage creativity, build partnerships with our community, welcome difference and practice tolerance.
- **Respect** – accept diversity with tolerance and understanding, listen with patience, value opinions and provide feedback. Are appreciative of and acknowledge the efforts of others, consider our internal and external customers and inspire confidence through ethical and fair treatment of others ensuring that our actions are not unlawfully discriminatory.
- **Support** – recognise and reward service of employees, provide empathy in a timely and genuine manner, promote professional and career development and care for the wellbeing of colleagues.
- **Professionalism** – accept responsibility, show commitment and lead by example. Achieve and contribute to the professional knowledge pool. Are accountable to both our internal and external customers and maintain high personal standards, taking pride in our appearance and conduct. Communicate openly, honestly and consistently, and are transparent in our delivery and strive for service excellence.

Legislative Oversight

Victoria Police is governed by the *Victoria Police Act 2013*. The Chief Commissioner of Police Graham Ashton AM, is the Chief Executive of the organisation and has responsibility to the Minister for Police, (the Honourable Lisa Neville MP) and also works closely with the Minister for the Prevention of Family Violence (the Honourable Natalie Hutchins MP), the Minister for Emergency Services (the Honourable James Merlino MP), the Minister for Roads and Road Safety (the Honourable Luke Donnellan MP), the Attorney General (the Honourable Martin Pakula MP), the Premier (the Honourable Daniel Andrews MP) and the Treasurer (the Honourable Tim Pallas MP).

¹ This population figure is sourced from Australian Bureau of Statistics as at 31 December 2017 and does not reconcile to regional population figures quoted due to the application of different time periods.

² Our Role and Functions statement from Victoria Police Website.

³ Our Values statement from Victoria Police Website.

Services

Victoria Police staff work across the four regions of Victoria, North-West Metropolitan, Southern Metropolitan, Eastern and Western Regions. These regions are divided into 21 divisions comprising 54 police service areas.

As at 30 June 2018 Victoria Police has a total of over 600 police facilities including 333 police stations across the state.

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.
- Reforming and improving policing of family violence.
- 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.

Organisational Structure and Corporate Governance

Executive Command is responsible for setting the strategic direction of Victoria Police, determining key priorities and risks, monitoring organisational performance, capacity and capability, and advancing initiatives and reforms.

Executive Command comprises the Chief Commissioner of Police, three Deputy Commissioners, two Deputy Secretaries and the Chief Information Officer. Retired Air Chief Marshall Sir Angus Houston AK AC AFC is an independent member of Executive Command and chairs Victoria Police's Corporate Advisory Group.

The broader Command leadership group comprises Executive Command members as well as Executive Directors, Directors, Assistant Commissioners and Commanders.

Victoria Police has been working to keep Victoria safe since 1853. The agency provides services 24 hours a day, seven days a week, to over 6.3 million Victorians.

Victoria Police's governance model directs accountability to the functional line control of individual portfolios. A copy of the Victoria Police organisational structure can be found in Table 1.1.

Other committees that support effective corporate governance include:

- Audit and Risk Committee.
- Corporate Advisory Group.
- Executive Remuneration Committee.
- Information Management Committee.
- Operations Committee.
- People, Culture and Safety Committee.
- Procurement Board.

GOVERNANCE IN 2017-18

In 2017-18 Victoria Police has continued to focus on increasing workforce diversity and this includes improving the overall gender balance on governance committees.

Renewal has continued through updating the risk and audit frameworks to achieve greater alignment with the *Victoria Police Capability Plan 2016-2025*. In 2017-18 the Chief Commissioner increased the representation of independent members on the Audit and Risk committee from three to five. This saw the appointment of four new members to the committee as two completed their term.

For more information on corporate governance and the roles and membership of these committees refer to Appendix E.

Table 1.1 Victoria Police Organisational Chart – as at 30 June 2018

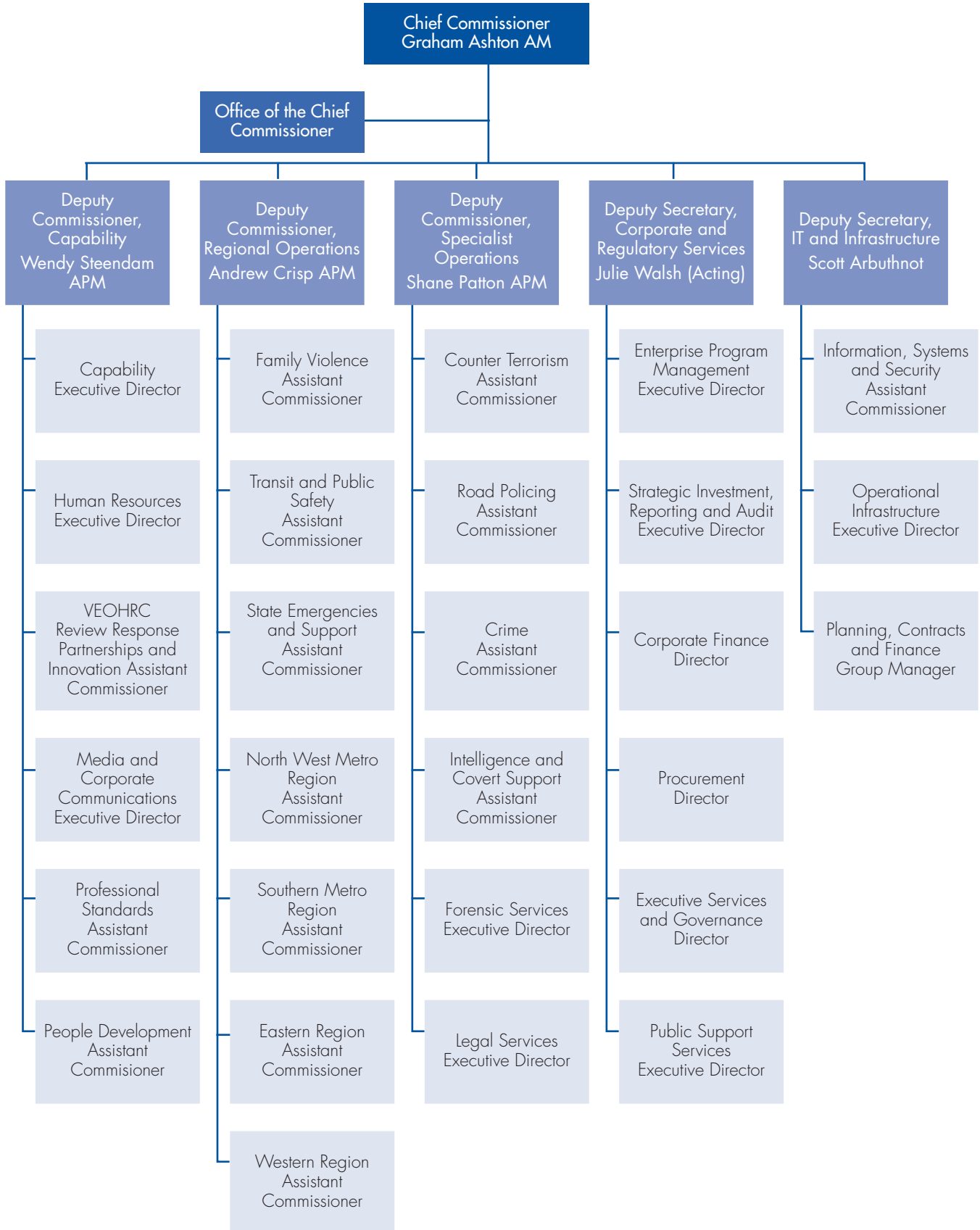


Table 1.2: Fast Facts – Budget Overview and Full Time Equivalent (FTE) Summary

	As at June 2018	As at June 2017	Change
Victoria Police Operating Budget	\$3,011.5m	\$2,703.6m	11%
Victoria Police Expenditure ⁴	\$3,064.1m	\$2,779.9m	10%
Total Employees (FTE)⁵			
Police	14,345	13,529	816
Police Recruits	238	152	86
PSOs (security and transit)	1,355	1,312	43
PSOs in training	73	78	-5
Reservists	2	2	0
Police Custody Officers ⁶	391	326	65
Victorian Public Service (VPS)	3,231	3,041	190
Total	19,635	18,440	1,195

Capability and Annual Plan

Victoria Police is modernising, 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. Over \$3 billion has been committed to Victoria Police infrastructure, technology and equipment, along with an expansion in the numbers of police, PSO and VPS employees. This investment is being made in the context of wider reforms to modernise Victoria Police and ensures that the organisation is positioned to effectively promote a safe, secure and orderly society.

The role of Victoria Police is complex. In practice, the organisation plans how to achieve delivery of its functions using 78 core and enabling capabilities detailed in the *Victoria Police Capability Plan 2016-2025* and the Capability Framework. These capabilities provide visibility as to whether a capability is mature and where investment is needed. Core capabilities represent policing services that are delivered directly to the community; enabling capabilities contribute to the delivery of those services.

In 2017-18, 25 of those capabilities were identified as being of the highest priority for improvement:

- early intervention, target hardening, managing demand, harm minimisation, victim involvement, victim support, offence pattern response, offender management, bail and remand management, and regulation – these are 10 of Victoria Police’s core capabilities.

- leadership development, workforce planning, organisational health and safety, employee relations, change management, analysis and forecasting, surveillance, research and development, inter-agency collaboration, leveraging external expertise, stakeholder engagement, information use, information sharing, information capture and security, and ICT systems – these are 15 of Victoria Police’s enabling capabilities.

The Capability Framework informs the *Victoria Police Annual Plan*, as well as our organisational risks, internal budget allocations, and future investment and reform.

The *2017-18 Annual Plan* articulated 32 organisational actions that contribute to modernising Victoria Police.

These included:

- Recruiting additional police, protective services officers and specialist resources.
- Air Wing and Water Police acquisitions including helicopters, fixed wing aircraft and vessels.
- Rolling out automatic number plate recognition across the Highway Patrol fleet.
- Building technology reform through the BlueConnect program, including: Police Assistance Line and Online Reporting, Body Worn Cameras, Mobile Technology and intelligence analytics.
- Implementing the recommendations from the Victoria Equal Opportunity and Human Rights Commission and Mental Health reviews.

Forthcoming chapters outline achievements, in accordance with the Annual Plan and future initiatives.

⁴ As per Appendix C – Total expenses from transactions.

⁵ The employee FTE data is prepared in accordance with Financial Reporting Direction (FRD) 29C requirements. FTE totals may not tally due to rounding as the FTE figures are rounded to the nearest whole number as per FRD 29C.

⁶ Police Custody Officers are VPS employees and are listed separately.

2. OUR PERFORMANCE

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

The *Community Safety Statement 2017* outlines the Government's commitment to policing. There are five priorities the Government has outlined in the Community Safety Statement – reducing harm, increasing connection to the community, putting victims first, holding offenders to account and improving Victoria Police's capability, culture and technology. Victoria Police's progress against supporting these priorities will be tracked annually through an outcomes framework with indicators to represent Victoria Police's contribution to community safety.

Performance is also monitored through the *2017-18 Victorian Budget Paper Number 3: Service Delivery* (Budget Paper 3). Budget Paper 3 outlines how Victoria Police is meeting targets on delivery of service which contribute to the overall objectives of the Department of Justice and Regulation.

Providing policing services is the key function of the organisation and highlights from 2017-18 demonstrate the extent to which Victoria Police is promoting a safer and more orderly society. Victoria Police's service delivery includes the promotion and enforcement of safety on Victoria roads with the view to reduce road trauma.

As the regulator of the firearms, weapons and private security industries, Victoria Police undertakes risk-based compliance to ensure public safety and the integrity of its licensing regime. Victoria Police provides a summary of the work completed through this regulatory role.

A summary of the Annual Financial Statements provides users with information about Victoria Police's financial performance and comparative performance for the preceding four years. The review of the *2017-18 Annual Plan* provides an overview of the achievements against individual projects identified as priorities for the year.

Over \$3 billion has been invested in Victoria Police infrastructure, technology and equipment, along with an expansion in the numbers of police, PSO and VPS employees.

Performance Measures

The *Community Safety Statement 2018-19* sets out an outcomes framework with indicators that Victoria Police will commence reporting on in 2018-19.

The Department of Justice and Regulation's objectives and performance measures are published within Budget Paper 3 annually. As an agency of the Department, Victoria Police's performance contributes to the objective; ensures community safety through policing, law enforcement and prevention activities.

Performance against indicators under the Budget Paper 3's objective allows Victoria Police to understand the impact of policing services on the community. Crime statistics, road fatalities and injuries data give quantitative results of Victoria Police's performance against the objective and identify key trends for future focus.

The objective, objective indicators and outputs that Victoria Police reported on in 2017-18 are outlined in Table 2.1 and results for each indicator are shown in Tables 2.2, 2.3, 2.4, and 2.5.

Table 2.1: 2017-18 Department Of Justice and Regulation Performance Measures

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: 2017-18 Victorian Budget Paper Number 3 Service Delivery, page 272

Performance against Objective Indicators

Community Safety during the Day and at Night

The *National Survey of Community Satisfaction with Policing 2016-17* results are contained within the *Report on Government Services (RoGS) 2018* released in January 2018⁷.

Survey respondents were asked to rate their feeling for each indicator, ranging from very unsafe to very safe. Victorian results are shown in Table 2.2 and 2.3.

⁷ The 2017-18 results will be reported in the 2019 RoGS, to be published by the Productivity Commission in January 2019.

Table 2.2: Community Safety during the Day⁸

Indicator	2013-14%	2014-15%	2015-16%	2016-17%	Change from 2015-16 to 2016-17	Change over 4 years
Walking alone in the neighbourhood	90.2	90.3	90.0	84.0	-6.0	-6.2
On public transport	62	63.4	59.0	58.5	-0.5	-3.5

Source: Report on Government Services (RoGS) 2018

Table 2.3: Community Safety at Night⁹

Indicator	2013-14%	2014-15%	2015-16%	2016-17%	Change from 2015-16 to 2016-17	Change over 4 years
Walking alone in the neighbourhood	50.2	52.1	48.6	42.8	-5.8	-7.4
On public transport	23.5	28.5	25.6	23.3	-2.3	-0.2
At home alone	90.4	89.5	87.1	79.1	-8.0	-11.3

Source: Report on Government Services (RoGS) 2018

Crime Statistics

Total recorded crime has dropped over the last financial year. The recorded decrease at the end of June 2018 was 4.9 per cent. Property, drug and public order offences have all decreased. Crimes against the person, justice procedures and other offence categories have increased. The largest increase relates to breaches of orders which reflects increasing offences related to bail and increasing breaches of intervention orders.¹⁰

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 is available from the CSA website www.crimestatistics.vic.gov.au.

Providing policing services is the key function of the organisation and 2017-18 highlights demonstrate the extent to which Victoria Police is promoting a safer and more orderly society.

⁸ Note: 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.

⁹ Note: 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.

¹⁰ Source: Crime Statistics Agency (CSA)

Table 2.4: Number of Offences Recorded

OFFENCES RECORDED	2013-14	2014-15	2015-16	2016-17	2017-18	Change from 2016-17 to 2017-18	% Change 2016-17 to 2017-18
Homicide and related offences	172	174	211	231	220	-11	-4.8%
Assault and related offences	37,629	37,629	41,697	43,404	43,518	114	0.3%
Sexual offences	10,492	11,506	12,666	13,478	14,946	1,468	10.9%
Abduction and related offences	630	708	807	757	722	-35	-4.6%
Robbery	2,604	2,530	2,887	3,199	3,175	-24	-0.8%
Blackmail and extortion	250	212	191	204	192	-12	-5.9%
Stalking, harassment and threatening behaviour	10,761	12,109	12,725	11,832	11,760	-72	-0.6%
Dangerous and negligent acts endangering people	4,192	4,338	5,319	6,078	5,868	-210	-3.5%
Total crimes against the person	66,730	69,206	76,503	79,183	80,401	1,218	1.5%
Arson	3,412	3,445	4,515	3,226	3,258	32	1.0%
Property damage	44,114	42,547	43,488	42,382	41,000	-1,382	-3.3%
Burglary/Break and enter	46,447	46,254	52,103	52,039	43,518	-8,521	-16.4%
Theft	148,310	151,813	181,182	182,143	166,677	-15,466	-8.5%
Deception	34,683	33,499	39,177	35,920	34,102	-1,818	-5.1%
Bribery	9	41	26	6	7	1	16.7%
Total property and deception offences	276,975	277,599	320,491	315,716	288,562	-27,154	-8.6%
Drug dealing and trafficking	4,126	5,050	5,198	4,519	4,282	-237	-5.2%
Cultivate or manufacture drugs	1,772	1,688	1,749	1,504	1,318	-186	-12.4%
Drug use and possession	17,960	21,951	23,210	24,282	24,105	-177	-0.7%
Other drug offences	42	262	18	18	69	51	283.3%
Total drug offences	23,900	28,951	30,175	30,323	29,774	-549	-1.8%

OFFENCES RECORDED	2013-14	2014-15	2015-16	2016-17	2017-18	Change from 2016-17 to 2017-18	% Change 2016-17 to 2017-18
Weapons and explosives offences	12,865	14,526	16,003	15,926	14,841	-1,085	-6.8%
Disorderly and offensive conduct	21,423	19,390	17,106	16,583	15,892	-691	-4.2%
Public nuisance offences	2,548	2,666	3,490	3,428	3,772	344	10.0%
Public security offences	74	194	87	73	140	67	91.8%
Total public order and security offences	36,910	36,776	36,686	36,010	34,645	-1,365	-3.8%
Justice procedures	6,342	6,883	12,840	12,770	12,212	-558	-4.4%
Breaches of orders	36,473	51,306	57,813	57,203	59,121	1,918	3.4%
Total justice procedures offences	42,815	58,189	70,653	69,973	71,333	1,360	1.9%
Regulatory driving offences	27	30	18	14	19	5	35.7%
Transport regulation offences	472	457	611	744	617	-127	-17.1%
Other government regulatory offences	1,079	643	558	642	1,120	478	74.5%
Miscellaneous offences	424	488	482	288	391	103	35.8%
Total other offences	2,002	1,618	1,669	1,688	2,147	459	27.2%
Total offences	449,332	472,339	536,177	532,893	506,862	-26,031	-4.9%
Total offence rate per 100,000 population	7,613.3	7,829.3	8,677.1	8,427.0	7,835.1	-591.9	-7.0%

Source: Crime Statistics Agency (CSA)

ROAD FATALITIES AND INJURIES

During 2017-18 Victoria recorded a decrease in road injuries and fatalities. For more information refer to the Road Safety section of this chapter.

Table 2.5: Road Fatalities and Injuries¹¹

Indicator	2013-14	2014-15	2015-16	2016-17	2017-18	Change from 2015-16 to 2016-17	% Change over 4 years
Road Fatalities	256	254	266	267	239	-28	-10.5%
Injuries	18,825	18,846	19,352	17,914	15,454	-2,460	-13.7%

¹¹ All data displayed in this table has been extracted on 5 July 2018. Road fatalities and injuries data is subject to variation due to reclassification or data settling.

PERFORMANCE MEASURES FOR POLICING AND CRIME PREVENTION

The output of Policing and Crime Prevention relates to the provision of effective police and law enforcement activities to prevent, detect, investigate and prosecute crime, and promote safer road user behaviour.

The results against these performance measures are reported in Table 2.6.

Table 2.6: Performance Measures

Performance measures	Unit of measure	2017-18 actual	2017-18 target	% Performance variation	Result
Quantity					
Community calls for assistance to which a Victoria Police response is dispatched	number	892,374	1,036,000	-13.9	■
<i>This measure is a demand driven measure. The actual is below the target due to a decrease in both demand and crime across the four quarters 2017-18.</i>					
Contravention of family violence intervention order (FVIO) offences per 100 000 population.	number	624.3	≥650	-3.9	○
Crimes against property – excluding family violence-related crime (rate per 100 000 population)*	number	4,308.6	≤5,100	15.5	✓
<i>The 2017-18 actual is below target due to a decreasing trend in property crime. There has been a significant reduction in all burglaries, with residential burglary and vehicle related crime decreasing significantly.</i>					
Crimes against property – family violence-related crime (rate per 100 000 population)*	number	152	≥150	1.3	✓
Crimes against the person – excluding family violence-related crime (rate per 100 000 population)*	number	692.9	≤660	-4.9	○
Crimes against the person – family violence-related crime (rate per 100 000 population)*	number	549.9	≥590	-6.8	■
<i>The 2017-18 actual is below target due to a stabilising of family violence crime in line with a reduction in overall total recorded crime.</i>					
Number of alcohol screening tests conducted by booze and drug buses	number	1,337,208	1,100,000	21.6	✓
<i>The actual is above the target due to additional road safety operations during 2017-18 and an increase in resources allocated to booze buses as a result of new police constables, which are supporting the Towards Zero strategy.</i>					
Number of hours of family violence-related education provided to police	number	1,598	1,700	-6.0	■
<i>The actual is below the target due to an amendment to training schedules and timing issues throughout the first year of operation of the Centre of Family Violence</i>					
Number of prohibited drug screening tests conducted by booze and drug buses and highway patrol units	number	100,212	100,000	0.2	✓
Police record checks conducted to contribute to community safety	number	716,768	703,000	2.0	✓
Total reported road fatalities in vehicle collisions	number	239	≤225	-6.2	■
<i>The actual is above the target due to a high proportion of fatalities occurring on country roads throughout 2017-18.</i>					
Total persons reported injured in vehicle collisions	number	15,454	<18,700	17.4	✓
<i>The actual is below the target due to continued road safety campaigns and high profile operations that focus on improving driver behaviour. This is a positive result.</i>					

Performance measures	Unit of measure	2017-18 actual	2017-18 target	% Performance variation	Result
Quality					
Perceptions of safety-walking locally at night	per cent	51.8	50	3.6	✓
Proportion of community satisfied with policing services (general satisfaction)	per cent	78.9	77.0	2.5	✓
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	90.3	93	-2.9	○
Proportion of successful prosecution outcomes	per cent	95	92	3.3	✓
Proportion of the community who have confidence in police (an integrity indicator)	per cent	83.9	87	-3.6	○
Timeliness					
Proportion of crimes against the person resolved within 30 days	per cent	46.7	≥42	11.2	✓
<i>The 2017-18 actual is above target due to efficiency improvements that have enabled a positive impact in reducing resolution times.</i>					
Proportion of property crime resolved within 30 days	per cent	25.9	≥22	17.7	✓
<i>The 2017-18 actual is above target due to efficiency improvements that have enabled a positive impact in reducing resolution times.</i>					
Cost					
Total output cost	\$ million	3,064.1m ^{12,13}	3,011.5m ¹⁴	1.7	○
<i>The increase in expenditure is due to additional funding provided post the 2017-18 Budget for the Community Safety Statement and further support for Victoria Police operations</i>					

Notes:

- ✓ Performance target achieved or exceeded.
- Performance target not achieved – within 5 per cent variance.
- Performance target not achieved – exceeds 5 per cent variance.

* Source: Crime Statistics Agency (CSA)

¹² This figure relates to the Victoria Police component of the Crime and Prevention output only. Please refer to the Department of Justice and Regulation's Annual Report for the complete output reconciliation.

¹³ Refer Appendix C – Net Result from Transactions.

¹⁴ This figure relates to the Victoria Police component of the Crime and Prevention output only. Please refer to the Department of Justice and Regulation's Annual Report for the complete output reconciliation.

Road Safety

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

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

ROAD POLICING STATISTICS

In 2017-18 the number of reported fatalities on Victorian roads decreased by 28 compared with 2016-17. The number of injuries and collisions decreased to the lowest recorded numbers over the past five years. Drivers continue to account for the majority of fatalities, comprising 48.5 per cent of the total road fatalities.

Pedestrians killed on the road this year compared to last year remained the same at 35 deaths in 2017-18 and 35 deaths in 2016-17. The number of motorcycle fatalities has reduced from 40 in 2016-17 to 36 in 2017-18, a reduction of 10 per cent.

Table 2.7: Road Policing Statistics 2016-17 to 2017-18¹⁵

	Metro			Regional			State		
	2016-17	2017-18	% Change	2016-17	2017-18	% Change	2016-17	2017-18	% Change
Road Fatalities	108	106	-1.9%	159	133	-16.4%	267	239	-10.5%
Injuries	12,072	10,546	-12.6%	5,842	4,908	-16.0%	17,914	15,454	-13.7%
Collisions	9,854	8,587	-12.9%	4,585	3,771	-17.8%	14,439	12,358	-14.4%

Table 2.8: Road User Data¹⁶

	2016-17			2017-18		
	Road Fatalities	Injuries	Collisions	Road Fatalities	Injuries	Collisions
Driver	147	9,283	7,568	116	7,910	6,395
Passenger	34	3,180	1,683	40	2,822	1,475
Pedestrians	35	1,652	1,509	35	1,447	1,335
Bicyclists	9	1,309	1,279	9	1,269	1,242
Motorcyclist	40	2,340	2,328	36	1,833	1,808
Pillion Passenger	1	68	45	1	62	45
Other	1	82	27	2	111	58
Total	267	17,914	14,439	239	15,454	12,358

¹⁵ All data displayed in this table has been extracted on 5 July 2018. Road fatalities, injuries and collisions data is subject to variation due to reclassification or data settling.

¹⁶ All data displayed in this table has been extracted on 5 July 2018. Road fatalities, injuries and collisions data is subject to variation due to reclassification or data settling.

WORKING TO REDUCE ROAD ACCIDENTS AND FATALITIES

The leading contributors of collisions and fatalities on Victorian roads are drinking and drug driving. Victoria Police understands that police presence on the roads is a deterrent and a reminder to drivers and assists in changing their behaviour.

Holiday periods are high risk periods on Victorian roads and in 2017-18 Victoria Police conducted state wide road policing operations. Over 85,000 offences were detected, the key outcomes are detailed in table 2.9.

Table 2.9: Road Policing Operations in 2017-18

Operation	Duration	Outcome
Operation Scoreboard 2017	4 days	261 Blood Alcohol Content offences 162 Oral Fluid Test offences 6,655 traffic offences 777 crime offences
Operation Furlong 2017	5 days	354 Blood Alcohol Content offences 184 Oral Fluid Test offences 8,662 traffic offences 976 crime offences
Operation Roadwise 2017-18	24 days	1,113 Blood Alcohol Content offences 784 Oral Fluid Test offences 29,396 traffic offences 4,323 crime offences
Operation Amity 2018	4 days	210 Blood Alcohol Content offences 133 Oral Fluid Test offences 4,625 traffic offences 576 crime offences
Operation Arid 2018	4 days	299 Blood Alcohol Content offences 234 Oral Fluid Test offences 7,786 traffic offences 790 crime offences
Operation Nexus 2018	5 days	327 Blood Alcohol Content offences 230 Oral Fluid Test offences 9,576 traffic offences 1011 crime offences
Operation Regal 2018	4 days	227 Blood Alcohol Content offences 148 Oral Fluid Test offences 8,132 traffic offences 752 crime offences

Operational Overview

Operational policing is a core function of Victoria Police. In 2017-18 police attended over 2.6 million incidents.

Almost three-quarters of these took place in metropolitan Melbourne. Actions by police include reducing the harm of drugs and firearms, providing emergency responses to counter terrorism events and working in partnership with other agencies to address crime. This section highlights examples of operational policing performance in 2017-18 and the extent to which Victoria Police is promoting a safer and more orderly society.

POLICING IN COMMUNITIES

Victoria Police remains committed to ensuring Victoria continues to be a safe and secure place to live by providing a visible presence and response to meet the needs of the community. In 2017-18 Victoria Police has undertaken joint partnerships and proactive operations to improve community safety.

Leaders from the African and Islander communities and officers from Victoria Police have come together to introduce combined patrols to reduce the antisocial behaviour reported at major events including New Year's Eve, White Night and Moomba. These patrols have directly contributed to the reduction in reported crime across all events and have supported public perceptions of safety. Community leader patrols are now a permanent fixture when planning for future police response at major events in the Melbourne CBD.

Work continues across Victoria Police to improve the response, share challenges and meet the demands of policing entertainment precincts in Melbourne and regional hubs. Operation Safenight saw both plain clothed and uniformed officers deployed by Victoria Police's specialist units to address the risks driven from alcohol and drug harm in the Port Phillip and Stonnington entertainment district. The operation runs every Friday and Saturday nights, 52 weeks of the year.

Victoria Police continues to partner with the City of Port Phillip and other key stakeholder groups in relation to a range of alcohol bans and an expansion of CCTV at foreshore hotspots. The specialist operational response unit was deployed on several occasions to support community safety including an unplanned 5,000 person 'pop up' party, youth offending and an unplanned Australia Day disruption event.

Victoria Police joined the Environmental Protection Agency in Operation Stawell Tyre Stockpile Clean-Up, which saw the removal of over a million tyres from the site through a multi-agency effort. It was a potentially catastrophic community safety hazard for Stawell and surrounding communities. The removal operation ran for six days and 8,500 tonnes of tyres were removed each day.

TARGETING ORGANISED CRIME, ILLICIT DRUGS AND ILLICIT FIREARMS

Victoria Police commits a significant amount of resources to the investigation and disruption of illicit drugs, illicit firearms and related crime in Victoria. A number of operations targeting serious and organised crime throughout 2017-18 were conducted by Victoria Police and in collaboration with other agencies to reduce the risk and harm caused by illicit drugs and illicit firearms in the community.

The newly formed Illicit Firearms Trafficking teams investigated the violent armed robbery of a Thornbury gun dealer resulting in the theft of 37 hand guns. This operation drew together extensive resources across the organisation and resulted in the recovery of all 37 hand guns and charges laid against three suspects.

Victoria Police conducted a number of drug crime investigations through the Clandestine Laboratory Squad and the Drug Task force. During 2017-18 the Clandestine Laboratory Squad detected 70 illicit drug manufacturing facilities. The squad has observed a trend away from smaller 'user based' laboratories to larger, more sophisticated drug laboratories.

Operation Storer was launched as part of the strategy to combat serious and organised crime. This operation was also in response to the growing trend of criminal syndicates utilising self-storage facilities with high-level security to safeguard their interests. This operation resulted in seizures of commercial quantities of amphetamine and other drugs as well as multiple high-quality counterfeit drivers' licences. Further incriminating evidence at multiple post offices and safety deposit box vaults led to evidence of amphetamine trafficking since 2012. A suspect was charged with 65 offences including commercial quantity drug trafficking.

PROMOTING PUBLIC SAFETY AND PREVENTING TERRORISM

The Counter Terrorism Command has delivered vital prevention programs over 2017-18. The programs saw the Community Integration Support Program expand its scope to include a dedicated family support component and a greater focus on addressing the trend of young people being vulnerable to radicalisation and violent extremism.

The Victorian Fixated Threat Assessment Centre is a joint Victoria Police and Forensic Mental Health Service early intervention initiative that became operational in March 2018. The centre aims to assess and manage problematic behaviours, intervene before a crisis has occurred and reduce the risk to individuals and the wider community. Jointly staffed by senior mental health clinicians and police, the centre identifies and assesses individuals who pose a threat to public safety due to their risk of engaging in dangerous and obsessive behaviours.

This multi-layered approach to terrorism also has demonstrated benefits to other areas of public safety. Operation Millennium commenced in June 2017 in response to local and international terror-related incidents. With almost one million visitors travelling daily into the Melbourne CBD, this operation provides direct and tangible assurance to the Victorian community through a highly visible police presence in crowded places, events, concerts and festivals. The operation has seen a significant decrease in crimes against the person including robbery and assault whilst providing a flexible model to resource unplanned events, demonstrations and critical incidents.

Victoria Police's Protective Services Officers (PSOs) have recently benefitted from their powers being extended across the transport network as well as in the vicinity of the network, resulting in increased deployment to public events. In January 2018 PSOs were deployed to key public transport locations servicing the Australian Open tennis including Flinders Street, Richmond railway stations and tram super stops at Melbourne Park precinct. They also had a presence at the Australian Grand Prix and at AFL and A-League matches.

WORKING IN PARTNERSHIP TO ADDRESS COMMUNITY SAFETY

Victoria Police works closely with a range of agencies, departments and stakeholders to proactively address crime in Victoria. This includes close collaboration with the Australian Federal Police, Australian Crime and Intelligence Commission, Australian Border Force and a range of other national and international bodies and agencies.

In 2017-18 the Joint Anti-Child Exploitation Team, consisting of Victoria Police and the Australian Federal Police, conducted a targeted operation to identify suspects who were exchanging child abuse material via an internet network. More than 20 warrants were prepared by Victoria Police and executed with the E-Crime Squad, Regional Crime Investigation Units, and Sexual Offences and Child Abuse Investigation Teams, predominantly around the metropolitan Melbourne area. The operation resulted in 20 arrests, with charges immediately laid against 12 suspects and the remainder charged on summons.

The Joint Organised Crime Taskforce (consisting of Victoria Police, Australian Federal Police, Australian Border Force and Australian Crime and Intelligence Commission) led an investigation targeting a commercial quantity of border-controlled drugs (cocaine). Investigators found that a Mexican drug cartel was importing cocaine via air freight – in coffee and cocoa, to Melbourne. The 300kg of cocaine, valued at \$105 million was seized and two Mexican nationals have since been charged.

EMERGENCY RESPONSE

State Emergency Response Co-ordination Division responded to, and coordinated, a broad and diverse number of emergencies across the state. These included bushfires at Tamboritha, Timbarra, Cann River and the Carrum Downs Fire on the urban fringe. The season finished with a series of significant peat fires across Barwon South West. The season was also impacted by a series of recycling fires at Coolaroo, Somerton and Laverton, along with a significant hazmat fire at the Maribyrnong defence facility. Those fires impacted 60,000 hectares and destroyed numerous buildings but significantly there was no loss of life.

Other significant emergencies included the Anthrax outbreak across the western region, the Avoca bus crash, the Doncaster East balcony collapse, the Telstra '000' outage and the Flinders Street event. Fifteen total fire ban days were declared in 2017-18 and the State Control Centre activation level was elevated for 63 days.

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.

Additional information in relation to progress against the Government's commitment to reduce the regulatory burden and compliance with legislation can be found in Chapter 4 Appendices.

REGULATING THE FIREARM, PRIVATE SECURITY AND WEAPONS INDUSTRY

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.

As the regulator of these industries, Victoria Police undertakes risk-based compliance based on the following general 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 risks;
- Engaging with stakeholders to encourage compliance and provide transparency regarding policy decisions;
- Reducing regulatory burden by the effective use of technology-based application solutions where possible.

In 2017-18 the Licensing and Regulation Division processed 142,098 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 2.3 per cent increase on applications processed in 2016-17. Of the applications processed in 2017-18, 94 per cent were approved.

As at 30 June 2018, there were:

- 224,618 current Victorian firearm licences.
- 832,154 registered firearms attached to 217,784 current firearm licences.
- 36,801 private security licences and registrations.
- 840 Chief Commissioner of Police weapon approvals.

Victoria Police's focus continues to be on compliance and ensuring that only fit and proper people are licensed. Across the state 1,730 private security licences and registrations, and firearms licences were cancelled in the 2017-18 financial year.

Between 1 July 2017 and 30 June 2018:

- 47,703 new and renewal firearm licence applications and 15,247 new and renewal private security licence and registration applications were approved.
- 661 new and renewal firearm licence applications and 261 new and renewal private security licence and registration applications were refused.
- 1,438 firearm licences and 290 private security licence and registrations were suspended.
- 1,519 firearm licences and 211 private security licence and registrations were cancelled.
- 70,967 firearm permit applications were approved.
- 517 firearm permit applications were refused.

Financial Performance

The Annual Financial Statements¹⁷ included in the Annual Report provide users with information about Victoria Police's stewardship of resources entrusted to it.

Table 2.10 provides a summary of Victoria Police's financial result¹⁸ for the 2017-18 financial year and comparative information for the preceding four years.

Table 2.10: Five Year Financial Summary

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Total Income from Transactions	2,285,345	2,448,193	2,596,616	2,785,000	3,073,265
Total Expenses from Transactions	2,292,344	2,465,217	2,609,246	2,782,181	3,065,762
Net Result from Transactions	(6,999)	(17,024)	(12,630)	2,819	7,503
Net Result	(848)	(17,668)	(12,586)	17,138	15,803
Net Cash Flow from Operating Activities	89,874	82,630	82,221	73,650	116,661
Total Assets	1,831,379	1,947,053	2,085,489	2,135,743	2,343,438
Total Liabilities	614,641	667,928	683,863	702,950	764,387
Net Worth	1,216,738	1,279,125	1,401,626	1,432,793	1,579,051

FINANCIAL PERFORMANCE

The moderate surplus net result from transactions of \$7.50 million primarily reflects the recognition of grants to fund the progressive development of the new fleet of alcohol and drug buses. However, the associated expenditure for these grants is recognised in the balance sheet and is expensed over the assets' useful life via depreciation.

The surplus on other economic flows of \$8.30 million is primarily due to the net gain on the disposal of plant, equipment and motor vehicles, which is reflected in the net result of \$15.80 million.

The growth in income from transactions and associated expenditure primarily reflects the increased funding allocated for the Public Safety Police Response and *Community Safety Statement* initiatives, and the provision of financial supplementation to support Victoria Police's operations.

BALANCE SHEET

Victoria Police's net worth as at 30 June 2018 was \$1,579.05 million, comprising total assets of \$2,343.44 million and total liabilities of \$764.39 million. Property, plant and equipment represent 72 per cent (\$1,692.88 million) of the total assets. These assets increased in value by \$119.25 million from \$1,573.63 million in 2016-17, reflecting the level of capital purchases, adjustments for movements in depreciation, physical asset revaluations and disposal of assets during the financial year.

The change in total assets of \$207.70 million in 2017-18 is primarily due to the revaluation of land holdings, assets acquisitions and an increase in receivables from the Victorian Government of \$41.29 million which reflects the revenue earned from the provision of services that is required to meet the future financial obligations resulting from operating and capital transactions during the current financial year.

The increase in total liabilities of \$61.44 million from 1 July 2017 is primarily attributed to an increase in payables of \$17.22 million, and an increase in employee-related benefits provisions in the balance sheet by \$32.55 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.

¹⁷ 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.

¹⁸ To be read in conjunction with the Comprehensive Operating Statement within Chapter 5 Annual Financial Statements.

Performance Against Our Annual Plan 2017-18

Another measure of Victoria Police's performance is progress against the Annual Plan. The plan provides details relating to the achievements in individual projects or programs set as priorities for the year.

The *2017-18 Annual Plan* is the second year of delivering the *Victoria Police Capability Plan 2016-2025* and sets areas of focus to direct Victoria Police's efforts. Some key highlights and achievements against the Annual Plan's focus areas for 2017-18 have been listed below.

Victoria Police's commitment to become more focused on the health, safety and wellbeing of our people

- Completed a review of the Health and Safety Strategy within the organisation.
- Implementation of mental health literacy training.
- Undertook a review of the Foundation Training Program for recruits at the academy.
- Establishment of a team that will address workplace harm.
- Commenced implementation of the parental leave backfill capability for officers.
- Commencement of training for managers across the organisation to address workplace harm.

Victoria Police's commitment to more responsive, agile and visible policing

- Commenced the deployment of general duties officers, specialist officers, special operations group officers, Protective Services Officers and Police Custody Officers under the Public Safety Police Response and Community Safety Statement initiatives.
- Completed the deployment of specialist resources to the Intelligence and Covert Support Command and Legal Services Department.
- Murtoa Police Station replacement works have been completed.
- Completed station refurbishments at Bacchus Marsh, Benalla, Churchill, Cobden, Geelong, Lakes Entrance, Maffra, Moe, Rosebud, Sorrento and Warragul.
- Completed police residences in Goornong, Port Fairy, St Arnaud, Underbool, Warracknabeal, Woomelang and Yackandandah.
- Completed the rollout of Eyewatch social media pages across the state.
- Victoria Police TV was created and is broadcast in 56 languages.

Victoria Police is committed to introducing more evidence-based practices and decision-making

- A continuous improvement team has been established to support the organisation to deliver improved processes.
- Commenced rollout of the new alcohol and drug testing vehicles.
- Establishment of the project management framework, enterprise governance framework, interagency advisory board and enterprise level reporting to support the oversight of significant achievement programs.

Victoria Police is committed to a stronger focus on victims, prevention and reduction of harm

- The development and design of family violence training including: a Family Violence Investigators course, family violence training for intelligence practitioners, a new risk assessment tool, a case prioritisation model and the piloting of Body Worn Cameras as part of proposed changes to evidence in chief legislation.
- Developed a new firearm storage inspection tool.
- Establishment of the illicit firearms investigation team to reduce the risk of firearm harm within the community.

Victoria Police to become a more professional, flexible and diverse workforce

- Commenced the deployment of police resources for the parental leave backfill program.
- Developed the Aboriginal Inclusion Strategy and action plan that will be released organisation-wide in August 2018.
- Developed the LGBTI Inclusion Strategy and action plan that will be released in 2018-19.
- Developed the Accessibility Inclusion Strategy and Action Plan that will be released in 2018-19.

Victoria Police to improve policing and business processes by leveraging technology

- In 2017-18 Victoria Police met its target of 100,000 roadside drug tests by alcohol booze buses.
- Undertook the Body Worn Camera pilot program in Ballarat and Epping.
- Victoria Police's intelligence management platform has undergone the first stages of implementation with 545 users successfully using the technology after having completed specialised face-to-face training.

Victoria Police is committed to building stronger partnerships and co-production with stakeholders

- Joint efforts of divisional firearm officers and the Licensing and Regulation Division has improved community awareness of firearm enforcement by developing a media story aired on Channel 9 regional news and Victoria Police TV.
- Proactive targeting teams have been established as part of the management of serious offenders project.
- Commenced work on expanding the Western Region Sex Offenders Specialist Response Unit.
- Continued regional consultation with local government and private sector partners to reduce speed limits in rural areas.
- Educational campaigns in coordination with the Traffic Accident Commission and VicRoads have been implemented to educate road users on reduced speeds when passing stationary emergency response vehicles.
- Development of the new *Victoria Police Road Safety Strategy 2018-2021*.
- Completed the first phase of the recruitment of lawyers positioned at the Drug Court of Victoria.

3. YEAR IN REVIEW

In 2017-18 Victoria Police has continued to prioritise the implementation of the Capability Plan to enable Victoria Police to fulfil the objectives of serving the Victorian community and upholding the law to promote a safe, secure and orderly society.

Policing is increasingly complex and Victoria Police is responding to a constantly changing environment that includes new security challenges, technological developments and changing patterns of offending. The Capability Plan reflects these changes and the capabilities that Victoria Police needs to be an effective police force. Over \$3 billion has been invested in Victoria Police to fund core capabilities such as early intervention, offender management, managing demand, harm minimisation and victim support.

The *Community Safety Statement 2017* provided further support to Victoria Police to uphold its role in ensuring that Victoria is a safe place. The commitment and investment from the Victorian Government outlined in the statement included a highly trained police force, better access to technology and specialised equipment and law reform. These initiatives are geared towards ensuring that police are well equipped to respond to the five priorities of the *Community Safety Statement* – reducing harm, increasing connection to the community, putting victims first, holding offenders to account and improving Victoria Police’s capability, culture and technology. Through continued evolution of the Staff Allocation Model, Victoria Police is confident that as an organisation we have the evidence base and processes in place to get the balance right between responding to calls for service, apprehending offenders, preventing and investigating crime.

Key priorities delivered in 2017-18 include the recruitment of new general duties and specialist police, 100 new Protective Services Officers (PSOs), enhanced capabilities in tactical operations, counter terrorism and transformational technology and implementation of an organisational strategy focusing on family violence, sexual offences and child abuse. Commitments were also made to provide support services to victims and people in need of assistance, increase promotion of gender diversity and inclusion policies across the organisation and support greater youth engagement.

Over \$3 billion has been invested in Victoria Police to fund core capabilities such as early intervention, offender management, managing demand, harm minimisation and victim support.

Victoria Police continues to reform its organisational culture through a range of initiatives including the implementation of broad-based leadership capability uplift and the continued focus on the health, safety and wellbeing of the community and our employees.

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

This chapter highlights achievements and actions against each of the eight transformation pathways:

- **Safety** – More focused on the health, safety and wellbeing of our people.
- **Leadership** – More confident, humble, respectful and people focused.
- **Agility** – More responsive, 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.

It outlines key achievements for 2017-18 and future focus areas for 2018-19.

3.1 Safety

A safe working environment is crucial in supporting Victoria Police employees to perform their duties effectively. Victoria Police is prioritising initiatives across the organisation that increase safety measures and support employees to deliver services and undertake operations as safely as possible. Some of these initiatives are outlined below.

MINIMISING HARM

The Victorian Equal Opportunity and Human Rights Commission (VEOHRC) has been working with Victoria Police to develop an evaluation framework. This framework will measure Victoria Police's progress in the VEOHRC Phase 3 audit of the *Independent Review into Sex Discrimination and Sexual Harassment, Including Predatory Behaviour in Victoria Police* (VEOHRC Independent Review). The framework is also being developed to support Victoria Police in maintaining its focus and commitment to becoming a safe, inclusive and respectful workplace.

MENTAL HEALTH

Victoria Police actively monitors the mental wellbeing of employees and ensures that adequate resources are made available to support ongoing education and improved responses to mental health issues. The *Victoria Police Mental Health Strategy and Wellbeing Action Plan 2017-2020* was launched in August 2017 and builds on the work of the 2016 *Victoria Police Mental Health Review*. The plan outlines the mental health and wellbeing vision for "Victoria Police employees who are mentally fit, ready, and capable to contribute to a safer Victoria."

To support new recruits Victoria Police has commenced a review of existing mental health literacy training content. The focus is on the Foundation Training Program for recruits which will incorporate a range of training and tools including suicide awareness and prevention. Access to content and support for families of recruits is also important and is being considered as part of a public facing wellbeing website currently under development. The website is being developed in consultation with current and former employees and their families. It will house mental health literacy content, improve access to tools and resources and provide links to key services.

The Victoria Police Career Transition Guide has been refreshed and aims to educate and inform employees on a range of topics related to the career transition process, including wellbeing support and financial planning information. The guide now provides more information and links to support Victoria Police officers transitioning to and from Victoria Police or retiring.

VEHICLE ACQUISITION STRATEGY

Victoria Police has commenced the introduction of 290 new divisional vans. The rollout began in February 2018 and will occur over two years. Additional safety features and benefits of all new vans include increased storage area, additional camera capacity to improve monitoring of persons in custody, new generation LED light bars to reduce power consumption and improved digital siren systems. Ergonomically designed and performance tested, the vans have the maximum safety rating and will support members in carrying out their duties.

BUILDING DESIGN

The design process for all new police station construction projects includes Safety-in-Design Reviews. The reviews are conducted in consultation with regional and local occupational health and safety representatives to ensure the buildings do not present any risk to police, members of the public or people in custody. The configurations of the buildings are designed in line with their purpose and the flow of work that occurs within it. The design process includes an accessibility checklist ensuring wherever possible the physical built infrastructure does not restrict access by people with disabilities. Where practicable, new police facilities acknowledge the *Victoria Police Diversity and Inclusion Framework 2017-2020* by including spaces for multi-faith religious observance, all-gender bathrooms, breast feeding and other carer needs.

FUTURE FOCUS

The development of an anti-bullying framework for Victoria Police is underway. This work will help reinforce the importance of promoting and protecting the mental health of employees. It will complement work to drive cultural change and ensure safe, respectful and inclusive workplaces.

The Victoria Police Health, Safety and Wellbeing Strategy and Action Plan will outline Victoria Police's commitment to promoting and protecting the mental health of our employees. This document is under development and will serve as a companion document to the *Victoria Police Mental Health Strategy and Wellbeing Action Plan 2017-2020*.

Based on a recommendation from the VEOHRC Independent Review, Victoria Police will review the physical employment standards so that it aligns with the inherent requirements of a police officer. This review will inform recruit, qualifying and annual fitness test requirements.

The Operational Safety Project

The Victoria Police *Operational Safety Framework* is the approach applied by police to resolve any incident as safely as possible for the subjects, bystanders and Victoria Police employees. Providing this guidance to police is designed to support them to manage the unique hazards and risks encountered during operational duties. It provides a practical and easy-to-apply process to assist police to make rapid, relevant operational decisions in ambiguous circumstances.

A review and re-launch of this framework was completed in 2017-18. The project was designed to modernise the guidance in light of the changes to the policing environment including population growth, crime trends and community expectations. Three new overarching operational response principles (service, safety and harm minimisation) now guide all operational planning and response activities. The principles address the need for police officers to focus on their duty to provide a policing service, their responsibility to do so as safely and practicable as possible and with the goal of minimising harm caused either by their own actions or the actions of others.

Trauma Recovery and Resilience Group

Following the success of the first 12-week Trauma Recovery and Resilience Group pilot, a second group was facilitated from September 2017 to March 2018. The purpose of the program was to bridge the gap in treatment options for police members with subclinical post-traumatic stress syndrome. There were positive outcomes for participants. This included a reduction in symptoms of poor mental health (including symptoms of post-traumatic stress syndrome), improvements in managing mental health and overall better quality of life outcomes. This program will continue to be delivered, and provides a strong opportunity to provide intervention to those most at risk of developing post-traumatic stress syndrome.

3.2 Leadership

The journey of organisational transformation continued, driven by the VEOHRC Independent Review and the *Victoria Police Mental Health Review*, to strengthen Victoria Police's people focused leadership capability.

LEADERSHIP CAPABILITY

During 2017-18, over 300 leaders in the organisation including Deputy Commissioners and Deputy Secretaries attended important educational programs to address the findings of these reviews.

The programs centred on shifting the mindsets of leaders and equipping them to lead change around gender equality and mental health. A series of workshops focused on teaching leaders to understand the impact they make, the shadow they cast and how they can promote greater gender equity. The workshops also covered topics on increasing mental health awareness provided a guide to services and tools available.

Compulsory leadership capability development and delivered to over 1,000 Senior Sergeants, Inspectors and Superintendents focused on addressing gender equality, sex discrimination and workplace harm.

A further 20 Senior Sergeant Development programs were run in 2017-18, with over 70 per cent of Senior Sergeants trained. The remaining Senior Sergeants will participate in the program in 2018-19. Two Developing Future Leaders programs, delivered in partnership with the Australian Institute of Police Management were also delivered to Sergeants.

With an emphasis on building leadership at all levels a number of new programs were introduced in 2017-18. These included four leadership programs for Senior Constables, Constables and Transit Protective Services Officers, with a focus on developing greater self-awareness, the ability to positively communicate, influence, coach and contribute to a constructive workplace culture.

Two programs were introduced to expand on existing development opportunities for VPS and Forensic Officer employees. The program Getting Started with Leadership emphasised to those new to team leader/supervisor roles how to build foundational leadership and management capabilities. The program Developing Self, Leading Others provided senior managers the opportunity to develop greater insight into their leadership style and impact and deepen their leadership capability.

A new Managers Leadership Program, bringing together Inspectors and VPS managers for a six-month intensive leadership experience was also introduced.

WOMEN IN LEADERSHIP

The fourth Balance: Leadership for Women in Public Safety Agencies program was delivered in partnership with the Australian Institute of Police Management. It continues to focus on providing tailored career support for women. Over 90 female Inspectors and Senior Sergeants have now benefitted from this program.

To extend the range of career support initiatives available to women in Victoria Police, a new Leading Women program for senior VPS employees was introduced. The program focuses on strengths, developing confidence and resilience. It encourages peer networks to support, connecting and sharing challenges.

Women at different ranks and grades from across Victoria Police have been supported to attend a range of women's leadership programs, forums and events to connect with counterparts in other organisations and industries. This has enabled Victoria Police to share with and learn from the experiences of other female leaders and those supporting gender equality initiatives.

STAND PRACTICE LEADERS NETWORK

Stand is an employee-driven initiative that was developed as an internal brand to inspire positive action when faced with workplace issues. In 2017-18, 311 Stand practice leaders across Victoria Police participated in the practice leadership program and are now applying their skills in their workplace to prevent and respond to workplace harm and promote gender equality. This includes removing barriers for women to ensure they get the same opportunities to access development, assignment and higher duties opportunities.

IMPROVED ALPINE POLICING MODEL

Victoria Police aims to develop strong leaders for our organisation to benefit both the organisation and the community. With a focus on improved policing responses, a revised Alpine Service Delivery Model was introduced during the first quarter of 2017-18. Current policing services are delivered through an integrated approach that involves police in the eastern region working with officers of the Victoria Police Operations Response Unit. The new model is aimed at enhancing policing services to the entire alpine region and incorporates major mountain accommodation ski resorts at Mt Buller, Mt Hotham and Falls Creek, as well as Mt Baw Baw and the sightseeing areas at Lake Mountain and Dinner Plain.

Community and police safety is the main focus of alpine policing and an important reason behind the implementation of the revised model. This is achieved through ongoing community and stakeholder engagement to educate, inform, support and enforce appropriate behaviours. Police undertake skills development to qualify at appropriate levels in command and control, map reading and alpine survival skills. The Alpine Policing Committee ensures a strategic focus is applied to continuous improvement of service delivery in this high risk and challenging environment.

FUTURE FOCUS

Through targeted investment, the rollout of a broad-based leadership capability uplift for mid-level managers and supervisors will commence. This program centres on people-focused leadership to support a more respectful, inclusive workplace culture and programs will be delivered at both metropolitan and regional locations.

Mental Health from Recruits to Retirees

Awareness of the impact of policing on employees' mental health has been well documented and Victoria Police continues significant work on prevention, early intervention and response. Risks to the mental health and wellbeing of police begin at the start of their career and the consequences of long-term exposure to trauma can extend into their life beyond policing.

In 2017-18 Victoria Police continued to enhance support options for police throughout their life and career stages. Mental health literacy programs for recruits have been re-developed to better address their needs regarding psychological preparedness and understanding of mental health, including trauma. Leaders are also being educated on how to respond and support their teams.

Victoria Police has increased its capacity to provide large-scale psychological support to officers affected by traumatic events. Following the Flinders Street incident in December 2017, police were provided with immediate access to support as well as ongoing follow-up at individual, work unit and manager levels to address any issues related to trauma exposure.

The Retired Peer Support program continues to deliver its services with ongoing uptake from former police. This has enabled better connection with former police who have acute mental health needs, an increased capacity to provide these people with appropriate treatment and will contribute to overall better health outcomes.

3.3 Agility

The ability to respond and attend to incidents depends on the agility of Victoria Police. The focus this year has been increasing the number of police and PSOs and developing policing capabilities through skills training, better access to equipment and more suitable infrastructure.

NEW, UPGRADED AND REPLACEMENT POLICE STATIONS

In February 2018 the new 24-hour Mernda Police Station was opened. This new facility has been built to meet police requirements including adequate office space, exhibit and equipment storage, interview rooms and cells. Victoria Police is also continuing the modernisation of police stations through a major refurbishment and replacement program.

In 2017-18 upgrades or refurbishments of a number of police stations commenced across metropolitan and regional Victoria.

Work on the replacement station in Murtoa has been completed. Works on replacement stations in Bright, Corryong, Cowes, Colac, Mallacoota, Rutherglen, Tangambalanga, Warburton, Warracknabeal, Wedderburn and Wycheproof are nearing completion by the end of 2018. The refurbishments of police stations in Bacchus Marsh, Bairnsdale, Benalla, Churchill, Cobden, Geelong, Lakes Entrance, Maffra, Moe, Rosebud, Sorrento and Warragul are completed. Refurbishment works of Portland and Warrnambool stations will be completed by the end of 2018. These works ensure improved community safety and service delivery across metropolitan and regional areas through the provision of contemporary and adaptable police stations, helping long-term effective and efficient delivery of policing services.

ADDITIONAL POLICE AND PROTECTIVE SERVICES OFFICERS

The recruitment, training and deployment of new police continue to be a key focus. Additional police enhance Victoria Police's capability and builds 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. Additional specialist police in areas of organised crime and counter-terrorism have bolstered the ability to address threats before they occur and more generalist police supports continued high levels of public engagement across all types of policing matters. The current deployment schedule is set to see 825 police in place by April 2019, informed by the Staff Allocation Model.

One hundred additional PSOs were funded in the *Community Safety Statement 2017*. Twenty-five of these PSOs were deployed ahead of schedule in December 2017. The remaining 75 will be deployed over the next three years. New powers for PSOs to keep commuters safe came into force in April 2018. The new laws give PSOs a range of additional powers, including extended mobility across the public transport network and the ability to operate in the vicinity of the network. PSOs are also being deployed in more flexible ways to take advantage of these additional powers. In January 2018, 30 were deployed in teams to patrol train and tram stops day and night surrounding the Australian Open. All 1,150 Transit PSOs have received training in relation to the new legislation.

CROWD CONTROL EQUIPMENT

Victoria Police's capability and capacity to manage large-scale public order incidents, including violent protests and riots, have been significantly enhanced during the last 12 months. Improvements include specialist training, procurement of crowd control equipment, modernisation of tactics and the inclusion of evidence-gathering teams to provide a more flexible and responsive service delivery model. Specifically, this year has seen the delivery of four specialist equipment vans, one mobile command facility and the upskilling of over 300 police aimed at minimising the risk of harm to police, the public and offenders.

RAPID RESPONSE CAPABILITY

To meet the challenges of today's high risk policing and counter terrorism environment, the response model for specialist tactical policing has changed. Since October 2017 the Critical Incident Response Team has introduced smaller security teams dedicated to designated areas including event and critical infrastructure protection. So far these teams have responded to 44 reports of armed offenders. Similarly, the Special Operations Group response model now mirrors those utilised by the elite units in Europe with an initial smaller Quick Response Force that ensures a rapid response capability for highly specialist police to unplanned events. Unlike the standard call out for the Special Operations Group this Quick Response Force capability self deploys and provides significant community protection for high risk threats. Since October the Quick Response Force has responded to 26 tasks.

During 2017-18 the tactical capabilities of police have developed considerably through the acquisition of advanced weaponry and other equipment. The Critical Incident Response Team, the Special Operations Group and the Bomb Response Unit have all received a significant increase in critical equipment including ballistic vehicles, new weaponry, bomb robots and an increase in officers.

ALCOHOL AND DRUG TESTING VEHICLE REPLACEMENT PROJECT

The Alcohol and Drug Testing Vehicles Replacement Project was established to replace the current booze bus fleet with 10 new state-of-the-art vehicles. The new fleet is equipped with features designed to enhance police safety and includes four large and six smaller vehicles, enabling the fleet to be deployed in varying locations. The first four vehicles were deployed prior to 30 June 2018 and the remaining vehicles will be rolled out during the remainder of 2018 and early 2019.

CONDUCTED ENERGY DEVICES

Conducted energy devices (sometimes known as tasers) have been rolled out to selected regional and rural police stations operating 24-hours a day to provide an additional, tactical option for police in regional areas. Use and awareness training for officers in conducted energy devices was one of the largest deliverables of this project and involved training to support the rollout of the technology. Due to the collaborative efforts of all those involved, the rollout to all 37 nominated stations occurred five months ahead of schedule. Over 1,800 officers have been trained as conducted energy devices users, with additional officers completing awareness training.

INCREASE IN FORENSIC CAPABILITIES

In 2017-18 the Forensic Services Department enhanced capability through the recruitment and training of over 65 Forensic Officers and VPS employees responsible for DNA analysis and reporting. Progress was also made towards the procurement and installation of new specialised robotic equipment to automate processes to ensure timely processing of DNA samples.

PROSECUTIONS FRONTLINE SUPPORT UNIT

The Prosecutions Frontline Support Unit has worked in partnership with general police and specialist areas providing real-time prosecutions advice directly to police commanders operationally at high and extreme risk public order events. The unit has also worked with officers to improve the quality of briefs. The move to a 24/7 availability model means the unit is now supporting the night court and weekend court initiatives which followed the Bourke Street incident. The unit is also supporting police by providing advice and assistance in relation to offences against emergency workers.

FUTURE FOCUS

Victoria Police has announced the location of two new, purpose-built regional forensic hubs to be constructed in Ballarat and Morwell. The hubs will provide a range of services including multi-disciplinary evidence recovery, fingerprint identification and preliminary drug testing, with potential for future DNA analysis. This will enhance Victoria Police's ability to tackle serious and organised crime in regional and rural areas by fast-tracking investigations and improving responsiveness.

In 2018 legislative reform enabled police to collect forensic samples from offenders subject to the Victorian *Sex Offenders Registration Act 2004*. Victoria Police identified almost 2,700 offenders eligible to provide samples, and in March 2018 commenced a state wide targeted operation to collect those samples. Police from the Intelligence and Covert Support Command's Offender Management Division have been working in partnership with regional officers and have collected over 970 DNA samples and 400 fingerprint samples from registered sex offenders. A further 1,300 samples will be collected, retained and cross-referenced against all unsolved crimes in Victoria and the National Criminal Intelligence DNA Database. Proposed legislative reform on the collection of DNA samples from suspects more broadly will also be a focus in 2018-19.

Specialist Children's Court Prosecution Unit

In September 2017 the Prosecution Division established the Specialist Children's Court Prosecution Unit. The Unit currently has 45 prosecutors across the state. The focus on early intervention in the Children's Court is aimed at reducing harm and fostering rehabilitation through therapeutic options. The unit focuses on holding serious young offenders to account. It has embedded a focus in its standard operating procedures to work with the 42 new youth resource specialist officers to support a renewed youth engagement framework. The unit also supports the Fast Track Remand Court and has enabled the reduction in the number of young people on remand and the early resolution of cases. The reduction in delay supports a speedier outcome for victims.

Police Custody Officer 400 Program

This program had a target to employ 400 Police Custody Officers by the end of 2017. This was achieved ahead of schedule on 11 December 2017. Police Custody Officers have been deployed to over 20 locations across the state and Supervising Police Custody Officers have been deployed to three-quarters of the locations. The implementation of these officers has enabled police at those locations to focus on general policing.

3.4 Evidence-Based

The evidence-based approach to policing allows for consideration of a large number of factors to determine the most effective response for preventing crime and minimising harm to the community. In 2017-18 Victoria Police utilised the evidence-based approach to undertake reform, increase productivity and mitigate a wide range of risks before they materialise.

MAJOR EVENT OPERATIONS

During 2017-18 Victoria Police undertook improvements and reformed the way major events are planned and coordinated. This has led to improved productivity and efficiency of police resources. The new model of response was applied to four events including New Year's Eve and Anzac Day.

Victoria Police utilises real-time intelligence from CCTV and calls to police through the Victoria Police Monitoring and Assessment Centre, to provide a complete operating picture and response to events occurring across multiple locations or state wide. Other improvements include increased knowledge sharing, consistent application of processes and procedures and stronger stakeholder engagement across the private and public sectors.

PROPERTY MANAGEMENT TRAINING PORTAL AND COMMUNITIES OF PRACTICE

Victoria Police has improved its practices to support safe handling, storage and destruction of seized property through the work of the Property and Exhibit Management Reform Program. Additional training has been made available to employees through the launch of a property management training portal in January 2018. Examples of benefits to Victoria Police from this project include the reduction of time between cannabis seizure and destruction from over 60 days to less than 10. This has resulted in the destruction of almost 14,000 kilograms of cannabis and has saved significant storage space. Another example is the use of safer procedures for the destruction of seized and surrendered firearms, weapons and mobile phones, which mitigate occupational health and safety risks for police and property officers.

THE ICE ACTION TASKFORCE DRUG INTELLIGENCE CAPABILITY PROJECT

The Forensic Services Department has continued to develop and refine the forensic intelligence model which aims to support intelligence led decision-making in reducing drug harm within our communities. The model integrates drug analysis data with a broad overlay of related information such as crime types, person of interest, health and community harm data. This generates a unique and comprehensive perspective of drug activity and potential harm indicators across Victoria.

FUTURE FOCUS

The Mobile Automatic Number Plate Recognition (ANPR) Project was established to implement Mobile ANPR and In Car Video technology in the fleet of 220 Highway Patrol vehicles. The deployment of ANPR will provide the ability to detect unauthorised drivers quicker and more accurately. This will improve safety of road users and police. The rollout will occur over two years, commencing in early 2019.

Following changes to the *Firearms Act 1996* which commenced in May 2018, police are now able to issue new Firearm Prohibition Orders (FPOs). Police commenced use of FPO legislation late in 2017-18 and from 2018-19 it will become an increasingly important tool to help police tackle serious and organised crime and further improve community safety.

Victorian Fixated Threat Assessment Centre

Persons with an obsessive preoccupation with an individual or a cause (known as a 'fixated threat') pose an increased risk of serious harm or death to individuals and/or the public. In many cases, the perpetrators display signs of mental illness prior to committing their crimes.

The Victorian Fixated Threat Assessment Centre, which was launched in March 2018, is a joint initiative between Victoria Police and the Department of Health and Human Services that aims to provide a structured and coordinated approach to high risk individuals with complex needs including mental illness. Its main objective is to identify and intervene before a crisis happens. The centre aims to assess individuals who may have a mental illness, who engage in obsessive-type behaviours and who potentially pose a threat to public safety. It also aims to facilitate interventions by mental health experts, police and relevant agencies to prevent these individuals from progressing to violent action.

3.5 Victim-Centric

The victim-centric approach continues to be embedded in the Victoria Police response to crime. Victoria Police is increasing policing resources to provide the right support to victims of crime in line with the *Victims Charter Act 2006* and is working with other agencies and departments to share information and assist victims.

SPECIALIST REFORM

The Royal Commission into Family Violence recommended a range of reforms to transform the investigative response to family violence. The reforms are supported by 415 new specialist violence police and implemented by Victoria Police.

Victoria Police commenced the rollout of specialist family violence positions under a new investigative model to provide a consistent, enhanced response to family violence incidents that are high risk, and involve multiple victims or vulnerable people. The rollout commenced with the deployment of Detective Senior Sergeants to lead the Family Violence Investigation Units. To support the units, Victoria Police has commenced recruitment for:

- Over 30 family violence intelligence analysts to assist with the identification, prioritisation and management of priority perpetrators and victims of family violence.
- A team of dedicated psychologists and social workers to support the mental health and psychological wellbeing of the Family Violence Investigation Units and Sexual Offences and Child Abuse Investigation Teams employees.
- More than 30 educators, comprising additional trainers at the police academy and family violence training officers based in every division to provide tailored, targeted family violence training and education.
- Police lawyers to prosecute family violence intervention orders in courts across Victoria who will support the new specialist family violence courts.

ADDRESSING FAMILY VIOLENCE, SEXUAL OFFENCES AND CHILD ABUSE

In December 2017 Victoria Police launched its new organisational strategy, *Policing Harm, Upholding the Right: Victoria Police Strategy for Family Violence, Sexual Offences and Child Abuse 2018-2023*. The strategy 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.

The strategy sets out a range of initiatives in four strategic priority areas: victim safety, offence and offender management, child safety and a safe and capable workforce. Victoria Police will address these and other initiatives in rolling annual action plans. Outcome measures will be supported by a range of indicators at regional, divisional and local levels to support decision-makers to effectively monitor their service delivery.

FAMILY VIOLENCE EDUCATION

One of the recommendations of the Royal Commission into Family Violence was to establish the Centre of Learning for Family Violence. The newly created centre provides tailored and responsive education to all police throughout their careers. Education is delivered in formal training programs at the police academy and in the workplace. Teams deliver specialised and targeted training to increase understanding of family violence and improve police responses. This includes the assessment and management of risk at a family violence incident. The centre has more than tripled the education hours for police recruits in family violence and has delivered more than 1,500 hours of training since August 2017. An academic advisory board has been established to ensure quality and evidence-based education remains at the core of the centre's programs. The centre will aid police to be more capable, more confident and more effective in dealing with family violence as a core component of police business.

The organisation is also improving responses and practices to respond effectively to perpetrators and victims of family violence, sexual offences or child abuse who are Victoria Police employees. Reform will continue and organisational performance measures strengthened to assess progress.

ABORIGINAL FAMILY VIOLENCE POLICE PROTOCOLS

The Aboriginal Family Violence Police Protocols provide guidance for police when responding to family violence in Aboriginal communities. Developed in consultation with the local Aboriginal community, the protocols document the local police response to family violence to ensure that communities have access to a culturally safe referral to either Aboriginal or non-Aboriginal support agencies.

Victoria Police is continuing to work towards state wide implementation of the protocols. In 2017-18 Victoria Police launched the protocols in Warrnambool and Latrobe, with work underway to introduce protocols in Echuca. Protocols are established in Ballarat, Bairnsdale, Dandenong, Darebin, Mildura, Shepparton, Swan Hill and Wimmera.

To support the protocols Victoria Police developed an online educational package to improve police understanding of vulnerability factors and issues affecting Aboriginal communities. In consultation with Aboriginal community stakeholders, the training is mandatory for police up to and including the rank of Superintendent and over 11,500 officers had completed the training.

VICTIM CENTRIC SERVICE DELIVERY

In 2017-18 police made over 36,000 referrals through the online 'eReferrals' process for victims and those in need of assistance. There are now 20 referral pathways to support services including drug and alcohol misuse, mental health, aged care, legal advice and road trauma. Victoria Police has made more than 120,000 referrals since eReferrals commenced in October 2014.

Victoria Police has continued to work with the Victim Support Agency to expand the program to have Victim Assistance Program workers located at police stations across the state. The program now comprises 29 police sites including recent additions at Crime Command and the Major Collision Investigation Unit.

CHILD INFORMATION SHARING

The Child Information Sharing Scheme has been developed in response to numerous independent reviews and inquiries over the past decade, including most recently the Royal Commission into Institutional Responses to Child Sexual Abuse. The Commission highlighted opportunities to share information more freely between government agencies to achieve better outcomes for vulnerable children. The Child Information Sharing Scheme allows confidential information to be more readily shared between agencies. The scheme will help to detect early signs and risks that may lead to early intervention and provide appropriate support to vulnerable children and families. In 2017-18 Victoria Police supported changes to legislation to introduce the Child Information Sharing Scheme and undertook preliminary planning activities for its implementation from September 2018.

JOINT CHILD SEXUAL EXPLOITATION PILOT

Victoria Police works closely with the Department of Health and Human Services to protect children and young people at risk of sexual exploitation. This includes actively engaging with vulnerable children and young people to encourage them to report any crimes and delivering a range of disruption strategies to keep them safe. A pilot project that looked at an enhanced response model resulted in more than 50 investigations across five locations, with more than 60 charges being laid for a range of offences. An independent evaluation of the pilot was conducted in late 2017 with positive outcomes. Both organisations are working closely to progress the recommendations, including the development and rollout of a state wide response model.

MULTIDISCIPLINARY CENTRES

Multidisciplinary Centres provide a victim-centric response to victims of sexual offences, child abuse and family violence. In 2017-18 Victoria Police launched the Wyndham Multidisciplinary Centre and expanded the Geelong Multidisciplinary Centre. Wyndham is the seventh Multidisciplinary Centre in Victoria, and joins other located in Dandenong, Seaford, Geelong, Mildura, Morwell and Bendigo. Multidisciplinary Centres co-locate a range of agencies to provide an integrated and holistic response to victims of sexual offences and child abuse. Wyndham, Geelong and Dandenong also provide a co-located family violence response that includes key services from the following areas: Victoria Police Sexual Offences and Child Abuse Investigation Teams, Family Violence Investigation Units, forensic medical services, child protection practitioners, sexual assault counsellors, family violence services and community nurses.

FUTURE FOCUS

From July 2018, 21 family violence training officers will be delivering workplace learning to all police divisions. The learning tools, developed by the Centre of Learning for Family Violence will increase understanding of the complexities of family violence and improve police response.

Victoria Police is working closely with the Department of Justice and Regulation, VEOHRC and other agencies to progress development of a Restorative Engagement and Redress Scheme for employees impacted by workplace harm based on a recommendation from the VEOHRC Independent Review.

Family Violence information exchange

In line with the recommendations from the Royal Commission into Family Violence, three reform projects were implemented in 2018. The Family Violence Information Sharing Scheme, Central Information Point and Support and Safety Hubs (The Orange Door) are changing the way that Victoria Police and other agencies work together to support victims of family violence and hold perpetrators to account.

The Family Violence Information Sharing Scheme commenced in February 2018. This allows authorised Information Sharing Entities, such as Victoria Police, to request and share information with another entity for the purposes of family violence risk assessment and risk management.

The Central Information Point is a joint service managed by Family Safety Victoria with employees from Victoria Police, Corrections Victoria, the Department of Health and Human Services and the Magistrates' Court of Victoria. The service extracts and provides relevant information across the system to inform family violence risk assessments undertaken by The Orange Door.

3.6 Gender, diversity and flexibility

2017-18 represented 100 years of women in policing in Victoria Police. In celebration of this milestone and in recognition of change still required, Victoria Police continues to strive to break down barriers to build a safe, inclusive and respectful workplace. This impacts both the way in which Victoria Police treats its workforce and the way Victoria Police reflects the community it serves. Victoria Police is updating key policies and strategies that set the tone for how all employees should be treated and recognises the importance of respecting people from all backgrounds.

BUILDING CULTURALLY CAPABLE AND INCLUSIVE SERVICE

On completion of the *Equality is not the same... Three Year Action Plan (2014-2016)*, Victoria Police re-committed to a further three years of reform. *Equality is not the same... Phase Two* commenced from July 2017 and in this phase Victoria Police has continued to drive reform under the initial themes of increasing connection to the community, continuing to promote human rights and cultural capability, communication and organisational accountability and transparency.

In 2017 Victoria Police has promoted diversity and engagement through implementing a Victoria Police Multi-Faith Youth Council, re-establishing the Victoria Police Aboriginal Portfolio Reference Group and promoting human rights awareness across all Victoria Police training and education opportunities.

LESBIAN, GAY, BISEXUAL, TRANS AND GENDER DIVERSE AND INTERSEX (LGBTI) WORKPLACE INCLUSION

Victoria Police released its updated trans and gender diverse inclusion policy to ensure it continues to provide a safe and supportive environment for trans and gender diverse employees. In 2017 Victoria Police received the Bronze Employer Award from the Australian Workplace Equality Index, the national benchmarking tool that measures Lesbian Gay Bisexual Transgender and Intersex (LGBTI) workplace inclusion. Chief Commissioner Graham Ashton led a contingent of about 140 Victoria Police employees in the 23rd annual Pride March on 28 January 2018 in St Kilda.

WOMEN IN POLICING

Victoria Police was proud to celebrate the historic milestone of 100 years of women in policing during 2017-18. A historical exhibition was run in the Victoria Police Museum. A statue of a female police officer was unveiled and it is now standing alongside the statue of a male police officer at the Victoria Police Academy. This statue acknowledges and celebrates the journey of women in Victoria Police, including challenges faced and barriers broken down to obtain opportunities for women today and into the future.

Under the *Gender Equality Strategy and Action Plan 2017-2020*, over 30 Women in Policing Local Committees have been established across different regions, departments and commands. These committees are open to all female employees and provide a safe and constructive forum to advance issues of importance to women. Issues include recognition and celebration, advice and support, professional development, networking and identifying and reporting on systemic concerns which impact women in Victoria Police. Victoria Police developed the Gender Equality Dashboard which provides a snapshot of gender composition, uptake of flexible work options and recruitment and promotion at the divisional level. This tool assists managers and supervisors to identify areas for improvement and to develop initiatives at a local level to address issues of gender inequality.

The 2018 International Women's Day campaign theme was Press for Progress. This year each Women in Policing Local Committee organised a local event to celebrate the day and recognise the significant and important contributions of women at all ranks and grades across the organisation.

WOMEN'S MENTORING PROGRAM

Victoria Police has launched a number of women's mentoring programs in support of the Gender Equality Strategy. These programs include a series of dedicated professional development days and informal one-on-one sessions between mentors and mentees throughout the 12-month program. Mentees, both police and VPS employees, are guided by male and female mentors. The programs aim to provide the opportunity for women, particularly in areas where female employees have historically been low in number, to be matched with people who can share their experiences and expertise.

ABORIGINAL EMPLOYMENT WITHIN VICTORIA POLICE

The Aboriginal Employee Network has been established to increase attraction across the Aboriginal and Torres Strait Islander communities. Victoria Police is utilising recruitment yarning circles. The terminology 'yarning circle' is from the Aboriginal community and describes the relaxed or informal setting, usually in a circle, for a discussion. Recruitment yarning circles are being planned in regional areas with support of respective local management, Aboriginal Community Liaison Officers and divisional training officers. On 29 May 2018 a recruitment yarning circle was held in Robinvale and other regional areas are being considered for 2018-19.

Victoria Police began a sponsorship contract in 2017-18 with the Marngrook Footy Show, which is aimed to increase attraction across the Aboriginal and Torres Strait Islander audience as part of the organisation's broader recruitment campaign to attract over 3,000 police by 2021.

FUTURE FOCUS

In early 2018-19 Victoria Police will be releasing a number of strategies and action plans that have been 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 (CALD) Inclusion Strategy and Action Plan and the Accessibility Inclusion Strategy and Action Plan. The focus of these plans is to support inclusive engagement of the workforce and guide respectful engagement with the community.

Victoria Police was funded for over 200 police and PSOs for the Parental Leave Backfill Program. Implementation of the program will be phased over the coming years from June 2018, with resources progressively deployed to backfill parental leave absences. The program has been customised for a range of different workplace scenarios, with different models developed to accommodate Victoria Police's diverse workplaces.

VP Pride

Formed in October 2017 the Victoria Police LGBTI Employee Network (VP PRIDE) was officially launched by the Chief Commissioner of Police in February 2018. VP PRIDE's broad mission is to foster diversity and inclusion within Victoria Police by allowing employees to network, share common experiences and information and contribute to policy development that promotes greater inclusion of LGBTI employees.

VP PRIDE represents a diverse range of employees across many ranks and grades, job roles, geographic locations, sexual orientations and gender identities. General membership is open to any LGBTI-identifying employee or ally, and the network is administered by a council of 12 elected members. Since its formation, VP PRIDE has established a formal terms of reference with monthly meetings, coordinated Victoria Police participation in the Midsumma festival, Pride March and International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT), provided consultancy on the Victoria Police LGBTI Inclusion Strategy and Action Plan and has a growing membership base of around 200 employees.

International Day of People with Disability and Public Advocates Awards

More than 100 Victoria Police employees and community members gathered at the Victoria Police Centre on 1 December 2017 to celebrate International Day of People with Disability. The event was an opportunity to recognise police officers and stations that provide outstanding services to people with disability. The Office of the Public Advocate helped present a series of Public Advocates Awards to officers, teams and stations. The event concluded with the commencement of the Law Enforcement Torch Run to raise awareness and understanding of people with disabilities and celebrate their contributions and achievements.

Victoria Police was proud to celebrate the historic milestone of 100 years of women in policing during 2017-18.

3.7 Technology Reform

During 2017-18 Victoria Police made significant progress in delivering a number of major transformation projects including Intelligence Management, Mobile Technology, Body Worn Cameras and the Police Assistance Line and Online Reporting.

These projects are giving police access to the information and tools they need to support operational decision-making, safety and justice outcomes for the community.

MOBILE TECHNOLOGY

The Mobile Technology project is equipping police with handheld mobile devices and a specially built application to access operational information in the field. Since deployment in late October 2017 Mobile Technology has worked to enable safer communities through more viable, informed and responsive policing, improved crime detection and prevention through more effective and proactive policing and a better command and management of policing operations. By the end of June 2018 over 2,000 devices are being used by police in Victoria.

BODY WORN CAMERAS

Body Worn Cameras streamline the gathering and corroboration of evidence and ensure more transparent interactions between police and the community, whilst enhancing accountability and improving officer safety. The pilot of Body Worn Cameras was launched in two areas – Epping and Ballarat in April 2018. Over 130 devices were deployed in the pilot to test operational impact, technical suitability and stakeholder impacts. The intent of the cameras is to provide improved evidence of police incidents and increase the safety of police and the community.

INTELLIGENCE MANAGEMENT

Victoria Police launched its intelligence management solution in October 2017. The solution has a search function that automates intelligence queries and searches through narratives and dossiers on police databases. It also has analytical tools that provide further detail on persons of interest and their associations. Over 570 users have access to the intelligence management solution. Since its launch, it has assisted with investigations and can be credited with leading to an increase in the prosecution of those committing crimes.

In 2017-18 Victoria Police made considerable progress in upgrading its foundational information and communication technology infrastructure with the introduction of a strong lifecycle 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.

ROADSIDE DRUG TEST SUSTAIN PROJECT

The Roadside Drug Test Sustain Project was established as part of Victoria Police's joint strategy with TAC and VicRoads to address road-trauma relating to drug use. The project will replace the Alcohol and Drug Impaired Driver Information System and create efficiencies through business improvement in order to support the delivery of 100,000 roadside drug tests per year. Enabling police to increase the number of roadside drug tests conducted is critical in identifying and removing impaired drivers from the roads. Victorians who drive after using drugs are a major cause of road trauma.

The scoping phase of the project was finalised in 2017-18 which identified a number of business improvement recommendations and the development of specifications for the system replacement. The system replacement contract will be executed in late 2018 and the delivery of the identified business improvement recommendations will be completed by June 2019.

FUTURE FOCUS

Victoria Police will implement its technology strategic roadmap to prioritise investments over the coming years. This will include the continued rollout of the Victoria Police modernisation program over the next two years.

The Police Assistance Line and Online Reporting project will provide two new channels for the reporting of non-urgent crimes and events. The Police Assistance Line and Online Reporting will greatly improve the service Victoria Police provides to all Victorians, by enabling them to directly connect to Victoria Police 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 from manual report taking and increase community safety and satisfaction. In 2017-18 the Police Assistance Line and Online Reporting project conducted a tender and evaluation process culminating with an announcement on 18 July 2018 of the preferred vendor.

Mobile Technology

The implementation of Mobile Technology is being used to increase the effectiveness of operational decision-making by police. Devices have also been used to update Eyewatch pages while officers are actively patrolling which increases communication with the public and opportunities to prevent crime. In family violence incidents, officers have had access to information, including photos, family violence history and existing intervention orders, which has provided critical on-the-spot insight. While working at public events, such as regional race meets, police have been able to access information and fill in details in real time as they engage with licenses and security guards.

3.8 Partnerships

Victoria Police is connecting with the community and industry partners on strategies to prevent crime, reduce harm and support opportunities for innovation. Partnerships across different stakeholder groups allow for greater engagement and practical understanding of the ways in which Victoria Police can work collaboratively to achieve organisational objectives.

HUMAN RIGHTS STRATEGIC ADVISORY COMMITTEE

Chaired by the Chief Commissioner of Police the committee includes leaders with expertise in human rights from a range of bodies whose key purpose is to monitor and shape Victoria Police's response to, and directions in human right issues and policing. This year the Human Rights Strategic Advisory Committee provided consultation and advice on a number of specialised projects including: the deployment of crowd control equipment by the Operations Response Unit, the Body Worn Camera pilot and the enhancement of the Victoria Police complaints system. The committee continue to provide insight into future issues and strategic thinking during the development and delivery of policies and projects.

SOCIAL MEDIA – EYEWATCH PAGES

Eyewatch pages provide Victoria Police an online resource to gather information from and push information to a community they might not otherwise have access to, as well as share crime prevention information. In 2017-18 a dedicated Eyewatch team was established. There are now over 50 Eyewatch pages which equates to one for each Police Service Area across Victoria. At the end of June there were over 380,000 followers across all of the Eyewatch pages.

PROMOTING ROAD SAFETY

Monash University Accident Research Centre along with World Health Organisation hosted a workshop for safe systems and police enforcement for road safety in select Pacific Island countries. Victoria Police presented to the group who consisted of senior traffic police from Fiji, Kiribati, Samoa, Solomon Islands and Vanuatu. During their stay the international police spent time visiting the Victoria Police Road Policing Centre in Notting Hill, a Mobile Automatic Number Plate Recognition site, an alcohol and drug testing bus site and heard how Victoria Police works with partners to improve road safety for the community.

VICTORIA POLICE SCHOOL BASED TRAINEESHIP

Victoria Police continues to partner with Skillinvest as part of a state wide partnership between the Victorian Government, the Department of Economic Development, Jobs, Transport and Resources and Aboriginal communities to deliver this highly engaging program. The traineeships support young people in Years 10, 11 or 12 with an interest in Victoria Police. The traineeship program includes one day of work placement per week at one of 30 police stations, forming part of a qualification in Certificate III Business Administration. It runs over one or two years and includes a three-day orientation at the Victoria Police Academy. At the end of 2017-18 over 25 young people were working at around 20 police stations across Victoria. Victoria Police is running a pilot traineeship program for six culturally and linguistically diverse young people, based on the success of the Aboriginal School-Based Traineeship Program.

RECRUITMENT OF FOUR NEW ABORIGINAL COMMUNITY LIAISON OFFICERS

Additional Aboriginal Community Liaison Officers were appointed to Ballarat, Echuca, Geelong and Knox, growing the liaison network and expanding partnerships between Victoria Police and Aboriginal Victorians. The strength of the liaison role is their intrinsic connection with local communities, building trust and developing a shared understanding of emerging issues. This connection provides the opportunity to work together to: provide police with an understanding of Aboriginal culture, prevent crime and increase community safety, increase referrals to culturally appropriate services and identify emerging trends and work collectively to develop solutions.

ABORIGINAL PORTFOLIO REFERENCE GROUP

The Aboriginal Portfolio Reference Group was re-established in 2017-18 to oversee the development of a self-determining governance framework for Victoria Police that ensures Victoria Police initiatives are co-designed and place-based to meet the needs and aspirations of the Victorian Aboriginal community. The reference group is made up of community stakeholders driving the Aboriginal reform agenda in Victoria.

POSITIVE ACTION TOWARDS CAREER ENGAGEMENT MENTORING PROGRAM

The Positive Action towards Career Engagement (PACE) Mentoring program, which is run by the Australian Network on Disability, commenced at Victoria Police in April 2018. Mentoring connects jobseekers with a disability to mentors from leading businesses, providing mentors with the opportunity to develop their leadership skills and disability confidence, while jobseekers gain vital workplace experience, develop skills and expand their networks. Being a PACE mentor helps employees to challenge their views and tackle any unconscious bias about people with disability.

AFRICAN AUSTRALIAN COMMUNITY TASKFORCE

The African Australian Community Taskforce announced in January 2018 is a community-led entity with membership exclusively drawn from those who come from pan-African backgrounds. The taskforce is primarily focused on developing proactive strategies aimed at reducing young people's contact with the criminal justice system and building engagement with Victorian Government agencies. A significant component of the taskforce's work plan is to ensure that communities at the local level are able to contribute to and be informed of policy and program development. Victoria Police assists the taskforce by providing links with government and community agencies across Victoria.

FUTURE FOCUS

Victoria Police has been working with RMIT University to develop a design competition that looks at the future of policing and re-imagines what a police station of the future might look like. Areas for exploration include challenging the purpose of station infrastructure and considering future integration of technology. Students will consider the community-based nature of policing in the facility and explore ways the police stations of the future can deliver a variety of services.

In 2018-19 Victoria Police is introducing a contact card for police and PSOs as part of its commitment to transparent and accountable policing. The contact card is one of nine projects currently being delivered through phase two of *Equality is not the same...* and replaces the existing Victoria Police 'calling card'. Contact cards will contain details of police, information on how to access victim support, translation services and how to provide feedback on police service.

Residential Burglary Strategy

Safety Alliance Victoria is a formal partnership between Victoria Police, Neighbourhood Watch, Crime Stoppers Victoria, the RACV and Federation University. The partnership supports a range of initiatives outlined in the Victoria Police Residential Burglary Strategy. Under the strategy, an initial pilot program sees police in uniform walking with vest-clad Neighbourhood Watch representatives, door-knocking residents in Epping and the Geelong suburb of Norlane. They are talking with families about how to protect their valuables and homes. Families are given synthetic DNA in a vial and provided with information on how to use it to give their property a unique identity.

The early results of this program are positive. Over the six-month pilot there were reductions in residential burglaries in the Epping and Norlane areas in comparison with the previous year and people surveyed said they felt safer since the program began.

Youth Engagement

The nature of youth offending in Victoria continues to change. Victoria Police has sought to understand these changes in the nature of offending and has undertaken a range of activities to influence the direction of a government response. A broad range of initiatives are being implemented across government to address the causes and consequences of youth offending. Victoria Police supports this working closely with the Department of Justice and Regulation, the Department of Health and Human Services and other government agencies.

This year Victoria Police took a lead role in creating a multi-agency partnership in the southern region with the Department of Health and Human Services, Department of Education and Training and Department of Justice and Regulation. The partnership is focused on early identification and enhanced interventions for youth at risk. The new partnership includes the facilitation of a multi-agency Youth at Risk Panel and the adoption of the Early Identification Tool by all agencies. The success of this joined-up approach has seen the operating model adopted by the Victorian Government for application by respective multi-agency panels in both north west metro and southern metro regions.

An immediate response to changes in youth offending is the deployment of over 40 Youth Specialist Officers, who will be deployed across Victoria by the end of 2018. Victoria Police is looking at ways to support the complex needs of young people coming into contact with police. In the Embedded Youth Outreach Project, a police officer will be paired with a youth worker to provide an after-hours response to young people coming into contact with police in selected locations. The pair will respond to police interactions with young people in the field or at a police station to assess their needs and provide support and referrals.

The Chief Commissioner's Youth Summit in October 2017 adopted the theme of 'Pathways to Employment' supported by the Victorian Chamber of Commerce and Industry. The summit identified opportunities to support young people to transition into employment and aimed to foster a shared understanding of the critical issues affecting youth employment. Outcomes from the summit included achieving a shared understanding of the critical issues and barriers affecting youth employment, and increased awareness of existing partnership models. There was a commitment from a number of organisations to collaborate with other agencies to provide training and employment opportunities for young people. Victoria Police took accountability for the delivery of an initiative that supports efforts to continue bringing together businesses and young people seeking work, particularly those of African and Pasifika descent.

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APPENDIX A - DISCLOSURE INDEX

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APPENDIX B – WORKFORCE DATA

Victoria Police headcount and full time equivalent (FTE) numbers of employees as at 23 June 2018 and 24 June 2017

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							
Woman	6,763	6,317	5,236	1,304	6,108	223	209
Man	13,408	13,318	12,997	276	13,189	135	130
Self-described	–	–	–	–	–	–	–
Age							
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

Demographic data

June 2017	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Women	6,264	5,833	4,865	1,219	5,668	180	164
Men	12,692	12,607	12,346	243	12,510	103	97
Self-described	–	–	–	–	–	–	–
Age							
15-24	874	867	832	8	837	34	30
25-34	5,356	5,254	5,001	273	5,176	82	78
35-44	5,060	4,837	4,370	641	4,791	49	45
45-54	5,414	5,289	4,964	384	5,226	66	63
55-64	2,118	2,070	1,938	135	2,031	45	39
65+	134	123	106	21	118	7	5

Notes:

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

FTE total may not tally due to rounding as the figures are to be rounded to the nearest whole number as per FRD 29C. Currently there are no federally funded police.

STS is a Senior Technical Specialist (otherwise referred to as VPS 7).

SMA is a Senior Medical Advisor. Police Medical Officers are included with VPS, but employed as Senior Medical Advisors.

As at 23 June 2018 there were two employees acting as executives under long-term arrangements.

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	–	–
Protective Services Offices	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	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

June 2018	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Forensic Officers	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
STS	15	15	11	–	11	4	4
FO 7	3	3	2	–	2	1	1
SMA	8	6	3	5	6	–	–
Executives	23	23	–	–	–	23	23
Other							
Total employees	20,171	19,635	18,233	1,580	19,296	358	339

Classification data

June 2017	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Police	13,836	13,529	12,885	932	13,510	19	19
Chief Commissioner	1	1	–	–	–	1	1
Deputy Commissioner	3	3	–	–	–	3	3
Assistant Commissioner	15	15	–	–	–	15	15
Commander	11	11	11	–	11	–	–
Superintendent	92	92	92	–	92	–	–
Chief Inspector	1	1	1	–	1	–	–
Inspector	315	315	314	1	315	–	–
Senior Sergeant	746	744	741	5	744	–	–
Sergeant	2,468	2,441	2,379	89	2,441	–	–
Senior Constable	7,675	7,403	6,854	821	7,403	–	–
Constable	2,509	2,504	2,493	16	2,504	–	–
Protective Services Offices	1,397	1,390	1,375	22	1,390		
PSO Senior Super	4	4	4	–	4	–	–
PSO Supervisor	12	12	12	–	12	–	–
PSO Senior	41	41	40	1	41	–	–
PSO First Class	285	283	278	7	283	–	–
PSO	1,055	1,050	1,041	14	1,050	–	–

June 2017	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Other Sworn Employees	154	154	154		154		
Recruits	152	152	152	–	152	–	–
Reservists	2	2	2	–	2	–	–
Police Custody Officers	328	326	323	5	326		
PCO 1	–	–	–	–	–	–	–
PCO 2	328	326	323	5	326	–	–
PCO 3	–	–	–	–	–	–	–
VPS 1-6 grades	2,942	2,765	2,268	441	2,553	233	212
VPS 1							
VPS 2	1,189	1,095	889	215	1026	85	69
VPS 3	705	671	577	88	633	40	39
VPS 4	594	557	435	97	499	62	58
VPS 5	260	253	209	23	225	28	28
VPS 6	194	189	158	18	172	18	18
Forensic Officers	253	232	189	57	225	7	7
FO 1	1	1	–	–	–	1	1
FO 2	74	70	60	9	65	5	5
FO 3	63	58	48	14	57	1	1
FO 4	73	64	47	26	64	–	–
FO 5	29	26	21	8	26	–	–
FO 6	13	13	13	–	13	–	–
Senior VPS employees	46	44	17	5	20	24	24
STS	15	15	12	–	12	3	3
FO 7	2	2	2	–	2	–	–
SMA	8	6	3	5	6	–	–
Executives	21	21	–	–	–	21	21
Other							
Total employees	18,956	18,441	17,211	1,462	18,180	283	262

Notes:

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

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

Currently there are no federally funded police.

STS is a Senior Technical Specialist (otherwise referred to as VPS 7).

SMA is a Senior Medical Advisor. Police Medical Officers are included with VPS, but employed as Senior Medical Advisors.

As at 23 June 2018 there were two employees acting as executives under long-term arrangements.

Statutory and Nationally Funded bodies administered by Victoria Police as at 23 June 2018

Public Servant classification	Headcount	Full time equivalent (FTE)
Governor In Council	5	4.1
Executive Officer EO1	–	–
Executive Officer EO2	1	1.0
Executive Officer EO3	3	3.0
Senior Medical Advisor	–	–
Forensic Officer 7	1	1.0
Senior Technical Specialist	–	–
Total Senior Public Servants	10	9.1
Forensic Officer 6	–	–
Forensic Officer 5	–	–
Forensic Officer 4	–	–
Forensic Officer 3	–	–
Forensic Officer 2	–	–
Forensic Officer 1	–	–
Victorian Public Service Officer VPS 6	4	3.4
Victorian Public Service Officer VPS 5	11	9.3
Victorian Public Service Officer VPS 4	8	7.2
Victorian Public Service Officer VPS 3	6	6.0
Victorian Public Service Officer VPS 2	1	1.0
Victorian Public Service Officer VPS 1	–	–
Police Custody Officer 2	–	–
Police Custody Officer 1	–	–
Total Other Public Servants	30	26.9
Total Public Servants	40	36.0
Total Workforce	40	36.0

Notes:

FTE Totals may not tally due to rounding.

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.

Senior Technical Specialist (otherwise referred to as VPS 7).

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

Statutory and Nationally Funded bodies administered by Victoria Police as at 24 June 2017

Public Servant classification	Headcount	Full time equivalent (FTE)
Governor In Council	5	4.6
Executive Officer EO1	–	–
Executive Officer EO2	1	1.0
Executive Officer EO3	3	3.0
Senior Medical Advisor	–	–
Forensic Officer 7	1	1.0
Senior Technical Specialist	–	–
Total Senior Public Servants	10	9.6
Forensic Officer 6	–	–
Forensic Officer 5	–	–
Forensic Officer 4	–	–
Forensic Officer 3	–	–
Forensic Officer 2	–	–
Forensic Officer 1	–	–
Victorian Public Service Officer VPS 6	4	3.4
Victorian Public Service Officer VPS 5	17	12.2
Victorian Public Service Officer VPS 4	9	8.2
Victorian Public Service Officer VPS 3	7	7.0
Victorian Public Service Officer VPS 2	1	1.0
Victorian Public Service Officer VPS 1	–	–
Police Custody Officer 2	–	–
Police Custody Officer 1	–	–
Total Other Public Servants	38	31.8
Total Public Servants	48	41.3
Total Workforce	48	41.3

Notes:

FTE Totals may not tally due to rounding.

Statutory and nationally funded bodies included in the above table in the annual report: Commissioner for Law Enforcement Data Security, 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.

Senior Technical Specialist (otherwise referred to as VPS 7).

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

Victoria Police employees by type and gender as at 23 June 2018 – Headcount

Employee Type	Man	Woman	Self-described	Total	% Man	% Woman	% Self described
Police	10,573	4,089	–	14,662	72.1%	27.9%	–
Recruits	167	71	–	238	70.2%	29.8%	–
PSO Deployed	1,243	124	–	1,367	90.9%	9.1%	–
PSO in Training	54	19	–	73	74.0%	26.0%	–
Reservists	1	1	–	2	50.0%	50.0%	–
Sub Total	12,038	4,304	–	16,342	73.7%	26.3%	–
Public Servants (Ex PCOs)	1,092	2,343	–	3,435	31.8%	68.2%	–
Police Custody Officers (PCOs)	259	108	–	367	70.6%	29.4%	–
PCOs in Training	19	8	–	27	70.4%	29.6%	–
Sub Total	1,370	2,459	–	3,829	35.8%	64.2%	–
Total Workforce	13,408	6,763	–	20,171	66.5%	33.5%	–

Notes:

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, Forensic Officers, Executive Officers and Senior Medical Advisors.

Police Custody Officers are VPS employees, but are listed separately.

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

Victoria Police employees by type and gender as at 24 June 2017 – Headcount

Employee Type	Man	Woman	Self-described	Total	% Man	% Woman	% Self described
Police	10,051	3,785	–	13,836	72.6%	27.4%	–
Recruits	101	51	–	152	66.4%	33.6%	–
PSOs	1,272	125	–	1,397	91.1%	8.9%	–
Reservists	1	1	–	2	50.0%	50.0%	–
Sub Total	11,425	3,962	–	15,387	74.3%	25.7%	–
Public Servants (Ex PCOs)	1,037	2,204	–	3,241	32.0%	68.0%	–
Police Custody Officers (PCOs)	230	98	–	328	70.1%	29.9%	–
Sub Total	1,267	2,302	–	3,569	35.5%	64.5%	–
Total Workforce	12,692	6,264	–	18,956	67.0%	33.0%	–

Notes:

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 and 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, Forensic Officers, Executive Officers and Senior Medical Advisors.

Police Custody Officers are VPS employees, but are listed separately.

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

Total executive numbers as at 23 June 2018 – Headcount

Table 1: Number of executive officers, broken down into gender

Classification	All		Man		Woman		Self described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO-1	1	-1	1	-1	–	–	–	–
EO-2	8	2	3	-1	5	3	–	–
EO-3	14	1	8	2	6	-1	–	–
Total	23	2	12	–	11	2	–	–

Table 2: Reconciliation of executive number

	2018	2017
Executives	29	26
Accountable Officer (Secretary)		
Less Separations	6	5
Total Executive Numbers as at June 2018	23	21

Notes:

The above tables are prepared in accordance with Financial Reporting Direction (FRD) 15E Executive officer disclosures and 29C Workforce data disclosure requirements.

The statutory positions (Police Registration and Services Board and the Office of the Chief Examiner) and nationally funded executive positions within Australia New Zealand Policing Advisory Agency have been excluded.

The listing of executive numbers only includes Victoria Public Servants and excludes Police Commissioners and the Chief Commissioner of Police.

The list above details total executive numbers as at the last full pay period in June 2018.

The tables are reflective of headcount, not FTE and may include part-time staff.

Annualised Total salary for senior public servants as at 23 June 2018

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000	–	3	–	4	–	–
\$160,000 - \$179,999	4	6	–	–	–	–
\$180,000 - \$199,999	4	6	–	1	–	–
\$200,000 - \$219,999	9	3	–	–	–	–
\$220,000 - \$239,999	4	–	–	1	–	–
\$240,000 - \$259,999	1	–	–	1	–	–
\$260,000 - \$279,999	–	–	–	1	–	–
\$280,000 - \$299,999	–	–	–	–	–	–
\$300,000 - \$319,999	1	–	–	–	–	–
\$320,000 - \$339,999	–	–	–	–	–	–
\$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	23	18	–	8	–	–

Notes:

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

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

SMA refers to Senior Medical Advisor.

STS refers to Senior Technical Specialist. Please note FO-7s are also included in STS category in this table.

One executive officer was working in a part time capacity (0.9 FTE) during 2017-18.

Five SMAs were working part time (average part time FTE 0.6) during 2017-18.

Three employees were acting in long-term acting arrangements in executive roles during 2017-18.

Long-term acting arrangements 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'.

Annualised Total salary for senior public servants as at 24 June 2017

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000	2	4	-	4	-	-
\$160,000 - \$179,999	3	7	-	-	-	-
\$180,000 - \$199,999	6	4	-	1	-	-
\$200,000 - \$219,999	4	2	-	-	-	-
\$220,000 - \$239,999	3	-	-	1	-	-
\$240,000 - \$259,999	1	-	-	2	-	-
\$260,000 - \$279,999	-	-	-	-	-	-
\$280,000 - \$299,999	-	-	-	-	-	-
\$300,000 - \$319,999	2	-	-	-	-	-
\$320,000 - \$339,999	-	-	-	-	-	-
\$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	21	17	-	8	-	-

Notes:

This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce data disclosure requirements.

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

SMA refers to Senior Medical Advisor.

STS refers to Senior Technical Specialist. 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 2016-17.

Five SMAs were working part time (average part time FTE 0.6) during 2016-17.

Two employees were acting in long-term acting arrangements in executive and STS roles during 2016-17.

Long-term acting arrangements 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'.

SELECTING ON MERIT – SECTION 20 PUBLIC ADMINISTRATION ACT 2004 EXEMPTIONS

Exemption from notification of vacancies pursuant to section 20 of the *Public Administration Act 2004* (PAA). During 2017-18 the Chief Commissioner approved the exemption of 254 positions from the requirement for advertisement.

Exemptions by Region/Department/Command	
ANZPAA	2
Capability Department	5
Corporate and Regulatory Services	2
Counter Terrorism Command	7
Crime Command	2
Eastern Region	1
Family Violence Command	1
Forensic Services Department	37
Human Resource Department	31
Information, Systems and Security Command	11
Intelligence and Covert Support Command	36
IT and infrastructure	1
Legal Services Department	17
Media and Corporate Communications Department	5
North West Metro Region	7
Operational Infrastructure Department	5
People Development Command	16
Procurement Department	1
Public Support Services Department	50
Road Policing Command	5
Southern Metro Region	2
State Emergencies and Security Command	6
Strategic Investment, Reporting and Audit Department	2
Transit and Public Safety Command	1
Western Region	1
Total	254

Exemptions by Classification	
VPS 2	110
VPS 3	52
VPS 4	37
VPS 5	25
VPS 6	8
STS 7	1
FO 2	4
FO 3	9
FO 4	6
FO 6	2
Total	254

APPENDIX C – BUDGET PORTFOLIO OUTCOMES

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2018

	Actual \$'000	Original Budget \$'000	Variance \$'000
Income From Transactions			
Output appropriations	3,051,626	3,005,561	46,065
Special appropriations	–	–	–
Interest	51	50	1
Sale of Goods and Services	1,255	–	1,255
Grants	13,956	12,548	1,408
Fair value of assets and services received free of charge or for nominal consideration	210	–	210
Other Income	4,472	1,514	2,958
Total Income From Transactions ^(a)	3,071,570	3,019,673	51,897
Expenses From Transactions			
Employee expenses	2,297,578	2,227,903	69,675
Depreciation and amortisation	100,577	89,909	10,668
Interest expense	1,590	3,482	(1,892)
Grants and other transfers	394	14,472	(14,078)
Capital asset charge	97,692	97,692	–
Purchase of supplies and services	566,236	578,035	(11,799)
Total Expenses From Transactions ^(a)	3,064,067	3,011,493	52,574
Net Result From Transactions (Net Operating Balance)	7,503	8,180	(677)
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets	7,861	10,700	(2,839)
Net gain/(loss) on financial instruments and statutory receivables/payables	10	–	10
Other gains/(loss) from other economic flows	429	–	429
Total Other Economic Flows Included in Net Result	8,300	10,700	(2,400)
Net Result	15,803	18,880	(3,077)
Other Economic Flows – Other Comprehensive Income			
Items That Will Not Be Reclassified to Net Result			
Changes in physical asset revaluation surplus	77,801	–	77,801
Total Other Economic Flows – Other Comprehensive Income	77,801	–	77,801
Comprehensive Result	93,604	18,880	74,724

Notes:

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

(a) The additional income and related expenditure is due to incremental funding provided after the 2017-18 Budget for the Community Safety Statement and further support for Victoria Police operations.

BALANCE SHEET

As at 30 June 2018

	Actual \$'000	Original Budget \$'000	Variance \$'000
Assets			
Financial Assets			
Cash and deposits	41,788	54,997	(13,209)
Receivables	505,725	543,936	(38,211)
Total Financial assets	547,513	598,933	(51,420)
Non Financial Assets			
Inventories	6,954	6,309	645
Non-financial physical assets classified as held for sale, including disposal group assets	1,865	5,648	(3,783)
Property, plant and equipment	1,692,883	1,603,440	89,443
Intangible assets	68,862	48,088	20,774
Other	25,979	13,676	12,303
Total Non Financial Assets	1,796,543	1,677,161	119,382
Total Assets	2,344,056	2,276,094	67,962
Liabilities			
Payables	113,687	101,820	11,867
Borrowings	77,482	56,903	20,579
Provisions	573,836	558,315	15,521
Total Liabilities	765,005	717,038	47,967
Net Assets ^(a)	1,579,051	1,559,056	19,995
Equity			
Accumulated Surplus	45,274	48,351	(3,077)
Reserves	762,732	684,931	77,801
Contributed Capital	771,045	825,774	(54,729)
Total Equity	1,579,051	1,559,056	19,995

Notes:

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

(a) The Net Assets variance primarily relates to the managerial revaluation for the fair value of land. This was offset by increased borrowings for finance leased motor vehicles and increased provisions for both Long Service Leave and Annual Leave driven by additional police.

CASH FLOW STATEMENT

For the financial year ended 30 June 2018

	Actual \$'000	Original Budget \$'000	Variance \$'000
Cash Flows From Operating Activities			
Receipts from Government	2,914,789	2,924,499	(9,710)
Other Cash Receipts	21,854	11,548	10,306
Interest received	50	50	–
Payments of grants and other transfers	(1,005)	(15,458)	14,453
Payments to suppliers and employees	(2,829,969)	(2,780,213)	(49,756)
Capital asset charge	(97,692)	(97,692)	–
GST paid to or received from ATO	(2,060)	–	(2,060)
Borrowing costs	(1,590)	(3,482)	1,892
Net Cash Flows From/(Used In) Operating Activities	4,377	39,252	(34,875)
Cash Flows From Investing Activities			
Proceeds from the sale of non-financial assets	22,856	34,000	(11,144)
Payments for non-financial assets	(179,053)	(154,227)	(24,826)
Net loans to other parties	(9,098)	–	(9,098)
Net Cash Flows (Used In) Investing Activities	(165,295)	(120,227)	(45,068)
Cash flows from Financing Activities			
Proceeds from capital contribution by Department of Justice and Regulation	53,505	107,383	(53,878)
Repayment of finance leases	–	(1,757)	1,757
Net borrowings	108,282	(10,574)	118,856
Net Cash Flows From Financing Activities	161,787	95,052	66,735
Net Increase In Cash And Cash Equivalents	869	14,077	(13,208)
Cash and cash equivalents at the beginning of the financial year	40,919	40,920	(1)
Cash and Cash Equivalents At The End Of The Financial Year	41,788	54,997	(13,209)

Notes:

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2018

	Actual \$'000	Original Budget \$'000	Variance \$'000
Accumulated surplus/(deficit)			
Opening Balance	29,471	29,471	–
Comprehensive result	15,803	18,880	(3,077)
Closing Balance	45,274	48,351	(3,077)
Contributions by owners			
Opening balance	718,391	718,391	–
Transactions with owners in their capacity as owners	52,654	107,383	(54,729)
Closing Balance	771,045	825,774	(54,729)
Asset revaluation reserve			
Opening balance	684,931	684,931	–
Transactions with owners in their capacity as owners	77,801	–	77,801
Closing Balance	762,732	684,931	77,801
Total Equity	1,579,051	1,559,056	19,995

Notes:

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

ADMINISTERED ITEMS

For the financial year ended 30 June 2018

	Actual \$'000	Original Budget \$'000	Variance \$'000
ADMINISTERED OPERATING STATEMENT			
Administered Income			
Interest	57	17	40
Sales of goods and services	32,381	28,788	3,593
Grants	4,161	3,662	499
Other income	14,030	3,243	10,787
Total Administered Income	50,629	35,710	14,919
Administered Expenses			
Employee benefits	3,774	3,375	399
Depreciation and amortisation	3	4	(1)
Payments into consolidated fund	34,546	30,517	4,029
Other operating expenses	13,428	1,023	12,405
Total Administered Expenses	51,751	34,919	16,832
Income Less Expenses	(1,122)	791	(1,913)
Other Economic Flows Included In Net Result			
Net gain/(loss) on non-financial assets	310	700	(390)
Total Other Economic Flows	310	700	(390)
Net Result	(812)	1,491	(2,303)
ADMINISTERED BALANCE SHEET			
Administered Assets			
Cash and deposits	31,898	33,483	(1,585)
Receivables	1,273	1,385	(112)
Other financial assets	–	2,000	(2,000)
Property, plant and equipment	4	2	2
Total Administered Assets	33,175	36,870	(3,695)
Administered Liabilities			
Payables	30,938	32,369	(1,431)
Provisions	711	672	39
Total Administered Liabilities	31,649	33,041	(1,392)
Net Assets	1,526	3,829	(2,303)

Notes:

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

APPENDIX D – OHS KEY PERFORMANCE INDICATORS

In accordance with Financial Reporting Direction (FRD) 22H the information below pertains to Victoria Police's occupational health and safety (OHS) activities in 2017-18.

	2017-18	2016-17	2015-16
1 Compensated Fatalities	–	–	–
2 Lost Time Injury Frequency Rate (LTIFR)			
Lost Time Injury Frequency Rate (All Lost Time Injuries)	16.5	17.0	17.3
Serious Lost Time Injury Frequency Rate (Lost Time Injuries > 5 Days)	12.5	12.7	13.2
3 Shifts Lost All Claims	81,236	72,775	54,831
<i>Rate Per 100 FTE</i>	413.7	394.7	305.9
4 Number of Claims Lodged this Year that Exceeded 13 Weeks Where a Compensation Payment was Made	153	139	127
Number of Claims that were Active this Year that Exceeded 13 Weeks of Compensation Payments	578	319	252
5 All Claims	1,185	1,130	1,072
<i>Rate Per 100 FTE</i>	6.0	6.1	6.0
Time Lost Claims	585	580	525
<i>Rate Per 100 FTE</i>	3.0	3.2	2.9
Standard Claims	818	787	771
<i>Rate Per 100 FTE</i>	4.2	4.3	4.3
6 Average Cost per Claim	\$7,882	\$7,434	\$5,817
Costs Plus Estimates	\$72,795	\$60,956	\$49,511
7 Number of Incidents	3,604	4,098	3,975
<i>Rate Per 100 FTE</i>	18.4	22.2	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 of Victoria Police, all contractors and all visitors to workplaces of Victoria Police. Victoria Police's commitment is reflected in the priorities outlined in the <i>Victoria Police Capability Plan 2015-2016</i> and <i>2017-18 Annual Plan</i>. At the time of publication, a major review of the executive endorsed policy is in process. Systematic processes ensure that senior executives are informed of all injuries in real time, and that appropriate data relating to OHS is analysed and discussed at monthly meetings that are attended by senior management, VPS and police.</p> <p>During the 2017-18 period Zero Harm tasks and projects continued to improve safety through initiatives and projects throughout the organisation.</p> <p>A new three-year Health, Safety and Wellbeing strategy is due to be released in the second half of 2018. This strategy will outline the organisation's OHS objectives and provide a means to monitor health, safety and wellbeing cultural development through a robust set of organisational KPIs. OHS consultants will be critical in being champions of the strategy and ensuring that the local levels of management understand the part they own within the strategy.</p>
<p>9 Management Commitment Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)</p>	<p>The Safe-T-Works 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 2017-18. 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"> - New Ballistic Vest project - Safety glasses project - Holster replacement project - Uniform Design and Development Unit uniform assessment project - Testing the impact of conducted energy device worn equipment in vehicle accidents - Non-lethal tactical equipment - New vehicle procurement. <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 (DWG), 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 DWG, HSRs and IRPs</p>	<p>Consultation at the local level and beyond has been undertaken with unions, HSRs and regional and departmental representatives on specific projects, works and renovations.</p> <p>OHS committees are guided to address any changes to DWG structures and HSR appointments during their quarterly meetings and ensure any changes are recorded.</p>
<p>11 Risk Management Regular internal audits/inspections conducted</p>	<p>The completion of regular hazard inspections has been an ongoing requirement of work managers and engagement in the conduct has been monitored.</p> <p>The formal audit averaged results has been calculated to 85.4 per cent, a slight decrease from the previous year but maintaining the parameters of a B score rating in the agreed format.</p> <p>The OHS Auditor has conducted 16 formal audits of Victoria Police work units in the 2017-18 period to measure the management system efficacy and to inform the development of better practices in relation to health, safety and wellbeing.</p> <p>Focus audits have been conducted to inform the organisation on specific areas of compliance.</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.</p>

12	Risk Management Issues identified and actioned <ul style="list-style-type: none"> • Internal audits • WorkSafe notices 	<p>Internal audits have informed our organisation of various opportunities for improvement of policy and better education of managers. This includes an understanding of what is Workplace Harm and how to address this more effectively.</p> <p>The OHS Branch has adopted the Identify, Assess, Control, Review process for risk management.</p> <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 2017-18 period WorkSafe have issued two Improvement Notices as a result of Provisional Improvement Notices (PINs) issued, WorkSafe service requests and responding to incident notifications. Over the last 12 months, all WorkSafe issued Improvement Notices have been dealt with positively and resolved with no further involvement from the regulator.</p>
13	Staff and Managers with OHS Training	<p>An e-learning package for safety inductions is used in every work unit throughout the organisation.</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 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 2017-18 a manual handling training package has been developed and integrated into the e-learning training suite.</p>
14	Health and Safety Representative (HSR) Training	<p>64 HSRs attended a WorkSafe approved initial five-day training course and eight attended a refresher training course in the 2017-18 period.</p>
15	OHS Survey	<p>Nil.</p>

APPENDIX E – VICTORIA POLICE GOVERNANCE

VICTORIA POLICE COMMITTEES

Committee	Focus	Chair	Meets
Executive Command Chief Commissioner of Police Deputy Commissioner Regional Operations Deputy Commissioner Specialist Operations Deputy Commissioner Capability Deputy Secretary IT and Infrastructure Services Deputy Secretary Corporate and Regulatory Services Assistant Commissioner Information Systems and Security Command – Chief Information Officer Sir Angus Houston AK AC AFC (Independent)	Sets the strategic direction for the organisation, identifies any changes required to existing priorities and commitments, and advances new initiatives and reforms internally and externally. Decision focus.	Chief Commissioner of Police	Monthly
Command Chief Commissioner of Police Deputy Commissioners Deputy Secretaries Assistant Commissioners Executive Directors Commanders Directors	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. Advisory focus.	Chief Commissioner of Police	Quarterly
Audit and Risk Committee Externals Ms Jane Brockington Ms Merran Kelsall Mr Stewart Leslie Ms Liz Grainger Ms Gail Moody Mark Peters (member concluding August 2017) Barbara McLure (member concluding February 2018) Management Representatives Deputy Commissioner Capability Deputy Secretary Corporate and Regulatory Services Assistant Commissioner Professional Standards Command Executive Director Capability Department Observers Chief Finance Officer Executive Director Strategic Investment, Reporting and Audit Superintendent Internal Audit	Provide independent assurance and assistance to the Chief Commissioner 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. Advisory focus.	Ms Jane Brockington (Chair) Ms Merran Kelsall (Deputy Chair)	Two Monthly, plus one additional meeting dedicated to endorsement of financial statements.

Committee	Focus	Chair	Meets
<p>Corporate Advisory Group</p> <p>Externals</p> <p>Sir Angus Houston AK AC AFC</p> <p>Mr Ken Loughnan</p> <p>Ms Jane Brockington</p> <p>Ms Elizabeth Proust</p> <p>Mr Alex Malley</p> <p>Mr David Evans</p> <p>Ms Elizabeth Broderick</p> <p>Ms Holly Ransom</p> <p>Deputy Secretary Department of Premier and Cabinet</p> <p>Secretary Department of Treasury and Finance</p> <p>Deputy Secretary Department of Justice and Regulation</p> <p>Management Representatives</p> <p>Chief Commissioner of Police</p> <p>Deputy Commissioner Capability</p> <p>Deputy Secretary Corporate and Regulatory Services</p> <p>Assistant Commissioner Information Systems and Security Command – Chief Information Officer</p>	<p>Provides strategic advice to the Chief Commissioner 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)</p> <p>Mr Ken Loughnan (Deputy Chair)</p>	<p>Quarterly</p>
<p>Executive Remuneration Committee</p> <p>Chief Commissioner of Police</p> <p>Deputy Secretary Corporate and Regulatory Services</p> <p>Executive Director Human Resource Department</p> <p>Ms Elizabeth Proust (Independent)</p>	<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>	<p>As Required</p>
<p>Information Management Committee</p> <p>Assistant Commissioner Information Systems and Security Command – Chief Information Officer</p> <p>Deputy Secretary IT and Infrastructure Services</p> <p>Deputy Commissioner Capability</p> <p>Deputy Commissioner Regional Operations</p> <p>Assistant Commissioner State Emergencies and Support Command</p> <p>Assistant Commissioner Intelligence and Covert Support Command</p> <p>Assistant Commissioner Road Policing Command</p> <p>Executive Director Forensic Services Department</p> <p>Director Executive Services and Governance Department</p>	<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>	<p>Two Monthly</p>

Committee	Focus	Chair	Meets
Operations Committee Deputy Commissioner Regional Operations Deputy Commissioner Specialist Operations Deputy Commissioner Capability Deputy Secretary IT and Infrastructure Services Assistant Commissioner North West Metro Assistant Commissioner Southern Metro Assistant Commissioner Crime Command Assistant Commissioner Intelligence and Covert Support Command Assistant Commissioner Western Region Assistant Commissioner Eastern Region Assistant Commissioner State Emergencies and Support Command Assistant Commissioner Road Policing Command Executive Director Media and Corporate Communications Department Executive Director Legal Services Department	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. Decision focus.	Deputy Commissioner Regional Operations (Chair) Deputy Commissioner Specialist Operations (Deputy Chair)	Monthly
People, Culture and Safety Committee Deputy Commissioner Capability Assistant Commissioner Information Systems and Security Command – Chief Information Officer Deputy Commissioner Regional Operations Assistant Commissioner People Development Command Assistant Commissioner Eastern Region Assistant Commissioner VEOHRC Review, Response, Partnerships and Innovation Assistant Commissioner Western Region Assistant Commissioner Professional Standards Command Executive Director Human Resource Department Commander Health, Safety and Deployment Executive Director Strategic Investment, Reporting and Audit Commander Capability Development and Information Advisor	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. Decision focus.	Deputy Commissioner Capability (Chair)	Two Monthly
Procurement Board Director Executive Services and Governance Department Assistant Commissioner State Emergencies and Support Command Division Manager Radio and Telecommunications Executive Director Operational Infrastructure Executive Director Enterprise Program Management Office Deputy Chief Information Officer – Information Systems and Security Command Commander Centre for Sworn and Manager Development	Delegated responsibility to approve procurement process and requisitions within limits. Decision focus.	Director Executive Services and Governance Department (Chair) Assistant Commissioner State Emergencies and Support Command (Deputy Chair)	Monthly

EXECUTIVE MANAGEMENT CHANGES

Appointments

Name	Position	Date
Alison Creighton	Executive Director, Capability Department	20 July 2017
Byron Crawford	Director, Procurement Department	18 September 2017
Jo Begbie	Director, Human Resource Department	12 October 2017
Eva Perez	Director, Family Violence Command	11 December 2017
Russell Barrett	Assistant Commissioner, Professional Standards Command	30 April 2018
Cindy Millen	Assistant Commissioner, Western Region	30 April 2018
Charles Morton	Director, Media, Media and Corporate Communications Department	30 April 2018
Donna Kelly	Director, Security and Management Services, Information, Systems and Security Command	11 June 2018

Separations

Name	Position	Date
Loris Meadows	Director, Information Management Standards and Security Division, Information Systems and Security Command	02 July 2017
Glenys Reid	Director, Legal Operations, Commissions and Inquiries Division, Legal Services Department	02 December 2017
Brett Guerin	Assistant Commissioner, Professional Standards Command	27 February 2018
Daniel Benjamin	Executive Director, Operational Infrastructure Department	09 April 2018
Karl Kent	Deputy Secretary, Corporate and Regulatory Services	28 April 2018

Movements

Name	Position – Moved to / Promoted to	Date
Eileen Armato	Promoted to Executive Director, Public Support Services Department	21 September 2017
Julie Walsh	Promoted to Executive Director, Strategic Investment, Reporting and Audit	21 September 2017
Stephen Fontana	Moved to Assistant Commissioner, Information Systems and Security Command	30 April 2018
Therese Walsh	Moved to Assistant Commissioner, Crime Command	30 April 2018

Notes:

The data above includes Victoria Police Executive Officers and Police Commissioners only. ANZPAA, Statutory Appointments and other external agencies are not included.

ORGANISATIONAL AUDITS AND REVIEWS

Internal Audit 2017-18

In 2017-18 the internal audit program (the program) was aligned to the Victoria Police Capability Framework and was endorsed by Executive Command and approved by the Audit and Risk Committee.

The program was conducted through a co-source model which comprised the in-house team and the outsourced internal audit service providers (Ernst & Young).

The program refined the focus of internal audit projects which provided broader coverage and more connected responses ensuring alignment with organisational capabilities.

Eighteen internal audit projects were conducted during 2017-18 addressing the following key themes:

Audit Theme	Audits Undertaken
Financial Management	2
Family Violence	2
Information Technology and Security	2
People	2
Program/Project Health Check	2
Intelligence	2
Operations	6
TOTAL	18

Summary of Recommendations by Review Type (As At 30 June 2018)

Review Type	Completed	Active	Total
OVIC/CPDP/CLEDS	231	35	266
Coroners Court	8	3	11
Independent Broad-based Anti-corruption Commission	143	27	170
Ombudsman	155	1	156
Victorian Auditor-General's Office	169	33	202
Internal Audit	941	119	1,060
Other	29	9	38

Notes:

OVIC – Office of the Victorian Information Commissioner.

CPDP – Commissioner for Privacy and Data Protection.

CLEDS – Commissioner for Law Enforcement and Data Security.

Continuous Auditing

In 2017-18 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.

Force-Wide Tracking System for Recommendations

Victoria Police records and monitors internal audit recommendations, as well as recommendations from reviews conducted by external agencies and oversight bodies. The status of active recommendations is reported to Executive Command and the Audit and Risk Committee on a two-monthly basis. As at 30 June 2018 there was a total of 1,903 recommendations recorded, with 1,676 of these recommendations (88.1 per cent) completed.

APPENDIX F – DISCIPLINARY ACTION (VICTORIA POLICE ACT 2013)

ANNUAL REPORT OF THE CHIEF COMMISSIONER OF POLICE – 2017-18

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).

One Victoria Police officer was terminated on the basis of incapacity for duty in accordance with this section of the Act in 2017-18.

Section 12(1) (b)

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

RESULTS OF DISCIPLINE CHARGES DETERMINED BY INQUIRY OFFICERS PART 1: FULL YEAR 2017-18

Victoria Police Officers/Protective Services Officers (PSO) charges and results of inquiries	Discipline Inquiries <i>Victoria Police Act 2013</i> (section 125)	Inquiries into important matters found proven <i>Victoria Police Act 2013</i> (section 136)
Total discipline charges laid against Victoria Police Officers/PSOs (Date Charge was Authorised)	30	2
Total Victoria Police Officers/PSOs charged (Date Charge was Authorised)	51	2
Victoria Police Officers/PSOs appearing before an inquiry officer (Last Hearing Date)	34	2
Victoria Police Officers/PSOs dismissed from force (Date Dismissed)	2	1
Victoria Police Officers/PSOs All charges dismissed after a discipline inquiry (Last Inquiry Date)	–	–

Notes:

This data only includes discipline outcomes under the *Victoria Police Act 2013* Part 7 that occurred during 2017-18.

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 2017-18, or previous reporting period[s].

The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 4 July 2018.

RESULTS OF DISCIPLINE CHARGE NOTICES AND INQUIRIES

	Total	% Total
Discipline charges found proven section 125 only (Last Inquiry Date)	18	56
Charge dismissed section 125 only (Last Inquiry Date)	–	–
Charge section 125 or inquiry section 136 not heard (Resigned/Retired Prior to Discipline Inquiry) – (Count of Charges)	14	44
Total Charges	32	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 2017-18, 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 4 July 2018.

RESULTS OF DISCIPLINE CHARGES DETERMINED BY INQUIRY OFFICERS REVIEW OF SANCTIONS PART 2: FULL YEAR 2017-18

		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)	PRSB	6	5	–	1
Inquiry into important Matters section 136 (section 136 <i>Victoria Police Act 2013</i>) (Last Review Date)	PRSB	2	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 2017-18, or previous reporting period(s).

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 4 July 2018.

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 2017-18.

Section 12 (1) (d)

The prescribed information in relation to Part 5.

Drug and alcohol testing of officers

Requirement	2017-18 Result
The number of tests involved taking of samples conducted during the relevant year	1,323
The number of persons tested	669
The number of those tests that indicated the presence of a drug of dependence or alcohol in a person's body	8

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 2017-18 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	90	Includes allegations of: <ul style="list-style-type: none"> • Improper behaviour • Assault • Information release • Duty failure • Drug use • Misuse of equipment • Detrimental action
ii) the number and types of protected disclosure complaints referred to the investigating entity by the IBAC	109	Includes allegations of: <ul style="list-style-type: none"> • Improper behaviour • Assault • Information release/misuse • Duty failure • Drug use • Misuse of equipment • Detrimental action • Workplace conflict
iii) the number and types of protected disclosure complaints investigated by the investigating entity	109	Includes allegations of: <ul style="list-style-type: none"> • Improper behaviour • Assault • Information release/misuse • Duty failure • Drug use • Misuse of equipment • Detrimental action • Workplace conflict
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.	–	

Notes:

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.

Consistent with a victim-centric approach, there has been a continuing trend of police feeling confident in reporting improper behaviour by others. Nearly onethird of protected disclosure complaints have been or are being investigated by Taskforce Salus.

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

In accordance with Financial Reporting Direction (FRD) 22H, information below pertains to consultancy expenditure in 2017-18.

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

In 2017-18 there were 104 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017-18 in relation to these consultancies was \$13.84 million (excl. GST). Details of individual consultancies can be viewed at www.police.vic.gov.au.

Details of consultancies under \$10,000

In 2017-18 there were 36 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2017-18 in relation to these consultancies was \$0.2 million (excl. GST). Details of individual consultancies can be viewed at www.police.vic.gov.au.

Disclosure of Major Contracts

In accordance with FRD 12B, the table below contains information on contracts greater than \$10 million in 2017-18.

Contract Number	Contract Title	Contract Dates	Contract Value	Supplier	Act
C2728-2025	Body Worn Camera	28 February 2018 – 31 January 2025	\$34,450,526	Axon Public Safety Australia Pty Ltd	FMA
C2739-2021	Microsoft Enterprise Agreement	11 April 2018 – 31 March 2021	\$32,144,000	Data#3 Limited	FMA
C2773-2019	Centre for Family Violence – Victoria Police Academy	29 March 2018 – 31 December 2019	\$12,944,030	Ireland Brown Constructions Pty Ltd	PDCMA
C2703-2018	Colac Police Station	23 November 2017 – 19 November 2018	\$11,161,821	Commercial Industrial Construction Group Pty Ltd	PDCMA

Notes:

FMA refers to the *Financial Management Act 1994*.

PDCMA refers to the *Project Development and Construction Management Act 1994*.

Data contains all contracts above \$10 million that were awarded during 2017-18.

Data contains contracts that have been published on the Tender Vic website.

Data has been sourced from the Integrated Content Management System from 1 July 2017 to 30 June 2018.

APPENDIX I – DISCLOSURE OF GOVERNMENT ADVERTISING EXPENDITURE

In accordance with Financial Reporting Direction (FRD) 22H, Victoria Police undertook the following government advertising campaigns for 2017-18 with a media spend of \$100,000 or greater.

Police Recruitment Campaign

Campaign Summary	Start/End Date	Advertising (Media) Expenditure 2017-18 (excl. GST)	Creative and Campaign Development Expenditure 2017-18 (excl. GST)	Research and Evaluation Expenditure 2017-18 (excl. GST)	Print and Collateral Expenditure 2017-18 (excl. GST)	Other Campaign Expenditure 2017-18 (excl. GST)
Advertising, communication and marketing activities for the recruitment of police.	1 July 2017 – 30 June 2018	\$3,461,000	\$364,000	\$68,000	\$17,000	\$65,000

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

In accordance with Financial Reporting Direction (FRD) 22H Victoria Police had a total Information and Communication Technology expenditure of \$317,473,325 with the details shown below for the 2017-18 reporting period:

Total Business As Usual ICT Expenditure \$'000	\$209,185
Non-Business AS Usual Expenditure \$'000	
Operational Expenditure	\$67,463
Capital Expenditure	\$40,825
Total Non-Business As Usual (Operational Expenditure and Capital) Expenditure \$'000	\$108,288
Total ICT Expenditure \$'000	\$317,473

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.

APPENDIX K – IMPLEMENTATION OF THE VICTORIAN INDUSTRY PARTICIPATION POLICY (VIPP)

Victoria Police is required, by legislation, to provide details on local industry participation for all Government procurement and projects where the value exceeds \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

Contracts/Projects commenced to which VIPP applied:

During 2017-18 Victoria Police commenced 16 contracts (totalling \$225,429,328.8) in value to which VIPP applied. Of the contracts that commenced, three contracts were in metropolitan Melbourne (totalling \$31,374,294.8), four contracts were state wide/strategic (totalling \$163,952,376) and nine contracts were regional (totalling \$30,102,658.4).

A summary of the skills and technology transfer commitments to be realised in the contracts/projects upon completion includes:

- An estimated 1,110.4 full time equivalent jobs created (including apprentices and trainees and noting that 1,021.4 of these jobs are attributed to the Police Assistance Line and Online Reporting Project).
- An estimated 367.3 full time equivalent jobs retained.
- Benefits to the Victorian economy in terms of skills and technology transfer include attendance at training courses to improve skills.

Contracts/Projects completed to which VIPP applied:

Victoria Police completed four contracts totalling \$10,179,840 during 2017-18 to which VIPP applied.

APPENDIX L – NATIONAL COMPETITION POLICY (NCP) COMPLIANCE

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 was not required to apply the competitive neutrality policy as goods and services were not procured within this context.

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 2017-18 Victoria Police received 4,006 requests for access to documents under the *Freedom of Information Act 1982*, including requests from applicants to amend personal information. Of those applications 2,815 related to personal requests and 1,191 were non-personal requests. Fifteen applications were received from Members of Parliament, 45 were received from the media and the remainder (3,946) 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.

Forty-three appeals were lodged with the Victorian Civil and Administrative Tribunal (VCAT) for final determination, with 22 cases being decided upon in 2017-18, including cases from previous years. Thirteen of these cases were withdrawn.

Request for Access to Documents

Type of Request	
Personal	2,815
Non Personal	1,191
Total	4,006
Appeals to VCAT	43
Appeals actually determined	22

Compliance

For the 12 months ending 30 June 2018, Victoria Police processed 50 per cent of requests within the statutory time period, 47 per cent within 1–45 days after the statutory time period, and three per cent 46 or more days after the statutory time period. The average processing time taken to finalise requests was 45 days¹⁹.

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 Freedom of Information, Victoria website at: www.foi.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

¹⁹ During 2017-18 a change to statutory time periods occurred and therefore reporting cannot be compared to previous years.

APPENDIX N – REDUCING REGULATORY BURDEN

Victoria Police is committed to reducing regulatory burden by promoting greater efficiency and effectiveness in the administration and enforcement of regulation.

2017-18 Statement

On 22 June 2017 the Minister for Police the Honourable Lisa Neville MP issued a Statement of Expectations (SoE) for Victoria Police, setting the following performance objectives for the 2017-18 financial year:

1. Private security licence application forms converted to online e-forms.
2. Complex form requirements are underpinned by online instructions/help features to assist individuals and businesses including small businesses.
3. Information previously provided to Victoria Police by individuals and businesses including small business is automatically pre-populated in renewal applications.
4. The rate of new private security licence applications approved within 28 days of receipt is increased by up to 30 per cent.
5. The incidence of incomplete private security licence application forms is reduced by up to 10 per cent.
6. A risk-based framework that supports compliance activities within the Regulation Support Unit is developed.

Progress Against Statement Of Expectations

Victoria Police has replaced manual application forms for all new business and individual private security licence and registration applications with electronic forms completed online using the Victoria Police eServices Portal.

Online instructional information buttons have been incorporated into the online forms and frequently asked questions have been published on the Victoria Police website.

Enhancements have been made to the private security electronic forms to increase accessibility for applicants along with improvements to assist applicants determine eligibility.

Private security licence and registration holders currently receive pre-populated renewal application forms via post, which speeds up the renewal process for applicants.

Victoria Police continues to work towards increasing the rate of new private security applications that are approved within 28 days. The Licensing and Regulation Division's key role is to ensure that only suitable persons are issued authorities after a thorough vetting process is undertaken. This is to ensure that the appropriate persons are issued authorities to work within the private security industry.

The Licensing and Regulation Division continues to ensure the integrity of the assessment process is maintained, reductions to the assessment time of an application cannot be achieved without compromising the level of scrutiny applied during the assessment process. Subsequently, the 28-day approval timeframe remains unaffected.

Work continues on decreasing the rate of incomplete applications with various enhancements to the online application process. One of these enhancements includes predictive text for addresses which continues to improve the accuracy of information received.

The target for reducing incidences of incomplete forms was originally set on the premise that a large component of the assessment process and receipt of documentation, including checking for completeness, would occur prior to the application being dispatched to the Licensing and Regulation Division. These changes in receiving the application did not proceed, with the focus of improvements on the development and implementation of electronic forms.

As all applications are still being assessed and vetted in whole by the Licensing and Regulation Division, approval times and the completeness of applications remain unaffected as these targets are now obsolete.

A risk-based compliance framework has been developed and will be implemented to ensure public safety and the integrity of firearms, weapons and private security licensing and regulation.

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 Building Conforming to Standards

For the 2017-18 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:

- New police station at Mernda.
- Replacement police station at Murtoa.
- Multidisciplinary Centres at Geelong and Wyndham.

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 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, with the result that improvements have been made across a portfolio.

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.
- 184 police residences.
- 94 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 were 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 81 per cent of the sites occupied by Victoria Police and 87 per cent of staff (FTE). Residences were not included in the analysis as energy consumption is paid for by the occupants.

Actions Undertaken During 2017-18

During 2017-18 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.

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

Energy Results For 2017-18

Description	2017-18	2016-17	% Change
Total energy usage segmented by primary source (GJ)			
Electricity	248,444	253,838	-2.1%
Natural gas	99,454	93,460	6.4%
LPG	327	473	-30.9%
Green power			
Total	348,225	347,771	0.1%

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

Electricity	74,533	76,856	-3.0%
Natural gas	5,112	4,804	6.4%
LPG	20	28	-28.6%
Green power			
Total	79,665	81,689	-2.5%

Energy used per FTE (megajoules/FTE)	17,734.7	18,859.5	-6.0%
Energy intensity (megajoules/m ²)	669.5	686.3	-2.5%

Green Power purchase

Tonnes of CO ₂ e per FTE	4.057	4.430	-8.4%
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Notes:

Totals do not include police residences.

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

Where data were not available for the full 2017-18 financial year due to different billing cycles across a number of providers, data from 12 months from the last billing date were used.

Data for 2016-17 have been updated to more accurately reflect usage based on the full 12 months billing information.

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

During 2017-18 there has been a small decrease in the amount of electricity used and an increase in the amount of natural gas used. The increase in natural gas is primarily driven by the provision of energy via a co-generation plant to the 313 Spencer Street complex. The plant operated at a reduced capacity in 2016-17 due to a number of faults which were resolved for 2017-18, resulting in an increase in natural gas consumption.

There has been a significant reduction in the use of LPG, which can be attributed to reduced usage at a number of sites, including a regional police station where resources were relocated for the majority of 2017-18 during the construction of a new police station.

During the same period there has been an increase in employees (FTE) of 6.5 per cent combined with a 2.6 per cent increase in floor area, resulting in reduced energy consumption and greenhouse gas production on a per staff and area basis.

Targets for 2018-19

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 2018-19 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 72 per cent of Victoria Police buildings (leased and owned), and an estimation for the remainder of sites.

Water Results for 2017-18

Indicator	2017-18	2016-17	% Change
Total units of metered water consumed (kl)	328,226	283,439	15.8%
Units of metered water consumed per FTE (kl/FTE)	16.8	15.5	8.4%
Units of metered water consumed per area (kl/m ²)	0.63	0.56	12.5%

Notes:

Totals do not include police residences.

Overall water consumption increased during the reporting period, with a minor increase per FTE. Analysis indicates the increases were across the infrastructure portfolio, rather than in specific locations, which may be the result of environmental factors.

Targets for 2018-19

There are no set targets for water consumption in 2018-19. However, improvements in 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 2017-18

Indicator	2017-18	2016-17	% Change
Indicator (A4 ream equivalent)			
Total units of copy paper used	203,760	204,964	-0.6%
Units of copy paper used per FTE (reams/FTE)	10.4	11.1	-6.3%
Percentage of 76-100% recycled content copy paper purchased	97.5%	74.4%	31.0%
Percentage of 50-75% recycled content copy paper purchased			
Percentage of 1-49% recycled content copy paper purchased			
Percentage of virgin fibre copy paper purchased	2.5%	25.6%	-90.2%

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 2017-18

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.

Targets for 2018-19

While no specific target has been established, it is likely that procurement initiatives will continue to have a positive impact on paper management.

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 is reported from vendors that remove office-based waste from 26.2 per cent of sites (112 locations) that cover approximately 60.6 per cent of staff (FTE).

Waste Results for 2017-18

Description	2017-18
Total units of office waste disposed of by destination	Kilograms
Landfill	2,128,257
Recycling	422,923
Total	2,551,180
Total units of waste disposed of per FTE by destination	Kilograms/FTE
Landfill	178.7
Recycling	35.5
Total	214.2
Recycling rate (per cent)	16.6%
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ e)	2,980

There has been an increase in the amount of waste being recycled in terms of total kilograms and also units per FTE from 2016-17 to 2017-18. The recycling rate has also increased, and the greenhouse gas emissions associated with waste to landfill have reduced.

Notes:

Factors used to calculate greenhouse gas emissions are based on those contained in the National Greenhouse Accounts Factors – July 2017.

Actions undertaken during 2017-18

Actions during 2017-18 relate to ongoing advice to employees and managers regarding waste management.

Targets for 2018-19

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

All of the Victoria Police vehicle fleet is managed centrally and the below data relate to 100 per cent of the transport fleet.

Indicator	2017-18				2016-17				% Change
	Petrol	Diesel	LPG	Total	Petrol	Diesel	LPG	Total	
Total energy consumption by vehicles (Gj)	238,441.4	113,954.7	9,125.4	361,521.5	217,576.6	121,495.1	23,429.8	362,501.6	-0.3%
Total vehicle travel ('000 km)	58,226.1	28,721.1	2,270.2	89,217.4	52,629.5	30,287.9	5,846.4	88,763.8	0.5%
Greenhouse gas emissions from vehicles (tCO ₂ e)	16,929.3	8,375.7	582.2	25,887.2	15,447.9	8,929.9	1,525.3	25,903.1	0.1%
Greenhouse gas emissions from vehicles per 1000km travelled (tCO ₂ e)/1000km)	0.291	0.292	0.256	0.290	0.286	0.292	0.254	0.285	-1.8%

There was a small reduction in the total energy consumption and greenhouse gas emissions per 1,000 kilometres from Victoria Police vehicles during 2017-18. There has been a continued reduction in the use of LPG and diesel based on some vehicles no longer being available or obsolete and as a result there has been a small increase in the use of petrol.

Actions undertaken during 2017-18

In 2017-18 Victoria Police continued to respond to challenges in the automotive industry to ensure continuity in the availability and provision of fleet vehicles to support service delivery. As a result Victoria Police has also significantly increased the number of hybrid vehicles in the fleet.

Targets for 2018-19

No specific target has been established; however, it is likely that the fleet of vehicles will continue to grow as employee numbers increase during 2018-19.

Notes:

Effort has been made to ensure the reliability and validity of all reported information but note that in some instances it is dependent upon:

- 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.

During the reporting cycle, Victoria Police experienced challenges in the collection of environmental data from third party providers. In some instances discrepancies in assembled data varied significantly between providers, these variations appear to be in relation to data capture techniques as well as subsequent data analysis processes and methodologies. In some cases data have been produced according to best practice estimation techniques.

With reference to any limitations noted in this summary all listed targets for 2018-19 and beyond are qualitative at this stage.

FTEs – In accordance with the Financial Reporting Direction (FRD) 24D definition of FTE, no contractors or consultants have been included in the Victoria Police figures.

Historical environmental data are periodically amended as more accurate and relevant conversion factors and coefficients are developed by national environmental bodies and/or where more accurate historical data are subsequently obtained.

Air Travel

Description	2017-18	2016-17
Total distance travelled (kilometres)	7,972,537.7	7,182,594
Greenhouse gas emissions (tonnes CO ₂ e)	1,586.7	1,909.3

Notes:

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.

Commuter Club Members	2017-18 Estimate
Myki	419
V/Line	23

PROCUREMENT

Victoria Police incorporates environmental considerations into its procurement decision-making where possible. Below is a list of procurement contracts where environmental and sustainable initiatives apply.

Procurement Title	Detail Any Sustainable Procurement Initiatives That Apply
Water Police Trucks Chassis Purchase x2	Iveco vehicles purchased from Motor Vehicle State Purchase Contract (SPC), has environmental sustainability as a key feature of the State Motor Vehicle Policy. The truck purchased has specifications to meet current Euro emissions standards.
CBR/DVI Mobile Forensic Response Vehicle	RA Bell provided a copy of their environmental policy which is incorporated into the contract as part of their RFT response.
CT Mobile Forensic Laboratory Capability Vehicle Body Module and Fit out	RA Bell provided a copy of their environmental policy which is incorporated into the contract as part of their RFT response.
Automated DNA Processing Equipment	Suppliers have provided information about their environmental policies and have committed to reducing their environmental impacts.
Transit and Public Safety Command Operational and Training Ammunition – Panel	Two suppliers are certified to ISO 14001. Their Environmental Management System establishes a mechanism for environmental performance. Feedback and review mechanisms within this system, allow the site managers to assess and improve current and historical production activities that impact on the environment. Another supplier has an environmental policy which includes commitment to minimising impact on atmospheric emissions, site contamination and spills, noise emission, damage to flora or fauna, storm water management and unnecessary energy consumption.
Supply of Metalware and Insignia – Panel	Cash's Australia have a trade waste agreement with South East water to minimise waste. They state all products are made from natural resources and/or are naturally produced to maintain minimal impact on the environment. GH Lilley use recyclable materials and fabrics for the making of insignia, reducing water wastage in laundering and pressing of sale items. Trade Import Services comply with International, National and Local acts, regulations and standards including the requirements of AS/NZS ISO14001: 2004. They choose raw materials, supplies and processes which have minimal environmental impact, economising with the use of resources and decreasing emissions and wastage.
Operational Boots	Workwear Group's (WWG) environmental policy is aligned to AS/NZS 14001. WWG runs programs to improve their environmental performance, such as energy efficiency projects (for greenhouse gas emission reduction) and diversion rate programs (recycling and reducing waste). WWG uses broad metrics to describe progress over time in the areas of: <ul style="list-style-type: none"> • Greenhouse emissions • Energy consumption • Safety • Community contributions • Environmental sourcing.
The Supply of Semi-Automatic Pistol (SAP) Tactical Lighting System	Fire Response have an environmental policy that aims to systematically reduce their impacts on the environment and prevent pollution occurring from their activities. They conduct operations in compliance with relevant and local environment regulations and legislation.
Occupational Health and Safety (OHS) Services First Aid Services	The Victoria Police tender had Environmental Management Practices Statement as a requirement.

IT Supplies	Detail Any Sustainable Procurement Initiatives That Apply
<p>Security Services BlueConnect programme Acer Laptops ITIR SPC – 6x Blade Servers ITIR SPC – Routers (RF166764) ITIR SPC – WAN (RF173347) ITIR SPC – Cisco Equipment (RF191632) Lifecycle Management and Application Modernisation (LMAM) Project – Police Station Upgrade ISE Appliances (RF166780) BlueConnect Technology Uplift Initiative Cisco Equipment for additional BWC sites (RF191632) NAS Strategic Storage Solution Procurement ITIR SPC – SPARC Servers (RF213181) Bulk Acer Desktop/Laptop Order Safenet Hardware Security Modules (HSMs) VMWare Software Licensing, Maintenance and Technical Support EUC SPC – 100 x Desktop bundles (RF228042)</p>	<p>SPC Tender had Corporate Social Responsibility Statement as a requirement.</p>
Capital Works Projects	
<p>Broadmeadows Police Station – Removal of Firing Range Macleod Forensic Centre – CT Mobile Capability Garage Warburton Police Station – Replacement Warracknabeal 16 hour Police Station – Replacement Wedderburn 16 hour Police Station – Replacement Refurbishment works at Essendon Airwing Alexandra 16 hour Police Station Air Conditioning Upgrade Wonthaggi Police Station New Tangambalanga Police Station Centre for Family Violence – Victoria Police Academy Western Region HQ fit out Frankston Police Station PCO400 Project Refurbishment works for Prisoner Movement Unit Replacement of Mechanical Services Infrastructure (Bacchus Marsh) Mallacoota Police Station – Replacement Construction of new Colac Police Station Victoria Police Academy Training Facility Victoria Police Forensic Service Centre (Macleod and McCallum) – Security Systems Maintenance Refurbishment of Geelong (Barwon) Multi-disciplinary Centre Narre Warren Police Station – Upgrade of Watch House Bright and Corryong police stations – Replacement New Wycheproof Wedderburn and Warracknabeal police stations Heidelberg Cells Air Conditioning Mernda Police Station Workstations Electrical Works – Victoria Police Academy Additions to Dwelling – Avoca Police Station Melbourne Custody Centre Elect Security Upgrade New Murtoa Police Station New Woomelang Police Residence Altona North Police Station – Building Engineering Services</p>	<p>The functional briefing, design, tendering and development of construction projects are to comply with the various Government policy initiatives, guidelines and standards relating to infrastructure projects.</p> <p>Construction and construction consultant contracts are generally based on the following:</p> <ul style="list-style-type: none"> • minimise energy consumption and cost, while providing improvement, comfort and amenity within the facility • a strong focus on sustainability and energy management and efficiency initiatives • reduce the organisation’s carbon footprint • a strong emphasis on waste minimisation for the design of the building is to be incorporated • include evidence of the Tenderer’s methodology for environmental management including waste management and recycling initiatives • appropriate verifications of the subcontractors’ works, generally in accordance with AS/NZS ISO 14001:2004 Environmental Management standard.

Capital Works Projects	Detail Any Sustainable Procurement Initiatives That Apply
<p>Bairnsdale Police Station – Air-conditioning Upgrade</p> <p>Alexandra Police Station – Principal Consultancy Service</p> <p>Specialist Training Facility and Weapons Range – Design Management Consultancy</p> <p>Spatial Audit (Accommodation)</p> <p>Design Consultancy Services for the new Rutherglen and Tangambalanga police stations</p> <p>Ballarat West and Morwell Forensic Hubs</p> <ul style="list-style-type: none"> – Cost Management Consultancy – Design Management Consultancy – Project Management Consultancy <p>Melbourne East Police Station</p> <ul style="list-style-type: none"> – Design Management Services – Project Management Services – Building Services Engineer <p>Wyndham Police Complex</p> <ul style="list-style-type: none"> – Cost Management Services – Design Management Services – Project Management Services <p>Reservoir Police Station</p> <ul style="list-style-type: none"> – Architectural and Design Management Consultancy Services – Building Services Engineering – Project Management Services – Cost Management Services 	

Notes:

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

APPENDIX Q – REPORT UNDER THE CORRECTIONS ACT 1986

Section 9D (3A) of the *Corrections Act 1986* requires the Chief Commissioner 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 2017-18 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.

G4S Escort and Custody Contract Services

During 2017-18 G4S provided the following contract services:

Melbourne Custody Centre (MCC)

- Managed 25,541 prisoner movements (counted in and out). In addition, 865 intoxicated persons were lodged.
- Managed 14,258 court movements between the MCC and Melbourne Magistrates' Court. This includes 1,811 court movements between the MCC and Melbourne Magistrates' Court Night Court which commenced in January 2017.
- Provided full time security of prisoners in up to 14 Melbourne Magistrates' Courts.
- Facilitated a total of 16,587 visits to prisoners, including 798 visits by relatives and friends, 15,198 legal visits to prisoner clients and 798 police visits to prisoners.
- Escorted 19 prisoners to hospital and provided 287.5 hours of guard duties whilst prisoners received medical treatment.

Moorabbin Justice Centre

- Managed 689 prisoner movements (counted in and out).
- Managed 828 court movements.
- Facilitated a total of 1,336 legal visits to prisoners.

Ringwood Magistrates' Court Cells

- Managed 1,422 prisoner movements (counted in and out).
- Managed 1,720 court movements.
- Facilitated a total of 2,421 legal visits to prisoners.

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 Australia is accredited with an AS/NZS ISO 9001:2000 Certified Quality Management System.

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 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: | 1 person |
|---------------------------------|----------|
- (b) Number of searches of persons irrespective of age without warrant under section 60F conducted during financial year
- | | |
|---------------------------------------|-----------|
| Persons searched irrespective of age: | 7 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: | |
| Solvent | 1 |
| Spray Paint | 1 |
| Plastic bag (with paint) | 1 |
| Cooking oil | 1 |
| Gases (Compressed air / CO ₂) | 1 |
| Deodorant | 2 |
| Other | – |
- (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)
- | | |
|------------------------------|---|
| Type of substances produced: | 2 |
|------------------------------|---|
- (e) Number and type of volatile substances and items used to inhale a volatile substance returned to persons under section 60N
- | | |
|--------------------------------|---|
| Number of substances returned: | – |
|--------------------------------|---|
- (f) Number and type of volatile substances and items used to inhale a volatile substance disposed of or made safe under section 60O
- | | |
|--------------------------------|---|
| Number of substances disposed: | 3 |
|--------------------------------|---|
- (g) Number and type of volatile substances and items used to inhale a volatile substance forfeited to the Crown under section 60P
- | | |
|---------------------------------|---|
| Forfeited substances and items: | 2 |
|---------------------------------|---|

- (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	1
Persons (irrespective of age) apprehended and detained	1
Male	–
Female	–
Indigenous	–
Non Indigenous	–

Notes:

Each contact or occasion may involve multiple items or substances.
Figures do not include prescribed or prohibited volatile substances.

CONTROL OF WEAPONS ACT 1990

Section 10B of the *Control of Weapons Act 1990* states that the Chief Commissioner 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:

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

Search Type	2017-18	2016-17
Searches Conducted	656	707

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

Prohibited weapons		
Slingshot	1	1
Capsicum spray	–	2
Offensive/Noxious liquid/Gas	–	–
Electric current emit	7	2
Laser pointer	5	6
Mace or similar	–	1
Baton/Bo-chucks	–	3
Kasari-Fundo/Manrikigusari	2	–
Nunchaku	7	–
Flick knife	6	11
Dagger	4	–
Knuckle knife	–	1
Bowen knife belt	1	–
Swordstick	1	–
Butterfly knife	1	–
Double-end knife	1	2
Black eagle knife	–	–

Search Type	2017-18	2016-17
Push knife	3	1
Throwing blade	1	-
Ballistic knife	-	1
Crossbow	-	-
Dart from blow gun or similar	-	2
Saunders falcon hunting sling	-	1
Extendable baton	1	6
Sword	5	9
Knuckle duster	14	11
Imitation handgun	4	1
Imitation longarm	-	3
Dangerous articles		
Bottle/Glass	1	-
Axe/Tomahawk	11	13
Bat/Bar/Club	15	22
Syringe	8	9
Other weapon	16	25
Controlled weapons		
Knife	164	155
Speargun	-	-
Baton or Cudgel	1	2
Bayonet	1	-
Cattle prod	-	1
TOTAL	281	291

Notes:

Data extracted from LEAP on 18 July 2018 and subject to variation.

Due to limited coding on field contract data, weapon seizure data are only partially available.

The number of strip searches conducted under section 10G.

Search Type	2017-18	2016-17
Control of Weapons Act Searches Conducted	2	5

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

	2017-18	2016-17
	2	5

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

	2017-18	2016-17
	-	-

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

	2017-18	2016-17
Knuckle duster	-	1
Imitation handgun	-	1
Bat/Bar/Club	-	-
Other weapon	-	-
Knife	-	1
Total	-	3

Notes:

Data extracted from LEAP on 18 July 2018 and subject to variation.

In accordance with section 10KB of the *Control of Weapons Act 1990* the Chief Commissioner 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 year; and

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

	2017-18
Total	13

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

	2017-18
Total	-

- (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.

	2017-18	Power exercised under section 10KA
Section 10D	2	1 x face mask removed 1 x direction to leave designated area
Section 10E	-	

FIREARMS ACT 1996 (SECTION 153C)

Section 153C of the *Firearms Act 1996* states that the Chief Commissioner 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.

	2017-18	2016-17
Searches	82	90

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

Firearms found	2017-18	2016-17
Rifle	2	2
Air rifle/gun	–	1
Shotgun	–	3
Handgun	–	2
Sawn-off firearm	1	1
Imitation firearm	9	4
Cartridge ammunition	8	9
Other firearm	7	3
Shotgun shell	–	2
Bullet	1	–
Revolver	–	–
Shotgun rounds	2	–
TOTAL	30	27

c) Any other information requested by the Minister.

No information requested.

Notes:

Data extracted from LEAP on 18 July 2018 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.

DIVISION 2 – ANNUAL REPORTING OBLIGATIONS (SECTION 172.1)

Section 172.1 of the *Firearms Act 1996* states that the Chief Commissioner 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:

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

GRAFFITI PREVENTION ACT 2007 (SECTION 17)

The Chief Commissioner 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	2017-18	2016-17
14–17	168	160
18–23	82	78
24+	34	23
Unspecified	5	4
Total persons contacted	289	265
Total reports	204	190

Graffiti implements found during graffiti related search without warrant

Implement type	2017-18	2016-17
Aerosol paint container	89	60
Texta/marker	81	16
Other graffiti implement	21	62
Total implements	191	138

Notes:

Data extracted from LEAP on 18 July 2018 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 2017-18	Results for 2016-17
(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.	63 Orders have been made by the courts	30 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. ²⁰	6 persons charged with offences	Three or less than three (≤ 3) persons charged resulted in a finding of guilt
(f) the number of charges for an offence under section 89DF (1) or (2) that resulted in a finding of guilt in that year. ²¹	11 charges	Three or less than three (≤ 3) charges resulted in a finding of guilt
(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 2018 and subject to variation.

²⁰ Number of persons refers to unique individuals processed for the offences.

²¹ 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 2017-18 the Sex Offenders Registry has been working closely with the Department of Justice and Regulation 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 2017-18 financial year²²:

	In the community	Other ²³	Gender totals
Total males	4,279	3,360	7,639
Total females	116	44	160
Total juveniles	1 ²⁴	1 ²⁵	–
Total	4,395	3,404	7,799

Other Status	In the community	Other ²³	Gender totals
In custody	–	911	–
Interstate/overseas	–	1,094	–
De-registered	–	989	–
Deceased	–	407	–
Suspended (per section 45A) ²⁶	–	3	–
Total	–	3,404	–
Registry Total	–	–	7,799

RSO Reporting period	In the community	Overall total
4 years	4	13
7.5 years	16	68
Custom	31	167
8 years	1,098	2,220
15 years	1,672	2,389
Life	1,574	2,143
Total	4,395	7,000²⁷

Offenders added to the register	552
Prohibition orders made	–
Registration orders made ²⁸	–
Offenders aged under 18 added	8
Offenders added following section 11	39
Corresponding offenders added	68

22 Data are current as at 30 Jun 2018 for the 2017-18 financial year.

23 Other refers to RSOs that are in custody, deceased, interstate/overseas, de-registered or suspended.

24 Figure included in 'In the community' male total of 4,279.

25 Figure included in 'Other' male total of 3,360.

26 There are no offenders subject to an order under section 39A of the *Sex Offenders Registration Act 2004*.

27 Overall reporting period total is 799 less than registry total (7799) due to legislative and procedural requirements (for example, RSOs in custody do not have a recorded reporting period until their release from custody).

28 Section 66ZR of the *Sex Offenders Registration Act 2004* allows for prohibition orders from interstate to be registered in Victoria.

APPENDIX S – 2017-18 VICTORIA POLICE HONOURS AND AWARDS

Australian Police Medal (APM)		
Rank at time of award	First Name	Surname
Assistant Commissioner	Russell Haig	BARRETT
Senior Sergeant	Rebecca Dianne	CASKEY
Commander	Sharon Maree	COWDEN
Superintendent	Michael John	GLOWASKI
Superintendent	Timothy John	HANSEN
Superintendent	Lisa Joy	HARDEMAN
Superintendent	Darren Grant	HARRIS
Sergeant	Mark Stanley	HIGGINBOTHAM
Superintendent	Graham John	KENT
Inspector	Margaret Ann	LEWIS
Superintendent	Lisa Ann	McMEEKEN
Senior Constable	Andrew Scott	NEIL
Assistant Commissioner	Richard Andrew	NUGENT
Leading Senior Constable	Jennifer Kay	PARKER
Leading Senior Constable	Toni Anne	REDSHAW
Superintendent	Stephen Barry	WHITE
Public Service Medal		
Rank at time of award	First Name	Surname
VPS6	Claire	WATERMAN
Medal for Courage		
Rank at time of incident	First Name	Surname
Senior Constable	Naomi Maree	BOURKE
Senior Constable	Alan John	BYRNES
Sergeant	Mark	FRANCO
Sergeant	Ronald Andrew	GRAY
Senior Constable	Jason	KISIELIS
Constable	Benjamin	KOREVAAR
Senior Constable	Warren	MARTIN
Constable	Joseph	MORRIS
Senior Constable	Warren	NORMOYLE
Senior Constable	Simeon	PARKER
Sergeant	Sean Adrian	RAAB
Senior Constable	Sarah	ROGERS
Senior Constable	Mark	THOMAS
Senior Constable	John Mark	TODOR
Sergeant	Donald Isaac	WILSON

Medal for Merit		
Rank at time of incident	First Name	Surname
Sergeant	Karen	ALLSOP
Leading Senior Constable	Ian Charles	GIPP
Sergeant	Jane Maree	RICHER
Citizen Commendation		
Rank	First Name	Surname
	Ibrahim	ABOU-HATAB
	Tyler	DAVEY
	Malcolm	GRANT
	Mohamad	HAMAD
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
Senior Constable	Andrew Robert	BEAZLEY
Constable	Adrian	HOGGETT
Victoria Police Star		
Rank at time of incident	First Name	Surname
Constable	Stephen Wayne	ANSET
Sergeant	Peter Ronald	BELLION
Senior Constable	Patrick	BOLGER
Constable	Ronald Albert	CREUSOT
Constable	William Joseph	HARNETTY
Constable	Walter Richard	HEWITT
Senior Constable	Peter Michael	HOLLOWAY
Senior Constable	Thomas	HOLT
Constable	George	HOWELL
Constable	Olaf Henry	HOYEM
Constable	Hugh	KENNEDY
Sergeant	Scott	MORRIS
Senior Constable	Barry Joseph	O'DONOGHUE
Constable	James	OGILVIE
Sergeant	Sean Adrian	RAAB
Constable	Charles Marcus	REEVE
Constable	Harold	RIDDLE
Senior Constable	Craig	ROBINSON
Constable	Josiah	ROWLEY
Constable	William Michael	SHARROCK
Constable	Robert Lindon	WORLAND

Group Citation for Merit		
Rank at time of award	First Name	Surname
Assistant Commissioner	Debra	ABBOTT
VPS6	Renate	DANEBERGS
VPS5	Melissa	PRING
VPS5	Suzanne	SMITH
Valour Award		
Rank at time of incident	First Name	Surname
Senior Constable	Mark	HALL
First Constable	Andrew	VALLAS

APPENDIX T – COMPLAINTS AND OVERSIGHT MATTERS REGISTERED

In September 2016 the report of the Independent Broad-based Anti-corruption Commission's (IBAC) 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 for change 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. This information was first published in the 2016-17 Annual Report.

Breakdown of Complaints and Oversight Matters

Complaint Classification	Definition	2017-18	2016-17	2015-16
Management Intervention Model (MIM) and Local Management Resolution (LMR)	Allegations of Minor nature regarding service delivery, performance management or professional conduct.	1,104	925	979
Misconducts – Minor/Serious/Corruption	Misconduct as per the <i>Victoria Police Act</i> section 166 and the <i>Public Administration Act</i> section 4.	681	621	655
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.	585	508	495
Oversight Matters				
Civil Process	Civil process matters against an employee of Victoria Police.	82	115	71
Oversight Matters	Police Critical Incidents – incidents that require monitoring and reporting on.	165	213	134
Work files – Correspondence	Allegations that require some preliminary enquiry, further information and assessment to determine if a full investigation is required.	229	261	128
Preliminary Check	Audit result enquiries regarding LEAP access, Mobile Data Network, usage, email or other Victoria Police databases.	4	6	78
Total		2,850	2,649	2,540

Notes:

Data includes all complaints and oversight matters received by Victoria Police.

Allegation Determination – Complaint ‘allegations’ finalised by Financial Year

Category	Determination	2017-18		2016-17		2015-16	
		Count	%	Count	%	Count	%
Case to Answer	Lesser Deficiency Found	10	0.3	13	0.33	11	0.28
	Substantiated	327	9.85	521	13.2	559	14.1
	Sub Total	337	10.15	534	13.53	570	14.38
No Case to Answer	False Report	5	0.15	1	0.03	3	0.08
	For Intelligence Purposes Only	28	0.84	51	1.29	20	0.5
	Member Exonerated	47	1.42	53	1.34	68	1.72
	No Complaint	533	16.06	646	16.36	566	14.27
	Not Substantiated	488	14.7	583	14.77	670	16.9
	Unable to Determine	124	3.74	136	3.44	145	3.66
	Unfounded	258	7.77	411	10.41	390	9.84
	Withdrawn	54	1.63	66	1.67	71	1.79
Sub Total	1,537	46.31	1,947	49.32	1,933	48.75	
Other	Conciliated	3	0.09	5	0.13	2	0.05
	Not Finalised	1	0.03	8	0.2	9	0.23
	Not Proceeded With	108	3.25	100	2.53	124	3.13
Sub Total	112	3.37	113	2.86	135	3.4	
Other (Local Management Actions)	Not Resolved	349	10.52	364	9.22	388	9.79
	Resolved	977	29.44	956	24.21	918	23.15
Sub Total	1,326	39.95	1,320	33.43	1,306	32.94	
Other (Oversight Matters)	No Complaint (Oversight)	7	0.21	34	0.86	21	0.53
	Sub Total	7	0.21	34	0.86	21	0.53
Total		3,319	100	3,948	100	3,965	100

Notes:

A complaint may consist of one or more allegations against one or more employees. The figures in this table reflects 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 internal administration and quality control processes that may result in the back capturing of information.

Data extracted 27 August 2018.

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

Recommendations	2017-18		2016-17		2015-16	
	Count	%	Count	%	Count	%
Admonishment	115	3.46	189	4.79	181	4.56
Criminal charges	33	0.99	68	1.72	41	1.03
Discipline charges	7	0.21	43	1.09	45	1.13
Management actions	435	13.11	497	12.59	503	12.69
No Data Recorded	14	0.42	2	0.05	7	0.18
No action	2,651	79.87	3,082	78.06	3,106	78.34
Resigned/Retired	58	1.75	60	1.52	72	1.82
Terminated	6	0.18	7	0.18	10	0.25
Total (ALL)	3,319	100	3,948	100	3,965	100

Notes:

Figures in 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 internal administration and quality control processes that may result in the back capturing of information.

Data extracted 27 August 2018.

APPENDIX U – IBAC DRINK DRIVING DETECTIONS REPORTING

In December 2016 the Independent Broad-based Anti-corruption Commission (IBAC) released a report and recommended (recommendation 3) Victoria Police to 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 2017-18

BAC ²⁹	Collision	Determination
0.073	N	Substantiated – Admonishment
0.168	N	Substantiated – Retired
0.067	N	Substantiated – Admonishment
0.167	N	No action – Resigned
0.167	N	Determination pending
0.081	N	Substantiated – Admonishment
0.052	N	Substantiated – Admonishment
DUI ³⁰	Y	Substantiated – Court hearing
0.288	N	Substantiated – Court hearing
0.138	Y	Determination pending
Fail ³¹	Y	Determination pending
0.112	N	Determination pending
0.099	N	Determination pending

APPENDIX V – REPORTING ON FAMILY VIOLENCE

Victoria Police is leading the implementation of 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 developed a series of practice notes to the *Code of Practice for the Investigation of Family Violence* to assist police responding to family violence (Recommendations 115, 130, 159). The practice notes provide more information for police about not using children as interpreters in family violence incidents and understanding the difficulties women in the sex industry face in reporting family violence.

Victoria Police delivered *Policing Harm, Upholding the Right: Victoria Police Strategy for Family Violence, Sexual Offences and Child Abuse 2018-2023*, renewing the organisation's commitment to reducing the prevalence of these crimes in the community and the devastating harm caused to victims (Recommendations 46, 47). The strategy unveils 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 commitments focus on improving responses to family violence, sexual offences and child abuse, in recognition of the links between these types of harm.

Victoria Police established the Centre of Learning for Family Violence to develop and implement an education strategy for all police responding to family violence, sexual offences and child abuse (Recommendation 42). The centre established a dedicated academic advisory board to oversee the quality of family violence education that will be delivered, including by new Family Violence Training Officers located in divisions across the state.

Improving understanding and building relationships with the diverse community is a priority for Victoria Police. Victoria Police launched Aboriginal Family Violence Police Protocols in Warrnambool and Latrobe and is finalising protocols for Echuca (Recommendation 151).

²⁹ BAC Stands for Blood Alcohol Concentration.

³⁰ DUI Stands for Driver Under Influence.

³¹ Fail is to represent when an officer fails to comply with the drink driving detection test.

APPENDIX W – ATTESTATION



VICTORIA POLICE

Victoria Police Financial Management Compliance Attestation Statement 2017-18

This attestation is in accordance with Standing Direction 5.1.4 of the Minister for Finance.

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

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

Graham Ashton AM
Chief Commissioner

31/8/18

APPENDIX X – ACRONYM GLOSSARY

AFL	Australian Football League	LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
AFP	Australian Federal Police	MP	Member of Parliament
AM	Member of the Order of Australia	OHS	Occupational Health and Safety
ANZPAA	Australia & New Zealand Policing Advisory Agency	PCO	Police Custody Officer
APM	Australia Police Medal	PRSB	Police Registration and Services Board
BAC	Blood Alcohol Content	PSO	Protective Services Officer
CALD	Culturally & Linguistically Diverse	RoGS	Report on Government Services
CSA	Crime Statistics Agency (Victorian)	RSO	Registered Sex Offender
DNA	Deoxyribonucleic Acid	TAC	Transport Accident Commission
EBA	Enterprise Bargaining Agreement	VCAT	Victorian Civil and Administrative Tribunal
FTE	Full Time Equivalent	VEOHRC	Victorian Equal Opportunity and Human Rights Commission
ICT	Information and Communications Technology	VPC	Victoria Police Centre
KPIs	Key Performance Indicators	VPS	Victorian Public Service
LEAP	Law Enforcement Assistance Program		

5. FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30 2018

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 2018. 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	92
	Independent Auditor's Report from the Victoria Auditor-General's Office	93–94
Primary Statements	Comprehensive Operating Statement	95
	Balance Sheet	95
	Statement of Changes in Equity	96
	Cash Flow Statement	96
Notes to the financial statements	1. About This Report	97
	<i>The basis on which the financial statements have been prepared and compliance with reporting regulations</i>	97–98
	2. Funding Delivery of Our Services	99
	<i>Revenue recognised in respect of grants from government, sale of goods and services and other sources</i>	100–101
	3. The Cost of Delivering Services	102
	<i>Operating expenses of Victoria Police</i>	103–105
	4. Administered Items	106
	<i>Policing Services Output and Administered (non-controlled) items</i>	107
	5. Key Assets Available To Support Output Delivery	108
<i>Land, buildings, plant & equipment, motor vehicles, construction-in-progress and intangible assets</i>	109–115	
6. Other Assets And Liabilities	116	
<i>Working capital balances and other key assets and liabilities</i>	117–118	
7. Financing Our Operations	119	
<i>Borrowings, cash flow information and leases</i>	120–124	
8. Risk, Contingencies And Valuation Judgements	125	
<i>Financial risk management, contingent liabilities, contingent assets and fair value determination disclosures</i>	126–132	
9. Other Disclosures	133	
<i>Additional disclosures that are material for the understanding of this financial report</i>	134–144	



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 Minister for Finance 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 2018 and financial position of Victoria Police as at 30 June 2018.

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 2018.

**Graham Ashton AM
Chief Commissioner
Victoria Police**

Melbourne

6 / 09 / 2018

**Peter Froutzis
Chief Finance and
Accounting Officer
Victoria Police**

Melbourne

6 / 09 / 2018

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 2018
- 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 2018 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
6 September 2018



Andrew Greaves
Auditor-General

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2018

(\$ thousand)

	Notes	2018	2017
Income From Transactions			
Grants from Government	2.2	3,051,626	2,766,807
Sale of goods and services		1,255	1,303
Grants		7,398	4,640
Fair value of assets received free of charge or for nominal consideration		210	280
Other income	2.3	12,777	11,971
Total Income From Transactions		3,073,265	2,785,000
Expenses From Transactions			
Employee expenses	3.1.1	2,297,053	2,113,824
Depreciation and amortisation	5.1.1	100,577	96,503
Interest expense	7.2	1,590	1,615
Capital asset charge	3.2	97,692	93,808
Operating expenses	3.3	568,850	476,431
Total Expenses From Transactions		3,065,762	2,782,181
Net Result From Transactions (Net Operating Balance) ^(a)		7,503	2,819
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets	9.1	7,861	7,866
Net gain/(loss) from other economic flows	9.1	439	6,454
Total Other Economic Flows Included in Net Result		8,300	14,319
Net Result		15,803	17,138
Other Economic Flows – Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	5.3	77,801	-
Total Other Economic Flows – Other Comprehensive Income		77,801	-
Comprehensive Result		93,604	17,138

Notes:

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

(a) Net Result from Transactions of \$7.50 million (2017: \$2.82 million) is a consolidation of a surplus of \$0.17 million (2017: deficit of \$3.66 million) from the Appropriation entity and a surplus of \$7.33 million (2017: \$6.48 million) from the Trust entities.

BALANCE SHEET

As at 30 June 2018

(\$ thousand)

	Notes	2018	2017
Assets			
Financial Assets			
Cash and deposits	7.3	41,788	40,919
Receivables	6.1	487,400	450,072
Total Financial Assets		529,189	490,991
Non-Financial Assets			
Inventories		6,954	6,309
Non-financial physical assets classified as held for sale		1,865	5,648
Property, plant and equipment	5.1	1,692,883	1,573,633
Intangible assets	5.2	68,862	36,878
Other non-financial assets	6.3	43,685	22,285
Total Non-Financial Assets		1,814,249	1,644,752
Total Assets		2,343,438	2,135,743
Liabilities			
Payables	6.2	112,422	95,201
Borrowings	7.1	77,482	69,234
Employee related benefits provisions	3.1.2	566,334	533,788
Other provisions	6.4	8,149	4,728
Total Liabilities		764,387	702,950
Net Assets		1,579,051	1,432,793
Equity			
Accumulated surplus		45,274	29,471
Physical asset revaluation surplus	5.3	762,732	684,931
Contributed capital		771,045	718,391
Net worth		1,579,051	1,432,793

Notes:

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 2018

(\$ thousand)

	Notes	Physical Asset Revaluation Surplus	Accumulated Surplus	Contributed Capital	Total
Balance at 1 July 2016		684,931	12,333	704,362	1,401,626
Net result for the year		-	17,138	-	17,138
Capital contribution (to) other state departments/entities		-	-	(15,919)	(15,919)
Capital contribution by Government as part of annual grants		-	-	29,948	29,948
Revaluation surplus adjustment	5.3	-	-	-	-
Balance at 30 June 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

Notes:

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 2018

(\$ thousand)

	Notes	2018	2017
Cash Flows From Operating Activities			
Receipts			
Receipts from government		3,010,333	2,720,297
Other income		20,971	17,018
Sales of goods and services		1,212	1,303
Interest received	2.3	51	47
GST received from ATO ^(a)		70,899	57,216
Payments			
Payments to suppliers and employees		(2,887,523)	(2,626,809)
Capital asset charge		(97,692)	(93,808)
Interest paid	7.2	(1,590)	(1,615)
Net Cash Flows From Operating Activities	7.3.1	116,661	73,650
Cash Flows From Investing Activities			
Proceeds from sale of property, motor vehicles, plant and equipment		23,708	40,205
Payments for property, plant and equipment		(143,791)	(75,323)
Net Cash Flows (Used In) Investing Activities		(120,084)	(35,119)
Cash flows from Financing Activities			
Proceeds from capital contributed by Government		52,654	14,038
Repayment of finance leases		(48,362)	(49,679)
Net Cash Flows (Used In) Financing Activities		4,292	(35,641)
Net Increase In Cash And Cash Equivalents		869	2,890
Cash and cash equivalents at the beginning of the financial year		40,919	38,029
Cash and Cash Equivalents At The End Of The Financial Year	7.3	41,788	40,919

Notes:

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

(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 2018. 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.

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 & Equipment & 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.

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

COMPLIANCE INFORMATION

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable 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 9.8 Glossary and 9.9 Style Conventions.

The annual financial statements were authorised for issue by the Chief Commissioner of Police on 6 September 2018.

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	100
2.2	Grants from Government	101
2.3	Other Income	101
2.4	Annotated Income Agreements	101

2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

(\$ thousand)

	Notes	2018	2017
Grants from Government	2.2	3,051,626	2,766,807
Sale of goods and services		1,255	1,303
Grants		7,398	4,640
Fair value of assets received free of charge or for nominal consideration		210	280
Other income	2.3	12,777	11,971
Total Income From Transactions		3,073,266	2,785,000

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)

	Notes	2018	2017
Grants from Victorian Government		3,051,626	2,766,228
Grants from Commonwealth Government		-	579
Total Grants from Government		3,051,626	2,766,807

Grants Received from State 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)

	Notes	2018	2017
Interest income		51	47
Donations and other trust income		12,726	11,924
Total Other Income		12,777	11,971

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.

As Victoria Police's exposure to interest rate risk sensitivity is deemed insignificant based on the current year's interest income of \$50,955 (2017: \$46,815), no interest rate risk sensitivity analysis was performed for 2017-18.

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 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)

	2018	2017
User Charges Or Sales of Goods and Services		
Information services	4,061	4,290
Event management	5,348	4,971
Training services	51	25
Total User Charges Or Sales of Goods and Services ^(a)	9,459	9,285
Proceeds From Asset Sales		
Motor vehicles	196	97
Land and buildings	-	14,851
Plant & equipment	128	37
Total Proceeds From Asset Sales	324	14,985
Commonwealth specific purpose payments		
Commonwealth special purpose grants	-	2,018
Total Commonwealth specific purpose payments	-	2,018
Total Annotated Income Agreements	9,784	26,288

Notes:

(a) The annotated income of \$9.5 million forms part of the Grants from 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 cost associated with such provisions are recorded.

Structure		Pages
3.1	Expenses Incurred in Delivery of Services	103–104
3.2	Capital Asset Charge	105
3.3	Operating Expenses	105

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

3.1.1 Employee Expenses in the Comprehensive Operating Statement

(\$ thousand)

	Notes	2018	2017
Defined contribution superannuation expense	3.1.3	25,000	21,439
Defined benefit superannuation expense	3.1.3	193,474	181,894
Salaries, wages and annual leave		1,846,873	1,707,842
Long service leave		63,912	54,062
Other on-costs (Fringe Benefits Tax, Payroll Tax and WorkCover Levy)		167,795	148,586
Total Employee Expenses		2,297,053	2,113,824

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 Benefits 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)

	2018	2017
Current Provisions: ^(a)		
Annual leave		
Unconditional and expected to be settled within 12 months ^(b)	53,995	48,157
Long service leave		
Unconditional and expected to be settled within 12 months ^(b)	35,771	33,604
Unconditional and expected to be settled after 12 months ^(c)	321,941	302,432
Provisions for on-costs:		
Unconditional and expected to be settled within 12 months ^(b)	19,082	17,048
Unconditional and expected to be settled after 12 months ^(c)	71,672	66,035
Commuted overtime ^(d)		
Commuted overtime allowance	2,560	4,112
Total Current Provisions for Employee Benefits	505,020	471,388
Non-Current provisions: ^(a)		
Employee benefits – conditional long service leave ^(c)	49,136	50,885
On costs ^(c)	10,895	11,084
Deferred salary scheme ^(e)	1,284	431
Total Non-Current Provisions for Employee Benefits	61,314	62,400
Total Provisions for Employee Benefits	566,334	533,788

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 back pay claims to Sworn members.

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

(\$ thousand)

Reconciliation of Movement in On-Cost and Commuted Overtime Provisions	On-Costs	Commuted Overtime	Total 2018
Opening balance 1 July 2017	94,167	4,112	98,279
Additional provisions	24,530	2,596	27,126
Reductions arising from payments/other sacrifices of future economic benefits	(17,048)	(4,149)	(21,197)
Closing balance 30 June 2018	101,648	2,560	104,208
Current	90,753	2,560	93,314
Non-current	10,895	-	10,895
Closing balance 30 June 2018	101,648	2,560	104,208

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

Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits such as annual leave 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.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

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

Employment on-costs in relation to Employee Related Benefits Provisions such as payroll tax, workers compensation and superannuation identified in the balance sheet 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:

- nominal 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 an unconditional 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 revaluation of the present value of LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as another 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% 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%.

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% of their salary. A provision is raised for the balance, which is paid during the fifth year whilst 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	
	2018	2017	2018	2017
Defined benefit plans ^(a)				
Emergency Services and State Super	189,492	178,656	3,982	3,238
Defined contribution plans:				
VicSuper	17,210	16,349	367	301
Other	7,272	4,690	151	99
Total	213,974	199,695	4,501	3,638

Notes:

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

3.2 CAPITAL ASSET CHARGE

(\$ thousand)

	2018	2017
Capital asset charge	97,692	93,808
Total Capital Asset Charge	97,692	93,808

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)

	2018	2017
Supplies and Services		
Communications ^(a)	51,054	36,742
Motor vehicle expenses	39,734	35,166
Administration ^(b)	20,093	19,710
Accommodation is made up of:	151,986	131,464
– Utilities	42,240	39,283
– Property maintenance	35,930	31,418
– Rental, including rental under operating leases ^(c)	73,817	60,762
Computer expenses	87,992	65,923
– IT maintenance	53,992	44,926
– Software licences	24,958	13,803
– Computer equipment & accessories	4,636	3,353
– IT consultants / contractors	3,500	3,150
– Others	906	691
Legal	17,378	19,603
Operation support	118,826	92,089
– Aviation expenses	21,121	18,357
– Consultancy / contractors	38,440	15,317
– Mobile Data Network/Radio	35,242	37,236
– Transcription costs	2,065	1,922
– Inquiry Fees	3,867	3,450
– Others	18,091	15,806
Other operating expenses	81,566	75,310
– Equipment and office expenses	22,126	19,951
– Uniforms and personal equipment	17,749	15,152
– Incidentals	31,412	30,062
– Prisoner supplies	2,160	2,874
– Custody centres	8,119	7,271
Subtotal for Supplies and Services	568,628	476,006
Bad debts from transactions	43	99
Ex-gratia expenses	178	326
Total Operating Expenses	568,850	476,431

Notes:

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

(b) Auditors (Victorian Auditor-General's Office) remuneration expense of \$388,000 (2017: \$380,000) forms part of the Administration expense.

(c) Operating lease payments are recognised on a straightline 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.

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

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

Structure		Pages
4.1	Administered Items	107

4.1 ADMINISTERED ITEMS

Administered income includes fees and 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. Both controlled and administered items of Victoria Police are consolidated into the financial statements of the State.

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.

Administered (Non-Controlled) Income and Expenses

For the financial year ended 30 June 2018

(\$ thousand)

	2018	2017 ^(b)
Administered Income From Transactions		
Regulatory fees and fines	32,412	31,015
Sale of Government Property	324	15,001
Seized and Unclaimed Monies	13,761	7,949
Commonwealth Grants	1,112	3,296
Other Agency Contributions	3,923	3,778
Other	757	783
Total Administered Income From Transactions	52,289	61,822
Administered Expenses From Transactions		
Payments into the Consolidated Fund	34,473	34,662
Payment of seized and unclaimed monies	12,608	6,900
Other agency expenses	5,229	4,678
Other	744	17,183
Total Administered Expenses From Transactions	53,054	63,424
Total Administered Net Result From Transactions (Net Operating Balance)	(764)	(1,602)
Administered Other Economic Flows Included In Administered Net Result		
Other gains/(losses) from other economic flows	(35)	-
Administered Net Result	(799)	(1,602)

Administered (Non-Controlled) Assets and Liabilities

As at 30 June 2018

(\$ thousand)

	Notes	2018	2017
Administered Financial Assets			
Cash held at Treasury ^(c)	7.4	31,973	34,046
Receivables		597	755
Total Administered Financial Assets		32,570	34,801
Administered Non-Financial Assets			
Non-current physical assets		4	6
Total Administered Non-Financial Assets		4	6
Total Administered Assets		32,574	34,808
Administered Liabilities			
Trade creditors and accruals		924	1,884
Seized and Unclaimed Funds		30,667	32,146
Other liabilities – Trusts		1,782	2,379
Total Administered Liabilities		33,373	36,409
Total Administered Net Assets ^(a)		(799)	(1,602)

Notes:

- (a) 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.
- (b) The comparative balances have been restated to conform with the current year's presentation due to the change in the accounting policy whereby seized monies will only be recognised as revenue when the outcome of the case has been determined. In the prior years, all seized monies were recognised as revenue upon receipt.
- (c) This balance is made up of the Administered Trusts and Australia & New Zealand Policing Advisory Agency (ANZPAA) balances of \$30,506 and \$1,467 respectively.

5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

INTRODUCTION

Victoria Police controls those 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	109–112
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	
	2018	2017	2018	2017	2018	2017
Crown land at fair value	459,253	379,041	-	-	459,253	379,041
Buildings at fair value (excluding heritage buildings)	1,040,040	1,000,558	129,169	81,755	910,871	918,804
Heritage buildings at fair value ^(a)	75,023	74,847	5,641	2,819	69,382	72,028
Plant & equipment at fair value	186,420	170,168	124,148	114,784	62,272	55,384
Motor vehicles under finance lease at fair value	119,931	108,604	43,829	40,605	76,102	67,999
Assets under construction at cost	110,124	75,567	-	-	110,124	75,567
Cultural artworks at fair value	4,879	4,810	-	-	4,879	4,810
Net carrying amount	1,995,670	1,813,596	302,787	239,963	1,692,883	1,573,633

Notes:

(a) These heritage assets cannot be modified nor 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 cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

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 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.

5.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

5.1.1 Depreciation and Amortisation

	Notes	2018	2017
Buildings (including heritage buildings)		51,230	46,938
Plant & equipment		13,944	13,729
Leased motor vehicles		34,468	33,721
Intangible assets	5.2	935	2,114
Total Depreciation and Amortisation		100,577	96,503

(\$ thousand)

All buildings, 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 assets' 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 the 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 core 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.

Impairment: Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount will be increased to its recoverable amount. However this reversal will not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

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	
	2018	2017	2018	2017	2018	2017
Crown land at fair value	436,988	359,943	22,265	19,098	459,253	379,041
Buildings at fair value (excluding heritage buildings)	881,801	889,305	29,070	29,497	910,871	918,803
Heritage buildings ^(b)	69,382	72,029	-	-	69,382	72,029
Plant & equipment at fair value	62,272	55,384	-	-	62,272	55,384
Motor vehicles under finance lease at fair value	76,102	67,999	-	-	76,102	67,999
Assets under construction at cost	110,124	75,567	-	-	110,124	75,567
Cultural artworks at fair value	4,879	4,810	-	-	4,879	4,810
Net carrying amount	1,641,549	1,525,037	51,335	48,595	1,692,883	1,573,633

Notes:

(a) All assets in this purpose group are further sub-categorised according to the assets' 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	
	2018	2017	2018	2017	2018	2017
Opening balance	379,040	391,314	990,831	995,844	55,384	61,677
Fair value of assets received free of charge or for nominal considerations	-	-	-	-	210	280
Fair value of assets recognised for first time	-	-	-	-	155	212
Additions	-	-	274	116	14,078	5,441
Disposals	-	(14,717)	(1,194)	(853)	(209)	(489)
Transfer in/(out) of assets under construction	-	2,443	39,561	43,835	6,597	834
Revaluation of PPE	78,999	-	-	-	-	-
Transfers of assets via Contributed Capital	-	-	-	(16)	-	-
Depreciation ^(a)	-	-	(51,230)	(46,938)	(13,944)	(13,729)
Transfers (to)/from assets classified as held for sale	1,215	-	2,012	-	-	-
Reclassification	-	-	-	(1,156)	-	1,156
(Over)/under capitalisation	-	-	-	-	-	-
Closing balance	459,253	379,040	980,253	990,832	62,272	55,384

Notes:

(a) This note only discloses the total depreciation amount of \$99.64 million (2017: \$94.39 million), excluding amortisation amount of \$0.94 million (2017: \$2.11 million) for intangible assets. Refer to Note 5.1.1 Depreciation for the aggregate amount of \$100.58 million (2017: \$96.50 million) for depreciation and amortisation.

(\$ thousand)

	Motor vehicles under finance lease at fair value		Assets under construction at cost		Cultural artworks at fair value		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	67,999	70,874	75,568	81,313	4,810	4,810	1,573,633	1,605,833
	-	-	-	-	-	-	210	280
	-	-	-	6	-	-	155	219
	56,610	46,415	84,281	41,897	-	-	155,244	93,870
	(13,745)	(15,771)	-	-	-	-	(15,148)	(31,830)
	-	-	(46,227)	(47,112)	69	-	-	-
	-	-	(1,198)	-	-	-	77,801	-
	-	-	-	-	-	-	-	(16)
	(34,468)	(33,721)	-	-	-	-	(99,642)	(94,388)
	(295)	203	-	-	-	-	2,932	203
	-	-	-	-	-	-	-	-
	-	-	(2,300)	(537)	-	-	(2,300)	(537)
	76,102	67,999	110,124	75,568	4,879	4,810	1,692,883	1,573,633

5.2 INTANGIBLE ASSETS

(\$ thousand)

	Capitalised Computer Software		Work-In-Progress Computer Software		Total	
	2018	2017	2018	2017	2018	2017
Gross Carrying Amount						
Opening balance	15,896	15,896	33,617	5,758	49,513	21,654
Additions from internal development	-	-	36,058	27,859	36,058	27,859
Disposals	(3,593)	-	-	-	(3,593)	-
Other (over/under capitalisation)	-	-	(3,139)	-	(3,139)	-
Closing balance	12,303	15,896	66,537	33,617	78,840	49,513
Accumulated depreciation, amortisation and impairment						
Opening balance	(12,635)	(10,521)	-	-	(12,635)	(10,521)
Disposals	3,593	-	-	-	3,593	-
Amortisation ^(a)	(935)	(2,114)	-	-	(935)	(2,114)
Closing balance	(9,978)	(12,635)	-	-	(9,978)	(12,635)
Net book value at end of financial year	2,325	3,261	66,537	33,617	68,862	36,878

Notes:

(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 Depreciation and Amortisation.

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 5.1.1 Depreciation and Amortisation.

5.3 PHYSICAL ASSET REVALUATION SURPLUS

(\$ thousand)

	Land	Buildings	Cultural and Heritage Assets	Total
2018				
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
2017				
Revaluation Surplus				
Balance at beginning of financial year	305,867	374,533	4,531	684,931
Revaluation increments	-	-	-	-
Balance at End of Financial Year	305,867	374,533	4,531	684,931

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 this the fair value of an asset other than land is generally based on its 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 asset's government purpose classification, 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.

An independent revaluation was undertaken by the Valuer-General Victoria (VGV) 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 2017-18 using indices provided by the VGV.

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)

	2018	2017
Contractual		
Sale of goods and services	1,817	5,215
Other receivables	7,555	7,908
Provision for doubtful contractual receivables	(51)	(61)
Statutory		
Amounts owing from the Victorian Government ^(a)	475,135	433,843
GST input tax credit recoverable	2,943	3,168
Total Receivables	487,400	450,072
Represented by:		
Current receivable	325,515	289,686
Non-current receivable	161,885	160,386
Total Receivables	487,400	450,072

Notes:

(a) Amounts owing from the Victorian Government relates 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 loans and receivables. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are 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. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Doubtful debts: Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful contractual receivables is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

6.2 PAYABLES

(\$ thousand)

	2018	2017
Contractual		
Supplies and services	60,621	51,600
Amounts payable to government and agencies	2,097	3,283
Other payables	42,870	34,730
Statutory		
Payroll tax payable	6,616	5,337
Other payables	218	250
Total payables	112,422	95,201
Represented by:		
Current payables	112,422	95,201
Non-current payables	-	-
Total payables	112,422	95,201

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 of 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.

6.3 OTHER NON-FINANCIAL ASSETS

(\$ thousand)

	2018	2017
Current other assets		
Advances paid to the Department of Treasury and Finance	17,706	8,608
Prepayments	20,909	13,321
Total current other assets	38,615	21,929
Non-current other assets		
Prepayments	5,070	356
Total non-current other assets	5,070	356
Total other assets	43,685	22,285

Advances paid to the Department of Treasury and Finance are payments made to the Department of Treasury and Finance (DTF) for services to be provided and the acquisition of land and buildings to be purchased by DTF on behalf of Victoria Police.

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 OTHER PROVISIONS

(\$ thousand)

	2018	2017
Current Provisions		
Other provisions	2,108	90
Total Current Provisions	2,108	90
Non-Current Provisions		
Make-good provision	6,041	4,637
Total Non-Current Provisions	6,041	4,637
Total Other Provisions	8,149	4,728

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

	Make-Good	Other	Total
Opening balance	4,637	90	4,728
Additional provisions recognised	3,404	5,576	8,980
Reversal of provisions	(937)	-	(937)
Reductions arising from payments/other sacrifices of future economic benefits	(1,063)	(3,558)	(4,621)
Closing balance	6,041	2,108	8,149

When some or all of the economic benefits 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	120
7.2	Leases	120–121
7.3	Cash Flow Information and Balances	121
7.4	Trust Account Balances	122–123
7.5	Commitments for Expenditure	124

7.1 BORROWINGS

(\$ thousand)

	2018	2017
Current borrowings		
Finance lease liabilities ^(a)	47,025	45,512
Total current borrowings	47,025	45,512
Non-current borrowings		
Finance lease liabilities ^(a)	30,457	23,721
Total Non-current borrowings	30,457	23,721
Total Borrowings	77,482	69,234

Notes:

(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.

7.2 LEASES

Finance Lease Liabilities (Victoria Police as Lessee)

(\$ thousand)

	Minimum Future Lease Payments ^(a)		Present Value of Minimum Future Lease Payments	
	2018	2017	2018	2017
Finance lease liabilities ^(b)				
Not longer than one year	48,527	46,877	47,025	45,513
Longer than one year but not longer than five years	31,139	24,231	30,457	23,721
Minimum future lease payments	79,666	71,108	77,482	69,234
Less: Future finance charges	(2,184)	(1,874)	-	-
Present value of minimum lease payments	77,482	69,234	77,482	69,234

Notes:

(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 3.26%. 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)

	2018	2017
Interest on finance leases	1,590	1,615
Total Interest Expense	1,590	1,615

Interest expense relates to the interest component of finance leases repayments. Interest expense is recognised in the period in which it is incurred.

Interest Rate Risk Sensitivity

The interest rates applied relate to the vehicle leases that are neither variable or floating in nature. As Victoria Police's exposure to interest rate risk sensitivity is deemed insignificant based on the current year's interest expense of \$1.6 million (2017: \$1.6 million), no interest rate risk sensitivity analysis was performed for 2017-18.

7.2 LEASES (Cont'd)

Finance Lease Liabilities (Victoria Police as Lessee)

(\$ thousand)

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2018						
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
2017						
Finance lease liabilities	69,234	71,108	13,266	5,612	27,998	24,231
Total	69,234	71,108	13,266	5,612	27,998	24,231

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)

	2018	2017
Cash and deposits ^(a)	911	454
Funds held in trust ^(b)	40,878	40,465
Balance as per Cash Flow Statement	41,788	40,919

Notes:

(a) The deposits held during the year were bearing a weighted average interest rate of 1.69% (2017: 1.55%).

(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 2018, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$539,068 (2017: \$847,551).

7.3.1 Reconciliation of Net Result for the Year to Cash Flow from Operating Activities

(\$ thousand)

	Notes	2018	2017
Net result for the year		15,803	17,138
Non-Cash Movements			
(Gain)/loss on sale or disposal of non-current assets	9.1	(7,706)	(7,647)
Depreciation and amortisation of non-current assets	5.1.1	100,577	96,503
Plant and equipment received free of charge or nominal consideration		(210)	(280)
Assets recognised for first time	5.1.3	(155)	(219)
Other non-cash movements		5,000	(5,818)
Movements in Assets and Liabilities			
(Increase)/decrease in receivables		(37,318)	(43,343)
(Increase)/decrease in prepayments		(12,302)	(10,396)
(Increase)/decrease in inventories		(646)	(796)
Increase/(decrease) in payables		17,220	14,139
Increase/(decrease) in provisions		36,397	14,369
Net Cash Flows From Operating Activities		116,661	73,650

7.4 TRUST ACCOUNT BALANCES

Victoria Police has responsibility for 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		2018			
		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>	37,132	21,614	(21,354)	37,392
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>	288	176	(46)	418
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>	3,045	742	(800)	2,986
4740	Inter Departmental Transfer Trust <i>To record inter-departmental transfers when no other trust arrangement exists.</i>	-	534	(452)	81
Total Controlled Trusts ^(b)		40,465	23,065	(22,653)	40,878
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>	31,038	14,583	(16,063)	29,558
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>	1,074	13,333	(13,280)	1,127
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>	(185)	725	(718)	(179)
Total Administered Trusts ^(c)		31,926	28,640	(30,062)	30,506

Third Party Funds Under Management (Accounted for Under Administered Items)

Cash and cash equivalents and investments		2018			
		Opening Balance	Total Receipts	Total Payments	Closing Balance
4057	Australia and New Zealand Policing Advisory Agency (Note: This does not form part of Victoria Police's cash balances) <i>Under the Financial Management Act 1994 for contributions from various police organisations throughout Australia and New Zealand.</i>	2,120	5,541	(6,194)	1,467
Total Third Party Funds Under Management ^(c)		2,120	5,541	(6,194)	1,467

(\$ thousand)

	2017			
	Opening Balance	Total Receipts	Total Payments	Closing Balance
	35,181	17,173	(15,222)	37,132
	78	253	(43)	288
	2,567	1,158	(680)	3,045
	-	-	-	-
	37,826	18,585	(15,946)	40,465
	21,046	18,767	(8,775)	31,038
	848	16,366	(16,141)	1,074
	(159)	637	(663)	(185)
	21,735	35,770	(25,579)	31,926

	2017			
	Opening Balance	Total Receipts	Total Payments	Closing Balance
	2,098	5,498	(5,477)	2,120
	2,098	5,498	(5,477)	2,120

Notes:

- (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 2018.
- (c) The closing balance does not form part of Victoria Police's cash balances as at 30 June 2018.

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)

Nominal amounts 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)	269,562	415,760	2,286,090	2,971,412
Less GST recoverable				(270,128)
Total commitments (exclusive of GST)				2,701,283

Nominal amounts 2017	Less than 1 year	1 - 5 years	5+ years	Total
Capital Expenditure Commitments Payables				
Plant, Equipment and Motor Vehicles	15,983	3,266	-	19,249
Buildings	10,128	778	-	10,907
Operating Lease Commitments Payables ^{(b) (c)}	53,811	280,590	2,320,833	2,655,235
Other Commitments Payables	181,052	126,408	3,217	310,677
Total commitments (inclusive of GST)	260,975	411,043	2,324,050	2,996,068
Less GST recoverable				(272,370)
Total commitments (exclusive of GST)				2,723,698

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 operating lease commitments for 311 Spencer Street where the lease is expected to commence in late 2019 for a term of 30 years. This leasehold will form part of the Victoria Police Centre Precinct where 313 Spencer Street is co-located. The lease commitments for the latter are included above for the remainder of the 20 year lease term, which commenced in March 2015 (excluding the option of lease term extensions which have not been exercised).

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 related mainly to fair value determination.

Structure		Pages
8.1	Financial Instruments Specific Disclosures	126–130
8.2	Contingent Liabilities and Contingent Assets	130
8.3	Fair Value Determination	131–132

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.

Categories of financial instruments

Loans and receivables 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 – refer to Note 7.3 Cash Flow Information and Balances
- receivables (excluding statutory receivables) – refer to Note 6.1 Receivables; and
- term deposits.

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; and
- borrowings (including finance lease liabilities) refer to Note 7.1.

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.

Impairment of financial assets: At the end of each reporting period, Victoria Police assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

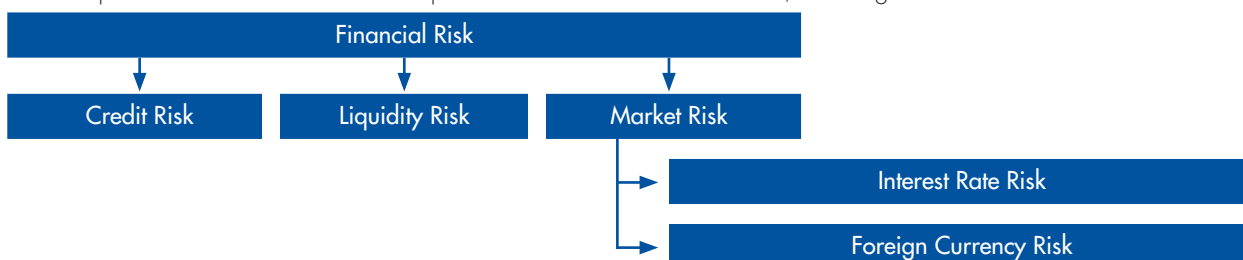
The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

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.

8.1.1 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:



8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.1 Financial Risk Management Objectives and Policies (Cont'd)

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 not engage in hedging for 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.

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 2017-18.

Credit Quality of Contractual Financial Assets that are Neither Past Due Nor Impaired

(\$ thousand)

2018	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Total
Cash and deposits	537	41,251	41,788
Total contractual financial assets	537	41,251	41,788
2017	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Total
Cash and deposits	174	40,746	40,919
Total contractual financial assets	174	40,746	40,919

8.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONT'D)

8.1.1 Financial Risk Management Objectives and Policies (Cont'd)

Financial Instruments: Liquidity Risk

Liquidity risk arises from 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.

Maturity analysis of contractual financial liabilities ^(a)

(\$ thousand)

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

2017	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	51,600	51,600	51,600	-	-	-
Amounts payable to government and agencies	3,283	3,283	3,283	-	-	-
Other payables	34,730	34,730	34,730	-	-	-
Borrowings						
Finance lease liabilities	69,234	71,108	13,266	5,612	27,998	24,231
Total contractual financial liabilities	158,847	160,722	102,880	5,612	27,998	24,231

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 Regulation 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)

8.1.1 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)

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		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

Notes:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Regulation and GST input tax credit recoverable and taxes payable).

(\$ thousand)

2017	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)	1.55	40,919	-	2,980	37,939
Receivables ^(a)					
Sale of goods and services (net of doubtful receivables)		5,154	-	-	5,154
Other receivables		7,908	-	-	7,908
Total financial assets		53,981	-	2,980	51,001
Financial liabilities					
Payables ^(a)					
Supplies and services		51,600	-	-	51,600
Amounts payable to government and agencies		3,283	-	-	3,283
Other payables		34,730	-	-	34,730
Borrowings					
Finance lease liabilities	3.55	69,234	69,234	-	-
Total financial liabilities		158,847	69,234	-	89,613

Notes:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Regulation and GST input tax credit recoverable and taxes payable).

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 inclusive of GST.

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 can be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities

This would include potential non-quantifiable 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, letters of comfort and the like;
- 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 2018, there are no non-quantifiable contingent liabilities that required disclosure.

Quantifiable contingent liabilities

(\$ thousand)

	2018	2017
Legal proceedings and disputes ^(a)	31,615	29,019
Total Contingent Liabilities	31,615	29,019

Notes:

(a) These estimates are based on a separate assessment of all Victoria Police files by our legal advisors.

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 2018.

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.

For the purpose of fair value disclosures, Victoria Police has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

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 2018-19 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

We consider the carrying amount of non-financial physical assets, including those assets classified as held-for-sale recorded in the financial report to be a close approximation of their fair values based on the below.

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.

An independent valuation was performed by Valuer-General Victoria (VGV) to determine the fair value using the market approach in June 2016. 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 2017-18 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 auction or through art galleries. No revaluation was performed for artwork for the financial period ended 30 June 2018.

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. A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.

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 2017-18 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.

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.

There were no changes in valuation techniques throughout the period to 30 June 2018.

For all assets measured at fair value, the current use is considered the highest and best use.

Non-Financial Physical Assets Useful Life

A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

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	134
9.2	Responsible Persons	135
9.3	Remuneration of Executives	136
9.4	Related Parties	137
9.5	Subsequent Events	138
9.6	Other Accounting Policies	138
9.7	Australian Accounting Standards Issued That Are Not Yet Effective	139–141
9.8	Glossary	142–144
9.9	Style Conventions	144

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)	
	2018	2017
Net Gain/(Loss) on Non-Financial Assets		
Net gain/(loss) on disposal of plant, equipment and motor vehicles	7,706	7,647
Assets recognised for the first time	155	219
Total Net Gain/(Loss) on Non-Financial Assets	7,861	7,866
Other Gain/(Loss) from Other Economic Flows		
Net gain/(loss) arising from revaluation of long service leave liability ^(a)	428	6,157
Net gain/(loss) from bad/ doubtful debts	11	297
Total Other Gain/(Loss) from Other Economic Flows	439	6,454

Notes:

(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)	
	2018	2017
Proceeds from disposal of plant, equipment and motor vehicles	22,856	24,285
Written down value of assets sold /(disposed)	(15,150)	(16,638)
Net Gain/(Loss) on Disposal of Non-Financial Assets	7,706	7,647

9.2 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions of the Minister for Finance 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	The Hon. Lisa Neville MP	1 July 2017 to 30 June 2018
Acting Minister for Police	The Hon. James Merlino MP	23 June 2018 to 30 June 2018
Acting Minister for Police	The Hon. Martin Pakula MP	5 April 2018 to 9 April 2018
Acting Minister for Police	The Hon. Gayle Tierney MP	15 January 2018 to 22 January 2018
Acting Minister for Police	The Hon. Martin Pakula MP	10 January 2018 to 14 January 2018
Acting Minister for Police	The Hon. James Merlino MP	2 November 2017 to 10 November 2017
Acting Minister for Police	The Hon. Martin Pakula MP	18 July 2017 to 8 August 2017
Acting Minister for Police	The Hon. Richard Wynne MP	1 July 2017 to 3 July 2017

Accountable Officers		
Chief Commissioner of Police	Graham Ashton AM, APM	1 July 2017 to 30 June 2018
Acting Chief Commissioner of Police	Wendy Steendam APM	19 May 2018 to 9 June 2018
Acting Chief Commissioner of Police	Shane Patton APM	3 December 2017 to 7 January 2018
Acting Chief Commissioner of Police	Andrew Crisp APM	4 November 2017 to 2 December 2017
Acting Chief Commissioner of Police	Shane Patton APM	1 July 2017 to 16 July 2017

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 \$470,000 and \$479,999 (2017: \$470,000 and \$479,999).

9.3 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 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.

Remuneration of executive officers

(\$ thousand)

<i>(including Key Management Personnel disclosed in Note 9.4 Related Parties and excluding GIC appointees)</i>	Total Remuneration	
	2018	2017
Short-term employee benefits	9,285	7,685
Post employment benefits	582	528
Other long-term benefits	206	214
Termination benefits	-	-
Total remuneration	10,073	8,427
Total number of executives ^(a)	45	41
Total annualised employee equivalent ^(b)	38	34

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 9.4 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.

9.4 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 \$3.11 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 2018:

(\$ thousand)

Receipts/Receivables Entity	Receipts		Balance Outstanding	
	Nature	Amount	Nature	Amount
Department of Justice and Regulation	Grants	3,051,626	Receivables	3
Department of Justice and Regulation	Other Income	1,255		
Department of Premier & Cabinet	Grants	3,779	Receivables	-
Transport Accident Commission	Other Income	116		
Transport Accident Commission	Grants	6,997	Receivables	441

Notes:

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	Payments		Balance Outstanding	
	Nature	Amount	Nature	Amount
Cenitex	Information Technology	1,545	Payables	-
Department of Treasury & Finance	Various Expenses	31,660	Payables	2,501
Department of Premier & Cabinet	Various Expenses	1,046	Payables	23
Emergency Services Telecommunication Authority	Telecommunications	89,173	Payables	-
State Revenue Office	Payroll Tax	98,967	Payables	6,616
VicRoads	Registrations & Records Checks	2,206	Payables	511
VicFleet Lease Management	Leasing of Motor Vehicles	37,729	Payables	80,881
Victoria Government Solicitors Office	Legal Expenses	11,389	Payables	611
Victoria Institute of Forensic Medicine	Forensic Medical Services	9,744	Payables	1,034
Victoria WorkCover Authority	Insurance	63,392	Payables	-
Victoria Managed Insurance Authority	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. It excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

(\$ thousand)

	Total Remuneration	
	2018	2017
Short-term employee benefits	2,078	2,249
Post employment benefits	99	103
Other long-term benefits	42	54
Termination benefits	-	-
Total remuneration	2,219	2,406

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.

9.5 SUBSEQUENT EVENTS

There are no known material subsequent events for the current reporting year.

9.6 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.

9.7 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 2018 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 2018, 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 the stated operative dates as follows:

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Victoria Police's financial statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated that there will be no significant impact on Victoria Police.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends as follows: <ul style="list-style-type: none"> • Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. • Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> o the entity's right to receive payment of the dividend is established; o it is probable that the economic benefits associated with the dividend will flow to the entity; and o the amount can be measured reliably. 	1 January 2018, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018.	The assessment has indicated that there will be no significant impact on Victoria Police.

9.7 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE (Cont'd)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Victoria Police's financial statements
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 January 2018	The assessment has indicated that there will be no significant impact on Victoria Police.
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 January 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15.</p> <p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p>	1 January 2019	<p>This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9</p> <ul style="list-style-type: none"> • Statutory receivables are recognised and measured similarly to financial assets AASB 15 • The "customer" does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or "equivalent means"; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be "sufficiently specific" to be able to apply AASB 15 to these transactions.
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet	1 January 2019	<p>The assessment has indicated that most operating leases, with the exception of short-term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p> <p>The new standard will significantly impact the financial report in 2019-20.</p>

9.7 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE (Cont'd)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Victoria Police's financial statements
<p>AASB 1058 <i>Income of Not-for-Profit Entities</i></p>	<p>AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i>.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	<p>1 January 2019</p>	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets.</p> <p>The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.</p> <p>The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>

9.8 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;
- (b) 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*.

9.8 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.

9.8 GLOSSARY (CONT'D)

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.

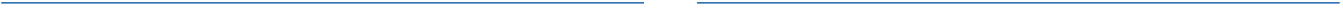
Trust Accounts are separate accounts within the Trust Fund, which contain moneys held on trust or for specific purposes pursuant to section 19 of the FMA.

9.9 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.

Additional information about Victoria Police may be obtained from our website www.police.vic.gov.au

Further information may be obtained by writing to:
Chief Commissioner
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Melbourne VIC 3001