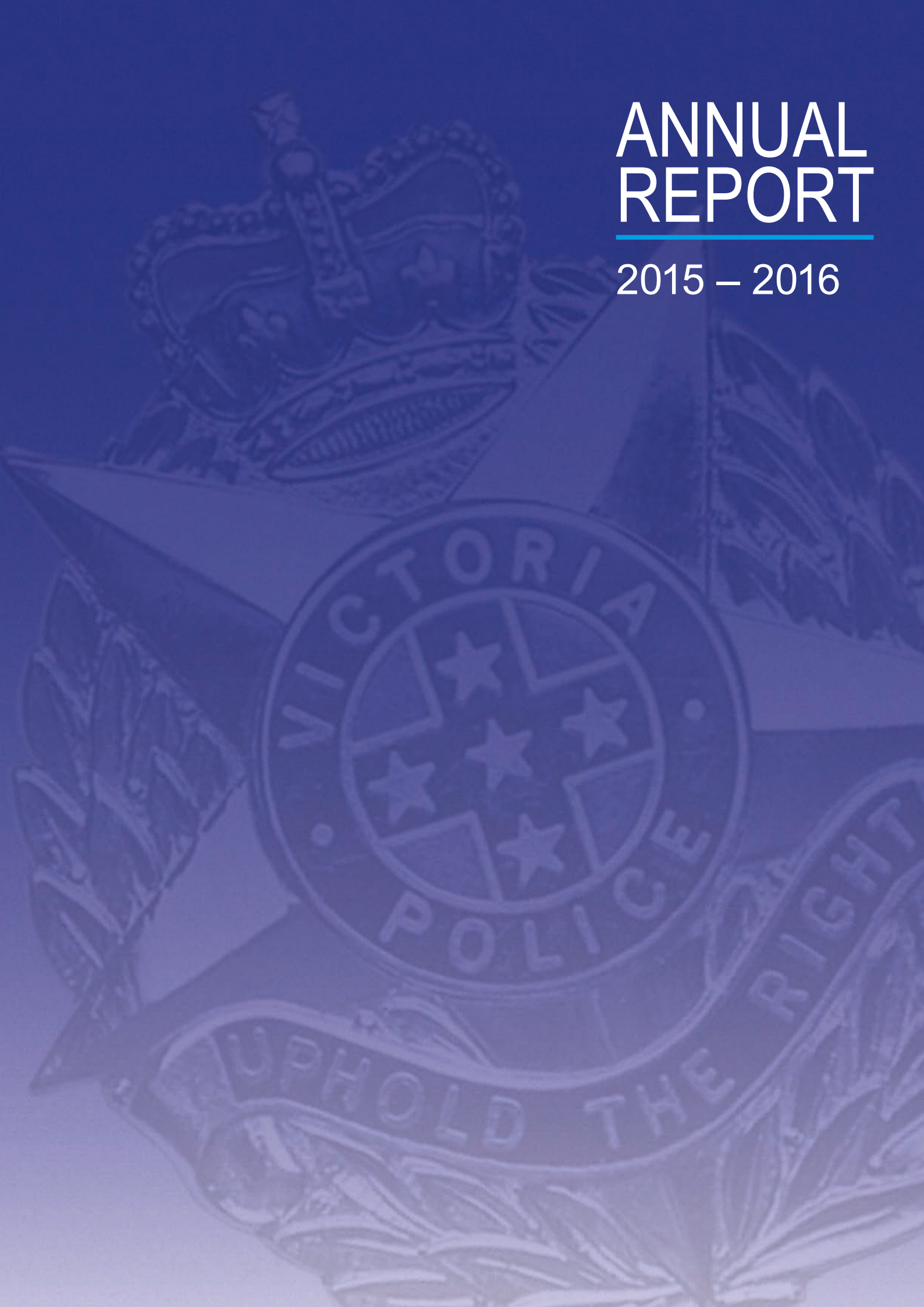


ANNUAL REPORT

2015 – 2016



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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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Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, relevant information included in this Annual Report will be available at www.data.vic.gov.au in electronic readable format.

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YEAR IN REVIEW

During the 2015-16 financial year, Victoria Police faced a number of challenges, including the continued changing nature of crime and increases in recorded crime across the majority of the key crime categories.

Statistics show that in 2015-16 the overall crime rate per 100,000 population increased by 11.2 per cent compared to the same period last year, driven by significant increases in property and deception offences.

In 2015-16, Chief Commissioner Graham Ashton AM formalised the development of a Capability Plan for the organisation to deliver a roadmap and investment towards our desired future state. Building on the Corporate Plan 2015-18, the Capability Plan will capture both the intent of and challenges articulated in the *Victoria Police Blue Paper: A Vision for Victoria Police in 2025* and recent changes in the strategic environment. The Capability Plan will deliver a roadmap and investment plan to incrementally develop the capabilities Victoria Police needs to remain effective in delivering community safety through a future state where police are better connected to communities, connected in responses and connected by technology.

In light of the heightened security environment, 2015-16 saw the establishment of our Counter Terrorism Command, strengthening Victoria Police's counter terrorism capacity and capability. In April 2015 the 2016-17 Victorian State Budget announced Victoria Police would receive \$62.9 million for counter terrorism capability and response.

'The Chief Commissioner has a renewed focus on Victoria Police as an employer of choice and welcomed the release of the *Victoria Police Mental Health Review 2016*.'

In 2015-16, there was a high-profile spate of gang activity, aggravated burglaries and carjackings, many of which were committed by young offenders including a small group of individuals who are committing a large number of offences. The impact of this type of offending is significant. Victoria Police is focused on preventing these offences, apprehending offenders and ensuring community safety.

In 2015-16, Victoria Police committed to undertaking an evaluation of several youth cautioning and diversion pilot programs to identify opportunities to better meet the needs of young people who come into contact with the justice system. Victoria Police also has ongoing involvement with the Children's Court Diversion Pilot Program which operates across the state. In addition, Victoria Police hosted a series of community forums in 2015-16 to discuss opportunities for grassroots initiatives promoting social cohesion for youth.

Operation Cosmas commenced in early May, focusing on theft of motor vehicle offences associated with either aggravated burglaries or armed robberies, leading to 69 Cosmas related arrests to 30 June 2016.

The Chief Commissioner has a renewed focus on Victoria Police as an employer of choice and welcomed the release of the *Victoria Police Mental Health Review 2016*. The independent review was commissioned to better understand the mental health issues of our employees and identify how we could improve support of our people.

'...The Chief Commissioner welcomed the 2016-17 Budget announcement that Victoria Police would benefit from a \$596 million Public Safety – Police Response package to tackle crime through additional frontline personnel, specialist equipment, resources and new technology.'

Recommendations were made to address post-traumatic stress, alongside a greater focus on peer support, counselling and support services for retired officers.

The findings and recommendations of the Victorian Equal Opportunity and Human Rights Commission (VEOHRC) *Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police*, released in December 2015, were accepted in full by the Chief Commissioner. A number of recommendations were actioned immediately, including the establishment of the Workplace Harm Hotline, Safe Space and Taskforce Salus.

Family violence continued to be a high priority for police and the Family Violence Command has continued to develop a more effective response and approach to family violence. The Victoria Police submission to the Royal Commission into Family Violence contributed to the 227 recommendations to reform the family violence system in Victoria.

The rollout of Police Custody Officers (PCOs) for the management of persons held in police custody commenced in 2015-16. A total of 214 PCOs have been employed as at 30 June 2016. PCOs have been deployed across 21 of the 22 primary stations due to receive PCOs, freeing up police resources for other activities. Recruitment is well underway for the remainder of the PCOs funded to be delivered by December 2017.

The Protective Services Officers (PSOs) project, which began more than four years ago, was fully rolled out in June 2016, with 215 train stations now patrolled by PSOs. With patrols in designated areas from 6pm until after the last train has departed and throughout the weekend as part of the Night Network, PSOs perform a crucial role in increasing train commuters' perceptions of safety.

Victoria Police held a memorial service on 24 March 2016 to pay tribute to Constable Angela Taylor, who was murdered in the Russell Street bombings 30 years ago. Constable Taylor's parents, as well as hundreds of serving members and former police, government representatives and the community, gathered at the Old Police Garage on Russell Street, where Constable Taylor was remembered as an inspiring and dedicated police officer. The Chief Commissioner presented the Taylor family with Constable Taylor's National Police Service Medal.

A summary of our key achievements in 2015-16, aimed at delivering a safer Victoria, is listed in the following table, along with page references for further detail on each achievement.

In 2015-16 the Chief Commissioner welcomed the 2016-17 Budget announcement that Victoria Police would benefit from a \$596 million Public Safety – Police Response package to tackle crime through additional frontline personnel, specialist equipment, resources and new technology. This funding will address some of our most critical policing challenges, through strengthening our ability to deliver a more flexible, responsive and visible service to the community and enhancing capacity through additional specialist police. The funding will also assist with the introduction of mobile technology for police in the field, the deployment of body worn cameras and improvements to Victoria Police's intelligence capability.

TABLE 1.1: MOST NOTABLE ACHIEVEMENTS AGAINST CORPORATE PLAN AREAS OF FOCUS

AREAS OF FOCUS	ACTIONS AND ACHIEVEMENTS	PAGE
IMPROVING COMMUNITY SAFETY	Established the Counter Terrorism Command.	39
	Supported the Royal Commission into Family Violence.	30
	Rolled out the Protective Service Officers (PSOs) project, with 215 train stations now being patrolled by PSOs.	31
	Developed and implemented the Vehicle Theft Reduction Plan.	31
	Taskforce Tense commenced in February 2016 in Southern Metro Region in response to a spate of violent aggravated burglary, robbery (carjacking), vehicle crime, evading police and arson crime.	31
	Operation Cosmas commenced in early May 2016, focusing on theft of motor vehicle offences associated with either aggravated burglaries or armed robberies.	31
	Taskforce Echo executed 127 search warrants and seized 38 firearms, significantly disrupting Outlaw Motorcycle Gang illegal activities that would have caused significant harm to the community.	38
	Established the Proactive Illicit Firearms Investigation Team, which investigates and identifies links between firearm thefts and organised crime groups.	38
	The <i>Future Directions for Victim-Centric Policing</i> was launched and a suite of initiatives has ensured the delivery of enhanced services for victims and those in need of assistance. A total of 35,313 Victoria Police e-Referrals have been made by Victoria Police to 136 support agencies since July 2015.	47
WORKING WITH OUR STAKEHOLDERS	Working collaboratively with internal and external stakeholders in the implementation of the historical homosexual convictions expungement scheme.	60
	Working in partnership with the community and our road safety partners to assist in development of the <i>Towards Zero 2016-2020 Road Safety Strategy</i> and delivered more than 100,000 drug tests across Victoria.	41
	Working with partner agencies in response to the recommendations from the Royal Commission into Family Violence.	7
	Continued commitment to drive cultural and organisational change to better support police in effectively engaging with Victoria's diverse community through the implementation of year two of the <i>Equality is Not the Same...</i> program of work.	48
	Significant increase in engagement with and supply of information by the community, particularly in partnership with Crime Stoppers, has led to the second highest number of arrests and the highest number of charges on record.	37

AREAS OF FOCUS	ACTIONS AND ACHIEVEMENTS	PAGE
ACHIEVING THROUGH OUR PEOPLE	Implemented the <i>Zero Harm Strategy</i> to improve workplace safety.	12
	Undertook the <i>Victoria Police Mental Health Review</i> , resulting in 39 recommendations which are now being actioned.	2
	All recommendations of the VEOHRC <i>Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police</i> , were accepted and a number have already been actioned.	13
	Developed our organisational Capability Plan.	14
	Design and delivery of leadership and executive development programs with two new leadership mentoring streams developed for employees.	51
	Establishment of Knowledge Retention Project to develop a process for capturing the expertise of experienced staff transitioning to retirement.	35
	The Service Delivery Enhancement Program increased forensic and frontline capabilities implementing a centralised approach to accessing services, improved capacity and faster turnaround times.	43
DEVELOPING OUR BUSINESS	Rollout of Conducted Energy Devices to 24-hour police stations in regional locations.	15
	Booze and Drug Bus Replacement Project is introducing four large buses and six smaller buses over three years, to reduce alcohol and drug-related road trauma across Victoria.	44
	Program of IT infrastructure upgrades across 206 police stations commenced, with 155 stations being completed in 2015-16.	56
	Policing Information Process and Practice Reform program successfully obtained significant investment from Government for technology capability enhancement and delivered critical upgrades to Victoria Police Intelligence and Investigation Management Systems (LEAP and Interpose). Ongoing projects include the delivery of handheld mobile devices to frontline police and an enhanced intelligence capability.	52
	The Forensic Services Department enhanced capability through the recruitment and training of forensic drug analysts and forensic intelligence analysts. Progress was also made on the development of additional forensic testing methods, which will support the profiling of drug seizures and introduction of intelligence products to assist with understanding the production and distribution patterns of drugs across Victoria.	22

FINANCIAL SUMMARY

Victoria Police's net result from transactions for 2015-16 is a deficit of \$12.6 million, compared to a deficit of \$17.0 million in 2014-15. The \$12.6 million deficit is primarily driven by expenditure on parallel payment for accommodation leases at the former St Kilda Road and current 313 Spencer Street police complexes and the uplift to long service leave expenses associated with the *2011 Sworn Enterprise Bargaining Agreement*. These items were funded from drawdowns from prior year accumulated surpluses with the approval of the Treasurer of Victoria under the *Financial Management Act 1994*.

TABLE 1.2: 2015-16 FINANCIAL SUMMARY

	2014-15 (\$m)	2015-16 (\$m)	Change %
INCOME	2,448.2	2,596.6	6.1
EXPENDITURE	2,465.2	2,609.2	5.8
SURPLUS/(DEFICIT)	(17.0)	(12.6)	25.9

Note:
 • Figures have been rounded to the nearest decimal point

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 2015-16 financial year.

In my first year as Chief Commissioner we have commenced some wide-ranging reform projects. It has also been my pleasure to induct a number of new personnel into the executive leadership team.

In 2015-16, Victoria Police has worked towards being more connected with our communities and continuing to improve public safety. Key reforms include:

- Developing our organisational Capability Plan.
- Initiating the *Victoria Police Mental Health Review*, with findings released in May 2016.
- Working with partner agencies in response to the recommendations from the Royal Commission into Family Violence.
- Responding to the Victorian Equal Opportunity and Human Rights Commission (VEOHRC) *Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police*.
- Establishing a new Counter Terrorism Command.

Public safety continues to be the driving focus for our workforce and in 2015-16, Victoria Police established a number of taskforces and special operations to improve community safety in response to an increase in serious aggravated assaults, armed robberies and carjackings. Despite the relatively small number of these incidents, impacts have been substantial and we continue to focus our efforts on preventing harm. We have also continued to investigate and disrupt the activities of serious and organised crime focusing on the distribution of illegal substances, access and availability of illegal firearms and money laundering.

We have seen an increase in recorded crime across most categories over the past 12 months with the overall crime rate recorded per 100,000 population 11.2 per cent higher than the previous year. The largest increases across property and deception offences have seen Victoria Police continue to focus on strengthening our relationship with vulnerable community groups and proactively engaging with high offending cohorts to address this increase.

The volume of family violence incidents across the state remains a cause for concern, with 78,012 incidents reported in 2015-16. The Royal Commission into Family Violence handed down its report in early 2016 and we've commenced work with our partner agencies to respond to the recommendations.

A safe community can only be achieved through strong collaborative networks across government, support services and community groups. Victoria Police continues to work with these partners in the delivery of legislative change, ensuring victims of crime have access to support services and that preventive policing initiatives are effective.

I am pleased that Victoria Police has commenced the implementation of the historical homosexual convictions expungement scheme; this is an important milestone for Victoria and an opportunity for us to strengthen our relationship with the LGBTI community, particularly as Victoria Police was responsible for the enforcement of this legislation.

We continued to strengthen our workforce deploying more than half of the committed 400 Police Custody Officers (PCOs) to 21 of the 22 primary stations due to receive PCOs. We also completed the deployment of our Protective Services Officers to the railway network, with 215 stations now patrolled. We also opened two new police stations at Forest Hill and Southbank; the Spencer Street Police Complex; and the Police Mounted Branch vacated its historical premises and moved with the Dog Squad to new purpose built facilities.

The health and wellbeing of our people has also been a key focus for us, with our *Mental Health Review* and the VEOHRC *Independent Review into sex discrimination and sexual harassment including predatory behaviour in Victoria Police*, leading to key recommendations and subsequent actions in 2015-16. Work to deliver change across the organisation will continue over the years to come.

It's been my privilege to lead the organisation in 2015-16 and I acknowledge all employees of Victoria Police for their diligence and dedication throughout the year. I also thank the Victorian community for its support and ongoing partnership in ensuring our state is a safe and inclusive place to live.

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

Graham Ashton AM
Chief Commissioner
of Victoria Police

01. ABOUT VICTORIA POLICE

OUR ORGANISATION

Victoria Police was established in 1853 and provides policing services to the community 24 hours a day, seven days a week, working to keep over 5.9 million Victorians safe.

Police officers and Protective Services Officers (PSOs) are supported in their roles by public service professionals who work as administrators, managers and specialists in a range of functions, including legal services, accounting, psychology, custody management and forensic sciences. In 2015-16, our workforce expanded with the recruitment and deployment of 214 of a total of 400 Police Custody Officers (PCOs). Continuing the transition of the management and supervision of prisoners from police to PCOs in 2016-17 will further increase our capacity to provide effective policing services to the community.

Victoria Police's role is to serve the Victorian community and uphold the law so as to promote a safe, secure and orderly society. Victoria Police achieves this by:

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

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

LEGISLATIVE OVERSIGHT

Victoria Police operates under the *Victoria Police Act 2013*. The Chief Commissioner of Police reports directly to the Minister for Police, the Hon. Lisa Neville MP, and also works closely with the Minister for the Prevention of Family Violence (the Hon. Fiona Richardson MP), the Minister for Emergency Services (the Hon. James Merlino) MP, the Minister for Roads and Road Safety (the Hon. Luke Donnellan MP), the Attorney-General (the Hon. Martin Pakula MP), the Premier (the Hon. Daniel Andrews MP) and the Treasurer (the Hon. Tim Pallas MP).

During the 2015-16 reporting period, Victoria Police also reported to the previous Minister for Police, the Hon. Wade Noonan MP, and the Acting Minister for Police, the Hon. Robin Scott MP.

OUR SERVICES

Victoria Police provides policing services to the Victorian community across 54 Police Service Areas (PSAs), within 21 divisions and four regions – North West Metro, Southern Metro, Eastern and Western. Maps of the regions, divisions and police stations are shown at the end of this report.

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.
- 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.

TABLE 1.3: 2015-16 VICTORIA POLICE – REGIONAL SNAPSHOT

VICTORIA POLICE – REGIONAL SNAPSHOT	
NORTH WEST METRO	
SIZE	2,980 km ²
RESIDENT POPULATION*	1.8 million
FIVE DIVISIONS	Melbourne, Westgate, Brimbank, Fawkner, Diamond Creek
14 PSAs	Wyndham, Melton, Hume, Whittlesea, Nillumbik, Brimbank, Moreland, Moonee Valley, Maribymong, Hobsons Bay, Melbourne, Yarra, Darebin, Banyule
STATIONS	36
EASTERN	
SIZE	84,550 km ²
RESIDENT POPULATION*	1.8 million
SIX DIVISIONS	Knox, Goulburn Valley, Wangaratta, Morwell, Bairnsdale, Forest Hill
17 PSAs	Bass Coast, Baw Baw, Benalla, Boroondara, East Gippsland, Greater Shepparton, Knox, LaTrobe, Maroondah, Manningham, Mitchell, Monash, Wangaratta, Wellington, Whitehorse, Wodonga, Yarra Ranges
STATIONS	117
SOUTHERN METRO	
SIZE	2,884 km ²
RESIDENT POPULATION*	1.4 million
FOUR DIVISIONS	Prahran, Moorabbin, Dandenong, Frankston
9 PSAs	Stonnington, Port Phillip, Glen Eira, Kingston, Greater Dandenong, Casey, Cardinia, Frankston, Mornington Peninsula
STATIONS	30
WESTERN	
SIZE	136,700 km ²
RESIDENT POPULATION*	0.9 million
SIX DIVISIONS	Geelong, Ballarat, Horsham, Warrnambool, Bendigo, Mildura
14 PSAs	Mildura, Horsham, Swan Hill, Northern Grampians, Southern Grampians, Warrnambool, Surf Coast, Ballarat, Moorabool, Geelong, Macedon Ranges, Bendigo, Central Goldfields, Campaspe.
STATIONS	148

Note:
*Population is an approximate only

ORGANISATIONAL STRUCTURE AND CORPORATE GOVERNANCE

Victoria Police Executive Command is responsible for setting the strategic direction of Victoria Police, monitoring organisational performance, determining key priorities and risks and managing organisational capacity and capability. Executive Command is comprised of the Chief Commissioner, three Deputy Commissioners, two Executive Directors and the Chief Information Officer. Retired Air Chief Marshall Sir Angus Houston AK AC AFC is an independent member of Executive Command.

In 2015-16, the Victoria Police Command group was expanded to encompass a broader leadership group. The Command group includes the Chief Commissioner, Deputy Commissioners, Executive Directors, Assistant Commissioners, Commanders, and all other Executive Officers. This expansion provided the opportunity to improve the diversity and mix of skills and capabilities, as well as improving the gender balance of the group.

The Corporate Advisory Group (CAG) provides strategic advice to Victoria Police leadership on a comprehensive program of organisational reform. The CAG is chaired by Sir Angus Houston. In 2016, a reinvigoration and review of membership occurred to ensure the group remained relevant and contemporary. Three new members were appointed to increase the diversity and mix of skills and capability, as well as improving gender balance.

'In 2015-16, the Victoria Police Command group was expanded to encompass a broader leadership group. This expansion provided the opportunity to improve the diversity and mix of skills and capabilities, as well as improving the gender balance of the group.'

The Executive Remuneration Committee, which consists of the Chief Commissioner, the Executive Director Business Services, and the Group Director Human Resource, ensures a consistent and rigorous approach is taken to setting and adjusting executive remuneration.

In 2015-16, further reform of the governance model was undertaken, reducing the number of sub-committees. These reforms have simplified Victoria Police's approach to governance, clarified accountability, improved the range of advice to the Chief Commissioner and demonstrated a commitment to building and maintaining leadership capability.

A focus on increasing the balance of independent membership on the Audit and Risk Committee is underway, with a third independent member being appointed in June 2016, and a fourth expected to be appointed by late 2016.

Concurrently, internal members of the Audit and Risk Committee have been reduced in number from six to four. By late 2016, Victoria Police will have a balanced independent Audit and Risk Committee (four internal and four external members, including an external independent chair).

For more information regarding corporate governance and the roles and membership of committees, please see Appendix E.

VICTORIA POLICE ORGANISATIONAL CHART AS AT 30 JUNE 2016

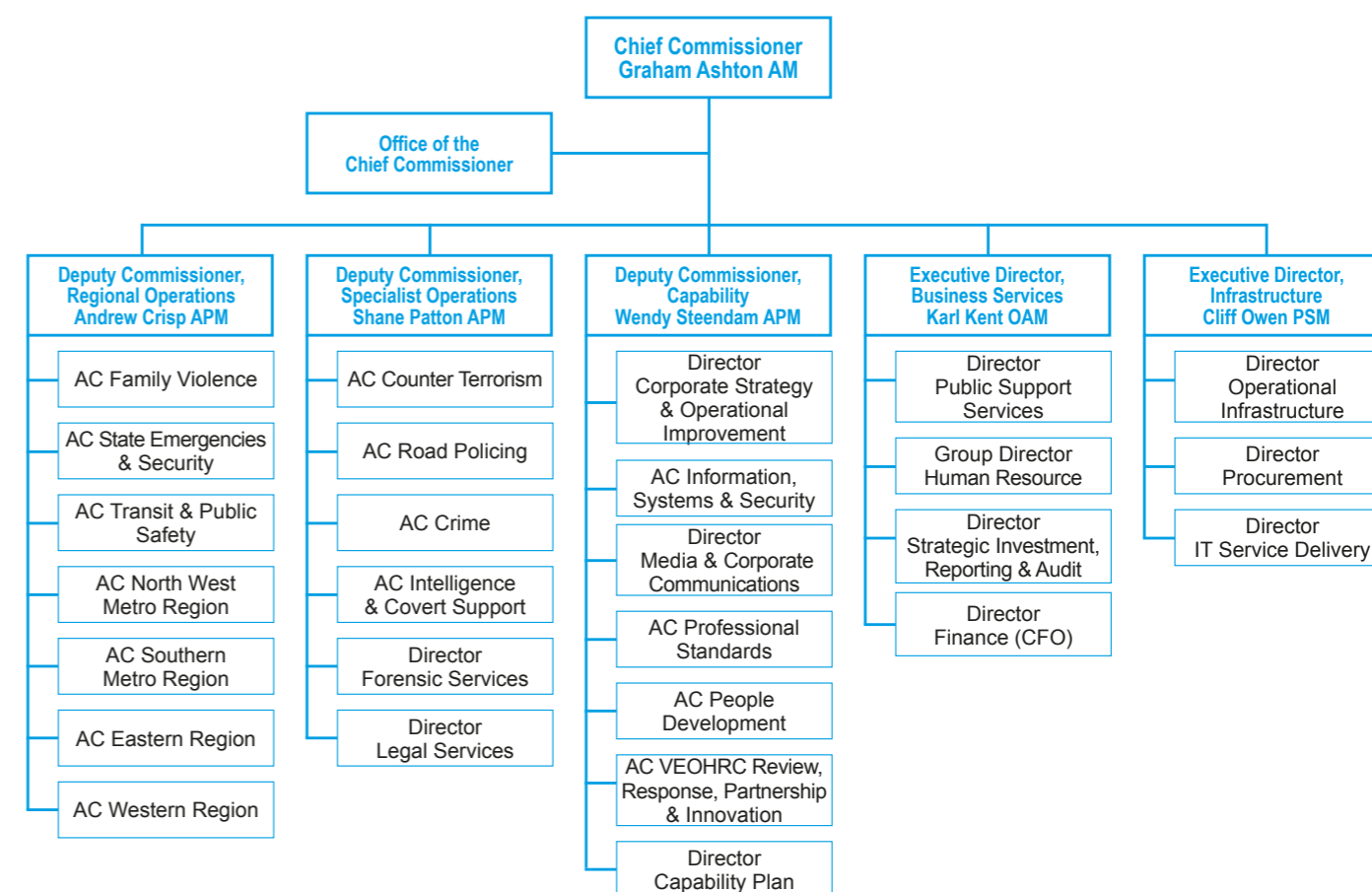


TABLE 1.4: FAST FACTS – BUDGET OVERVIEW AND FULL TIME EQUIVALENT (FTE) SUMMARY

	AS AT JUNE 2016	AS AT JUNE 2015	CHANGE
VICTORIA POLICE OPERATING BUDGET	2,512.4 m	2,434.6 m	3.2%
VICTORIA POLICE EXPENDITURE	2,607.8 m*	2,463.7 m	5.8%
TOTAL EMPLOYEES FTE**			
POLICE	13,188.3	13,032.9	155.4
POLICE RECRUITS	109.0	103.0	6.0
PSOs (SECURITY AND TRANSIT)	1308.5	1,155.7	152.8
PSOs (IN TRAINING)	44.0	22.0	22.0
RESERVISTS	2.0	4.0	-2.0
PCOs***	214.0	0.0	214.0
VICTORIAN PUBLIC SERVICE	2,804.6	2,698.8	105.8
TOTAL	17,670.4	17,016.4	654.0

Notes:
 * As per Appendix C – Total Expenses from Transactions
 ** This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements. Note that in the 2014-15 Victoria Police Annual Report only the VPS staff category was prepared in accordance with FRD 29A, therefore the two tables cannot be reconciled
 *** PCOs are VPS employees but are listed separately

HEALTH, SAFETY, AND WELLBEING OF OUR PEOPLE

The health, safety and wellbeing of our people and workplaces are integral to the achievement of our primary mission to ensure a safe, secure and orderly society. This requires a strong culture of workplace safety, driven by an understanding and acceptance that responsibility for health, safety and wellbeing rests with all Victoria Police employees. This necessitates the commitment of all managers, supervisors and employees to focus on healthy and safe behaviours and practices in the workplace.

The 2015-16 financial year has seen a stronger focus on the safety and mental health of our people through the delivery of the following key strategies and reviews.

ZERO HARM STRATEGY

The *Zero Harm Strategy* aims for a safety culture of accountability and ownership across all levels of the organisation. *Zero Harm* leverages the achievements of previous years and heralds a new vision for safety for Victoria Police employees. The vision for *Zero Harm* is for all Victoria Police employees to be personally committed to the health and safety of themselves, their colleagues and the community they serve. See the Business Services chapter for more detail about the *Zero Harm Strategy*.

EMPLOYEE MENTAL HEALTH REVIEW

In October 2015, the Chief Commissioner announced an independent review into the mental health and wellbeing of Victoria Police employees. The *Victoria Police Mental Health Review* assessed how the organisation can best deliver wellbeing services to support employees throughout their career and into their post-Victoria Police lives.

The review was led by clinical and organisational psychologist, Dr Peter Cotton, and was supported by Peter Bull (retired Superintendent), Nancy Hogan (senior healthcare executive) and Maryanne Lynch (senior research consultant). Together, the review team received over 450 contacts from individuals and groups, including employees and former employees from all levels across the organisation, as well as their families. The 90 page review highlighted the need for cultural change to eradicate the stigma attached to mental illness.

Key recommendations included increased education and training around mental health, greater focus on welfare of employees by leaders and enhanced services for members, retired members and their families. Victoria Police has commenced implementation of initiatives to address these recommendations. Findings from the *Victoria Police Mental Health Review* are informing the development of a *Mental Health Strategy* which will strengthen our capability in dealing with mental health issues, as well as the development of a framework to address inappropriate workplace behaviour through proactive targeted interventions and support programs.

VICTORIAN EQUAL OPPORTUNITY AND HUMAN RIGHTS COMMISSION (VEOHRC) INDEPENDENT REVIEW

Victoria Police commissioned the Victorian Equal Opportunity and Human Rights Commission (VEOHRC) to conduct the *Independent Review into sex discrimination and sexual harassment including predatory behaviour in Victoria Police*.

VEOHRC examined the following elements within Victoria Police:

- The prevalence of sex discrimination and sexual harassment, including predatory behaviours between Victoria Police employees.
- Barriers faced by Victoria Police employees to calling out and reporting sexual harassment (e.g. barriers for bystanders and victims).
- Organisational barriers to taking action in cases of sexual harassment.
- Referrals and provision of formal and informal support to Victoria Police employees who have experienced or witnessed sexual harassment.
- Reporting on gender and recruitment, retention and advancement data as indicators of workplace culture.
- Actions to promote equality, safety and freedom from sexual harassment in Victoria Police including training, education, mentoring and development.

The report was released on 9 December 2015 and the recommendations have been accepted in full by the Chief Commissioner, who has unreservedly apologised for the harm done to Victoria Police employees.

A number of recommendations have already been actioned, including establishing a Safe Space where Victoria Police employees can seek confidential, independent, specialist advice and support.

Victoria Police has also established the VEOHRC Review Response, Partnerships and Innovation Office to implement and oversee the recommendations. This is the beginning of a long term process to improve the Victoria Police workplace culture to ensure that all employees are valued and respected.

The VEOHRC Response Implementation Steering Committee and independent advisory structures are providing oversight for this work.

Implementation of the recommendations will deliver significant organisational change, creating a gender inclusive workplace where all employees are safe and treated with dignity and respect.

‘2015-16 financial year has seen a stronger focus on the safety and mental health of our people through the delivery of ... key strategies and reviews.’

OUR CORPORATE PLAN 2015-18

The *Victoria Police Corporate Plan 2015-18* provides the strategic direction for Victoria Police.

The Corporate Plan builds on the achievements of the *Blueprint 2012-15*, identifying key actions under the five areas of focus for the organisation in the first year:

- Effective police service delivery.
- Improving community safety.
- Working with our stakeholders.
- Achieving through our people.
- Developing our business.

The Corporate Plan outlines a number of other reforms currently underway that will take us towards our desired outcomes outlined in *The Decade Ahead*. *The Decade Ahead* draws from the themes contained in the *Victoria Police Blue Paper: A Vision for Victoria Police in 2025*. It articulates how we as an organisation will adapt and evolve across the next ten years, ensuring our services to the Victorian community are contemporary and fit for purpose.

OUR FUTURE STATE – THE VICTORIA POLICE CAPABILITY PLAN

In 2015, the Chief Commissioner prioritised the development of a Capability Plan for the organisation to deliver a roadmap to incrementally develop the capabilities Victoria Police needs to remain effective and deliver community safety. Drawing on the intent of the *Victoria Police Blue Paper: A Vision for Victoria Police in 2025* and mindful of recent changes in the strategic environment, the Plan will apply a capability lens to our planning and practice so that our people have the skills, equipment and support they need to deliver high quality services.

A desired future state for Victoria Police is one where police are better connected to communities, connected in responses and connected by technology and where:

- Police are visible and responsive.
- We skill our workforce to respond more effectively to the changing nature of crime, including terrorism, family violence and road trauma.
- Our people become more agile and flexible in responding to the shifting dynamics of crime like digital and cyber crimes.
- We embrace technology to offer better community services and more tailored responses.

An Annual Plan will outline each year's priorities and the Capability Plan will replace our previous Corporate Plan.

An assessment of the maturity of our capabilities will establish priorities for capability development and highlight areas where we will need to maintain a capability. These findings will then be translated into priority improvements to inform our long term planning.

KEY COMMITMENTS AND PRIORITIES

In 2015-16 we have continued to implement a range of projects. Summarised in the table below, these projects represent important initiatives to improve policing services to the Victorian community.

TABLE 1.5: 2015-16 IMPLEMENTATION OF GOVERNMENT PRIORITIES

INITIATIVE FUNDED	SUMMARY	OUTCOME / BENEFIT	STATUS
ARREST WARRANTS – SYSTEM IMPROVEMENTS	Implementation of system improvements.	Optimise organisation wide visibility of outstanding arrest warrants to improve community safety.	Complete
ASSESSMENT AND REFERRAL COURT LIST	Continuation of a specialist mental health/ cognitive impairment court list at the Melbourne Magistrates' Court.	Reduction in recidivist offenders with mental health issues.	In progress
BALLARAT WEST EMERGENCY SERVICES PRECINCT	Construction of a new police station as part of a future emergency services hub.	Provide effective, modern, responsive service delivery in the Ballarat West region.	In progress
BELLARINE AND GEELONG COMMUNITY SAFETY PACKAGE	Recruitment of 15 sworn officers allocated to Geelong and the Bellarine Peninsula.	Increase service delivery to the Bellarine and Geelong areas.	Complete
CONDUCTED ENERGY DEVICES	Rollout of Conducted Energy Devices at 24-hour regional police stations.	Provide an alternative enforcement option for members.	In progress
ECHUCA POLICE STATION	Replacement of the existing building.	Improve community safety and service delivery.	In progress
ICE ACTION PLAN: NEW BOOZE AND DRUG BUSES AND FORENSIC OFFICERS	Provision of new booze and drug buses, additional drug testing capability and forensic services officers.	Improve road safety and reduce drug crime.	In progress
MERENDA POLICE STATION	Construction of a 24-hour police station in Mernda to service the Whittlesea Police Service Area.	Ensure continued frontline service delivery.	In progress
IMPROVING THE RESPONSE TO SEXUAL ASSAULT – MULTI-DISCIPLINARY CENTRES (MDCs)	Implementation of an inter-agency model that integrates services for victims of sexual offences and child abuse (Dandenong, Bendigo and Morwell).	Provide integrated support for victims throughout investigations.	Complete
NIGHT NETWORK (HOMESAFE)	The recruitment of 109 Protective Service Officers and 62 Transit Police to support the Night Network trial of 24-hour public transport on weekends.	Improve commuter safety.	Complete
CUSTODY OFFICERS TO FREE UP 400 POLICE	Introduction of 400 Police Custody Officers to replace police officers in the management of prisoners in police cells.	Increase frontline service capacity to provide effective policing services to the community.	In progress
POLICING INFORMATION PROCESS AND PRACTICE (PIPP) REFORM PROGRAM	Maintain and improve performance of core information systems and commence planning for longer term reforms to ICT systems and processes.	Improve organisational performance.	In progress
PROTECTIVE SERVICES OFFICERS - RADIO BLACKSPOT FUNDING	Rectification of existing radio network coverage black spots across the rail network where PSOs are being deployed.	Improve PSO safety and service delivery at rail stations.	In progress
ST KILDA ROAD POLICE STATION REPLACEMENT	Relocation of the St Kilda Road Police Station to a central location within Southbank.	Ensure continued frontline service delivery.	Complete
VICTORIA POLICE MOUNTED BRANCH RELOCATION PROJECT	Relocation of Victoria Police Mounted Branch to redeveloped stables in Attwood.	Increase operational efficiency.	Complete
MULTI-DISCIPLINARY CENTRE (MDC) - WYNDHAM	Implementation of inter-agency model that integrates services for victims of sexual offences and child abuse (Wyndham).	Expansion of services to support victims of sexual abuse.	In progress

TABLE 1.6: 2016-17 COMMITMENTS AND PRIORITIES

GOVERNMENT PRIORITY	SUMMARY	OUTCOME / BENEFIT
IMPROVING VICTORIA POLICE'S MENTAL HEALTH AND WELLBEING	Implementation of mental health and wellbeing initiatives including an online wellbeing suite.	Assist in the initial response to the findings of the <i>Victoria Police Mental Health Review</i> commissioned by the Chief Commissioner.
PUBLIC SAFETY – POLICE RESPONSE	Recruitment of 406 police officers, 52 specialist policing resources and implementation of technology upgrades to target serious crime and gang activity.	Enhance the ability of Victoria Police to keep Victorians safe from crime.
PUBLIC SAFETY – REGIONAL AND RURAL POLICE STATIONS	Replacement and refurbishment of Victoria Police stations, including Bright, Colac, Corryong, Cowes, Mallacoota, Murtoa and Warburton.	Support the capability of Victoria Police to provide safe communities and workplaces.
STRENGTHENING VICTORIA POLICE COUNTER-TERRORISM CAPACITY AND CAPABILITY	Recruitment of additional 40 police officers and 48 specialist staff and associated equipment including mobile forensic labs.	Expansion of counter terrorism capability and the capacity to investigate and respond to an increased volume of terrorism threats will be strengthened.

02. OUR PERFORMANCE

Victoria Police delivers a range of policing services to preserve the peace; protect life and property; prevent the commission of offences; detect and apprehend offenders; and help those in need of assistance. We aim to ensure our services are effective and efficient in meeting the needs and expectations of our stakeholders, including the community and government.

In this chapter, we report on our performance in the context of: objectives, indicators and targets set in the 2015-16 Victorian Budget Paper No. 3: Service Delivery performance measures; crime statistics; road safety; and financials.

OUR PERFORMANCE AGAINST BUDGET PAPER OBJECTIVES

Our performance contributes to departmental objectives and performance measures for the Department of Justice and Regulation, published in the *2015-16 Victorian Budget Paper No. 3 Service Delivery (BP3)*.

DEPARTMENTAL OBJECTIVES AND INDICATORS

The relevant medium-term departmental objectives, associated indicators and linked outputs, as set out in BP3, are listed in Table 2.1 below.

TABLE 2.1: DEPARTMENT OF JUSTICE AND REGULATION OBJECTIVES, INDICATORS AND OUTPUTS

DEPARTMENTAL OBJECTIVES	INDICATORS	OUTPUTS
Improving community safety through policing, law enforcement and prevention activities	Community feelings of safety during the day Community feelings of safety during the night Road deaths (rate per 100 000 registered vehicles)	Policing Services Infringement and Orders Management Enhancing Community Safety

Source:
• 2015-16 Victorian Budget Paper No. 3 Service Delivery, p.266

The departmental objective is to improve community safety through policing, law enforcement and prevention activities. This is indicated by community feelings of

safety during the day, community feelings of safety during the night, and the road death rate per 100,000 registered vehicles (shown in Table 2.2).

TABLE 2.2: RESULTS FOR BP3 DEPARTMENTAL INDICATORS

INDICATOR	UNIT OF MEASURE	RESULT		COMMENT
		2014-15		
COMMUNITY FEELINGS OF SAFETY DURING THE DAY				
WALKING ALONE IN THE NEIGHBOURHOOD	Per cent	90.3		The proportion of people who felt 'safe' or 'very safe' in the neighbourhood and on public transport during the day increased for 2014-15.
ON PUBLIC TRANSPORT	Per cent	63.4		
COMMUNITY FEELINGS OF SAFETY DURING THE NIGHT				
AT HOME ALONE	Per cent	89.5		The proportion of people who felt 'safe' or 'very safe' at home during the night decreased for 2014-15. However, the proportion of people who felt 'safe' or 'very safe' in the neighbourhood and on public transport at night increased for 2014-15.
WALKING ALONE IN THE NEIGHBOURHOOD AT NIGHT	Per cent	52.1		
ON PUBLIC TRANSPORT AT NIGHT	Per cent	28.5		
ROAD DEATHS (RATE PER 100,000 VEHICLES)	Number	5.6		Over time Victoria has been recording a decreasing number of road deaths per 100,000 registered vehicles. This was the lowest rate of road deaths recorded in six years.

Note:
• These results are based on the Report on Government Services (RoGS) 2014-15 data. The 2015-16 results for these measures will be reported in the 2017 RoGS, to be published by the Productivity Commission in January 2017

POLICING SERVICES: 2015-16 BP3 PERFORMANCE MEASURES

Policing Services in BP3 relates to the provision of 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.

Policing Services contributes to the departmental objective of improving community safety through policing, law enforcement and prevention activities.

There are 17 key performance measures in the Policing Services output group for 2015-16. Our targets and results against these measures are reported in Table 2.3 over the page.

TABLE 2.3: 2015-16 BP3 REPORT ON OUTPUT PERFORMANCE - POLICING SERVICES

MAJOR OUTPUTS/DELIVERABLES PERFORMANCE MEASURES	UNIT OF MEASURE	2015-16 ACTUAL	2015-16 TARGET	VARIATION (%)	RESULT
QUANTITY					
Community calls for assistance to which a Victoria Police response is dispatched	Number	906,916	850,000	6.7	√
<i>The increase in community calls for assistance is consistent with increased reporting of offences during 2015-16.</i>					
Crimes against property – excluding family violence related crime (rate per 100,000 population)	Number	5,130	≤4,300	-19.3	X
<i>The performance for this measure was more than the maximum target in 2015-16. The primary drivers for this are increases in theft from motor vehicle offences, and burglary offences.</i>					
Crimes against property – family violence related crime (rate per 100,000 population)	Number	160.9	≥140.0	14.9	√
<i>The performance for this measure has exceeded the 2015-16 target. The primary driver for this is an increase in crime resulting from criminal damage. Increased reporting of family violence is considered a positive outcome, reflecting greater public confidence in the reporting of family violence incidents.</i>					
Crimes against the person – excluding family violence related crime (rate per 100,000 population)	Number	677	≤650.0	-4.2	○
Crimes against the person – family violence related crime (rate per 100,000 population)	Number	587.5	≥475.0	23.7	√
<i>The performance for this measure has exceeded the 2015-16 target. The primary drivers for this are increases in crime from assaults. Increased reporting of family violence is considered a positive outcome, reflecting greater public confidence in the reporting of family violence incidents.</i>					
Number of alcohol screening tests conducted by booze and drug buses	Number	1,076,061	1,100,000	-2.2	○
Number of prohibited drug screening tests conducted by booze and drug buses and highway patrol units	Number	100,182	100,000	0.2	√
Police record checks conducted to contribute to community safety	Number	691,029	635,000	8.8	√
<i>The 2015-16 expected outcome is higher than initially expected due to:</i> - an additional number of accredited agencies coming on board with CrimTrac. - an increase in the number of police jurisdictions conducting administration of justice checks via CrimTrac. - a change in methodology for recording statistics relating to criminal record checks received from authorised agencies for administration of justice purposes.					
QUALITY					
Proportion of community satisfied with policing services (general satisfaction)	Per cent	74.8	75	-0.3	○
Proportion of drivers tested who comply with alcohol limits	Per cent	99.8	99.5	0.3	√
Proportion of drivers tested who comply with posted speed limits	Per cent	99.9	99.5	0.4	√
Proportion of drivers tested who return clear result for prohibited drugs	Per cent	90.9	93	-2.3	○
Proportion of successful prosecution outcomes	Per cent	93	92	1.1	√
Proportion of the community who have confidence in police (an integrity indicator)	Per cent	85.4	85	0.5	√
TIMELINESS					
Proportion of crimes against the person resolved within 30 days	Per cent	44.4	≥40	11.0	√
<i>The positive variation in performance for this measure is due to reductions in time taken to resolve crimes against the person, particularly in relation to increasing assault and sexual offences.</i>					
Proportion of property crime resolved within 30 days	Per cent	25.1	≥22	14.1	√
<i>The positive variation in performance for this measure is due to reductions in time taken to resolve property crimes, particularly in relation to increasing theft and deception offences.</i>					
COST					
Total output cost	\$ million	2,607.8*	2,512.4	3.8	○

Note:
* As per Appendix C, Total Expenses from Transaction

KEY
√ Performance target achieved or exceeded
○ Performance target not achieved – within 5 per cent variance
X Performance target not achieved – exceeds 5 per cent variance

CRIME STATISTICS

Overall, the 12 months to 30 June 2016 saw an increase in recorded crime across all key crime categories, with the exception of a small reduction in public order and security offences. The overall crime rate per 100,000 population has increased by 11.2 per cent compared with the same period last year. A comparison of the total offences recorded and offence rate per 100,000 population for the last five years is set out in Table 2.4 below.

Crime statistics are based on reports from the public and what is detected by police. Changes to recorded crime can be due to increased police detection and enforcement activity, the introduction of new offences, or increases in legal 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 table below provides a detailed comparison of results in all crime categories, comparing crime statistics in 2011-12 to 2015-16. The results are shown as the total number of offences recorded, and the percentage change between 2014-15 and 2015-16, and over five years.

TABLE 2.4: OFFENCES RECORDED - JULY 2011 TO JUNE 2016

	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	% Change 2014-15 to 2015-16	% Change Over 5 Years
Total Offences Recorded	406,973	425,388	449,368	472,611	535,826	13.4	31.7
Total Offence Rate per 100,000 Population	7,225.4	7,419.3	7,697.1	7,959.8	8,851.7	11.2	22.5

Source:
• Crime Statistics Agency

TABLE 2.5: NUMBER OF OFFENCES RECORDED - JULY 2011 TO JUNE 2016

Offence	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	Change 2014-15 to 2015-16	% Change 2014-15 to 2015-16
Homicide and related offences	162	172	172	174	208	34	19.5
Assault and related offences	33,442	37,047	37,632	37,633	41,806	4,173	11.1
Sexual offences	8,397	9,246	10,509	11,501	12,545	1,044	9.1
Abduction and related offences	602	691	630	708	809	101	14.3
Robbery	3,283	2,833	2,603	2,530	2,888	358	14.2
Blackmail and extortion	300	166	250	212	190	-22	-10.4
Stalking, harassment and threatening behaviour	8,648	10,345	10,763	12,121	12,757	636	5.2
Dangerous and negligent acts endangering people	3,500	3,481	4,195	4,338	5,341	1,003	23.1
Crimes against the person	58,334	63,981	66,754	69,217	76,544	7,327	10.6
Arson	3,420	3,908	3,412	3,444	4,504	1,060	30.8
Property damage	49,095	45,782	44,117	42,562	43,513	951	2.2
Burglary/Break and enter	46,733	46,725	46,447	46,250	52,087	5,837	12.6
Theft	145,079	144,470	148,319	151,834	180,988	29,154	19.2
Deception	24,418	27,855	34,651	33,503	39,158	5,655	16.9
Bribery	128	11	9	41	26	-15	-36.6
Property and deception offences	268,873	268,751	276,955	277,634	320,276	42,642	15.4
Drug dealing and trafficking	3,457	3,896	4,126	5,043	5,155	112	2.2
Cultivate or manufacture drugs	1,388	1,561	1,773	1,685	1,767	82	4.9
Drug use and possession	14,066	16,400	17,954	21,971	23,216	1,245	5.7
Other drug offences	22	39	43	262	18	-244	-93.1
Drug offences	18,933	21,896	23,896	28,961	30,156	1,195	4.1
Weapons and explosives offences	8,767	11,510	12,867	14,529	15,979	1,450	10.0
Disorderly and offensive conduct	21,805	23,088	21,423	19,387	17,018	-2,369	-12.2
Public nuisance offences	2,560	2,683	2,547	2,655	3,452	797	30.0
Public security offences	116	298	76	197	88	-109	-55.3
Public order and security offence	33,248	37,579	36,913	36,768	36,537	-231	-0.6
Justice procedures	5,463	5,987	6,346	6,887	12,854	5,967	86.6
Breaches of orders	20,027	25,283	36,498	51,525	57,794	6,269	12.2
Justice procedures offences	25,490	31,270	42,844	58,412	70,648	12,236	20.9
Regulatory driving offences	22	24	27	30	18	-12	-40.0
Transport regulation offences	536	405	478	459	612	153	33.3
Other government regulatory offences	1,028	905	1,077	641	552	-89	-13.9
Miscellaneous offences	509	577	424	489	483	-6	-1.2
Other offence	2,095	1,911	2,006	1,619	1,665	46	2.8
Total offences	406,973	425,388	449,368	472,611	535,826	63,215	13.4

Source:
• Crime Statistics Agency

Further detailed analysis of recorded crime data including data on offences, alleged offender incidents, victim reports and family incidents can be accessed from the Crime Statistics Agency.

INITIATIVES TO IMPROVE COMMUNITY SAFETY

Improving community safety continues to be the critical priority for Victoria Police, and a number of initiatives have been implemented and progressed during 2015-16 to improve the efficiency and effectiveness of police service delivery. Victoria Police continued to engage with key stakeholders across government to identify opportunities for collaboration on strategies to prevent and reduce crime. Vulnerable groups within the community have also been engaged with the aim of reducing their involvement in crime as both offenders and victims.

Key activities in 2015-16 have related to:

- Responding to emerging issues
- Enhancing the police response to drug use in the community
- Responding to family violence and related offences
- Engaging with young people
- Supporting victims
- Focussing on offenders

RESPONDING TO EMERGING ISSUES

Victoria Police has a sustained focus on identifying and mitigating emerging trends, and in 2015-16 conducted targeted operations, focusing on recidivist offenders and prevention activities.

In early 2016, Victoria Police established Taskforce Tense in the Southern Metropolitan region. The taskforce targeted violent aggravated burglary, robbery, carjacking, vehicle crime, evading police and arson. Taskforce Tense had a significant impact, with offenders charged with over 300 offences.

Building on the success of Taskforce Tense, Operation Cosmas commenced in May 2016, to focus more broadly on gangs, with the aim of preventing, deterring, disrupting and investigating aggravated burglaries and carjackings. Operation Cosmas takes a coordinated, approach to investigate these crimes/incidents undertaken by street gangs and organised groups.

Victoria Police also engaged with stakeholders during 2015-16 to identify the factors behind increased offending and explore intervention strategies to prevent further offending. This included the development and implementation of the Victoria Police Theft Reduction Plan, and the establishment of the Vehicle Theft Stakeholder Group. This group is comprised of members from a range of private and public sector agencies and organisations, committed to reducing the impacts and harm caused by vehicle-related crime.

ENHANCING THE POLICE RESPONSE TO DRUG USE IN THE COMMUNITY

Victoria Police continued to work with key stakeholders across government and other agencies to reduce the harm associated with drug use in the community. This has included contributing to the implementation of key initiatives as part of the National Ice Action Strategy and Victoria's Ice Action Plan.

In 2015-16, the Victoria Police Forensic Services Department received funding of \$4.5 million over four years as part of Victoria's Ice Action Plan. The funding was for the development of the Forensic Services Drug Intelligence Capability Project, which aims to introduce new forensic intelligence and analytical services to support the ice reduction strategies. In 2015-16, the Forensic Services Department enhanced capability through the recruitment and training of forensic drug analysts and forensic intelligence analysts. Progress was also made on the development of additional forensic testing methods, which will support the profiling of drug seizures and introduction of intelligence products to assist in understanding the production and distribution patterns of drugs across Victoria.

In 2015-16, Victoria Police also commenced the procurement of drug and booze buses, funded as part of Victoria's Ice Action Plan. Additional funding also enabled Victoria Police to conduct more than 100,000 road side drug tests in 2015-16, the highest number conducted over a 12 month period.

Victoria Police continued to work with national taskforces in 2015-16 to stop the manufacture, supply and distribution of drugs. An example of this is Taskforce Icarus, a joint agency taskforce comprising investigators and intelligence officers from Victoria Police, the Australian Federal Police and Australian Border Force. The aim of Taskforce Icarus is to prevent illicit drugs and illegal firearms importations through the international mail system and air cargo stream. During a six month period in 2015-16 Taskforce Icarus developed intelligence that linked more than 70 suspected cocaine imports, and also identified in excess of AU \$1.1 million that was suspected of being proceeds of crime. This information was used to monitor the imports, and as a result a number of offenders were charged with trafficking cocaine and laundering in excess of \$1.3 million.

RESPONDING TO FAMILY VIOLENCE AND RELATED OFFENCES

Victoria Police, via its dedicated Family Violence Command, was an active contributor to the 13-month Royal Commission into Family Violence. In March 2016, the Royal Commission handed down 227 recommendations for improving the current system and response to family violence. Victoria Police will lead implementation of the 33 police specific recommendations relating to increased training, prioritisation of family violence as core business, greater mobile technology for better information and efficiency, and the introduction of body worn cameras for police to improve evidence gathering at the scene of incidents. The Family Violence Command will also coordinate the Victoria Police contribution to the implementation of a further 43 recommendations which will be led by other government departments.

In October 2015, the Family Violence Command established a 12-person taskforce to complement existing investigative responses to serious family violence crime. The focus is on high risk perpetrators of serious family violence crime, including historical or unreported offences committed against multiple victims. Investigations incorporate a proactive victim approach methodology modelled on best practice. Members of the taskforce work closely with internal and external partners to identify perpetrators to be targeted.

ENGAGING WITH YOUNG PEOPLE

Victoria Police recognises the importance of identifying opportunities to divert young people from further contact with the justice system. In 2015-16, Victoria Police committed to undertaking an evaluation of several youth cautioning and diversion pilot programs to identify opportunities to better meet the needs of young people who come into contact with the justice system. Victoria Police also has ongoing involvement with the Children's Court Diversion Pilot Program which operates across the state.

In response to the increasing role of social media and technology in the lives of young Victorian people, Victoria Police developed a Cyber Safety program which has been delivered by police to schools and community groups throughout Victoria. The program encourages young people to consider the responsibilities and risks of social media and technology and promoting strategies to stay safe online.

Victoria Police continued to invest in upskilling our workforce by hosting a Proactive Liaison Forum which brought together proactive Victoria Police staff, including Youth Resource Officers and other community engagement officers. This professional development forum focused on a range of topics relevant to young people and presented an opportunity for personnel from a range of work locations to discuss emerging issues and solutions.

In addition, Victoria Police hosted a series of community forums in 2015-16 to discuss opportunities for grassroots initiatives promoting social cohesion for youth and for young women. Victoria Police also continues to work with partners across government to address the drivers of offending, with a particular focus on those most vulnerable to victimisation or offending.

SUPPORTING VICTIMS

Victoria Police is committed to reducing victimisation, enhancing services for those in need of assistance and building community trust and confidence. This is achieved by adopting a victim-centric approach to deliver increased confidence in the broader criminal justice system, improve victim participation and see an improvement in crime reporting rates by providing a consistent quality service to all victims. Victoria Police aims to ensure that victims and those in need of assistance are treated with dignity, courtesy and respect, and provided with appropriate information and support in a timely manner.

Supporting the Future Directions for Victim-Centric Policing policy launched by the Chief Commissioner on 18 August 2015, the Victim Centric Service Delivery Strategy (VCSDS) has enabled Victoria Police to set solid foundations in raising the focus on victims and those in need of assistance.

During 2015-16, the VCSDS was successful in establishing an operational governance structure and introduced a victim-centric portfolio role at police stations. In partnership with the Victims Support Agency within the Department of Justice and Regulation, Victoria Police continued the introduction of Victims Assistance Program workers at police stations around the state as a co-location initiative to support victims of crime in a coordinated and collaborative manner. This program has enhanced communication between stakeholders, and aims to achieve more efficient referral pathways between police and victims services, providing earliest possible access to support for victims of crime.

In the years ahead Victoria Police will work closely with internal and external stakeholders to ensure the best outcomes for victims and those in need of assistance, and build on the current capability to reduce victimisation, and improve service delivery.

FOCUSSING ON OFFENDERS

There has been a shift in offender attitude and methodology, which Victoria Police has responded to during 2015-16, through planning, and the establishment of response operations, including the establishment of cross boundary operations.

Victoria Police has continued to work with stakeholders, partner agencies and the community to ensure a continued focus on prevention, early identification of offenders and early intervention in offending patterns to reduce the level of offending occurring. Victoria Police continues to focus on holding offenders to account for their actions and providing victims with the support they need.

ROAD SAFETY

Victoria Police is committed to reducing road trauma and enhancing safety on our roads. We work closely with the community and our road safety partners, VicRoads, the Transport Accident Commission, the Department of Justice and Regulation and the Department of Health and Human Services, to support the *Towards Zero 2016-2020 Road Safety Strategy*. The 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 2015-16, the overall number of reported fatalities and injuries increased, with a small reduction in the number of collisions (see Table 2.6). Serious injury collisions show a downward trend, however the final 2015-16 statistics will not be available until late 2016.

Vehicle drivers continue to account for the majority of fatalities, but more motorcyclists were killed on the road this year compared to last year. There were 49 motorcyclist deaths in 2015-2016, compared with 30 in 2014-15. In response, Victoria Police updated the resourcing and deployment model of the State Highway Patrol Solo Unit (a fleet of on-road motorcycles and trail bikes) to ensure they achieve maximum impact, are highly visible during peak periods, and explicitly target motorcycle riders.

Pedestrian fatalities decreased by 16 per cent (from 38 to 32) while the fatalities of drivers recorded an increase of 10 per cent (from 122 to 134).

ROAD POLICING OPERATIONS IN 2015-16

Victoria Police conducted a series of dedicated statewide road policing operations throughout 2015-16, including high-risk holiday periods, with more than 93,000 offences detected. Some of the key outcomes from these operations are shown in Table 2.7.

TABLE 2.6: ROAD POLICING STATISTICS – 2014-15 TO 2015-16

	METRO*			REGIONAL			STATE		
	2014-15	2015-16	% Change	2014-15	2015-16	% Change	2014-15	2015-16	% Change
Fatalities	120	134	11.7	134	138	3.0	254	272	7.1
Injuries	13,037	12,893	-1.1	5,785	5,962	3.1	18,822	18,855	0.2
Collisions	10,703	10,594	-1.0	4,682	4,715	0.7	15,385	15,309	-0.5

Note:

* Metro includes the Victoria Police North West Metro and Southern Metro Regions, and Divisions One and Two of the Eastern Region. All other areas are treated as Regional.

TABLE 2.7: ROAD POLICING OPERATIONS IN 2015-16

OPERATION	DURATION	OUTCOMES
Scoreboard (AFL Grand Final)	1 October – 4 October 2015	286 BAC offences 218 OFT offences 6,728 traffic offences 965 crime offences
Furlong (Melbourne Cup)	30 October – 3 November 2015	293 BAC offences 295 OFT offences 8,543 traffic offences 1,023 crime offences
Roadwise Campaign (Christmas / New Year)	13 December 2015 – 3 January 2016	914 BAC offences 606 OFT offences 23,473 traffic offences 4,400 crime offences
Amity (Australia Day)	22 January – 26 January 2016	294 BAC offences 240 OFT offences 7,899 traffic offences 1,201 crime offences
Arid (Labour Day)	11 March – 14 March 2016	252 BAC offences 199 OFT offences 6,477 traffic offences 907 crime offences
Nexus (Easter)	24 March – 28 March 2016	312 BAC offences 265 OFT offences 8,701 traffic offences 1,152 crime offences
Tribute (ANZAC Day)	22 April – 25 April 2016	234 BAC offences 166 OFT offences 6,580 traffic offences 807 crime offences
Austrans	1 May – 29 May 2016	30 OFT offences 37 speeding offences 1,400 total offences 558 defect notices issued
Regal (Queen's Birthday)	10 June – 13 June 2016	248 BAC offences 189 OFT offences 7,255 traffic offences 816 crime offences

Notes:

- BAC = Blood Alcohol Content (alcohol testing)
- OFT = Oral Fluid Test (drug testing)

OUR FINANCIAL PERFORMANCE

The Financial Statements* presented in this annual report (Chapter 9) relate to the controlled operations of Victoria Police.

Table 2.8 provides a summary of Victoria Police's financial result for the 2015-16 financial year and comparative information for the preceding four years.

TABLE 2.8: FIVE YEAR FINANCIAL SUMMARY

	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Total Income from Transactions	2,051,023	2,139,318	2,285,345	2,448,193	2,596,616
Total Expenses from Transactions	2,081,572	2,151,676	2,292,344	2,465,217	2,609,246
Net Result from Transactions	(30,549)	(12,358)	(6,999)	(17,024)	(12,630)
Net Result for the Period	(36,286)	798	(848)	(17,668)	(12,586)
Net Cash Flow from Operating Activities	58,877	51,591	89,874	82,630	82,221
Total Assets	1,708,763	1,714,057	1,831,379	1,947,053	2,085,489
Total Liabilities	551,894	553,249	614,641	667,928	683,863

CURRENT YEAR FINANCIAL REVIEW

Financial Performance

Victoria Police's net result from transactions for 2015-16 is a deficit of \$12.63 million, compared to a deficit of \$17.02 million in 2014-15. The \$12.63 million deficit is primarily driven by expenditure on the parallel payments for accommodation leases at the former St Kilda Road and current 313 Spencer Street police complexes and the uplift to long service leave expenses associated with the 2011 Sworn Enterprise Bargaining Agreement (EBA).

With the inclusion of a surplus on other economic flows of \$0.04 million, the net result for the year is a deficit of \$12.59 million, compared to a deficit of \$17.67 million in 2014-15. For details on other economic flows refer to Note 5 of the Annual Financial Statements.

The growth in revenue primarily reflects the increased funding in the State budget for delivery of output initiatives on behalf of the government and general inflation-related indexation associated with selected frontline delivery services only.

The growth in expenditure mainly reflects increased payroll costs due to additional police and PSOs under the Night Network initiative, additional PCOs, increased EBA costs, and an increase in the depreciation expense associated with the completion of fixed asset projects.

Balance sheet

Victoria Police's net asset base as at 30 June 2016 was \$1,401.63 million, comprising total assets of \$2,085.49 million and total liabilities of \$683.86 million.

The major assets of Victoria Police are property, plant and equipment representing 77 per cent (\$1,605.83 million) of the total assets.

The increase in total assets of \$138.44 million in 2015-16 is primarily due to the upward asset revaluation of \$114.44 million following the five year scheduled revaluation of land and buildings by the Valuer-General Victoria. In addition, expenditure on the asset investment program in 2015-16 included the following:

- Mounted Branch Relocation (\$9.46 million).
- Echuca Police Station Replacement (\$6.28 million).
- Ballarat West Emergency Services Precinct (\$6.22 million).
- Mernda Police Station (\$2.48 million).
- Custody Officers Infrastructure (\$1.80 million).

Liabilities of Victoria Police consist mainly of provisions totalling \$530.30 million which represented an increase of \$30.58 million compared to last financial year. This is mainly a result of an increase in the long service leave and annual leave provisions due to higher staff numbers and EBA indexation.

Cash flows

The minor decrease in the net cash flows from operations is due mainly to the changes in receivables and payables arising from the timing to cash payments and receipts against these items.

Note:

*The financial statements exclude the transactions of entities with varying representation of Victoria Police employees 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 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

OUR PORTFOLIOS

The following chapters highlight the key achievements and challenges across our portfolios – Regional Operations, Specialist Operations, Capability, Infrastructure and Business Services – overseen by Executive Command members. These chapters highlight some of the strategies that have contributed to our performance this financial year.

Some of our priorities and challenges require cross-portfolio engagement, collaboration and a consolidated focus across our entire organisation.

In 2015-16, we have increasingly focussed on strengthening community engagement, the health, safety and wellbeing of our people, infrastructure, planning and community safety. Addressing these matters is critical to providing better police service delivery in accordance with community needs and expectations.

03. REGIONAL OPERATIONS

As the Deputy Commissioner, Regional Operations, I am responsible for the following areas:

- Victoria's four police regions - North West Metro, Southern Metro, Eastern and Western
- State Emergencies and Security Command
- Transit and Public Safety Command
- Family Violence Command

I was proud to be appointed to head the Regional Operations portfolio, which encompasses my two real passions of supporting frontline police and community engagement. I believe both of these aspects are essential to maintaining community safety and focusing the portfolio on prioritising prevention, fostering partnerships, improving productivity and supporting our people.

Our frontline police have faced a challenging year of responding to rising crime and significant incidents of public order. They have worked hard and consistently to meet these challenges through forming dedicated teams to focus on high risk activities, engaging with communities and other agencies to tackle the drivers of harm, and designing new systems and approaches that best safeguard Victorians.

We will continue to build on these efforts in the year ahead.

Andrew Crisp APM
Deputy Commissioner
Regional Operations

IMPROVING COMMUNITY SAFETY

In 2015-16, the safety of the Victorian community has been challenged by incidences of violence towards family members and other members of the community. Much of this violence has been fuelled by alcohol or drugs and perpetrated by repeat offenders.

The Regional Operations portfolio has implemented a range of prevention, early intervention and enforcement activities to target those causing greatest harm in the community. We are also working collaboratively with Government, community and private sector partners to address the drivers of harm.

Examples of the ways in which we have worked to improve community safety are:

SUPPORTING THE ROYAL COMMISSION INTO FAMILY VIOLENCE

Victoria Police, via its dedicated Family Violence Command, was an active contributor to the 13 month Royal Commission into Family Violence. In March 2016, the Royal Commission handed down 227 recommendations for improving the current system and response to family violence. Victoria Police will lead the implementation of 33 police specific recommendations relating to increased training, prioritisation of family violence as core business, greater mobile technology for better information and efficiency, and an introduction of body worn cameras for frontline police to improve evidence gathering at the scene of incidents. The Command will also coordinate the Victoria Police contribution to the implementation of a further 43 recommendations which will be led by other departments.

FOCUSING ON HIGH RISK PERPETRATORS OF FAMILY VIOLENCE CRIME

In October 2015, Family Violence Command established a 12-person taskforce to complement existing investigative responses to serious family violence crime. The focus is on high risk perpetrators of serious family violence crime, including historical or unreported offences committed against multiple victims. Investigations incorporate a 'proactive victim approach' methodology modelled on best practice. Members of the taskforce work closely with internal and external partners to identify and target perpetrators.

RESPONDING TO TRENDS IN NETWORKED OFFENDING

Police are dealing with an increase in violent and dangerous offending including car thefts and aggravated burglaries. Many of these crimes are committed by 'networked offenders' who are either part of established gangs or who come together for the purpose of offending. This networking is often facilitated by social media. Many of the offenders are young, including a smaller group of individuals who are committing a large number of offences. In response to this increase in aggravated burglaries and carjackings, Operation Cosmas commenced in May 2016, drawing together regional crime teams under the umbrella of the Crime Command. Teams within each region have allocated additional resources to the operation to prevent, deter, disrupt and investigate aggravated burglaries and carjackings. Operation Cosmas built on the significant work undertaken in the North West Metro and Southern Metro Regions, with Taskforces Euroa and Tense.

CASE STUDY ONE: TASKFORCE TENSE

Taskforce Tense commenced in February 2016 in the Southern Metro Region in response to a spate of violent crimes including aggravated burglary, robbery (carjacking), vehicle crime, evading police and arson. The offending included 'missioning' (seeking specific items/brands/models to steal) by a small group of young offenders who regularly crossed Victoria Police regional boundaries. The 31-strong Taskforce has investigated 130 incidents and made 142 arrests. Thirty-five search warrants have been executed and offenders have been charged with over 300 offences, including armed robbery, aggravated burglary, theft of motor car, affray and intentionally causing injury.

Building on the success of Taskforce Tense, Operation Cosmas commenced in May 2016 to focus on gangs more broadly. Taskforce Tense became a component of Operation Cosmas and continues to make further arrests and respond to incidents in the Southern Metro Region.

DEPLOYING TRANSIT PROTECTIVE SERVICES OFFICERS

Protective Service Officers (PSOs) play an important role in keeping the community safe. In the February 2016 audit report¹, the Auditor-General noted they have become a valued and visible part of Victoria's public transport system. Since PSOs began patrolling railway stations in 2012, there has been an increase in commuter and community perceptions of safety of the metropolitan train system at night. As well as providing a visible presence at railway stations and engaging with the community, PSO work has included enforcing offences such as graffiti and weapons offences; apprehending people who have outstanding warrants or are wanted for serious offences; and assisting people in distress, particularly people with mental health issues. Analysis by the Auditor-General of the first 11 stations to have PSOs deployed showed an increase in the number of offences coinciding with the rollout of PSOs during their first year of operation, followed by a gradual reduction in reported offences, as criminal behaviour is either displaced or deterred.

The Transit and Public Safety Command fulfilled the Government commitment to deploy PSOs from 6pm until the last train at 215 train stations by 30 June 2016. We have also fulfilled the commitment to deploy PSOs to 78 premium stations as part of the Government's pilot of the Night Network 24 hour public transport initiative.

Note:

¹ Public Safety on Victoria's Train System – February 2016

VEHICLE THEFT REDUCTION PLAN

Thefts of and from motor vehicles has increased significantly over the past 12 months, posing challenges for Victoria Police and prompting the development and implementation of our Vehicle Theft Reduction Plan (VTRP). Significant achievements of the VTRP include:

- Development of dedicated intelligence reports which highlight factors and influences on vehicle related theft and aid in the identification of opportunities for improvement in organisational performance.
- Establishment of a high level Vehicle Theft Stakeholder Group, comprising executive and senior managers from a range of private and public sector agencies and organisations, who are committed to reducing the impacts and harm caused by vehicle related crime.
- Development and implementation of a dedicated social media campaign, 'The Thankful Thief', that targets vehicle theft and thieves.
- Commissioning of internal research into national and global initiatives, assisting in identification and establishment of world best practice in vehicle related theft reduction for Victoria.

CASE STUDY TWO: COUNTERING VIOLENT EXTREMISM STRATEGY

The Southern Metro Region introduced the Countering Violent Extremism Strategy, which focuses upon prevention, enforcement, intelligence, reassurance and support. The region's Multicultural Liaison Unit has developed an enduring working relationship with local communities, particularly the Muslim community, to provide reassurance and support in the wake of events occurring locally and abroad. Taskforce Pax was established to monitor a number of persons at significant risk of radicalisation. Counter radicalisation training has been developed and delivered to operational police to provide better awareness of radicalisation and the importance of social cohesion, and to better inform the police response.

WORKING WITH OUR STAKEHOLDERS

Working in partnership with other community, government, service provider and private enterprise stakeholders on shared safety objectives is fundamental to effective and connected frontline policing. In 2015-16, Regional Operations broadened and diversified its collaborative activity to reflect the dynamic issues facing police and the community.

Examples of our collaborative efforts are:

STATE WIDE – NIGHT NETWORK

In response to the Government commitment to a 12 month trial of 24 hour public transport on weekends, Victoria Police has recruited, trained and deployed additional Transit PSOs and Transit Police to provide transport security during Night Network hours. The trial commenced on 1 January 2016 in partnership with Public Transport Victoria and comprises all night public transport on weekends, including trains and trams, late night buses and 2am coach services to key regional centres. The additional PSOs have been deployed to 78 premium train stations and additional police travel on many of the Night Network services. Funding for the program has now been extended until 1 July 2017. Outcomes are being monitored and will be evaluated across the participating agencies.

EASTERN REGION – STOCCO SEARCH

October 2015 saw one of the biggest searches in recent history for father and son fugitives, Gino and Mark Stocco. The pair had been wanted for eight years for various violent crimes committed across Victoria, New South Wales and Queensland. The search concluded on 28 October 2015 when both offenders were arrested by NSW tactical police in Dunedoo, NSW.

The Eastern Region police response was coordinated from the Police Operations Centre. Eastern Region Divisions 3 and 4 were supported by the Special Operations Group, Critical Incident Response Team, Operations Response Unit and Crime Command, with several hundred police deployed to the search area. New South Wales Police also deployed specialist resources at Corowa, alongside aerial support.

A strategy of intensive media coverage to encourage public reporting resulted in a large number of sightings across the North Eastern and Eastern regions of Victoria and the NSW border area, covering 46,000 square kilometres. The cooperation of the public resulted in confirmed sightings of the offenders in Bairnsdale and was instrumental in keeping pressure on the fugitives.

CASE STUDY THREE: TASKFORCE ARES

Taskforce Ares ran from 21 March to 29 April 2016 in the North West Metro Region. A taskforce of 30 detectives and three intelligence officers investigated three affray incidents and 14 additional incidents of theft, robbery and criminal damage during the Moomba Festival in the Melbourne CBD on 12 March 2016. A total of 43 people were interviewed, of whom 29 have been charged and bailed, four will be summonsed, four had a charge and warrant issued and six were exonerated or no further action taken. The prior convictions of offenders ranged from none to various street type offences (minor assaults, robberies, weapons possession). Of those who were charged or summonsed, 34 were under the age of 18. The North West Metro Region Community Engagement Inspector has liaised with community leaders to identify ongoing, proactive projects that can assist with future interventions.

NORTH WEST METRO REGION – RESPONDING TO TRENDS IN YOUNG PEOPLE'S INVOLVEMENT IN SERIOUS AND VIOLENT CRIME

Victoria Police is focused on understanding and addressing trends in young people's involvement in serious and violent crime, both as victims and offenders. To this end, North West Metro Region led a program of initiatives, on behalf of the organisation. These included:

- Bringing together senior leaders from across the organisation for a dedicated forum in May 2016. This forum examined Victoria Police data and intelligence on trends in victimisation and offending in the under 18 age group as well as current policing practices.
- Consulting with young people through the Youth Voices Forum held in June 2016. This forum was hosted by the Salvation Army and gathered the views of young people on drivers of youth involvement in serious crime as victims and/or offenders, and options for solutions.
- Scheduling a Chief Commissioner's Youth Summit to convene in July 2016. The Summit would bring together youth advocates, senior representatives from government including the Premier and Attorney-General, the community sector and academia. Themes to be discussed would include issues around young people's involvement in serious crime and garnered support for reform to service responses for young people. Recommendations from the Summit will be submitted to government for consideration by the Public Order Taskforce.
- Working with the Victoria Police leadership to develop the organisation's strategic intent and partnerships for reducing victimisation and offending in young people.

SOUTHERN METRO REGION – TASKFORCE REGARDER

Commencing in November 2015, Taskforce Regarder tackled Intentional High Risk Driving (IHRD) gatherings (organised hoon gatherings) in the Southern Metro Region. The taskforce combined the resources of General Duties, Highway Patrol and Criminal Investigation Unit police in a cross divisional, collaborative approach.

On 3 February 2016, arrest teams comprised of detectives and Highway Patrol police commenced executing a series of search warrants, arrests and car seizures across the state. After three consecutive days of action, Taskforce Regarder had seized 18 motor vehicles and charged 26 offenders with serious indictable offences arising out of IHRD gatherings. In excess of 1,000 warning letters were forwarded to offenders who had breached council by-laws in relation to unlawful gatherings.

By 30 June 2016, Taskforce Regarder had made a total of 46 arrests, seized 21 motor vehicles and involved 350 police in executing 39 search warrants. Of these, 33 offenders have been convicted for traffic and serious indictable offences under the *Crimes Act* 1958, with penalties ranging from fines to terms of imprisonment.

CASE STUDY FOUR: WYE RIVER AND SEPARATION CREEK CHRISTMAS DAY 2015 BUSHFIRE

On 19 December 2015, a lightning strike caused a bushfire in the Great Otway National Park, eight kilometres south west of Lorne. Extreme weather conditions on Christmas Day caused the fire to break containment lines and travel swiftly towards the coast and the Great Ocean Road, impacting on the communities of Wye River and Separation Creek. A total of 116 houses were lost in the Wye River-Jamieson Track fire. However, the collaborative work undertaken by Victoria Police and the Control and support agencies ensured the successful evacuation of residents and tourists by police, resulting in no loss of human life or injury and the subsequent safe return of these evacuees. The Wye River-Jamieson Track fire involved a set of complex circumstances that required decisive and effective leadership. This event has been widely acknowledged as a highly effective multi-agency response to an extremely challenging bushfire emergency.

WESTERN REGION – BELLARINE CRIME PREVENTION CONSULTATIVE GROUP

The Bellarine Crime Prevention Consultative Group comprises a range of local business groups, community organisations and police. A community forum in October 2015 agreed on a range of short and long term strategies to improve safety, security and confidence on the Bellarine Peninsula. Short term strategies underway include:

- Helping the community reduce opportunistic crimes, such as theft from cars, burglaries and thefts of personal possessions in public.
- Developing business mentoring opportunities for young people.
- Building a community register of vulnerable people.

To support this work, Victoria Police committed to regular visits by Crime Prevention Officers to provide advice and reassurance, and to deliver youth education programs. A State Government grant given to the Consultative Group when it formed has also been earmarked for a new online hub to provide a 'one-stop-shop' for crime prevention and community safety information and resources across the Bellarine and Geelong areas.

ACHIEVING THROUGH OUR PEOPLE

The importance we place on the safety and wellbeing of our people, particularly as they continue to operate in high risk and challenging environments, is supported by the policy and tools we have introduced. In some cases, these new approaches have necessitated significant changes to existing practices, such as rostering and risk assessment, in order to balance safety and service. We have also taken steps to recognise and capture the knowledge of our retiring experts, typically gained over decades of service to the community and the organisation.

Examples of our people strategies are outlined in the following section.

OPERATIONAL SAFETY MEASURES POLICY

Employee safety and community safety in the current heightened security environment is paramount. The Victoria Police policy relating to Operational Safety Measures circulated in June 2015 was implemented across all police and public service employees throughout the year. The policy covers police working in pairs on patrol and at station counters, and uniformed police wearing operational safety equipment when in public. Victorian Public Service employees were also reminded of the steps for ensuring their safety. Implementation of the policy has involved changes to rostering (such as clustering resources in country areas), station counter hours, station security, and risk assessment and mitigation approaches. There has also been significant management discussion with police across the state and with the Police Association of Victoria about application of the policy.

KNOWLEDGE RETENTION PROJECT

The State Emergencies and Security Command (SESC) has established the Knowledge Retention Project to develop a process for capturing the expertise of experienced staff transitioning to retirement. The process involves identifying long serving critical knowledge experts, narrowing the focus to the most important aspects of their knowledge from an organisational perspective and ensuring they can share their knowledge in a structured and rigorous way. The process acknowledges the contribution that individuals have made throughout their career and ensures valuable learnings and skills are not lost to the organisation.

DEVELOPING OUR BUSINESS

Victoria Police has focused on streamlining and better supporting frontline service delivery, particularly through the introduction of enabling technology such as mobility devices and body worn cameras. The Regional Operations portfolio has contributed to this by determining the operational requirements for business improvements.

Looking at systems in place across Australia and overseas, SESC designed a Victoria Police Monitoring and Assessment Centre (VP MAC) model to strengthen the capacity and capability of Victoria Police to quickly receive, analyse and disseminate information from multiple sources and allow immediate tasking for effective and efficient police responses.

In particular, VP MAC will enable enhanced capability in real time analysis to provide advice about critical incidents and public order management situations. This will include monitoring social media platforms and intelligence systems so Victoria Police Command can determine when and how resources need to be deployed to respond to incidents.

OFFENDER PROCESSING REVIEW

Between October 2015 and January 2016, the Office of the Deputy Commissioner, Regional Operations undertook a review of offender processing as part of the LEAN Thinking work program. The review involved consulting with 66 staff of varying roles and ranks through site visits to stations and three workshops, as well as opportunities for improvement in infrastructure, systems and processes, policy and practice. Implementing these improvements will free up time to frontline police for operational duties. Implementation of these processes is underway, commencing with the trial for improved handling of prisoner/interviewee property.

FUTURE FOCUS 2016-17

Priorities for the Regional Operations portfolio in the year ahead are:

Implement and support whole of Victorian Government response to child abuse, sexual offences and family violence in line with the recommendations of the Royal Commission into Family Violence and learnings from the Royal Commission into Institutional Responses to Child Sexual Abuse.

Update the Service Delivery Model to meet demand pressures and embed operational and business good practice.

Recruit and deploy additional resources, including specialist vehicles and equipment, to enhance the Victoria Police public safety response.

The Victoria Police Monitoring and Assessment Centre project will commence and be managed by the SESC. A total \$15 million package, which includes VP MAC, was funded in the 2016-17 State Budget. It is expected to be operational in December 2016.

04. SPECIALIST OPERATIONS

As the Deputy Commissioner, Special Operations, I am responsible for the following areas:

- Counter Terrorism Command
- Crime Command
- Forensic Services Department
- Intelligence and Covert Support Command
- Legal Services Department
- Road Policing Command

Specialist intelligence is critical to police continuing to prevent crime and improve public safety. To this end, the above areas provide specialist services to both police and the community.

The contemporary policing environment is becoming increasingly complex and sophisticated, requiring police officers to retain an ever increasing body of specialist knowledge.

Our collaborations with the community and external agencies enhance our ability to keep the community safe.

2015-16 highlights in the Specialist Operations portfolio included:

- Strengthening Victoria Police's Counter Terrorism capability and the establishment of the Counter Terrorism Command.
- Establishing the Sex Offenders Special Response Unit.
- Enhancing turnaround times of fingerprint and DNA examinations.
- Creating a Proactive Illicit Firearms Investigation Team.
- Working in partnership with the community and our road safety partners to improve road safety.
- The second highest number of arrests and the highest number of charges on record, influenced by partnership with Crime Stoppers and a significant increase in engagement with and supply of information by the community.

Shane Patton APM
Deputy Commissioner
Specialist Operations

The following section provides more details on strategies and achievements aimed at improving the effectiveness of policing services.

IMPROVING COMMUNITY SAFETY

The Specialist Operations portfolio provides specialist services to both police officers and the community.

Notable achievements in 2015-16 included:

- Continued focus on the disruption of organised crime
- Establishment of the Counter Terrorism Command.
- Increased capacity at the Victoria Police Forensic Science Centre.

PROACTIVE ILLICIT FIREARMS INVESTIGATION TEAM

In 2015-16, Victoria Police Crime Command established the Proactive Illicit Firearms Investigation Team. The unit is based within the anti-gang Purana Taskforce and works closely with the Armed Crime Squad and Echo Taskforce. The role of the unit is to investigate and identify links between firearm thefts and organised crime groups, with the aim of targeting these groups and disrupting their activities. A unified approach with other law enforcement agencies helped to disrupt and identify operational opportunities to prevent the theft of firearms from residential and rural properties.

FIREARMS LAW REFORM

In response to an increase in offences involving illegal firearms, including military grade weapons, the Crime Command identified a number of areas of vulnerability and the legislative reform required to address these issues. The Victorian Government passed the *Firearms Amendment (Trafficking and Other Measures) Act 2015*, which came into effect on 1 December 2015.

The Crime Command continues to undertake extensive consultation with the Department of Justice and Regulation to address any emerging issues. In addition, Crime Command has been instrumental in establishing foundations for a National Illicit Firearms Strategic Advisory Group, which will bring together law enforcement agencies across Australia with a view to coordinating the investigation of organised firearms crime and cross border activity.

ECHO TASKFORCE

The Echo Taskforce commenced in January 2011. The Echo Taskforce has evolved over time and now conducts proactive and reactive investigations involving Outlaw Motorcycle Gangs (OMCGs), and targeted investigations into identified organised crime groups. The Echo Taskforce aims to:

- Increase the level of disruption to OMCGs.
- Improve public safety and increase community confidence.
- Actively engage OMCGs in various policing activities (licensing, road runs, public order, etc.).
- Create an environment that is hostile to OMCGs.

In 2015-16, the Echo Taskforce executed 127 search warrants and seized 38 firearms, actions that significantly disrupted OMCG illegal activities that would have caused significant harm to the community. OMCG activities that were targeted included drug and firearm trafficking, extortion, serious assaults and infiltration into legitimate industries such as security, liquor licensing and heavy haulage.

CRIMINAL PROCEEDS SQUAD

Victoria Police's Criminal Proceeds Squad specialises in the application and enforcement of the Asset Confiscation Scheme. The Scheme aims to combat serious and organised crime through the removal of assets used in connection with the commission of an offence, derived from the commission of an offence, or reasonably suspected of being derived from criminal activity.

The 2015-16 financial year saw the first restraining orders obtained under revised asset confiscation laws dealing with unexplained wealth and enhanced provisions, including the Serious Drug Offender Regime. The Criminal Proceeds Squad has referred nine matters to the Director of Public Prosecutions, who made application and obtained unexplained wealth restraining orders for property/assets valued at approximately \$5.7 million and restraining orders over property/assets valued at more than \$35.0 million.

Below are some examples of key investigations by the Criminal Proceeds Squad:

- A victim's compensation matter following an investigation by the Regional Criminal Investigation Unit. Resulting in property and assets with an approximate value of \$2.2 million being restrained.
- An unexplained wealth investigation conducted by the Brimbank Divisional Response Unit. Resulting in property and assets with an approximate value of \$1.73 million being restrained.
- A Vehicle Crime Squad investigation into serious and organised crime entities, supported by the Criminal Proceeds Squad conducting an Automatic Forfeiture investigation. Resulting in property and assets with an approximate value of \$2.29 million being restrained.

ICE ACTION PLAN

The Victoria Police Forensic Services Department received funding of \$4.5 million over four years as part of the output initiatives associated with Victoria's Ice Action Plan. The funding is for the development of the Forensic Services Drug Intelligence Capability Project, which aims to introduce new forensic intelligence and analytical services to support the Government's Ice reduction strategies.

In 2015-16, Forensic Services progressed the recruitment of six forensic drug analysts and two forensic intelligence analysts and made significant advancement on their training and functioning within the project. Progress has also been made on the development of additional forensic testing methods, which will support the profiling of drug seizures and introduction of intelligence products to assist in understanding the production and distribution patterns of drugs across Victoria.

COUNTER TERRORISM RESPONSE READINESS

Victoria Police constantly monitors and assesses its preparedness and response to a range of emergencies, including terrorism related incidents. Responding to our current security environment remains one of the organisation's top priorities. Extremist groups associated with foreign conflicts in Syria and Iraq, in particular, continue to attract Australians (predominantly youth) to terrorist-related actions both within and outside of Australia.

In September 2015, the Chief Commissioner announced the establishment of the Counter Terrorism Command, which brought together specialist resources and expertise from Crime Command, State Emergencies and Security Command and the Intelligence and Covert Support Command. The Counter Terrorism Command is responsible for driving counter terrorism activities including investigations, intelligence, policy and related capability development within Victoria Police. In the 2016-17 State Budget, Victoria Police received a Counter Terrorism Funding Package (\$62.9 million over five years) for additional specialist staff and police, purchase of specialist equipment and operating expenses and equipment for the Counter Terrorism Command. Funding commenced in 2015-16 and will support ongoing activities with federal authorities, including the Australian Federal Police (AFP) and other partner agencies.

PURSUIT POLICY

Following the release of findings from a coronial inquest in 2014, Victoria Police developed a revised Pursuit Policy, in an effort to reduce the risk to the Victorian community, police and offenders.

Following further review, a new Pursuit Policy (subject to ongoing evaluation) will come into effect in 2016-17, providing instruction on intercepting vehicles and responding to those who flee police. The policy will aim to minimise harm associated with police pursuits, while maintaining the ability to act where there is a serious risk to the health or safety of any person.

MOTORCYCLE TRAUMA RESPONSE

There was a renewed focus on unsafe behaviour and road trauma relating to motorcycles and motorcyclists in 2015-16, with a concerning number of motorcyclists losing their lives or being seriously injured.

The Road Policing Command introduced Operation Atme and Operation Motus to allow the State Highway Patrol to focus on unsafe activities and, through the media and road operations, highlight the need for greater motorcycle rider safety in the community.

The Road Policing Command has also added greater flexibility to the motorcycle fleet. The new vehicles are more manoeuvrable in peak-hour traffic and offer greater visibility to deter behaviours that contribute to road trauma.

CASE STUDY ONE: ECHO TASKFORCE

Upon receipt of information in relation to illegal firearms at a suburban residential premises associated with the Hells Angels OMCG in June 2016, the Echo Taskforce and Australian Federal Police discovered a number of lethal items at the house. Among the items were semi-automatic handguns and pump action shotguns, loaded magazines and rounds, a body armour vest and more than \$11,000 in cash. Suspects were charged with a range of firearm, illegal substance and proceeds of crime possession offences.

The below table outlines some of Victoria Police's taskforces and their purpose.

TABLE 4.1 2015-16 VICTORIA POLICE TASKFORCES

TASKFORCE NAME	PURPOSE	DESCRIPTION
SANO	Investigation of historic and new allegations arising from the Victorian Inquiry into the handling of child abuse by religious and other organisations and the Australian Government's Royal Commission into Institutional Responses to Child Sexual Abuse.	A taskforce of specialist investigators trained in sexual assault matters, aiming to identify links between offenders and offences using modern specialist investigation methods.
JOINT ANTI-CHILD EXPLOITATION TEAM (JACET)	Disruption of online child exploitation networks.	Unification of existing child exploitation taskforces from Victoria Police (Taskforce Astrea) and the Australian Federal Police (AFP) – Child Protection Operations to enable more effective sharing of resources, skill sets and knowledge between national and international jurisdictions.
ICARUS	Prevention of illicit drugs and illegal firearms importations through the international mail system and air cargo stream.	Icarus comprises investigators and intelligence officers from Victoria Police, AFP and Australian Border Force, and disseminates intelligence products to foreign law enforcement partners to facilitate detection of consignments within their countries of origin as well as conducting local investigations of imports.
HERACLES	Investigation of issues arising from the Royal Commission into Trade Union Governance and Corruption.	A joint taskforce between Victoria Police and the AFP funded by the Commonwealth Government. Its primary role is to investigate serious allegations of corruption and criminal offending within the Trade Union arena.
GALLIUM	Victoria Police investigative response to the Metropolitan Remand Centre riots of 30 June 2015, which resulted in damage to the facility estimated at approximately \$12 million.	A taskforce of investigators sourced from Crime Command and Victoria Police Regions, directly engaged with Corrections Victoria, the Office of Public Prosecutions and relevant judicial partners to develop protocols to enable the processing of significant numbers of co-offenders and volumes of evidence. 104 prisoners were charged with offences including sabotage and riot. The investigation required the development of a fully interactive electronic brief of evidence to cover the vast volumes of material involved.
TRIDENT	Established in 2012 to address organised crime activities in the maritime environment across Victoria. Taskforce activities included working with industry stakeholders to identify opportunities to improve crime prevention measures.	A multi-agency effort involving Victoria Police, Australian Border Force, Australian Federal Police, Australian Taxation Office, Australian Crime Commission and Australian Transaction Reports and Analysis Centre.

WORKING WITH OUR STAKEHOLDERS

Engagement and collaboration with stakeholders and the community is fundamental to the work performed by the Specialist Operations portfolio. This year, we worked in partnership with our stakeholders to deliver many significant initiatives, with highlights including the development of the *Towards Zero Road Safety Strategy*, sex offender legislation reform and the creation of the Sex Offender Specialist Response Unit.

ROAD SAFETY

The Road Policing Command continues to work in partnership with the community and our road safety partners to deliver effective road safety outcomes consistent with *Towards Zero* and embed the Safe System principles of looking beyond the driver for the causes of crash trauma.

In 2015-16, the Road Policing Command has:

- Assisted in the development of *Towards Zero 2016-2020*, a vision for a future that is free of deaths and serious injuries on our roads and aims to improve the safety of our roads, speeds, vehicles and behaviour.
- Developed a new funding agreement with the Transport Accident Commission (TAC) to enhance road policing enforcement across the state.
- Worked extensively and collaboratively with the Department of Justice and Regulation and the road safety partners on the development of the *Road Safety Amendment Act 2015*. The amendments directly enhance road safety by:
 - Allowing police to request a blood sample from persons in charge of motor vehicles that have been involved in an accident causing serious injury or a fatality.
 - Creating combined drink and drug driving offences.
 - Enhancing powers to impound vehicles involved in drink driving offences including first offences where a driver's Blood Alcohol Concentration is 0.10 or above.
- Worked in partnership with the TAC to deliver drug tests and blood alcohol tests across Victoria.

FAMILY VIOLENCE ACCELERATED JUSTICE OUTCOMES

The Family Violence Accelerated Justice Outcomes Project is a joint Magistrates' Court of Victoria and Victoria Police initiative that requires police to bring family violence criminal offences and offenders before a Magistrates' Court no later than 28 days from the date of their arrest. Once the matter is before the Courts, it will progress from First Mention to a Summary Case Conference/Contest Mention listing and from that to a Contested Hearing if it cannot be resolved.

This initiative commenced at Dandenong in December 2014 and has since expanded to Shepparton, Broadmeadows, Ringwood, Ballarat, Frankston and Moorabbin Magistrates' Courts during 2015-16. During 2015-16, a total of 2,742 criminal prosecutions were fast tracked into the court system.

In 2016-17, the initiative will expand into Geelong and Bendigo Courts, followed by the Melbourne Magistrates' Court, Heidelberg Magistrates' Court and the Collingwood Neighbourhood Justice Centre.

ROYAL COMMISSIONS AND REFORMS

The Heracles Taskforce was formed to investigate issues arising from the Royal Commission into Trade Union Governance and Corruption. The joint Victoria Police and AFP investigation has been in operation since January 2015 and has been funded by the Australian Government until 31 December 2016. Its primary role is to investigate serious allegations of corruption and criminal offending within the Trade Union arena, including 15 referrals resulting from the Royal Commission into Trade Union Governance and Corruption report delivered to the Commonwealth Government in December 2015.

CASE STUDY TWO: CAPTURE OF “LUX”

A combined Victoria Police, FBI and Interpol investigation that commenced with an anonymous report on 29 March 2014 of a perpetrator identifying himself online as “Lux”. The report indicated that “Lux” was an administrator on child pornography websites. The FBI captured the IP address for “Lux” and the target was eventually identified as living in Melbourne and charged with a number of state and Commonwealth Child Exploitation Material (CEM) related offences and remanded in custody. He subsequently provided information leading to further arrests of CEM related offenders in the United States and Canada.

The arrest and charging of this offender led to the creation of a state-based offence for failing to provide a password to an encrypted device and specific offences for administrators of CEM related sites.

He was sentenced on 17 March 2016 to a minimum 10 years and six months imprisonment for his role as an administrator of a CEM site. He was also placed on the Sex Offender Register for life. This matter has received significant media attention since 2014 and has resulted in a range of new offences and more significant penalties for offenders associated with CEM related offending.

ROYAL COMMISSION INTO INSTITUTIONAL RESPONSES TO CHILD SEXUAL ABUSE

Victoria Police has worked closely with the Royal Commission into Institutional Responses to Child Sexual Abuse since its inception in February 2013. The Commission is scheduled to be completed in December 2017. Throughout 2015-16, Victoria Police responded to a range of referrals of matters of investigation from the Commission’s private hearings, while providing witnesses and subject matter experts to hearings and responding to summons requests for historical and current investigative information and data. Victoria Police has responded to 321 referrals and 77 summons/notices to produce documents since 2013.

SEX OFFENDER REFORM

Victoria Police has had an active involvement in the Inter-Departmental Committee for Serious Sex Offender Reform, which has seen the introduction of legislative reform to advance the management and supervision of sex offenders. Reforms include, but are not limited to, extending police holding powers for sex offenders, the development of prohibition orders restricting specific activities and movement of sex offenders, and improving the prosecution of breaches by sex offenders. The Sex Offenders Specialist Response Unit (SOSRU) was established in December 2015. It is a joint agency specialist response in managing the most serious of sex offenders. The unit is comprised of Victoria Police investigators and intelligence practitioners working alongside Corrections Victoria specialists.

CRIMINAL ORGANISATIONS CONTROL AMENDMENT (UNLAWFUL ASSOCIATIONS) ACT 2015

In 2015-16, Victoria Police and the Department of Justice and Regulation developed a new law reform proposal to modernise the offence of ‘Unlawful Association’ so that it better prevented serious and organised crime, and addressed issues with the existing consorting provision (section 49F *Summary Offences Act 1966*). The *Criminal Organisations Control Amendment (Unlawful Associations) Act 2015* was developed to replace section 49F with a new ‘unlawful association’ offence (to be inserted into section 124A of the *Criminal Organisations Control Act 2012*). The new legislation allows Victoria Police to notify a person that they must not associate with another person who has been previously convicted of a serious offence dealt with in the County or Supreme Court of Victoria. The new laws are intended to deliver on the Government’s commitment to take action against serious and organised crime, in particular OMCGs.

ACHIEVING THROUGH OUR PEOPLE

This year, the Specialist Operations portfolio continued to optimise our organisational intelligence and workforce capability through the Forensic Science Service Delivery Enhancement Program and the successful prosecution of matters at court.

SERVICE DELIVERY ENHANCEMENT PROGRAM

The strategic intent of the Victoria Police Forensic Services Department’s Service Delivery Enhancement Program (SDEP) is to enhance forensic and frontline capabilities by implementing change, streamlining our business and better meeting customer needs. There has been a continued focus on business modernisation and improvement, to benefit frontline policing, forensic science practice and, more broadly, the criminal justice system.

In 2015-16, SDEP continued to deliver:

- A centralised approach to accessing services.
- Improved capacity to meet growing demands.
- Faster turnaround times.
- Streamlined processes.
- A more robust, fit for purpose and adaptive service.

VICTORIA POLICE PROSECUTIONS DIVISION

In 2015-16, the Victoria Police Prosecutions Division prosecuted 255,572 criminal matters to completion at 51 different court locations across the state. Of these, 4,341 were listed for contested hearings, with 1,593 proceeding to contested hearings. A charge was proven in 1,392 cases, with 201 matters dismissed. This represents an overall success rate of contested matters of 93.04 per cent. The remaining 2,748 matters resulted in a guilty plea due to case management by police, resulting in a saving of police time, as they were not required to attend court. Furthermore, 39,253 witnesses were not required to attend court.

‘There has been a continued focus on business modernisation and improvement, to benefit frontline policing, forensic science practice and, more broadly, the criminal justice system.’

DEVELOPING OUR BUSINESS

In 2015-16, the Specialist Operations portfolio implemented many important initiatives aimed at developing our business. Significant programs of work included the Booze and Drug Bus replacement project and improvements in the turnaround time for the examination of forensic samples.

BOOZE AND DRUG BUS REPLACEMENT PROJECT

The Victoria Police booze bus fleet is the most effective and visible method for breath testing motorists, supporting alcohol breath tests and drug tests undertaken by Victoria Police in 2015-16.

The existing fleet is aged and the equipment has deteriorated, requiring replacement. The Victorian Government and TAC have committed \$17.7 million towards a package that includes the overhaul of Victoria's booze and drug bus fleet with four large buses and six smaller buses that will help police test in more places, including rural and regional areas. The custom built fleet is being phased in over three years.

This investment will allow the Road Policing Command to build on Victoria Police's strong history of reducing alcohol and drug related road trauma across Victoria.

FUTURE FOCUS 2016-17

In 2016-17, we will work to progress legislative reform, including in the area of witness protection. We will also continue to develop our intelligence products to significantly improve the safety of the community by offering faster access to national intelligence holdings, reduced risk for decision makers, greater certainty and enhanced analytical capabilities.

FINGERPRINTS

Business improvement initiatives in 2015-16 have resulted in a significant reduction in the turnaround time for processing crime scene service latent fingerprint submissions. Backlogs in this area previously meant turnaround times had increased to several weeks. However, at the end of 2015-16, the average turnaround time for crime scene service submissions, from receipt of the case to the issue of an identification report, had reduced to 3.5 days.

DNA

In May 2016, weekly pickup and examination commenced for volume crime DNA casework, with all new cases submitted picked up for examination the following week, rather than sitting in backlog (up to 25 days) awaiting examination. This has resulted in a dramatic reduction in the turnaround time to complete a case. Early data shows the turnaround time for cases completed under this new process is 18 days, reduced from 65 days (a 72 per cent reduction).

05. CAPABILITY

As the Deputy Commissioner, Capability, I am responsible for the following areas:

- Capability Plan Project Team
- Corporate Strategy and Operational Improvement Department
- Information, Systems and Security Command
- Media and Corporate Communications Department
- People Development Command
- Professional Standards Command
- Service Delivery Reform
- Victorian Equal Opportunity and Human Rights Commission (VEOHRC) Review Response, Partnerships & Innovation Office

I was proud to be appointed as a Deputy Commissioner in 2015-16 to lead a new Capability portfolio. We have worked closely with stakeholders and the community to respond to demand for policing services by improving access to and use of information; driving performance policy and strategy; supporting legislative reform; and addressing emerging issues.

We have also prioritised, and focussed our efforts on strategic initiatives to support the development and implementation of an organisational Capability Plan. I look forward to continuing to work with our dedicated staff and stakeholders in 2016-17 to continue to mature the Plan and implement the Year 1 actions. Other key highlights included:

- An immediate response to the VEOHRC Independent Review to deliver cultural change and implement the Review recommendations.
- Significant preparatory work to ensure readiness to implement Victorian Government investment in mobile technology and intelligence capability, including a practice model to test capability.
- Continuing to rollout an organisation wide *Facility Security Risk Assessment* process to address risks to the safety of Victoria Police staff and its facilities.
- Delivering Police Custody Officer (PCO) capability, which has included the employment of 214 PCOs

- across 21 of the 22 primary stations due to receive PCOs, releasing police to focus on higher priorities.
- Implementing a suite of safety initiatives and intelligence products to improve the professional and ethical behaviours of Victoria Police employees.
- The new Craigieburn Operational Safety and Tactical Training Venue which provides a dynamic learning environment for frontline police and Victoria Police specialist service areas.
- Enhancing training programs to strengthen the capability of police to respond to and manage critical incidents.
- Implementing Year Two of the *Equality Is Not the Same...* program of work, which has continued our commitment to drive cultural and organisational change to better support police in effectively engaging with Victoria's diverse community.
- Implementing the *Victoria Police Accessibility Action Plan 2014-17* and a suite of initiatives, strengthening our capability in responding to people with disabilities.
- Implementing *Future Directions for Victim-Centric Policing* and further initiatives to enhance responses for victims.

Wendy Steendam APM
Deputy Commissioner
Capability

The following section provides more detail on some key achievements against areas of focus across the Capability portfolio, along with additional strategies and actions to improve the effectiveness of policing services in Victoria.

IMPROVING COMMUNITY SAFETY

The Capability portfolio develops organisation wide strategies in response to underlying drivers of crime.

While we have undertaken policy and strategy work across a number of areas, notable efforts in 2015-16 include:

- Strengthening our capability to manage high risk incidents.
- Implementing new models to increase our front line capability.
- Implementing initiatives to respond to and strengthen victim-centric policing.

POLICE CUSTODY OFFICERS FREEING UP FRONTLINE POLICE RESOURCES

We commenced implementation of the Victorian Government's commitment to recruit 400 PCOs and employed 214 PCOs at 21 of the 22 primary stations due to receive PCOs. The PCOs manage people in police custody including facilitating court attendance. Significant work was progressed to support this initiative across key work streams, including legislation, policy, recruitment, education and training, infrastructure, finance and change management.

This essential support role has enhanced the capability of Victoria Police, and enabled release of police to the frontline to deliver a more flexible, responsive and visible service to the community.

IMPROVING PROFESSIONAL AND ETHICAL BEHAVIOUR AND TASKFORCE SALUS

Taskforce Salus has continued investigation of allegations of sexual predatory behaviour, sexual harassment and sex discrimination against current or former Victoria Police employees, and to improve the professional and ethical behaviours of Victoria Police employees.

REDUCING ALCOHOL RELATED HARM

Victoria Police continued to work to reduce alcohol-related harm in the community and build an evidence base around best practice prevention and early intervention approaches. Under its Reducing Alcohol-Related Harm Strategic Approach, North West Metro Region Division 1 commenced the MY City (Melbourne/Yarra) operating model. MY City was designed to realign service delivery by Victoria Police to complement the introduction of the Night Network, the Victorian Government 24 hour public transport trial. Victoria Police and its partners also delivered the Southern Metro Region Alcohol Diversion Program to support recidivist intoxicated offenders to engage in treatment to break the cycle of their alcohol misuse and offending.

Building on the recommendations from the Royal Commission into Family Violence, Victoria Police will work with Government partners in 2016-17 to drive better outcomes and contribute to legislative reforms which reduce alcohol-related harms in the community.

VICTIM-CENTRIC POLICING

Future Directions for Victim-Centric Policing was launched by the Chief Commissioner in July 2015. A suite of initiatives that were progressed in 2015-16 will ensure the delivery of enhanced services for victims and those in need of assistance.

Key achievements this year include:

- A total of 35,313 Victoria Police e-Referrals have been made to 136 support agencies. This achievement highlights our commitment to improving capability for preventive and proactive policing to assist community members who are in need of assistance and may benefit from accessing specialist support.
- Work commenced to further embed victim-centric policing principles into training programs.
- A victim-centric service delivery portfolio role is now established at the police station level and is responsible for supporting and encouraging police to maintain a victim-centric focus and increasing compliance with the legislative requirements of the *Victims' Charter Act 2006*. The Victims Support Agency (VSA), within the Department of Justice and Regulation, is responsible for coordinating services for victims of crime in Victoria. The VSA funds a network of Victims Assistance Programs (VAP), throughout metropolitan and regional Victoria. The aim of VAP is to address the needs of individual victims, including supporting victims of crime, and providing services such as case management, practical support, advocacy, legal advice and counselling. Victoria Police and VSA have expanded the agreement for VAP to be co-located at designated police stations across Victoria. By the end of June 2016, there were 22 co-located VAP services in place.

TRAINING AND SKILL DEVELOPMENT

The People Development Command has continued to implement initiatives to strengthen the capability of our employees. Key work has included an enhanced model for the Arson 'Bushfire' Investigation Training Course; a new cultural diversity education strategy in partnership with the Priority Communities Division; and integration of a values driven, decision making tool (Hydra) into Foundation Training Programs.

Training and skill development included a focus on operational safety in 2015-16.

The new Craigieburn Operational Safety and Tactical Training Venue is providing a dynamic learning environment for frontline police and Victoria Police specialist service areas. The contemporary 'scenario village' and state-of-the-art 300 degree interactive simulator will allow training to be targeted at specific job roles, responsibilities and operational safety tactics.

Conducted Energy Device user and awareness training continued to be delivered across Victoria. The use of these devices enhances the capability of police to manage and resolve high risk incidents. In response to emerging global developments and incidents, training programs for frontline responders were enhanced to further strengthen operational capability. An Active Armed Offender package that was informed by the learnings of other jurisdictions has been developed to provide all police with the requisite skills to effectively respond to and manage these critical incidents. The training was delivered to 10,843 police in 2015-16.

WORKING WITH OUR STAKEHOLDERS

Stakeholder and community engagement is a critical component of every piece of work in the Capability portfolio. Some of the key highlights in this area in 2015-16 included:

- Implementing a suite of initiatives and reforms through the *Equality Is Not the Same...* program of work to strengthen community engagement and ensure policing services respond to the needs of specific communities.
- Developing new approaches to support police regions to ensure professional and ethical behaviour of employees.
- Strengthening online communication services.

EQUALITY IS NOT THE SAME...

In implementing Year Two of the *Equality Is Not the Same...* program of work, we have continued our commitment to drive cultural and organisational change to better support police in effectively engaging with Victoria's diverse community.

Year Two continued to focus on the testing and implementation of the varied program of works developed during Year One.

We have strengthened our cultural capability through a suite of achievements led by the Priority Communities Division including:

- Development of practical tools and resources for use by frontline police.
- Implementation of policies, guidelines and processes to reinforce cultural awareness and human rights in decision making and practice.
- Testing of a receipting 'proof of concept' as outlined in the *Equality Is Not the Same...* three year action plan.
- Rollout of the *Cultural, Community and Diversity Education and Community Engagement Strategy* to strengthen cultural capability.
- Introduction of wider education reforms to address the training needs of frontline police.

ACCESSIBILITY ACTION PLAN 2014-17

Implementation of the *Victoria Police Accessibility Action Plan 2014-17* and a suite of initiatives has strengthened our capability in responding to people with disabilities. Key achievements in 2015-16 include:

- Development of Easy English resources for people accessing police services, including *Reporting Crime: Your Rights* and *Reporting Sexual Crime*.
- Engagement of Auslan interpreters for key community safety messages.
- Establishment of an online resource hub for police employees, including a good practice fact sheet for engaging and communicating with people with disabilities.
- Site visits to police facilities to identify good practice for accessibility.
- Disability confidence training provided to recruitment staff, hiring managers and corporate customer service staff.
- A new employment program for people with intellectual disabilities.
- Creation of the Coping Carers Network to provide support for employees caring for children with disabilities or chronic medical conditions.
- Public Advocate Awards for police stations, employees or units who have provided outstanding service to people with disabilities.

ABORIGINAL AND TORRES STRAIT ISLANDER PROTOCOL GUIDE

In support of the *Victoria Police Aboriginal and Torres Strait Islander Employment Plan 2014-2018*, the *Aboriginal and Torres Strait Islander Protocol Guide* was developed during 2015-16 and released during NAIDOC Week in July 2015. This initiative aims to provide Victoria Police employees with a resource on the use of appropriate language and terminology, cultural sensitivity and ultimately improved understanding of Aboriginal culture and language, particularly in the development of policy, programs and processes.

CASE STUDY ONE: COMMUNITY ENGAGEMENT - REGIONAL SUPPORT AND SERVICE DELIVERY (LATROBE)

In response to an identified need to strengthen community relationships, the Latrobe Local Area Command (LAC) developed and established the Latrobe Police Interfaith Network. The Network comprises representatives from a range of faiths and community groups.

The network is the first of its kind for this region and is chaired by the LAC. The network's development was based on the Multifaith Strategy, developed by the Priority Communities Division. The network also includes the participation of local Koori stakeholders recognising the traditional land owners. The Latrobe LAC now has regular meetings with key stakeholders and the perspectives and issues discussed have provided the basis for further informed decision making, enhanced levels of mutual understanding between communities and a ready-made mechanism for fostering and promoting social cohesion.

ONLINE COMMUNICATIONS

In 2015-16, the growth of Victoria Police's social media channels continued to deliver improved community engagement. The Victoria Police Facebook audience has grown to 430,000, more than 130,000 in the previous year. In addition, Victoria Police uses Twitter, Instagram and video such as YouTube and live streaming to interact with external and internal audiences regarding policing, crime prevention and success stories.

Localised Facebook pages under the Eyewatch banner have also seen huge growth. Collectively, the 19 Eyewatch pages have grown in 'likes' from 40,000 to 120,000 during 2015-16. To support timely engagement and monitoring of potential threats to the community, the Online Communications Division is expanding and will be rolling out additional Eyewatch pages in 2016-17.

The Chief Commissioner's Twitter account has also been well received. Closely aligned with the broader Victoria Police Twitter account, @GrahamAshtonCCP provides a forum to share relevant information.

ANGELA TAYLOR 30TH ANNIVERSARY MEMORIAL SERVICE

A memorial service was held on 24 March 2016, to pay tribute to Constable Angela Taylor, who was murdered in the Russell Street bombings 30 years ago. Constable Taylor's parents, as well as hundreds of serving and former police, government representatives and the community, gathered at the Old Police Garage on Russell Street, where Constable Taylor was remembered as an inspiring and dedicated police officer. The Chief Commissioner presented the Taylor family with Constable Taylor's National Police Service Medal. The Blue Ribbon Foundation donated \$150,000 to the new Intensive Care Unit at Royal Melbourne Hospital which is dedicated in Constable Taylor's name.

ACHIEVING THROUGH OUR PEOPLE

The People Development Command is responsible for developing the skills, capabilities and confidence for our people to professionally lead and influence the delivery of community safety.

During 2015-16, we continued to build the capability of our people to support delivery of timely and effective policing services. Some of our notable efforts and achievements in improving the capability of our people are outlined below.

VICTORIAN EQUAL OPPORTUNITY AND HUMAN RIGHTS COMMISSION INDEPENDENT REVIEW

Following the release of the Report in December 2015 by VEOHRC, the Chief Commissioner formally acknowledged the harm done to many Victoria Police employees, accepting all 20 recommendations. He made clear his expectations, and formally apologised to serving and former members of Victoria Police including LGBTI members who experienced workplace harm.

Victoria Police responded immediately to the VEOHRC findings, with the establishment of victim centric responses focused on the impact and wellbeing of employees.

Key services were established to support employees including:

- Safe Space 1300 364 522: an external and independent service providing 24 hour/seven days a week/365 days per year state wide confidential advice, support and advocacy for victims/targets of workplace harm, available to both current and former employees and their families.
- Workplace Harm Hotline 1800 598 846: providing advice, triage and referral, related to any complaint made to the Professional Standards Command or Taskforce Salus.

In addition, actions included:

- The VEOHRC Review Response Partnerships and Innovation Office was established to manage the program of work.
- All members of Command personally led presentations to their workplaces and set expectations with staff regarding their support for a respectful and supportive workplace which is free from sex discrimination and harassment. In addition, the review team have delivered tailored, workplace based presentations to over 800 staff.
- Developing and commencing implementation of a comprehensive communication and engagement strategy.
- Allocating funding to support reform programs and contribution of existing capacity by Commands.

The VEOHRC Response Implementation Steering Committee and independent advisory structures are providing oversight for this work.

Implementation of the recommendations will deliver significant organisational change, creating a gender inclusive workplace where all employees are safe and treated with dignity and respect.

CASE STUDY TWO: EQUALITY IS NOT THE SAME

Enhancing Victoria Police employees' cultural capability through education opportunities was a continued focus for years two and three of the *Equality Is Not the Same...* Action Plan.

The Professional Approach to Community Engagement (PACE) has been used as a model to implement a community engagement focused assessment into foundation training for the first time. PACE requires staff to research the local community where they will be placed and combine this with practical on the job experience to develop an understanding of the communities' complexities and current issues. The task encourages forward thinking, engagement with proactive liaison officers and a greater understanding of overarching organisational priorities. Reflecting on the acquired learning and value of the task, one constable stated "I'm going to do that every time I transfer stations". This task is just one initiative in a suite of changes to support the capability growth of our employees. The impact of these changes will continue to be measured and evaluated into the 2016-17 financial year.

IMPROVING ETHICAL AND PROFESSIONAL BEHAVIOUR

A suite of new initiatives was implemented by the Professional Standards Command to improve the professional and ethical behaviour of Victoria Police employees, incorporating a shift in focus away from a primarily punitive approach to one which supports the management of underperformance, rehabilitation and restorative justice.

The Capability Liaison Network was developed to source the most contemporary information available regarding innovative integrity programs. This includes 'Unlock the Vault', a reflective concept of sharing discipline inquiry outcomes; and the Organisational Behaviour Trends interactive publication, promoting early intervention through provision of key trends and themes.

The Accountability and Resource Model (ARM) and Regional Engagement Model (REM) were implemented across Victoria Police by the Professional Standards Command in 2015-16. The ARM clarifies which area is responsible for investigation primacy and the REM ensures appropriate support is made available to the Regions, enabling them to conduct effective criminal and/or disciplinary investigations against Victoria Police employees. The REM is designed to improve support and capability development of regional staff undertaking professional standards investigations.

DEVELOPING OUR LEADERS

Design and delivery of leadership and executive development programs was undertaken to further increase the capability of employees.

New leadership mentoring streams were developed for employees who were considered to have potential for more senior roles. A total of 17 participants, joined by colleagues from Corrections Victoria, Department of Health and Human Services and the Melbourne Fire Brigade, participated in the Senior Managers Leadership Development Program. This program focuses on leading cultural change and incorporates learning through feedback, self-reflection, group/syndicate work, executive coaching and team based learning. In addition, there has been an increased focus on the development of middle managers or supervisors with the introduction of four new pilot programs and a suite of training programs for employees.

CONSTABLE QUALIFYING PROGRAM

The Constable Qualifying Program which enables experienced Protective Services Officers to transition to the role of police officer, has been embedded as a core Foundation Training Program. Feedback from police stations highlights that constables who successfully complete this program graduate at an exceptionally high standard.

DEVELOPING OUR BUSINESS

POLICING INFORMATION PROCESS AND PRACTICE REFORM

During 2015-16, the Policing Information Process and Practice Reform program completed significant work in seeking capability investment from Government, and delivering the remaining sustainment upgrades to Victoria Police Intelligence and Investigation Management systems, Law Enforcement Assistance Program (LEAP) and Interpose. The Government announced funding commencing in 2016-17 for a range of police projects including:

- Mobile Technology: delivering handheld mobile devices to frontline police.
- Intelligence Capability: a new system that will provide enhanced intelligence data analytics.
- Case Management: to conduct a proof of concept activity to determine the future case management solution for policing.

To achieve this, a number of preparatory tasks were completed to demonstrate the ability of Victoria Police to plan, build, deliver and transition these projects.

A program team was established to support delivery of these projects. Specialists in the field of information technology, procurement, project management, change management and financial management are collaborating with police to develop and deliver solutions that meet the needs of police.

INTERPOSE SUSTAIN WORK

In June 2016, Interpose (Victoria Police Intelligence and Investigation management system) was upgraded to deliver greater system stability and ensure future enhancements can be more readily supported.

Following the upgrade, a number of system enhancements also became available to improve the way intelligence is managed. This has enhanced the police response to planned and unplanned incidents.

LEAP ELECTRONIC DIRECT REPORTING – (LEDR Mk2)

The LEDR Mk2 application has been successfully upgraded to improve information sharing and provide a more efficient process to record core police reporting. The upgrade means frontline police can now digitally enter all crime and event reports directly into LEAP. Further benefits of this upgrade will flow when 'mobile technology' rolls out to frontline police. This will allow the direct input of all crime reporting 'in the field', increasing the efficiency and effectiveness of police reporting and enhancing service delivery to the community.

CASE STUDY THREE: POLICE CUSTODY OFFICERS – CHANGE MANAGEMENT AT HEIDELBERG POLICE STATION

A focus on timely and quality change management has contributed to successful implementation of PCOs. Formal change management activity began at the Heidelberg Police Station in October 2015 with development of a change management plan as a collaboration between local station management and the PCO program team. The change plan focussed on the critical success factors for change such as awareness, buy in, knowledge, activity and reinforcement and key activities.

The comprehensive induction program included activities such as development of a video for PCOs and provision of specific information for all station staff on the policy and practice, PCO powers and duties. This was complemented by police knowledge and establishment of a dedicated custody portfolio holder at the Heidelberg Police Station.

Change effectiveness was monitored by online pulse checks and interviews with PCOs, police supervisors and police mentors at the Heidelberg Police Station conducted in March and June, 2016. All PCOs employed at Heidelberg Police Station reported a high level of satisfaction with the change management program that addressed themes such as inclusivity, quality of training, support and wellbeing. All police supervisors also reported a high level of satisfaction with the change program.

FUTURE FOCUS 2016-17

- Complete Year 1 Capability Annual Plan actions and implement organisation wide processes to support the Plan.
- Implementation of phase two and three of the VEOHRC Independent Review Action Plan.
- Continue to drive cultural change within the organisation and ensure continuous improvement in ethical and professional behaviour, and support local managers to intervene in areas of high risk.
- Finalise implementation and evaluation of the Year Three *Equality Is Not the Same*..... program of work and determine next steps
- Deploy additional PCOs to fulfil the Government's commitment of 400 PCOs deployed by the end of 2017.
- Commence training the additional police recruits to meet State Government, Public Safety Police Response commitment funded in 2016-17.

06. INFRASTRUCTURE

As the Executive Director, Infrastructure, I am responsible for the following areas:

- Procurement
- Operational Infrastructure
- Information Technology Service Delivery

These areas support policing commands and departments with fit for purpose operational infrastructure, IT assets and services, as well as Victorian Government Purchasing Board (VGPB) compliant procurement and commercial processes.

The Infrastructure portfolio works closely with all parts of the organisation to provide the underpinning physical, technology and logistics infrastructure that enables employees to operate in an effective and safe manner.

2015-16 activity has included a renewed focus on meeting internal stakeholder and customer needs by providing support across IT systems and infrastructure, timely and value for money procurement, fleet management, logistics capability and property management services.

The evaluation of a market-led proposal to establish a new Victoria Police headquarters was a key development activity that will provide longer term benefits to the organisation.

Cliff Owen PSM
Executive Director
Infrastructure

IMPROVING COMMUNITY SAFETY

Infrastructure plays a key role supporting Victoria Police's visible community presence and in building the capability of our organisation.

During 2015-16, there was a continued focus on facility development and a review of police facility security and modifications, with the aim of continuing to engage with the community while still ensuring the safety of employees.

NEW FACILITIES

During 2015-16, a series of capital projects were completed, including new police stations at Forest Hill and Southbank, new facilities at Somerville and the new Police Mounted Branch and Dog Squad facility at Attwood. Other community support facilities, in the form of Multi-Disciplinary Centres, were also completed at Bendigo and Morwell. A continued focus on facility development has included the exploration of design solutions that provide greater engagement opportunities with the community and other stakeholders, as well as practical and safe workplaces for employees.

FACILITY SECURITY

An extensive review of police facility security was undertaken and a series of new security principles adopted. This included physical security modifications, new access controls to police sites and other active security arrangements. Due to a number of incidents involving offenders in reception areas at police stations, a program of works has been progressed at most police sites to install protective security screens. As far as possible, these installations have sought to continue to enable direct engagement with the community, whilst providing protection to staff in the event of incidents where health and safety may be challenged.

WORKING WITH OUR STAKEHOLDERS

As an internal service delivery team, the Infrastructure portfolio continues to support frontline police service delivery and to ensure that, organisation wide, our staff have the resources required to perform our business.

Collaboration with stakeholders and the community lies at the core of successful frontline policing. Our notable achievements in 2015-16 included:

- A market-led proposal for a new Victorian Police headquarters.
- A number of large procurement initiatives.
- Engagement of a strategic partner to support the development and deployment of organisation wide IT reforms.

MARKET-LED PROPOSAL – NEW VICTORIA POLICE HEADQUARTERS

Extensive work was undertaken in 2015-16 on the assessment of a market-led proposal for a new Victoria Police Headquarters at 311 Spencer Street. The proposal is being considered under the Department of Treasury and Finance Market-Led Proposal Guidelines and is currently in stage four of a five stage process.

MAJOR PROCUREMENT SUPPORT

A number of large procurement initiatives were supported through 2015-16, including the engagement of a strategic partner to support the development and deployment of organisation wide IT reforms. This partnership arrangement has provided Victoria Police with access to specialist resourcing and advice across a range of technically complex IT areas, whilst also providing the option of continuity in the provision of support and advice to major IT projects.

Procurement support was also provided to current major tenders relating to the progressive replacement of the Victoria Police boat fleet, replacement and redesign of the booze/drug bus fleet, telephone monitoring systems and the replacement of the current Melbourne Custody Centre contract.

ACHIEVING THROUGH OUR PEOPLE

The Infrastructure portfolio contributed to a number of programs to support the organisation as a whole.

COMMERCIAL CAPABILITY INITIATIVE

The Police Procurement Board and the Chief Procurement Officer have previously identified the need for building new capability in relation to configuring and managing commercial contracts. New initiatives designed to enhance capability in this area have been introduced, including additional professional resources, new commercial risk assessment processes and training programs. Significant benefits have already been achieved through the deployment of this new capability across a number of existing contracts.

IMPROVING ACCESS TO INFORMATION TO SUPPORT SERVICE DELIVERY

During 2015-16, a project was further developed to significantly increase the range of information that can be directly entered by police into our IT systems. The increased functionality has been deployed across all of the police regions, Crime Command and the Transit and Public Safety Command. This work increases the immediate access to updated policing information and enables the provision of improved and timely information relating to delivery of services.

DEVELOPING OUR BUSINESS

The Infrastructure portfolio has a significant role in building and maintaining organisational capability. This takes a number of forms.

POLICE CUSTODY OFFICER FACILITY WORKS

An extensive program of works has been undertaken to modify or upgrade police custody areas and police stations, to accommodate the introduction of Police Custody Officers (PCOs). In 2015-16, works were completed at 19 of the 22 primary sites to meet initial PCO deployment scheduling. Further works have been scoped at an additional six secondary sites where custody capacity may be required for business continuity or peak capacity requirements.

IT INFRASTRUCTURE UPGRADES

A major program of bandwidth capacity upgrades (from 1Mbps to 4Mbps) across 206 police stations is being undertaken, with 155 being completed in 2015-16. A further 51 sites will have completed upgrades by August 2016. Improvements in bandwidth capacity have a significant benefit in terms of transmission speeds for data and information across the police network, enabling faster updates to data and applications. Some significant delays in access to regional IT systems have been eliminated by this initiative.

Following the completion of the state wide desktop refresh during 2015 and 2016, a second stage project to increase deployment of desktop PCs to police stations and Crime Command has been completed. To meet emerging demand, an additional 400 desktop devices have now been deployed to support these operational areas. This additional capacity was complemented by the deployment of the Insight portal for all users of IT within Victoria Police. The portal provides a simple and effective online means for employees to log IT issues for resolution, including the ordering of new hardware, software and seeking access to information held on the Victoria Police network.

Substantial work has also been progressing in the refresh of Victoria Police Data Centres, which involves update to a number of software applications and equipment. The finalisation of the Data Centre refresh activity in 2016 will deliver system performance benefits and additional Disaster Recovery protection for IT. This work will further enhance the sustainability of the Victoria Police IT infrastructure.

SUSTAINING CORE POLICING SYSTEMS

During 2015-16, work has continued to sustain the performance of essential policing systems, the Law Enforcement Assistance Program (LEAP) and Interpose. Ongoing and reliable access to these systems is essential for every component of police service delivery. Work to sustain LEAP was completed at the start of 2015-16 year and the completion of Interpose upgrades were finalised in June 2016. Further ongoing work will include independent assessment of the systems to ensure their ongoing sustainability.

FUTURE FOCUS 2016-17

In the next 12 months, the Infrastructure portfolio will continue its focus on frontline police support.

This will include the progression of new police station construction works at ten locations and refurbishment works at a further 15 sites. In addition, an expanded program to replace police residences will be implemented at ten locations. This is an important part of ensuring police operations are sustainable in more remote locations.

Organisational reviews initiated in 2015-16 will be further progressed in the Property and IT functions and enhanced capability will be progressively introduced through staff development and service redesign across the portfolio. In addition, the concept of unified design in relation to equipment, uniforms, vehicles and facilities will be further explored to ensure there is full integration of these items to support operational activities.

The cessation of vehicle manufacturing in Australia during 2016 and 2017 will also present new challenges regarding replacement of police vehicles, which have been traditionally sourced from within the local market. A program of analysis and testing of vehicles against established safety standards will be undertaken to identify replacement vehicles that best meet a variety of operational needs.

Contributing to the implementation of the Public Safety – Police Response initiative, including mobile technology and intelligence capabilities and body worn cameras.

07. BUSINESS SERVICES

As the Executive Director, Business Services, I am responsible for the following areas:

- Financial Services Division
- Human Resource Department
- Public Support Services Department
- Strategic Investment, Reporting and Audit Division
- Police Enterprise Bargaining Division

During this year, Business Services staff continued to support Victoria Police in delivering its services to the community.

This year, we serviced approximately 1.49 million information requests and customer contacts from the community and various organisations.

We continued to focus on the regulation of the firearm, private security and weapon industries, with the financial year seeing an increase on the number of processed applications and renewals for firearm permits and licences.

We are proud of our achievements and continuing commitment to becoming a truly inclusive and safe employer. During 2015-16, there was significant focus on responding to our employees' mental health.

Implementation of recommendations from both the *Victoria Police Mental Health Review* and Victorian Equal Opportunity and Human Rights Commission (VEOHRC) *Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police* have commenced. There have been improvements to the Organisational Standards and Behaviours Branch (OSBB), responsible for workplace investigations, mediations and/or other alternative dispute resolution strategies. Business Services

coordinated a number of successful inter-governmental investment initiatives, collaborating with agencies such as Emergency Management Victoria, Courts Services Victoria, Public Transport Victoria and the Department of Justice and Regulation. There were also internal programs which focused on improving services and administration, as well as the development and implementation of initiatives aimed at improving diversity and inclusion of diversity groups.

The Victoria Police (Police Officers (excluding Commanders), Protective Services Officers, Police Reservists and Police Recruits) Enterprise Agreement 2015 was effectively negotiated and agreed and came into effect on 28 March 2016. The *Victorian Public Service Enterprise Agreement 2016* also came into effect 18 May 2016.

Karl Kent OAM
Executive Director
Business Services

IMPROVING COMMUNITY SAFETY

Business Services have worked to optimise our licensing and regulatory procedures, both across Victoria and nationally.

REGULATING THE FIREARM, PRIVATE SECURITY AND WEAPON INDUSTRIES

In 2015-16, there were 141,710 applications and renewals processed for firearm permits and licences, private security licences and registrations and Chief Commissioner weapon approvals. This figure represents a 3.6 per cent increase on the same applications processed in 2014-15. Of the applications processed in 2015-16, 95 per cent were approved.

As at 30 June 2016, there were:

- 219,005 current Victorian firearm licences.
- 792,845 registered firearms attached to 211,610 current firearm licences.
- 34,876 private security licences and registrations.
- 871 Chief Commissioner weapon approvals.

Victoria Police continues to focus on compliance to ensure only fit and proper people are licenced. Across the state, 1,885 firearm licences and private security licenses and registrations were cancelled in 2015-16.

In 2015-16:

- 49,600 new and renewal firearm licence applications, and 15,209 new and renewal private security licence and registration applications were approved.
- 957 new and renewal firearm licence applications, and 270 new and renewal private security licence and registration applications were refused.
- 1,370 firearm licences and 179 private security licence and registrations were suspended.
- 1,629 firearm licences and 256 private security licence and registrations were cancelled.
- 69,697 firearm permit applications were approved.
- 340 firearm permit applications were refused.

Firearms related legislative changes were introduced during the year with the aim of:

- Reducing the traffickable quantity of firearms.
- Clarifying when a person is deemed to be in possession of a firearm.
- Making the illegal manufacture of firearms its own offence.
- Making the theft of a firearm a specific offence under the *Crimes Act* 1958, carrying a penalty of up to 15 years.

Collaboration with CrimTrac and firearm registries in other jurisdictions has continued on the implementation of the National Firearms Interface, to improve information sharing and consistency in the national firearm regulatory framework. The project will commence implementation in Victoria in 2016-17.

CASE STUDY ONE: PUBLIC SAFETY – POLICE RESPONSE

The Public Safety - Police Response (PSPR) initiative represents a significant milestone for strategic investment in Victoria Police and current and future organisational capabilities. Coordinated by the Strategic Investment Management unit within the Business Services Department, the package bolsters key capabilities across the organisation such as disruption and prevention, intelligence and investigation.

Widespread collaboration with stakeholders across Victoria Police, other agencies and the Government was required to ensure investment in the resources and equipment integral to enhancing community safety. As both a body of work and an investment legacy, PSPR is a true representation of the complex and multi-faceted methodologies, tactics and approaches required to maintain and strengthen Victoria Police's capabilities to protect and serve.

WORKING WITH OUR STAKEHOLDERS

Business Services continues to work with key stakeholders to progress and complete initiatives that support the delivery of policing services. Most notably in 2015-16, this has included improving the response to employee mental health, the ongoing expungement of historical homosexual offences, enhancing timely access to services for licence holders and freedom of information requests, and finalising negotiations for employee agreements.

IMPROVING THE RESPONSE TO EMPLOYEE MENTAL HEALTH

In recognition of the significant impact mental health and wellbeing can have on individual employees and those around them, Business Services has engaged with a range of stakeholders to improve the response to employee mental health.

In 2015-16, Victoria Police worked with the Police Association of Victoria and the Department of Justice and Regulation to commence the development of a mental health smart phone app. Specifically designed for law enforcement, the app will focus on self-help tools for police employees and their family members. The app was designed in collaboration with trauma specialists and the Victoria Police specialist psychology team, and will be released in 2016-17.

- In addition to this, Business Services has worked with:
- Medical practitioners, providing information sessions aimed at establishing local relationships to support employees with mental health issues, and employees returning to work.
 - Deakin University, undertaking analysis as part of the Systems Evaluation for the Prevention of Suicide (STEPS) Program.
 - Trauma specialists, designing and implementing a program providing early intervention for employees at risk of post-traumatic stress disorder.
 - The Emergency Services Telecommunications Authority, enhancing the categorisation of safety risks, as well as improved communication to Victoria Police employees regarding safety when responding to calls for assistance.
 - The Melbourne Fire Brigade and Ambulance Victoria to commence the development of initiatives to address joint safety risks for employees when responding to calls for assistance.
 - Other government agencies and departments, as part of an advisory working group on mental health.

EXPUNGEMENT OF HISTORICAL HOMOSEXUAL OFFENCES

Victoria Police continues to work collaboratively with internal and external stakeholders in the implementation of the historical homosexual convictions expungement scheme. As a data controller, Victoria Police has expunged relevant records to address unjust and prejudiced laws against homosexual acts which took place prior to decriminalisation in March 1981.

IMPROVING SERVICES FOR LICENCE HOLDERS

The delivery of services to licence holders was improved with the introduction of BPAY as a payment method for firearm licences. This has reduced the burden on licence holders who were previously required to attend designated banks in person, saving Victorians more than \$400,000 in travel and associated costs each year. Since implementation in December 2015, BPAY payments have steadily increased and, in June 2016, 23 per cent of all payments for all licences were made via BPAY.

SUPPORTING THE ADMINISTRATION OF JUSTICE, CRIME PREVENTION, REGULATORY SERVICES, LICENSING AND EMPLOYMENT

The Victoria Police Records Services Division serviced over 785,000 requests for policing information and customer contacts from across the community and various organisations. This supported purposes such as the administration of justice, crime prevention, regulatory services, licensing and pre-employment checks. In excess of 710,000 additional information requests were also serviced, directly supporting various operational policing functions of Victoria Police and other police agencies.

During 2015-16, the number of Freedom of Information (FOI) requests and subpoenas received continued to increase, with Victoria Police actioning the most FOI requests ever received in a financial year.

TABLE 7.1: FREEDOM OF INFORMATION REQUESTS AND SUBPOENAS

	2014-15	2015-16	% INCREASE
FOI REQUESTS	2,823	3,151	11.6
SUBPOENAS	3,920	3,932	0.3

Victoria Police continues to demonstrate an ongoing commitment to transparency, with zero overdue FOI requests at the end of each month during the entire financial year. In addition, Victoria Police is consulting with other agencies to facilitate the implementation of Government election commitments to review FOI legislation.

EMPLOYMENT AGREEMENTS FINALISED IN 2015-16

The Victoria Police (Police Officers (excluding Commanders), Protective Services Officers, Police Reservists and Police Recruits) Enterprise Agreement 2015 (The Agreement) came into effect on 28 March 2016, with all salary and salary related allowances applicable from 1 December 2015. Agreement was reached successfully without productivity losses associated with industrial action. The Agreement delivers on supporting an improved service delivery, productivity and flexibility through:

- Ensuring Victoria Police has the right people in the right roles (merit-based transfers in country locations).
- Increasing flexibility to move police to meet service demand through decreased excess travel restraints and all employees maintaining operational readiness qualifications unless medically unfit.
- Commitment to the Fair Work Act and VEOHRC recommendations for flexibility arrangements and gender equity.
- Recognising and remunerating employees who perform duties within specialist areas or during unsociable hours through increased penalty rates and allowances.

The key outcomes for Victoria Police from the *Victorian Public Service Enterprise Agreement 2016*, which came into effect 18 May 2016, included:

- Introduction of a family violence leave provision, providing access to up to 20 days paid leave each year.
- Renegotiation of current Forensic Officer overtime provisions to remove previous ambiguity, and inclusion of a training clause to ensure fairness and consistency of the provision of training and development for Forensic Officers.
- Development, negotiation and implementation of Police Custody Officer terms and conditions specifically outlining appointment, classification structure, hours of work, uniform, fitness for duty requirements and classification level descriptors.
- Improved processes for managing excess annual leave.
- Access to non-discriminatory parental leave entitlements.

ACHIEVING THROUGH OUR PEOPLE

In 2015-16, Business Services staff continued to prioritise the health and wellbeing of our workforce, and strived to ensure our organisation remains a leading workplace of choice. Amongst many achievements, notable milestones included the release of the VEOHRC *Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police* and milestones around improving diversity.

IMPROVING DIVERSITY

Over the past 12 months, Victoria Police has developed and implemented initiatives aimed at supporting diversity and inclusiveness. Key focus areas over the last year have been to:

- Develop attraction strategies targeted at increasing the representation of women, members of the LGBTI, Aboriginal and Torres Strait Islander and identified Culturally and Linguistically Diverse (CALD) communities.
- Update current policies and develop new policies to improve inclusion of all employees.
- Develop alternative career pathways, including work experience and traineeship programs, targeted at Aboriginal school students interested in pursuing a career with Victoria Police.
- Actively recognise and celebrate significant diversity events including the Pride March, International Women's Day, Cultural Diversity week, NAIDOC Week and the International Day of People with Disabilities.
- Improve capability of the workforce through LGBTI awareness and disability confidence training sessions.
- Create employee network models and guides for the diversity portfolio groups to support employees in establishing these networks.
- Implement actions within the Victoria Police Aboriginal and Torres Strait Island Employment Plan and Accessibility Action Plan.

As a result of our efforts, Victoria Police has increased our workforce diversity, including the representation of women recruits joining Victoria Police increasing by 4.8 per cent, up to 44.2 per cent, for the 2015-16 financial year.

All current diversity and inclusion initiatives and programs will be further strengthened with a focus on leadership and cultural change through the development of the next Gender and Diversity strategy for Victoria Police. The strategy will build on the foundation laid by the previous Equity and Diversity Action Plan that was finalised in June 2015. This is one of the recommendations in response to the VEOHRC *Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police*.

OUR COMMITMENT TO HEALTH, SAFETY AND WELLBEING

In 2015-16, Business Services continued to reinforce the vision that every Victoria Police employee is personally committed to the health and safety of themselves, their fellow employees and the community in which they serve, as part of the *Zero Harm Strategy*.

Three key areas of focus undertaken in 2015-16 were:

- Strategies to address arrest and restraint injuries, including detailed analysis to identify key risks and inform the implementation of initiatives to reduce injuries.
- Promotion of mental health, improving the response to mental health injuries and provision of a number of education programs for police and their families.
- Enhancing senior and local area leadership by integrating health and safety into established and new management groups and forums, and providing central resources and support for local areas to identify their specific health and safety risks and implement proactive solutions.

Business Services has implemented innovative health and safety initiatives to provide employees with access to a range of new and improved services. This has included safety audits, technology that supports the early identification of health and safety issues and open conversations and appropriate interventions for all employees throughout their career. Employees who have demonstrated excellence in the area of health and safety have also been recognised.

Business Services has delivered comprehensive training in a range of formats to provide employees with the necessary tools to ensure their safety and the safety of others. In addition, ongoing workplace risk assessments have identified and resolved safety issues with existing and new functions, including the implementation of the Police Custody Officer Program.

RESPONSE TO THE VEOHRC INDEPENDENT REVIEW INTO SEX DISCRIMINATION AND SEXUAL HARASSMENT INCLUDING PREDATORY BEHAVIOUR IN VICTORIA POLICE

The Organisational Standards and Behaviours Branch (OSBB) of the Human Resource Department is responsible for addressing employee concerns through workplace investigations, mediations and/or other alternative dispute resolution strategies. The release of the VEOHRC *Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police* has informed ongoing improvements to the services provided by the OSSB. During 2015-16, this included evolving to a case management model with an emphasis on victims and addressing the following employee relations matters:

- Workplace bullying.
- Discrimination and harassment – including low-level sexual harassment.
- Public Servant misconduct matters.
- Workplace conflict.

Since December 2015, the case load for the OSBB has increased significantly, a direct result of increased training and awareness that Victoria Police takes inappropriate behaviours seriously.

DEVELOPING OUR BUSINESS

This year, we have strived for continual improvement of our business.

CROSS GOVERNMENT COLLABORATION ON MAJOR PROJECTS

In 2015-16, Business Services contributed to a number of successful inter-governmental initiatives, collaborating with agencies such as Emergency Management Victoria, Courts Services Victoria, Public Transport Victoria and the Department of Justice and Regulation. These included:

- Assessment and Referral Court (with Court Services Victoria) – continuation of a specialist court based program that engages with accused persons who have mental health and/or cognitive impairment issues.
- Night Network (Homesafe) – 24 hour public transport services on weekends (with Public Transport Victoria, Department of Justice and Regulation, and Department of Economic Development, Jobs, Transport and Resources).

- Cracking down on clandestine drug labs (with Victoria's Ice Action Plan) – the Victoria Police Forensic Drug Branch will be expanded to increase its drug profiling and intelligence capability, improving their ability to detect and close clandestine drug laboratories.
- New booze and drug buses (with Victoria's Ice Action Plan) – funding will provide Victoria Police with new booze and drug buses to improve road safety.

FUTURE FOCUS 2016-17

Business Services will focus on the following priorities in 2016-17:

Continuing the development of an online licence firearms and security application process through the Electronic Lodgement Process project. Changes will enhance services offered to the public, while improving productivity and data quality.

Establishing a dedicated investment coordination capability to further enhance the transition and delivery of major projects.

Continued financial management in the context of ongoing whole-of-government savings, while delivering services within the approved budget.

Reviewing current business processes and systems to identify and implement improvements.

Commencement of the Financial System and Process Improvement project to upgrade Victoria Police's financial system to a fully supported industry standard application. This incorporates a full review of financial processes, practice and policies with the aim of delivering organisational efficiencies.

Contributing to the implementation of recommendations made from the *Victoria Police Mental Health Review* and *VEOHRC Independent Review into sex discrimination and sexual harassment, including predatory behaviour in Victoria Police*.

Establishing investment processes to support implementation of the Victoria Police Capability Plan.

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APPENDIX B – WORKFORCE DATA

VICTORIA POLICE HEADCOUNT AND FULL TIME EQUIVALENT (FTE) NUMBERS OF EMPLOYEES AS AT JUNE 2016

Sworn Rank	Head Count	Full Time Equivalent (FTE)
Chief Commissioner	1	1.0
Deputy Commissioner	3	3.0
Assistant Commissioner	15	15.0
Commander	10	10.0
Superintendent	86	86.0
Chief Inspector	1	1.0
Inspector	301	300.8
Senior Sergeant	709	708.1
Sergeant	2,438	2,414.8
Senior Constable	7,690	7,427.9
Constable	2,228	2,220.6
Total Police	13,482	13,188.3
Recruits in training	109	109.0
PSO Security	161	160.2
PSO Transit	1,150	1,148.4
PSO in Training	44	44.0
Total PSOs	1,355	1,352.5
Reservists	2	2.0
Total Sworn	14,948	14,651.8
Public Servant Classification		
Executive Officer EO1		
Executive Officer EO2	6	6.0
Executive Officer EO3	13	12.8
Senior Medical Advisor	8	5.4
Forensic Officer 7	3	3.0
Forensic Officer 6	12	12.0
Forensic Officer 5	30	27.7
Forensic Officer 4	64	55.5
Forensic Officer 3	57	52.5
Forensic Officer 2	71	67.9
Forensic Officer 1	1	1.0
Senior Technical Specialist VPSG7	15	14.8
Victorian Public Service Officer VPSG6	169	166.2
Victorian Public Service Officer VPSG5	224	219.2
Victorian Public Service Officer VPSG4	512	481.5
Victorian Public Service Officer VPSG3	645	613.4
Victorian Public Service Officer VPSG2	1,154	1,065.7
Victorian Public Service Officer VPSG1		
Police Custody Officer 2	123	123.0
Police Custody Officer 1	91	91.0
Total Public Servants	3,198	3,018.6
Total Workforce	18,146	17,670.4

Notes:

- This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements
- FTE totals may not tally due to rounding
- Excludes EO1s at Office of Chief Examiner (all other employees included)
- Police Medical Officers are included with VPS, though are employed as Senior Medical Advisors

STATUTORY AND NATIONALLY FUNDED BODIES ADMINISTERED BY VICTORIA POLICE (HEADCOUNT AND FULL TIME EQUIVALENT NUMBERS OF EMPLOYEES AS AT JUNE 2016)

Public Servant Classification	Headcount	Full time equivalent (FTE)
Governor In Council	6	4.4
Executive Officer EO1		
Executive Officer EO2	1	1.0
Executive Officer EO3	3	3.0
Forensic Officer 7	1	1.0
Forensic Officer 6		
Forensic Officer 5		
Forensic Officer 4		
Forensic Officer 3		
Forensic Officer 2		
Forensic Officer 1		
Senior Technical Specialist VPSG7		
Victorian Public Service Officer VPSG6	5	2.8
Victorian Public Service Officer VPSG5	11	6.6
Victorian Public Service Officer VPSG4	11	10.4
Victorian Public Service Officer VPSG3	3	3.0
Victorian Public Service Officer VPSG2	2	2.0
Victorian Public Service Officer VPSG1		
Total Public Servants	43	34.2

Notes:

- This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements
- FTE totals may not tally due to rounding
- Statutory and nationally funded bodies included in the above table: 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

HEADCOUNT AND FTE VPS NUMBERS AT VICTORIA POLICE AS AT JUNE 2016

Public Servant Classification	Ongoing		Fixed Term		Casual		Total	
	Headcount	Full Time Equivalent (FTE)	Headcount	Full Time Equivalent (FTE)	Headcount	Full Time Equivalent (FTE)	Headcount	Full Time Equivalent (FTE)
Executive Officer EO1	0	0.00	0	0.00	0	0.00	0	0.00
Executive Officer EO2	0	0.00	6	6.00	0	0.00	6	6.00
Executive Officer EO3	0	0.00	13	12.80	0	0.00	13	12.80
Senior Medical Advisor	7	4.91	1	0.50	0	0.00	8	5.41
Forensic Officer 7	3	3.00	0	0.00	0	0.00	3	3.00
Forensic Officer 6	12	12.00	0	0.00	0	0.00	12	12.00
Forensic Officer 5	29	27.06	1	0.60	0	0.00	30	27.66
Forensic Officer 4	64	55.52	0	0.00	0	0.00	64	55.52
Forensic Officer 3	56	51.50	1	1.00	0	0.00	57	52.50
Forensic Officer 2	66	62.85	5	5.00	0	0.00	71	67.85
Forensic Officer 1	0	0.00	1	1.00	0	0.00	1	1.00
Senior Technical Specialist (VPSG7)	9	8.80	6	6.00	0	0.00	15	14.80
Victorian Public Service Officer VPSG6	157	154.45	12	11.80	0	0.00	169	166.25
Victorian Public Service Officer VPSG5	211	206.87	13	12.30	0	0.00	224	219.17
Victorian Public Service Officer VPSG4	464	437.32	44	42.10	4	2.11	512	481.53
Victorian Public Service Officer VPSG3	616	585.40	29	28.00	0	0.00	645	613.40
Victorian Public Service Officer VPSG2	1072	994.25	72	69.38	10	2.08	1,154	1,065.71
Victorian Public Service Officer VPSG1	0	0.00	0	0.00	0	0.00	0	0.00
Police Custody Officer 1	91	91.00	0	0.00	0	0.00	91	91.00
Police Custody Officer 2	123	123.00	0	0.00	0	0.00	123	123.00
Total Public Servants	2,980	2,817.93	204	196.48	14	4.19	3,198	3,018.60

Notes:

- FTE Totals may not tally due to rounding
- This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements. It therefore excludes VPS staff who were not on salary at the end of the last pay period of the financial year (which ended 24 June 2016). It also excludes VPS staff who are employed within statutory and nationally funded bodies administered by Victoria Police
- Police Medical Officers are counted with VPS, though are employed as Senior Medical Advisors

HEADCOUNT AND FTE VPS NUMBERS AT VICTORIA POLICE AS AT JUNE 2015

Public Servant Classification	Ongoing		Fixed Term		Casual		Total	
	Headcount	Full Time Equivalent (FTE)	Headcount	Full Time Equivalent (FTE)	Headcount	Full Time Equivalent (FTE)	Headcount	Full Time Equivalent (FTE)
Executive Officer EO1	0	0.00	0	0.00	0	0.00	0	0.00
Executive Officer EO2	0	0.00	9	9.00	0	0.00	9	9.00
Executive Officer EO3	0	0.00	13	12.80	0	0.00	13	12.80
Senior Medical Advisor	7	4.61	2	0.60	0	0.00	9	5.21
Forensic Officer 7	2	2.00	0	0.00	0	0.00	2	2.00
Forensic Officer 6	14	13.80	0	0.00	0	0.00	14	13.80
Forensic Officer 5	28	25.90	1	0.60	0	0.00	29	26.50
Forensic Officer 4	63	55.65	0	0.00	0	0.00	63	55.65
Forensic Officer 3	51	47.53	1	0.60	0	0.00	52	48.13
Forensic Officer 2	64	59.85	8	8.00	0	0.00	72	67.85
Forensic Officer 1	0	0.00	1	1.00	0	0.00	1	1.00
Senior Technical Specialist VPSG7	10	9.80	7	7.00	0	0.00	17	16.80
Victorian Public Service Officer VPSG6	149	147.10	9	8.70	0	0.00	158	155.80
Victorian Public Service Officer VPSG5	184	181.37	15	14.60	0	0.00	199	195.97
Victorian Public Service Officer VPSG4	444	418.16	27	27.00	3	0.70	474	445.85
Victorian Public Service Officer VPSG3	578	553.56	29	28.70	0	0.00	607	582.26
Victorian Public Service Officer VPSG2	1,027	957.12	78	75.25	11	2.38	1,116	1,034.75
Victorian Public Service Officer VPSG1	25	24.23	2	1.18	0	0.00	27	25.41
Police Custody Officer 1								
Police Custody Officer 2								
Total Public Servants	2,646	2,500.69	202	195.04	14	3.07	2,862	2,698.80

Notes:

- FTE Totals may not tally due to rounding
- This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements. It therefore excludes VPS staff who were not on salary at the end of the last pay period of the financial year (which ended 24 June 2016). It also excludes VPS staff who are employed within statutory and nationally funded bodies administered by Victoria Police
- Police Medical Officers are counted with VPS, though are employed as Senior Medical Advisors

VICTORIA POLICE EMPLOYEES BY EMPLOYMENT TYPE AND GENDER AS AT JUNE 2016 – HEADCOUNT

	Ongoing						Fixed Term			Casual			Total Staff
	Full Time			Part Time			Full Time			Part Time			
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	
Sworn Rank													
Chief Commissioner							1		1				1
Deputy Commissioner							2	1	3				3
Assistant Commissioner							13	2	15				15
Commander	7	3	10										10
Superintendent	80	6	86										86
Chief Inspector	1		1										1
Inspector	255	45	300	1		1							301
Senior Sergeant	604	101	705	3	1	4							709
Sergeant	2,042	316	2,358	31	49	80							2,438
Senior Constable	5,237	1,666	6,903	130	657	787							7,690
Constable	1,441	766	2,207	4	17	21							2,228
Total Police	9,667	2,903	12,570	169	724	893	16	3	19				13,482
Recruits in Training													
PSO Security	141	18	159	2		2							161
PSO Transit	1,037	109	1,146	4		4							1,150
PSO in Training	39	5	44										44
Total PSOs	1,217	132	1,349	6		6							1,355
Reservists	1	1	2										2
Total Sworn	10,950	3,080	14,030	175	724	899	16	3	19				14,948
Public Servant Classification													
EO1													
EO2							5	1	6				6
EO3							7	5	12		1	1	13
SMA	2		2	1	4	5				1		1	8
FO7	2	1	3										3
FO6	8	4	12										12
FO5	14	8	22		7	7				1		1	30
FO4	20	20	40	1	23	24							64
FO3	20	23	43	1	12	13	1		1				57
FO2	17	41	58	1	7	8	2	3	5				71
FO1							1		1				1
STS	6	2	8		1	1	5	1	6				15
VPSG6	89	56	145		12	12	4	7	11		1	1	169
VPSG5	94	102	196	1	14	15	5	6	11		2	2	224
VPSG4	168	222	390	11	63	74	20	18	38	1	5	6	512
VPSG3	204	332	536	10	70	80	7	20	27	1	1	2	645
VPSG2	220	643	863	10	199	209	17	48	65	2	5	7	1,154
VPSG1													
PCO2	82	41	123										123
PCO1	60	31	91										91
Total Public Servants	1,006	1,526	2,532	36	412	448	74	109	183	6	15	21	3,198
Total Workforce	11,956	4,606	16,562	211	1,136	1,347	90	112	202	6	15	21	18,146

Note:
 • This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements
 • All public servants within the following statutory and nationally funded bodies are excluded from the above table: Australia New Zealand Policing Advisory Agency and Police Registration & Services Board. Executive Officers from the Office of the Chief Examiner are also excluded

M Male
F Female
FO Forensic Officer
STS Senior Technical Specialist (otherwise referred as VPSG7)
PSO Protective Services Officer
EO Executive Officer
VPSG Victorian Public Service Officer Grade
SMA Senior Medical Advisors (Police Medical Officers)
PCO Police Custody Officer

VICTORIA POLICE EMPLOYEES BY EMPLOYEE TYPE AND GENDER AS AT JUNE 2016

Employee Type	Male	Female	Total	Percentage (Male)	Percentage (Female)
Police	9852	3630	13482	73.1%	26.9
Recruits	65	44	109	59.6%	40.4
PSOs	1223	132	1355	90.3%	9.7%
Reservists	1	1	2	50.0%	50.0%
Sworn	11141	3807	14948	74.5%	25.5%
Public Servants (Ex PCO's)	982	2002	2984	32.9%	67.1%
Police Custody Officers	142	72	214	66.4%	33.6%
Public Servants Total	1124	2074	3198	35.1%	64.9%
Total Workforce	12265	5881	18146	67.6%	32.4%

Notes:

- This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements
- 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
- Public Servants include VPS, Forensic Officers, Executive Officers and Senior Medical Advisors
- Police Custody Officers are VPS employees, but are listed separately

VICTORIA POLICE EMPLOYEES BY EMPLOYEE TYPE AND AGE GROUPING AS AT JUNE 2016

Age Grouping (Years)	Police	Recruits	Reservists	PSO Security	PSO Transit	PSO in Training	Public Servants (Ex PCO)	Police Custody Officers	Total
<25	432	32			164	10	161	62	861
25-34	3556	56		18	534	19	777	54	5014
35-44	3933	18		34	268	9	707	48	5017
45-54	4178	3		61	151	6	748	34	5181
55-64	1342			43	31		524	16	1956
65+	41		2	5	2		67		117
Total Workforce	13482	109	2	161	1150	44	2984	214	18146

Notes:

- This table is prepared in accordance with Financial Reporting Direction (FRD) 29A requirements
- 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
- Public Servants include VPS, Forensic Officers, Executive Officers and Senior Medical Advisors
- Police Custody Officers are VPS employees, but are listed separately

TOTAL EXECUTIVE NUMBERS AS AT JUNE 2016 – HEADCOUNT

Table 1: Number of Executive Officers Classified into 'Ongoing' and 'Special Projects'

Class	All		Ongoing		Special Projects	
	No.	Var	No.	Var	No.	Var
EO1	0	0	0	0	0	0
EO2	7	-2	7	-2	0	0
EO3	13	0	11	-1	2	+1
	20	-2	18	-3	2	+1

Table 2: Breakdown of Executive Officers into Gender for 'Ongoing' and 'Special Projects'

Class	Ongoing			Special Projects		
	Male	Female	Vacancies	Male	Female	Vacancies
EO1	0	0	0	0	0	0
EO2	6	-2	1	0	0	0
EO3	5	+1	6	2	+2	0
	11	+1	7	2	+2	0

Table 3: Reconciliation of Executive Numbers

	2016	2015	2014	2013	2012	2011	2010
Executives with remuneration over \$100,000	20	22	18	16	14	15	16
Add Vacancies (table 2)	5	2	2	3	5	4	3
Executives employed with total remuneration below \$100,000	0	0	0	0	0	0	0
Accountable Officer (Secretary)							
Less Separations	5	1	1	3	4	4	0
Total Executive Numbers	20	23	19	16	15	15	19

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
- This listing of executive numbers only includes Victorian Public Servants and excludes Police Commissioners
- The list above details total executive numbers as at 30 June 2016, positions shown vacant may have since had appointments made to them after this date
- This table is headcount and could include staff who were not on salary at the end of the pay period. As a result, totals may not reconcile with other tables in this report

SELECTING ON MERIT – SECTION 20 PAA EXEMPTIONS

Exemption from notification of vacancies pursuant to section 20 of the *Public Administration Act 2004* (PAA). During 2015-16, the Chief Commissioner approved the exemption of 127 positions from the requirement for advertisement.

The breakdown of these exemptions is below:

Exemptions by Department		Exemptions by Classification	
Corporate Strategy & Governance	12	VPSG1	5
Crime Command	8	VPSG2	53
Road Policing Command	6	VPSG3	27
Eastern Region	2	VPSG4	12
Family Violence Command	1	VPSG5	12
Forensic Services	10	VPSG6	3
Human Resource	28	FO2	5
Infrastructure & IT	2	FO3	6
Intelligence & Covert Support	17	FO4	4
Legal Services	1	Total	127
Operational Infrastructure	3		
People Development	16		
Professional Standards	0		
Public Support Services	14		
State Emergencies & Security	1		
Southern Metro Region	1		
Counter Terrorism Command	1		
Media & Corporate Communications	1		
Information Management, Standards and Security	1		
Procurement	1		
Transit & Public Safety	1		
Total	127		

APPENDIX C – BUDGET PORTFOLIO OUTCOMES

The budget outcome provides comparisons between the actual financial statements and the published budget papers for the financial year. The budget portfolio outcome is comprised of the comprehensive operating statement, balance sheet, cash flow statement and administered items.

The budget portfolio outcome statements are not subject to audit by the Victorian Auditor-General's Office, and they are not prepared on the same basis as Victoria Police's financial statements.

Comprehensive Operating Statement for the Year Ended 30 June 2016	2016 Actual \$'000	2016 Budget \$'000	2016 Variance (%)
Income from transactions			
Output appropriations	2,579,474	2,506,278	2.92
Special appropriations	2,408	0	0.00
Interest	49	50	-2.60
Sale of goods and services	1,341	0	0.00
Grants	6,970	10,279	-32.19
Fair value of assets and services received free of charge or for nominal consideration	542	0	0.00
Other Income	4,347	1,514	187.11
Total income from transactions	2,595,130	2,518,121	3.06
Expenses from transactions			
Employee expenses	1,972,274	1,884,927	4.63
Depreciation and amortisation	88,812	76,136	16.65
Interest expense	1,761	3,482	-49.43
Grants and other transfers	0	609	-99.97
Capital asset charge	91,500	91,500	0.00
Other operating expenses	453,413	455,728	-0.51
Total expenses from transactions	2,607,760	2,512,381	3.80
Net result from transactions (net operating balance)	(12,630)	5,740	-320.03
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	6,908	10,700	-35.44
Net gain/(loss) on financial instruments and statutory receivables/payables	1,756	0	0.00
Other gains/(loss) from other economic flows	(8,620)	0	0.00
Total other economic flows included in net result	44	10,700	-99.59
Net result	(12,586)	16,440	-176.55
Other economic flows - other comprehensive income			
Changes in physical asset revaluation surplus	114,440	0	0.00
Total other economic flows - other comprehensive income	114,440	0	0.00
Comprehensive result	101,854	16,440	519.55

Balance Sheet as at 30 June 2016	2016 Actual \$'000	2016 Budget \$'000	2016 Variance (%)
Assets			
Financial assets			
Cash and deposits	38,029	49,523	-23.21
Receivables	416,242	496,216	-16.12
Total financial assets	454,272	545,739	-16.76
Non-financial assets			
Inventories	5,513	6,740	-18.21
Non-financial physical assets classified as held for sale, including disposal group assets	6,562	9,148	-28.27
Property, plant and equipment	1,605,833	1,469,609	9.27
Intangible assets	11,133	12,649	-11.99
Other non-financial assets	2,554	551	363.39
Total non-financial assets	1,631,594	1,498,698	8.87
Total assets	2,085,866	2,044,437	2.03
Liabilities			
Payables	81,877	104,281	-21.48
Borrowings	72,498	63,263	14.60
Provisions	529,865	519,742	1.95
Total liabilities	684,240	687,286	-0.44
Net assets	1,401,626	1,357,151	3.28
Equity			
Accumulated surplus	12,333	41,359	-70.18
Physical assets revaluation surplus	684,931	570,491	20.06
Contributed capital	704,362	745,301	-5.49
Total equity	1,401,626	1,357,151	3.28

Cash Flow Statement for the Year Ended 30 June 2016	2016 Actual \$'000	2016 Budget \$'000	2016 Variance (%)
Cash flow from operating activities			
Receipts from Government	2,493,818	2,433,697	2.47
Other cash receipts	5,016	9,279	-45.95
Interest received	48	50	-3.20
Payments of grants and other transfers	(657)	(1,595)	-58.84
Payments to suppliers and employees	(2,395,775)	(2,309,734)	3.73
Capital asset charge	(91,500)	(91,500)	0.00
GST paid to or received from ATO	(451)	0	0.00
Interest and other costs of finance paid	(1,761)	(3,482)	-49.43
Net cash flows from/(used in) operating activities	8,739	36,716	-76.20
Cash flows from investing activities			
Proceeds from the sale of non-financial assets	28,430	34,000	-16.38
Payments for non-financial assets	(140,969)	(105,893)	33.12
Net loans to other parties	7,890	0	0.00
Net cash flows from/(used in) investing activities	(104,649)	(71,893)	45.56
Cash flows from financing activities			
Owner contributions	22,738	61,585	-63.08
Proceeds from borrowings	0	(1,757)	-100.00
Proceedings from borrowings and finance leases	75,755	(10,574)	-816.43
Net cash flows from/(used) in financing activities	98,493	49,254	99.97
Net increase/(decrease) in cash and cash equivalents	2,583	14,077	-81.65
Cash and cash equivalents at the beginning of the financial year	35,446	35,446	0.00
Cash and cash equivalents at the end of the financial year	38,029	49,523	-23.21

Administered Items Statement for the Year Ended 30 June 2016	2016 Actual \$'000	2016 Budget \$'000	2016 Variance (%)
Administered income			
Interest	60	17	254.12
Sales of goods and services	31,129	28,094	10.80
Grants	5,649	3,500	61.39
Other income	6,801	2,823	140.90
Total administered income	43,638	34,434	26.73
Administered expenses			
Employee expenses	3,227	2,321	39.03
Depreciation and amortisation	4	43	-91.16
Grants and other transfers	4,826	0	0.00
Payments into Consolidated Fund	35,434	29,241	21.18
Other operating expenses	930	2,038	-54.39
Total administered expense	44,420	33,643	32.03
Income less expenses	(782)	791	-198.86
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	(471)	700	-167.27
Net result	(1,253)	1,491	-184.03
Administered assets			
Cash and deposits	23,796	21,394	11.23
Receivables	(131)	1,432	-109.18
Other financial assets	0	2,000	-100.00
Property, plant and equipment	10	(29)	-134.94
Other non-financial assets	0	1	-71.38
Total administered assets	23,675	24,798	-4.53%
Administered liabilities			
Payables	22,108	20,502	7.83
Provisions	584	569	2.68
Total administered liabilities	22,693	21,071	7.70
Net assets	983	3,727	-73.63

Statement of Changes in Equity for the Year Ended 30 June 2016	2016 Actual \$'000	2016 Budget \$'000	2016 Variance (\$)	2016 Variance (%)
Accumulated surplus/(deficit)				
Opening balance	24,919	24,919	0	0.00
Net result	(12,586)	16,440	(29,026)	-176.56
Transactions with owners in their capacity as owners	0	0	0	0.00
Closing balance	12,333	41,359	(29,026)	-70.18
Contributions by owners				
Opening balance	683,716	683,716	0	0.00
Transactions with owners in their capacity as owners	20,647	61,585	(40,939)	-66.47
Closing balance	704,362	745,301	(40,939)	-5.49
Asset revaluation reserve				
Opening balance	570,491	570,491	0	0.00
Transactions with owners in their capacity as owners	114,440	0	114,440	0.00
Closing balance	684,931	570,491	114,440	20.06
Total equity	1,401,626	1,357,151	44,475	3.28

APPENDIX D – OHS KEY PERFORMANCE INDICATORS

	2013-14	2014-15	2015-16
1 Compensated Fatalities	0	0	0
2 Lost Time Injury Frequency Rate (LTIFR)			
Lost Time Injury Frequency Rate (All Lost Time Injuries)	17.19	15.75	17.25
Serious Lost Time Injury Frequency Rate (Lost Time Injuries > 5 Days)	11.95	10.85	13.21
3 Shifts Lost All Claims	35,190	38,662	54,831
<i>Rate Per 100 FTE</i>	208.2	224.8	305.9
4 Number of Claims Lodged this Year that Exceeded 13 Weeks Where a Compensation Payment was Made	74	100	127
Number of Claims that were Active this Year that Exceeded 13 Weeks of Compensation Payments	164	180	252
5 All Claims	914	948	1,072
<i>Rate Per 100 FTE</i>	5.4	5.5	6
Time Lost Claims	466	458	525
<i>Rate Per 100 FTE</i>	2.8	2.7	2.9
Standard Claims	616	603	771
<i>Rate Per 100 FTE</i>	3.6	3.5	4.3
6 Average Cost per Claim	\$5,123	\$6,314	\$5,817
Costs Plus Estimates	\$34,757	\$50,138	\$49,511
7 Number of Incidents	3,246	3,619	3,975
<i>Rate Per 100 FTE</i>	19.2	21.04	22.18

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)

The *Zero Harm Strategy* continued through 2015-16. Executive Command receives monthly and quarterly reports with health and safety data presented against our *Zero Harm* objective.

The Victoria Police safety management system *Safe-T-Works* is embedded into the Victoria Police Manual and is communicated across the organisation through the intranet. The formal OHS audit process has been complemented by the further embedding of Smart Safety Audits.

24 projects and 269 tasks were actively reported through to the *Zero Harm* Oversight Committee and *Zero Harm* Working Group to improve health and safety performance.

9 Management Commitment:
Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)

The *Safe-T-Works* management system includes specific procedures for purchasing, contractor management and workplace design.

OHS assessments are to be considered as part of the procurement process of goods and services to be used by, or for Victoria Police personnel.

Examples of procurement process involving OHS consideration in specific development include the design of new police stations, implementation of Conducted Energy Device (CED), development of new Semi-Automatic Pistol (SAP) holsters and bushfire kits. A continued strong relationship between Health Safety and Deployment Division with Operational Infrastructure and Police Development Command assists to ensure OHS compliance.

10 Consultation:
a) Evidence of agreed structure of designated work groups (DWG), health and safety representatives (HSRs) and issue resolution procedures (IRPs)

There are agreed DWG structures and HSR numbers across the organisation. There are over 500 active HSRs and deputies representing both sworn and VPS members.

Both the Police Association of Victoria and Community and Public Sector Union have been heavily involved in negotiation of HSR numbers and DWG structures. With the relocation to 313 Spencer Street, many of the Crime DWGs were renegotiated to suit the new structures and locations within the building.

OHS Committees are active across all Commands and are essential in our consultation procedures.

Issue Resolution Procedures are available on the intranet and through OHS noticeboards in each workplace.

b) Compliance with agreed structure DWG, HSRs and IRPs

Consultation at the local level and beyond has been undertaken with unions, HSRs, and regional and departmental representatives on specific projects, works and renovations.

11 Risk Management:
Regular internal audits/inspections conducted

The *Safe-T-Works* Audit organisational average score is currently at 3.26 (B rating). Formal audit frequency has reduced since mid-2014. The focus of the OHS System Auditor role has been in supporting the organisation to improve compliance with the safety management system, *Safe-T-Works*, by the Smart Safety Audit Program. Over 300 Smart Safety Audits have been conducted throughout the organisation during 2015-16. This correlates to well over 400 hours of active safety management support and education for managers.

12 Risk Management:
Issues identified and actioned:

- Internal audits
- WorkSafe notices

Major risk assessments completed include the SAP Holster and CED Holster. OHS Operations developed and implemented the safety stream of the PCO 400 program. This stream of work included 22 site-based risk assessments, Job Safety Assessments and built in reviews for equipment, environment and psychosocial hazards. The way safety was integrated into the program should be the new standard for all large scale programs of work. Significant work was conducted by both Health Safety and Deployment Division and Armoury on a potential SAP safety plunger fault which saw all SAPs examined and where necessary repaired.

Three *Hazard Alerts* were produced including information on helicopter downwash and Mk9 OC canister inspection.

Safe-t-net is an initiative to provide for the early identification of stress and trauma to staff as a result of critical incidents. *Safe-t-net* was developed in 2015-16 and is now being rolled out through our workforce of 18,146 via a single web-based platform to support early identification, open conversations and appropriate interventions for all employees of Victoria Police throughout their career from recruitment to departure.

WorkSafe attended for various issues related to vehicles, accommodation, stress and other psychosocial issues. Victoria Police was issued with 12 entry reports from WorkSafe Victoria.

13 Staff and Managers with OHS Training

Safety inductions are delivered to all Police, PSO and PCO recruits in the first week of their employment. A health, safety and wellbeing induction program for VPS employees and temporary staff is in place with all new starters required to complete the online program within three months of commencement.

Police Psychology continued with its rollout of multiple programs to improve mental health, including Healthy Minds at Work, Resilience at Work, ASSIST and Change at Work.

OHS Operations delivered over 150 training sessions on Hazard Identification, Incident Investigation, Asbestos, and Manual Handling.

14 Health and Safety Representatives Training

85 HSRs attended WorkSafe approved initial 5 day training and 11 attended refresher training.

15 OHS Survey:

The People Matter Survey is conducted annually by the Victorian Public Sector Commission (VPSC). In 2016 the survey was redesigned to include the addition of six new modules that seek more in-depth information on key workforce topics and issues. The module topics are:

- diversity and inclusion;
- wellbeing;
- change management;
- career intentions;
- learning and development; and
- sexual harassment.

In addition to the modules, the *Independent Review into sex discrimination and sexual harassment, including predatory behaviour at Victoria Police* recommended the incorporation of additional questions into the People Matter Survey. These questions, which explicitly aim to capture information about discrimination and harassment experienced in the workplace in addition to bullying more broadly, have been incorporated into the survey. As one of the nine Victorian Secretaries Board member bodies, Victoria Police participated in the core survey as well as the six modules in May 2016.

APPENDIX E – VICTORIA POLICE CORPORATE GOVERNANCE

VICTORIA POLICE COMMITTEES

COMMITTEE	FOCUS	CHAIR	MEETS
<p>Executive Command</p> <p>Chief Commissioner of Police</p> <p>Deputy Commissioner Regional Operations</p> <p>Deputy Commissioner Specialist Operations</p> <p>Deputy Commissioner Capability</p> <p>Executive Director Infrastructure</p> <p>Executive Director Business Services</p> <p>Assistant Commissioner Information Systems & Security – Chief Information Officer</p> <p>Sir Angus Houston AK AC AFC (Independent)</p>	<p>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.</p>	<p>Chief Commissioner of Police</p>	<p>Monthly</p>
<p>Command</p> <p>Chief Commissioner of Police</p> <p>Deputy Commissioners</p> <p>Executive Directors</p> <p>Assistant Commissioners</p> <p>Commanders</p> <p>Executive Officers</p>	<p>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.</p>	<p>Chief Commissioner of Police</p>	<p>Quarterly</p>
<p>Corporate Advisory Group</p> <p>Sir Angus Houston AK AC AFC (Independent)</p> <p>Mr Ken Loughnan (Independent)</p> <p>Secretary Department of Premier & Cabinet (Independent)</p> <p>Secretary Department of Treasury & Finance (Independent)</p> <p>Secretary Department of Justice & Regulation (Independent)</p> <p>Dr Ian Reinecke (Independent)</p> <p>Mr Stephen Hayes (Independent)</p> <p>Mr Mark Peters (Independent)</p> <p>Mr Alex Malley (Independent)</p> <p>Mr David Evans (Independent)</p> <p>Ms Elizabeth Broderick (Independent)</p> <p>Ms Helen Silver (Independent)</p> <p>Chief Commissioner of Police</p> <p>Deputy Commissioner Capability</p> <p>Executive Director Business Services</p> <p>Assistant Commissioner Information Systems & Security – 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. Advisory focus.</p>	<p>Sir Angus Houston (Independent)</p> <p>Mr Ken Loughnan (Deputy Chair) (Independent)</p>	<p>Quarterly</p>

COMMITTEE	FOCUS	CHAIR	MEETS
People, Culture & Safety Committee Deputy Commissioner Capability Executive Director Business Services Deputy Commissioner Regional Operations Assistant Commissioner Information Systems & Security – Chief Information Officer Assistant Commissioner People Development Assistant Commissioner Eastern Region Assistant Commissioner VEOHRC Review Response, Partnerships & Innovation Assistant Commissioner Western Region Assistant Commissioner Professional Standards Group Director Human Resource Commander Health, Safety & Deployment Director Commissions & Inquiries Director Capability Plan Manager Business Strategy & Performance Human Resource Executive Advisor Business Services	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 Executive Director Business Services (Deputy Chair)	Bi Monthly
Audit & Risk Committee Mr Mark Peters (Independent) Ms Barbara McLure (Independent) Ms Jane Brockington (Independent) Deputy Commissioner Capability Executive Director Infrastructure Executive Director Business Services Assistant Commissioner State Emergencies & Security Assistant Commissioner Professional Standards Director Corporate Strategy & Operational Improvement Department Chief Finance Officer (Observer) Chief Risk Officer (Observer)	Provide independent assurance and assistance to the Chief Commissioner regarding Victoria Police governance, risk, control and compliance framework, and its external accountability responsibilities. Advisory focus.	Mr Mark Peters (Independent) Ms Barbara McLure (Deputy Chair) (Independent)	Bi Monthly
Operations Committee Deputy Commissioner Regional Operations Deputy Commissioner Specialist Operations Deputy Commissioner Capability Executive Director Infrastructure Assistant Commissioner North West Metro Assistant Commissioner Southern Metro Assistant Commissioner Crime Assistant Commissioner Intelligence & Covert Support Assistant Commissioner Western Region Assistant Commissioner Eastern Region Director Media & Corporate Communications Director Legal Services	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 Deputy Commissioner Specialist Operations (Deputy Chair)	Monthly

COMMITTEE	FOCUS	CHAIR	MEETS
Resources Committee Executive Director Business Services Executive Director Infrastructure Deputy Commissioner Specialist Operations Assistant Commissioner Information Systems & Security – Chief Information Officer Assistant Commissioner Transit & Public Safety Chief Finance Officer Director Procurement Director Capability Plan Director Corporate Strategy & Operational Improvement Director Operational Infrastructure Director Strategic Investment, Reporting & Audit	Identify and address significant emerging financial, resource and infrastructure issues and trends, including significant budget issues and cost pressures. Focus on financial, budget, infrastructure and equipment, policy and strategy; corporate strategy and planning; improvement and innovative ideas and reforms. Monitor key financial and other reports, projects and risks. Submit proposals to Executive Command, as required. Decision focus.	Executive Director Business Services Executive Director Infrastructure (Deputy Chair)	Bi Monthly
Information Management Committee Assistant Commissioner Information Systems & Security – Chief Information Officer Executive Director Infrastructure Executive Director Business Services Deputy Commissioner Capability Deputy Commissioner Regional Operations Assistant Commissioner State Emergencies & Security Assistant Commissioner Intelligence & Covert Support Assistant Commissioner Road Policing Director Forensic Services	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. Decision focus.	Assistant Commissioner Information Systems & Security – Chief Information Officer Executive Director Infrastructure (Deputy Chair)	Bi Monthly
Procurement Board Director Corporate Strategy & Operational Improvement Department Assistant Commissioner Crime Executive Director Business Services Assistant Commissioner State Emergencies & Security Assistant Commissioner Road Policing Manager Radio & Telecommunications Director Operational Infrastructure Director IT Service Delivery	Delegated responsibility to approve procurement process and requisitions within limits. Decision focus.	Director Corporate Strategy & Operational Improvement Department Assistant Commissioner Crime (Deputy Chair)	Monthly
Executive Remuneration Committee Chief Commissioner of Police Executive Director Business Services Group Director Human Resource	Ensures that a consistent and rigorous approach is taken to setting and adjusting executive remuneration. Decision focus.	Chief Commissioner of Police Executive Director Business Services (Deputy Chair)	As Required

EXECUTIVE MANAGEMENT CHANGES

WELCOMES

Name	Position	Date
Graham Ashton	Chief Commissioner of Police	1 July 2015
Andrew Crisp	Deputy Commissioner, Regional Operations	18 November 2015
Shane Patton	Deputy Commissioner, Specialist Operations	25 August 2015
Wendy Steendam	Deputy Commissioner, Capability	25 August 2015
Karl Kent	Executive Director, Business Services	23 May 2016
Brett Guerin	Assistant Commissioner, Professional Standards Command	14 September 2015
Ross Guenther	Assistant Commissioner, Counter Terrorism Command	14 September 2015
Richard Nugent	Assistant Commissioner, Eastern Region	14 September 2015
Douglas Fryer	Assistant Commissioner, Road Policing Command	21 September 2015
Neil Paterson	Assistant Commissioner, Intelligence & Covert Support Command	9 November 2015
Debra Abbott	Assistant Commissioner, State Emergencies & Security Command	23 November 2015
Terry Purton	Dedicated Hearing Officer	17 August 2015
John Doherty	Deputy Director, Forensics Operations	14 September 2015
Dallas Reilly	Program Director, PIPP	12 October 2015

FAREWELLS

Name	Position	Date
Deborah Smith	Program Director, PIPP	1 July 2015
Tony Bates	Executive Director, Business Services	18 September 2015
Lucinda Nolan	Deputy Commissioner, Regional Operations	6 November 2015
Tracy Linford	Assistant Commissioner, Intelligence & Covert Support Command	6 November 2015
Elizabeth Cheligoy	Director, Workplace Relations	17 January 2016
Andrew Jarvis	Group Director, Human Resource Department	25 May 2016
Joanne Barber	Director, HR Services	17 June 2016

RETIREMENTS

Name	Position	Date
Timothy Cartwright	Deputy Commissioner, Regional Operations	4 July 2015
Emmett Dunne	Assistant Commissioner, Eastern Region	31 August 2015

MOVEMENTS

Name	Position	Date
Jack Blayney	Assistant Commissioner, Information, Systems & Security Command	7 September 2015
Stephen Leane	Assistant Commissioner, North West Metro Region	14 September 2015
Robert Hill	Assistant Commissioner, Southern Metro Region	21 September 2015
Luke Cornelius	Assistant Commissioner, VEOHRC Response Partnerships & Innovation	21 September 2015

- Note:**
- The data above includes Victoria Police Executive Officers and Police Commissioners only, ANZPAA, GIC and other external agencies are not included

ORGANISATIONAL AUDITS AND REVIEWS

INTERNAL AUDIT 2015-16

In 2015-16 Victoria Police transitioned from a financial year based internal audit annual program to a calendar year based program to accommodate the organisation's corporate planning and risk management cycle. An interim internal audit program was put in place between July and December 2015, before the calendar year based annual program commenced in January 2016. Both programs were approved by the Audit & Risk Committee and endorsed by Executive Command.

The risk-based programs were performed by the Victoria Police outsourced internal audit service providers (Ernst & Young) and a small in-house internal audit team. Twenty-five planned and management requested internal audit projects were undertaken by the outsourced service providers and the in-house team during 2015-16, addressing the following key themes:

Risk Theme	Audits Undertaken
Deaths Involving Police	1
Management of High Risk Persons of Interest / Offenders	1
Terrorism	1
Policing Vulnerable Communities	2
Workplace Safety	1
Police Conduct	2
Information Management and Security	1
Physical Security of Police Premises and Property	2
Others	
- Financial	2
- Governance & Compliance	6
- Program/Project Health Check	6
TOTAL	25

CONTINUOUS AUDITING

In 2015-16, Continuous Auditing Programs (CAPs) provided control monitoring and data quality assurance to senior management. The progress of all existing and newly developed CAPs is reported to Executive Command and ARC on a quarterly basis. Continuous auditing activities aim to identify control issues related to high risk financial and operational processes and systems through the use of data analytics.

FORCE-WIDE TRACKING SYSTEM FOR RECOMMENDATIONS

TeamCentral is Victoria Police's force-wide tracking system for recommendations. The system enables the recording and monitoring of internal audit recommendations, as well as recommendations from reviews conducted by external agencies and oversight bodies. The status of pending recommendations is reported to Executive Command and ARC on a bi monthly basis. As at 30 June 2016, there were a total of 1,657 recommendations recorded on TeamCentral, with 1,337 of these recommendations (80.7 per cent) completed.

SUMMARY OF RECOMMENDATIONS BY REVIEW TYPE (AS AT 30 JUNE 2016)

Review Type	Completed	Pending	Total
CPDP/Ex-CLEDS	216	45	261
Internal Audit	722	186	908
Ombudsman	152	4	156
IBAC/Ex-OPI	115	23	138
VAGO	111	43	154
Other	21	19	40
TOTAL	1,337	320	1,657

- Notes:**
- CPDP – Commissioner for Privacy and Data Protection
 - CLEDS – Commissioner for Law Enforcement Data Security
 - IBAC – Independent Broad-based Anti-Corruption Commission
 - OPI – Office of Police Integrity
 - VAGO – Victorian Auditor-General's Office



VICTORIA POLICE

2016 Risk Management Attestation

(In accordance with Standing Direction 4.5.5 of the Minister for Finance)

I, Graham Ashton, Chief Commissioner, certify that Victoria Police has partially complied with the mandatory risk management requirements and fully complied with the mandatory insurance requirements of the VGRMF featured in the Ministerial Direction 4.5.5 – Risk Management Framework and Processes.

The risk management processes in place within Victoria Police are consistent with the Australian / New Zealand Risk Management Standard - AS/NZS ISO 31000:2009 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. Risks to meeting the Victoria Police corporate objectives were overseen by Sub-Committees of Executive Command.

Victoria Police is strongly committed to continuous improvement. The partial compliance for risk management is due primarily to an identified need to improve the quality of risk information provided to the Victoria Police Audit and Risk Committee to enable it to better oversight risk, and a need for a greater emphasis and consideration to be placed on managing interagency and State significant risks. The necessary remedial actions with respect to these improvement opportunities will be completed by Victoria Police over the next year under the auspices of the Risk Roadmap Program of Works.

All other mandatory requirements of the Ministerial Direction 4.5.5 – Risk Management Framework and Processes have been fully complied with.

The Victoria Police Audit and Risk Committee verifies this assurance and has critically reviewed the risk profile of the organisation within the last 12 months.


Graham Ashton AM
Chief Commissioner

23/09/2016

APPENDIX F – DISCIPLINARY ACTION (VICTORIA POLICE ACT 2013)

ANNUAL REPORT OF THE CHIEF COMMISSIONER – 2015-16

Section 12(1)(a)

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

No action was undertaken in accordance with this section of the Act in 2015-16.

Section 12(1)(b)

Any action taken by the Chief Commissioner or an authorised officer 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 2015-16

	Discipline Inquiries Victoria Police Act 2013 (Sec 125) 2015-16	Inquiries into Convictions Victoria Police Act 2013 (Sec 136) 2015-16
Total Discipline Charges Laid Against Victoria Police Officers (Charge Authorisation Date)	70	6
Total Victoria Police Officers Charged (Charge Authorisation Date)	55	6
Victoria Police Officers Appearing Before An Inquiry Officer (Last Inquiry Date)	35	4
Victoria Police Officers Dismissed From Force (Date Dismissed)	10	2
Victoria Police Officers – All Charges Dismissed After a Discipline Inquiry (Last Inquiry Date)	2	0

Notes:

- A Victoria Police Officer can be charged with one or more discipline charges
- This data only includes discipline statistics under the Victoria Police Act 2013 Part 7
- Data relates to distinct types of discipline outcomes under the Victoria Police Act 2013 that occurred within 2015-16
- The initial charges related to these outcomes may have been laid in 2015-16 or previous reporting periods
- The above data includes Police Officers and PSOs
- The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 4 July 2016

RESULTS OF DISCIPLINE CHARGE NOTICES AND INQUIRIES

Financial Year 2015-16	Total	%
Discipline Charges Found Proven (Last Inquiry Date)	33	52
Charge Dismissed (Last Inquiry Date)	5	8
Not Heard Victoria Police Officers Issued with Discipline Charges (Last Inquiry Date) (Resigned/Retired Prior to Discipline Inquiry) – (Count Of Charges)	27	40
Total Charges	65	100

Notes:

- This table includes discipline proceedings arising from public complaints and internally initiated investigations
- The data relates to action taken during the 2015-16 year notwithstanding the year in which the public complaint/internal discipline matter was received
- The initial charges related to these outcomes may have been laid in 2015-16 or previous reporting periods
- The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 4 July 2016

RESULTS OF DISCIPLINE CHARGES DETERMINED BY INQUIRY OFFICERS
REVIEW OF SANCTIONS
PART 2: FULL YEAR 2015-16

	NUMBER OF SANCTIONS REVIEWED	Sanction Affirmed	REVIEW RESULT Sanction Dismissed/ Withdrawn*	Sanction Varied
Discipline Sanctions (s.132 <i>Victoria Police Act 2013</i>) (Last Review Date)	19	10	1	8
Discipline Inquiry (s.136 <i>Victoria Police Act 2013</i>) (Last Review Date)	3	2	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 5 times a penalty unit, reduction in rank, seniority, remuneration, transfer to other duties, or dismissal from the Victoria Police). Additional information regarding the reviews conducted by the PRSB can be found in the Police Registration and Services Board 2015-16 Annual Report
- Data relates to reviews completed during the 2015-16 reporting period. The initial sanctions in relation to these reviews may have been handed down in 2015-16 or previous reporting periods
- Discipline sanctions (s.132 *Victoria Police Act 2013*) relate to sanctions imposed if a Victoria Police Officers is charged with a breach of discipline under section 125 *Victoria Police Act 2013*, whereas Discipline Inquiry (s.136 *Victoria Police Act 2013*) relates to sanctions imposed if a Victoria Police Officer 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 2016
- * PRSB dismissed charge or subject employee withdrew appeal

Section 12(1)(c)

Any action taken by the Chief Commissioner under section 195 during that year.
No action was undertaken in accordance with this section of the Act in 2015-16.

Section 12(1)(d)

The prescribed information in relation to Part 5.

DRUG AND ALCOHOL TESTING OF MEMBERS

Requirement	2015-16 Result
The number of tests involving taking of samples conducted during the relevant year	1,775
The number of persons tested	907
The number of those tests that indicated the presence of a drug of dependence or alcohol in a person's body	10

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 2015-16 Financial Year:		
i)	the number and types of disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) under section 21(2) or 22	77	Include allegations of – <ul style="list-style-type: none"> Criminal association Disgraceful conduct Sexual assault Misuse of information Unlawful assault Detrimental action Duty failure Breach of protected disclosure
ii)	the number and types of protected disclosure complaints referred to the investigating entity by the IBAC	32	Include allegations of – <ul style="list-style-type: none"> Workplace conflict/bullying Improper investigation Misuse of information Pervert the course of justice Drug use Detrimental action
iii)	the number and types of protected disclosure complaints investigated by the investigating entity	103	Include allegations of – <ul style="list-style-type: none"> Criminal association Disgraceful conduct Sexual assault Misuse of information Unlawful assault Detrimental action Duty failure Breach of protected disclosure
iv)	the number and types of protected disclosure complaints dismissed by the investigating entity	0	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	0	

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 fail to obey instructions
- There has been a large increase in the number and types of disclosures notified to the IBAC under section 22 of the *Protected Disclosure Act 2012*. The main reason for this is the establishment of Taskforce Salus to investigate reports of predatory type behaviours by members of police personnel. Legislation requires that if this is a complaint made under section 167(3) of the *Victoria Police Act* it is a protected disclosure complaint. (These are complaints made by a police officer or Protective Services Officer (PSO) about the misconduct of another police officer/PSO and the report is made to a more senior police officer/PSO.) Thirty-nine of the disclosures notified to IBAC and referred to police for investigation as protected disclosure complaints were allocated to Taskforce Salus for investigation

APPENDIX H – CONSULTANCIES AND CONTRACTORS

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

In 2015-16, there were 51 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015-16 in relation to these consultancies was \$2,886,097 (excl. GST). Details of individual consultancies can be viewed at www.police.vic.gov.au.

Details of consultancies under \$10,000

In 2015-16, there were 39 consultancies engaged during the year, where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2015-16 in relation to these consultancies was \$165,128 (excl. GST). Details of individual consultancies can be viewed at www.police.vic.gov.au.

DISCLOSURE OF MAJOR CONTRACTS

Contract Number	Contract Title	Contract Dates	Contract Value	Instrument of Authorisation	Supplier	Act
C2602-2019	Mernda Police Station*	24/05/2016 – 30/06/2019	\$11,316,500	\$11,316,500	ADCO Constructions (VIC) Pty Limited	PDCMA**
C2458-2022	Strategic Partner for the PIPP Program	16/04/2015 – 16/04/2018 (including options to extend)	\$15,187,003	\$15,187,003	Price Waterhouse Coopers	FMA

Notes:

- Data contains all contracts above \$10M that were awarded during 2015-16
- Data contains contracts that have been published on the Tenders Vic website
- The initial value for contract C2458-2022 was \$1,993,215.00 which commenced in 2014-15. This contract has since been varied (5 times over the 12 month period 2015-16) bringing the revised contract total to \$15,187,003.00
- Data has been sourced from Integrated Content Management System from 01/07/2015 - 30/06/2016

* Contract Value and Instrument of Authorisation includes project contract commitments greater than \$100,000 only.

** Project Development and Construction Management Act 1994

APPENDIX I - DISCLOSURE OF GOVERNMENT ADVERTISING EXPENDITURE

VICTORIA POLICE UNDERTOOK THE FOLLOWING GOVERNMENT ADVERTISING CAMPAIGNS FOR 2015-16 WITH A MEDIA SPEND OF \$150,000 OR GREATER:

Police Custody Officer (PCO) Recruitment Campaign

Campaign Summary	Start/End date	Advertising (Media) Expenditure 2015-16 (excl. GST)	Creative and Campaign Development Expenditure 2015-16 (excl GST)	Research and evaluation Expenditure 2015-16 (excl GST)	Print and collateral Expenditure 2015-16 (excl GST)	Other Campaign Expenditure 2015-16 (excl GST)
Advertising, communication and marketing activities for the recruitment of PCOs.	12 October, 2015/ 31 May 2016	\$392,140	\$21,120	\$42,300	\$18,074	\$128,840

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

For the 2015-16 reporting period, Victoria Police had a total ICT expenditure of \$189,196,803 with the details shown below.

(\$ thousand)

Business as Usual (BAU) ICT expenditure (Total)	Non-Business as Usual (non-BAU) (Total = Operational expenditure and Capital Expenditure)	Operational Expenditure	Capital Expenditure
\$158,518	\$30,678	\$21,857	\$8,822

Note:

- 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 2015-16, Victoria Police commenced 11 contracts totalling \$136,205,588 in value to which the VIPP applied. Of the contracts that commenced, four contracts were in metropolitan Melbourne (totalling \$101,205,588), seven contracts were state wide (totalling \$35,000,000).

A summary of the skills and technology transfer commitments in the contracts/projects includes:

- An estimated 23 full time equivalent jobs created (including apprentices and trainees).
- An estimated 150 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 five contracts during 2015-16 to which VIPP applied.

APPENDIX L - NATIONAL COMPETITION POLICY COMPLIANCE

The National Competition Policy promotes greater competition and encourages economic growth.

One of the key requirements of the policy is in regards 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 we did not procure goods and services within this context.

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

The *Freedom of Information Act 1982* 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 2015-16, Victoria Police received 3,151 requests for access to documents under the *Freedom of Information Act 1982*, including requests from applicants to amend personal information. Of those applications, 1,679 related to personal requests and 1,472 were non-personal requests. Twenty-one (21) applications were received from Members of Parliament, 93 were received from the media and the remainder (3,037) were from the general public.

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

Thirteen appeals were lodged with the Victorian Civil and Administrative Tribunal (VCAT) for final determination, with nine cases being decided upon in 2015-2016, including cases from previous years. Five cases were withdrawn.

REQUESTS FOR ACCESS TO DOCUMENTS

Type of Request	
Personal	1,679
Non Personal	1,472
Total	3,151
<hr/>	
Appeals to VCAT	13
Appeals actually determined	5

Compliance

For the 12 months ending 30 June 2016, Victoria Police processed 83 per cent of requests within statutory requirements, 17 per cent within 46 – 90 days and 0 per cent in over 90 days. The average processing time taken to finalise requests was 39 days.

Application Procedure

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

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

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

Alternatively, you may apply online at the 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 web site 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 & Corporate Communications Department
Victoria Police Centre
GPO Box 913
MELBOURNE VIC 3001
PH: (03) 9247 5276

Documents Available for Purchase

The Victoria Police Manual is available for purchase from the Corporate Strategy and Operational Improvement Department within the Victoria Police Centre. The contact telephone number is (03) 9247 6131.

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 with in 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* or *Health Records Act* can be obtained from:

Privacy Unit
Victoria Police Centre
GPO Box 913
MELBOURNE VIC 3001
PH: (03) 9628 7349 or (03) 9628 7347

APPENDIX N – PUBLIC SUPPORT SERVICES (LICENSING AND REGULATION) STATEMENT OF EXPECTATIONS

The Statement of Expectations (SOE) dated 5 June 2014 sets out the Minister's expectations of the regulator of private security and firearms, Licensing & Regulation Division (LRD) to reduce red tape. The SOE is aimed at promoting greater efficiency and effectiveness in the administration and enforcement of regulation. Performance objectives for the 2015-16 period are listed as follows:

1. Private security licence application forms converted to online e-forms.
2. Complex form requirements are underpinned by online instructions/ help features.
3. Information previously provided to LRD is automatically pre-populated in renewal applications.
4. Increase the rate of new private security applications approved within 28 days of receipt by up to 30 per cent.
5. Reduce the incidence of incomplete private security application forms by up to 10 per cent.

LRD report to the Minister in response to all performance objectives listed above, concluding the reporting to the Minister for the 2014-15 and 2015-16 reporting cycle.

Although the delivery of performance objectives were affected by some delays in the implementation of Electronic Lodgement Process (ELP) due to the system assessments that were required to support the new e-forms platform, the project continues to progress. Phase 1 of the implementation of the ELP is aimed at delivering an e-forms platform for new private security.

applications. Several forms have been developed and tested. Additional testing will ensure the forms are well integrated into the overall e-forms platform. An e-form web portal supporting the developed electronic lodgement of application forms is in the development phase. The portal will allow applicants to receive electronic reminders and alerts regarding important actions and also including status updates on the progress of their application.

Licence applicants will benefit from the above process by an easier licence application process, faster turnaround time and an overall improved user experience. It is anticipated that phase 1 will be implemented by July 2017 as per the 2015-16 Statement of Expectations.

Delivery of phase 1 is also expected to achieve the following benefits:

- Increase the rate of new private security applications approved within 28 days of receipt by up to 30 per cent; and
- Reduction in the incidence of incomplete private security application forms by up to 10 per cent.

Delivery of phase 2 will include an online platform for electronic submission for all firearm licence applications. Automatic pre-population of data based on information previously provided for licence renewals is still planned for phase 3 of the rollout of ELP. LRD continues to progress these performance objectives and has refreshed the Statement of Expectations for the 2016-17 period.

APPENDIX O – STATEMENT ON 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 Regulations Act 2006*, and other Victorian legislation referenced by the Building Commission. Victoria Police controls a large property portfolio comprising: police stations; police residences; educational, administrative and training complexes; forensic laboratories; and other special purpose facilities.

New Buildings Conforming to Standards

For the 2015-16 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 Stations at Forest Hill and Somerville.
- Multi-Disciplinary Centres at Bendigo and Morwell.
- Victoria Police Mounted Branch Relocation Project (Attwood).
- St Kilda Road Police Station Replacement (Melbourne).

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 Service Provider (SSP) 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

Since the establishment in the mid-2000's, the Environment and Efficiency Division has progressively developed and introduced a wide range of initiatives to assist Victoria Police in significantly reducing its adverse impacts on the environment.

From its inception, the Division focused on delivering its 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 of approximately 611 operational sites (as at June 2016). These include:

- 331 police stations that vary in type to include 8, 16 and 24 hour police stations.
- 184 police residences.
- 96 other support facilities including training and forensic facilities, central property and documents storage, and transport operations.

ENERGY

Victoria Police consumes energy at many different facilities including police stations, administration offices, training facilities, transport complexes and storage warehouses. The bulk of energy consumption falls within three keys areas of activity - lighting, information technology operation and HVAC (heating, ventilation and air-conditioning).

Data was obtained from a variety of sources including energy providers, other government agency data systems as well as legacy in-house systems and covers up to 99 per cent of the sites occupied by Victoria Police. Residences are not included in these figures as their energy consumption is paid for by the occupants.

Actions Undertaken During 2015-16

Construction, Refurbishment and Maintenance of Police Facilities

The Police Building Efficiency Project (PBEP) continues to review all aspects of building design, construction, maintenance and operation with the intention of reducing life-cycle costs of building stock. PBEP identified specific efficiency outcomes that require all new constructions, refurbishments and maintenance works adhere to the following:

- Use of LED lighting rather than the traditional meld of T5 fluorescents and CFL down-lights.
- High efficiency HVAC and the application of passive energy management design features (wherever possible) are embedded in design guidelines.

ENERGY RESULTS FOR 2015-16

Description	2014-15	2015-16	Change (%)
Total Energy Usage Segmented by Primary Source (GJ)			
Electricity	240,801	250,459	4.0
Natural gas	101,480	103,933	2.4
LPG	1,250	487	-61.0
Green power	-	-	0.0
Total	343,531	354,879	3.3
Total Greenhouse Gas Emissions by Primary Source (Tonnes of CO₂e)			
Electricity	80,936	87,661	8.3
Natural gas	5,267	5,342	1.4
LPG	75	29	-60.9
Green power	-	-	0.0
Total	86,278	93,032	7.8
Energy Used Per FTE (megajoules/FTE)	19,973.0	19,803.5	-0.8
Energy intensity (megajoules/m ²)	742.4	675.6	-9.0
Green Power purchase	0.0%	0.0%	0.0
Tonnes of CO ₂ e per FTE	5.016	5.192	3.5

Compliance audits and analytical work into existing buildings was undertaken during the cycle. Baseline data on a range of building performance metrics will inform the forward program and investment strategy.

University Partnership to Enhance Sustainability Practices

Victoria Police is engaging with a university to further strengthen sustainable building design, practice and technological capability. This partnership explores practical applications of sustainability initiatives designed to enhance the management of building projects and future policy.

During the current reporting period staff increases of 4.2 per cent combined with a 13.5 per cent increase in floor area resulted in a modest increase in total energy consumption of 3.3 per cent.

The change in energy consumption can be attributed to the replacement of large archaic buildings with modern energy efficient facilities. The move from police buildings at 412 St Kilda Road and 452 Flinders Street to the new 313 Spencer Street Police Complex has significantly contributed to overall energy usage. The continued adoption of energy efficient design principles contributes to an overall reduction in electricity consumption by Victoria Police.

In addition, hardware and software have now been refreshed as part of the Technology Refresh Program (TRP) and will deliver energy savings during the life of the associated equipment. Work continues on the data centre component of the TRP and the (Environmental) IT Standard sets out the minimum energy efficiency and environmental standards required for any equipment acquired as part of the TRP.

Note that the purchase of Green Power was discontinued a few years ago.

Targets for 2016-17

The PBEP will continue to be the main focus of work and strengthening of the university partnership along with the data centre component of the TRP.

WATER

The data provided in this section is based on water meter readings from approximately 75 per cent of Victoria Police buildings (leased and owned); covering approximately 99 per cent of FTEs.

WATER RESULTS FOR 2015-16

Indicator	2014-15	2015-16	Change (%)
Total Units of Metered Water Consumed (kl)	177,985	210,994	18.5
Units of Metered Water Consumed Per FTE (kl/FTE)	10.35	11.8	14.0

Overall water consumption increased during the reporting period, as did usage per FTE due to the establishment or expansion of a number of significant sites in this reporting period, including:

- McCallum Building at the Victoria Police Forensic Services Centre
- Somerville Police Complex
- Craigieburn Operational Safety and Tactics Training facility
- 313 Spencer St Police Complex
- Forrest Hill Police Station
- Sale Police Station
- Multi-Disciplinary Centres (MDCs) at Bendigo and Morwell
- Relocation of Mounted Branch to Attwood

Additional floor space (13.5 per cent) and duplicated cleaning requirements have led to increased water usage during the relocation period. In addition, an overall increase in water usage associated with client driven services has been experienced particularly in relation to new MDCs and police prisoners.

Targets for 2016-17

Victoria Police will endeavour to conduct a detailed analysis of water consumption and develop mitigation strategies.

PAPER MANAGEMENT

Victorian Government policy requires all copy paper to be purchased through the Victorian Government nominated provider. There was a change in the nominated provider during October 2015.

Actions Undertaken During 2015-16

There was a continued focus on the use of duplex rather than simplex printing, in addition to using monochromatic rather than colour printing during the reporting period.

PAPER USAGE RESULTS FOR 2015-16

Indicator (A4 Ream Equivalent)	2014-15	2015-16	Change (%)
Total units of copy paper used	193,622	190,257	-1.7
Units of copy paper used per FTE (reams/FTE)	11.3	10.6	-6.2
Percentage of 76-100% recycled content copy paper purchased	16.9	25.9	53.3
Percentage of 50-75% recycled content copy paper purchased	21.7	8.5	-60.8
Percentage of 1-49% recycled content copy paper purchased	19.8	20.4	3.0
Percentage of virgin fibre copy paper purchased	41.7	45.1	8.2

The continuing decrease in paper consumption per FTE, supports the aims of this program in seeking to reduce staff reliance on this resource. The use of paper products with 76 per cent recycled content or higher increased during the reporting period. There was a significant decrease in the use of 50-75 per cent recycled content copy paper and a marginal increase in virgin-fibre copy paper.

The use of some virgin-fibre products is necessary, as coloured paper only comes in virgin-fibre. However, the continued

unwelcome escalation in the use of virgin-fibre white paper products is to some extent related to cost-pressures than a preference for non-recycled paper.

Targets for 2016-17

Increase recycled paper availability awareness and liaise with Whole of Victorian Government (WoVG) contract managers to ensure system specifications are conducive to planet friendly purchases. No specific targets have been set for 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.

Description	2015-16 Estimate
Total Units of Office Waste Disposed of by Destination	Kilograms
Landfill	2,890,059
Recycling	341,724
Total	3,231,783
Total Units of Waste Disposed of Per FTE by Destination	Kilograms/FTE
Landfill	161.28
Recycling	19.07
Total	180.35
Recycling Rate (Per Cent)	11%
Greenhouse Gas Emissions Associated with Waste to Landfill (Tonnes of CO ₂ -e)	4,046

Actions Undertaken During 2015-16

Actions during the reporting period were limited to the provision of general advice and guidance to staff and management.

Targets for 2016-17

Continued provision of advice on existing initiatives and general information. No specific target has been set.

Notes:

- Waste data is based on vendors that remove an estimated 74 per cent of office based waste associated with the location. This data was extrapolated to represent 100 per cent of office locations, FTEs and annual waste production
- Factors used to calculate greenhouse gas emissions are based on those contained in the National Greenhouse Accounts Factors – August 2015

SUSTAINABLE TRANSPORT

Whole of Victorian Government (WoVG) policy requires all mainstream fleet vehicles to be Australian made.

Indicator	2014-15				2015-16				Change (%)
	Petrol	Diesel	LPG	Total	Petrol	Diesel	LPG	Total	
Total energy consumption by vehicles (Gj)	207,095.1	112,890.2	36,745.3	356,730.6	196,511.4	111,886.8	39,227.4	347,625.6	-2.62
Total vehicle travel ('000 km)	51,326.9	28,381.6	9,421.0	89,129.5	48,703.8	28,129.4	10,057.4	86,890.6	-2.51
Greenhouse gas emissions from vehicles (tCO ₂ -e)	14,703.8	8,297.4	2,392.1	25,393.3	13,952.3	8,223.7	2,553.7	24,729.7	-2.61
Greenhouse gas emissions from vehicles per 1,000km travelled (tCO ₂ -e/1000km)	0.303	0.286	0.265	0.854	0.286	0.292	0.254	0.832	-2.58

Total energy consumption and greenhouse gas emissions produced by vehicles decreased during the reporting period. The reduction in greenhouse gas emissions produced is representative of the proportional increase in kilometres travelled by LPG vehicles and a significant decrease in the usage of vehicles utilising petrol.

Actions Undertaken During 2015-16

Victoria Police has continued to purchase fuel efficient, environmentally friendly Australian made vehicles where they are suitable to perform or are of appropriate size for operational work. The existing fleet includes 351 LPG vehicles, 85 hybrid vehicles and 967 diesel powered vehicles.

Targets for 2016-17

In line with the existing WoVG policy, Victoria Police will continue to purchase lower emission and/or hybrid vehicles, where they are suitable to perform or are of appropriate size for operational police work.

Note that Holden has discontinued the manufacture of LPG vehicles. Victoria Police is able to purchase petrol Commodores until the end of 2017.

AIR TRAVEL

Description	2015-16 Total
Total distance travelled (kilometres)	6,667,497.3
Greenhouse gas emissions (tonnes CO ₂ -e)	1,724.1

Note:

Includes travel undertaken by members of ANZPAA and 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 (annual) day pass.

Commuter Club Members	2015-16 Estimate
Myki	11 %
V/Line	1 %

Notes:

- VPS staff only. Police and PSOs are entitled to free travel on public transport
- Please note that this table does not capture VPS staff that use public transport without a Commuter Club membership

PROCUREMENT

Procurement Title	Detail Any Sustainable Procurement Initiatives That Apply
Consultancy for VP operational safety evaluation	Nil
In Car Video replacement and upgrade	Preference to support local industry
Review officers panel for workplace investigation claims	Not applicable
Traffic Incident System review	Not applicable
Fruit and vegetables to Victoria Police	Not applicable
Automated External Defibrillators	Sustainable incentives may include that all consumables are sustainable and recyclable.
M4 rifles and ancillary items	Not applicable
PIPP Analytics RFQ - Invitation to participate in a practice model	Nil
Night vision goggles and ancillary items	Not applicable
Fire kits	Not applicable
Alpine (level 4) cold and wet weather clothing	Shortlisted tenderers will be required to complete an Ethical Employment Statement to demonstrate that they and their manufacturing partners meets their obligations to employees at the time a contract is awarded and continues to meet such obligations during the term of that contract.
Asset revaluation FY 2015-2016	Nil
The role of women in violent extremism and foreign conflicts - Research project	Nil
Support, Maintenance and Workshops for the Victoria Police Learning Hub	Nil
Semi-automatic pistols and ancillaries (Smith & Wesson MP40 semi-automatic)	The Smith & Wesson M&P40 semi-automatic pistols procurement has no environmental impact. Grycol International Pty Ltd satisfied the Ethical purchasing policy (Ethical Employment Standard) in the tender process undertaken in 2010.
Vessel Replacement Program	<p>All servicing, warranty work, and maintenance will be conducted through local authorised service providers therefore enabling Victoria Police to continue to support local industry and Small to medium enterprises as outlined in the VGPB Sustainable Procurement Guidelines.</p> <p>Australia is yet to introduce a standard for environmental emissions related to marine engines. However, the new vessel being procured will be manufactured and compliant to the US EPA 2012 standard - the world's leading standard.</p>
Training on the behavioural indicators of radicalisation	Nil
Supply and fitout of two x tilt slide tray units (to two recently acquired Isuzu cab chassis)	In line with Victoria Police and Victorian Government Purchasing Board (VGPB) procurement initiatives, this procurement will demonstrate Victoria Police's commitment to supporting local industry where possible, and in contracting with employers who meet ethical employment standards.
Presumptive chemical identifying instrumentation	Not applicable
Multi-Function Devices - maintenance, support and new devices	The savings expected to be returned from the installation of print management and "Follow-me-print" services is expected to reduce the number of printed copies. In turn, this will reduce the paper consumed and help reduce Victoria Police's carbon footprint.
Replacement of protective bomb suits and helmets	Not applicable
VP 02-12 metre patrol/ rescue vessel - repairs and maintenance	<p>All servicing, warranty work, and maintenance will be conducted through state or national authorised service providers therefore enabling Victoria Police to continue to support local industry and small to medium enterprises as outlined in the VGPB Sustainable Procurement Guidelines.</p> <p>All repairs will be conducted to Australian Standards and will form part of the annual survey inspections by Transport Safety Victoria. Any construction or additions will be in compliance with naval architect specifications and or manufacturers' specifications</p> <p>All servicing, warranty work, and maintenance will be conducted through state or national authorised service providers therefore enabling Victoria Police to continue to support local industry and small to medium enterprises as outlined in the VGPB Sustainable Procurement Guidelines.</p>

Procurement Title	Detail Any Sustainable Procurement Initiatives That Apply
IT advisory services	Not applicable
Workplace harm support/ referral services	Nil
Comparison macroscope for forensic services investigations	Not applicable
Procurement of Certificate IV in Training and Assessment and skillset services	Nil
Replacement of the booze/drug bus fleet	<p>This procurement will endeavour to encourage and apply sustainable procurement initiatives in harmony with the Australian and New Zealand Government Framework for Sustainable Procurement, State Government policies (e.g. ethical procurement), and VGPB guidelines as suggested in their guide to environmental impact in procurement.</p> <p>At a high level this focusses on economic, social, ethical and environmental consequences of non-renewable materials use, the manufacturing process, production methods, employment and business practices, logistics, and the supplier's capabilities to address these consequences.</p> <p>The RFT will seek to address some of these issues with questions based around ethical procurement, the supplier's environmental systems and their commitment to sustainability in the production process, the use of ECO labels and standards, and resource (energy) use in manufacturing.</p> <p>Another aspect of sustainable procurement is the support of SMEs and local industry. In support of this, the Industry Capability Network has been contacted to provide a list of 'contestable items' identified in the specification that may be provided locally through competitive process. This will drive preparation of a shortlisted tenderer's VIPP Plan, submitted for assessment in accordance with the Victorian Industry Participation Policy (VIPP). Disposal of the old vehicles will be an incremental process managed by the Transport Branch in line with vehicle disposal / auctioneering services in place at the time.</p>
Presumptive chemical identifying instrumentation (FTIR and Raman Spectroscopy)	Not applicable
Oracle financials additional software support for end-of-life version	Nil
Victoria Police Centre security review	Nil
In-vehicle data recorders (IVDRs)	<p>The devices themselves may be reused many times between consecutive vehicles. The devices could also have dual Subscriber Identity Module cards and a satellite option so any short to medium term obsolescence is minimised and they can continue to transmit data back to Victoria Police's server should mobile data technologies change during the contract term.</p> <p>This procurement is being treated as a two stage project by Transport Branch whereby the first phase will involve the State Surveillance Unit (approximately 130 vehicles) and three operational units in close proximity to the Dawson St Police Complex i.e. Fawkner, Werribee/Wyndham and the Driving School - 90 vehicles. Once the first phase has been successfully implemented the second phase will involve the full rollout of IVDRs across the remainder of Victoria Police's fleet (approximately 2,000 suitable vehicles).</p> <p>As such, a pricing scale will be requested for the first stage of approximately 200 units connecting to a separate server likely located within Transport Branch's IT infrastructure. A Standing Offer Agreement will be provisioned and the solution will be rolled out to the remainder of Victoria Police's fleet. Negotiating a volume discount during this stage may help leverage a substantial saving in the future, and possibly encourage a higher level of customer support throughout the duration of any resultant contract.</p>
Provision of Conducted Energy Devices (CEDs) and cartridges	Not applicable
IT network equipment panel	Nil

Procurement Title	Detail Any Sustainable Procurement Initiatives That Apply
Supply of operational jackets	There are no sustainable procurement initiatives that apply. When uniform items are no longer serviceable, members are required to dispose of them in a manner that ensures they cannot be reused or are not identifiable as uniform or clothing provided by Victoria Police.
CISCO based internet Protocol Unified Communication systems and cabling services	There are no sustainable procurement initiatives that apply. The PABX's located at Forensic Services and the Academy will be disposed in accordance with Board of Survey guidelines. These assets will be utilised for spare parts where possible and the remaining deemed obsolete and end of life with no market value. There are no environmental risks associated with the disposal of the equipment.
Administration of influenza vaccine	Sustainable initiatives may include that all records be kept electronically to reduce the amount of paper used therefore less impact on the environment. Another initiative may also include the safe environmental disposal of the needles used for the vaccination.
Photographic consumables	Nil
Protective marking software for Microsoft Outlook and Microsoft Office	Nil
Custodial and escort services	The VIPP is designed to increase the opportunities for local, small and medium-sized business to tender for and win government business. The current policy stipulates that all metropolitan tenders in excess of \$3 million and all regional tenders above \$1 million must incorporate a VIPP statement. As such, all shortlisted tenderers will be required to complete the VIPP statement as part of the RFT response. The VIPP enables government agencies to identify what commitments shortlisted bidders will make to using local goods and services if they are awarded a government contract. Victoria Police will consider these local content commitments in the evaluation of bids, within the context of value for money. The VIPP plan is a primary selection criterion in the evaluation of short-listed tenderers. Industry Capability Network will prepare a comparative assessment of tenderers' VIPP plans to assist the evaluation panel members. If, after evaluation of all criteria, including the VIPP commitments, two or more tenders are rated equally by the evaluation panel, VIPP shall be used as a tiebreaker with the preferred tenderer being the one demonstrating superior VIPP commitments.
Workplace Harm Unit Independent Advisory Board	Nil
Employee Relations Support Panel	Not applicable
Mail security scanning services	Nil
Community Integration Support Program	Not applicable
National Imams Consultative Forum	Not applicable
Protective Services Officer recruitment campaign - creative advertising	Not applicable
Drug and chemical analysis (Gas Chromatography) - Infrared	Not applicable
Supply of extendable batons	Not applicable
PIPP Program Management Services	Nil
PIPP Reform - Mobile Technology	Nil

Procurement Title	Detail Any Sustainable Procurement Initiatives That Apply
VPC accommodation project contractor and consultancy engagement	Other codes, policies and agreements which apply to public construction in Victoria include: • Victorian Industry Participation Policy; • Building Code 2013 (Commonwealth) and its Supporting Guidelines for Commonwealth Funding Entities; • Australian Government Building and Construction OHS Accreditation Scheme; and • Australia-United States Free Trade Agreement. The Victorian Building Authority (VBA) develops and implements sustainability initiatives targeting building design, construction and use. The VBA works closely with the building industry to develop a common approach to progressively improving the sustainability of our built environment. Sustainability in the built environment involves promoting energy and water efficient buildings and minimising waste generated during building construction, operation and demolition. Sustainability encompasses the indoor environmental quality of the building. Buildings have significant environmental impacts over their life cycle: during construction, operation and demolition. Most important of these impacts are energy consumption (and related greenhouse emissions), water use and waste generation. For example, it has been estimated that the operation of Australia's residential and commercial buildings contributes 20 – 30% of national greenhouse gas emissions. So improving the design and operation of buildings must be a key step in reducing these emissions and tackling the issue of climate change.
First aid training services	Not applicable
Drug and chemical analysis - Inductively Coupled Plasma Mass Spectrometry (ICP-MS)	Not applicable
Road safety alcohol and drug data capture services	Not applicable
PIPP Program - all streams	Not applicable
Conducted Energy Device (CED) Data Asset Management System (DAMS)	Not applicable
PID: VMWare licence agreement	Not applicable
Maintenance and support of the PDA (Professional Development Assessment) system	Nil
Online and ancillary legal reference material	Not applicable
Panel E- Crime digital forensic investigation products	Sustainable considerations incorporated within the RFT requirements for suppliers to present initiatives. Environmentally friendly disposal of products is required.
PID: Maintenance and service for existing scientific equipment	Not applicable
PID: Proactive policing and community development forums	Not applicable
PID: Preliminary drug testing cartridges	Not applicable
PID: Field catering truck chassis	Not applicable
Short term extension of the Forensic Information Management System and the Seized Property Management System and supply of seized property printing devices	There are no perceived economic, social and environmental impacts associated with this procurement. Not applicable
LARS IT support services	There will be no economic, social or environmental impacts of this procurement activity. Not applicable
Remote Positioning Vehicle (RPV) – small	All servicing, warranty work, and maintenance will be conducted through local authorised service providers therefore enabling Victoria Police to continue to support local industry and small to medium enterprises as outlined in the VGPB Sustainable Procurement Guidelines.
PID: IT security incident response capability	Not applicable
PID: Establishment of process to enable annual licensing, maintenance and support purchases from the Oracle State Purchase Contract	Not applicable
PID: Audit and Risk Committee	Not applicable
PID: Youth Cautioning Pilot evaluation	Not applicable
PID: Corporate Advisory Group Panel	Not applicable
PID: Case Management System for HR Assist	Not applicable

APPENDIX Q - REPORT UNDER THE CORRECTIONS ACT 1986

In accordance with section 9D(3A) of the *Corrections Act 1986*, key actions and achievements in relation to prisoner management in 2015-16 include:

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 facilities under contract with G4S.

Ringwood Magistrates Court Cells

In April 2014, Victoria Police recommissioned the Ringwood Magistrates Court cells with the MJC contract being used to engage G4S to provide the required custody and escort services. This initiative has positively impacted both the courts and police cells at Ringwood.

G4S Contract services

During 2015-16, G4S provided the following contract services:

Melbourne Custody Centre (MCC)

- Managed 26,695 prisoner movements (counted in and out). In addition, 482 intoxicated persons were lodged.
- Managed 13,641 court movements between the MCC, Melbourne Magistrates Court and County Court (sitting as the Melbourne Magistrates Court).
- Provided full time security of prisoners in 14 Melbourne Magistrates Courts.
- Facilitated a total of 19,336 visits to prisoners, including 1,635 visits by relatives and friends, 17,110 legal visits to prisoner clients and 591 police visits to prisoners.
- Escorted 17 prisoners to hospital and provided 260.95 hours of guard duties whilst prisoners received medical treatment.

Moorabbin Justice Centre

- Managed 1,728 prisoner movements (counted in and out).
- Managed 1,014 court movements.
- Facilitated a total of 1,637 legal visits to prisoner clients.

Ringwood Magistrates Court Cells

- Managed 3,274 prisoner movements (counted in and out).
- Managed 2,024 court movements.
- Facilitated a total of 2,742 legal visits to prisoners.

Prisoner numbers in police facilities continues to be an issue for Victoria Police. The demand for the MCC exceeds capacity on a regular basis, impacting police facilities and courts.

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.

The Police Custody Officer (PCO) project is well underway with 214 PCOs employed.

APPENDIX R – COMPLIANCE WITH OTHER LEGISLATION

CONTROL OF WEAPONS ACT 1990 (SECTION 10B)

The Chief Commissioner of Police is required to report on searches without warrant undertaken in accordance with section 10B of the *Control of Weapons Act 1990*.

Search Type	2014-15	2015-16
Searches Conducted	363	710

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

Weapon	2014-15	2015-16
Prohibited Weapons		
Slingshot	2	2
Capsicum Spray	3	1
Offensive/Noxious Liquid/Gas	1	0
Electric Current Emit Article	3	6
Laser Pointer	5	7
Mace Or Similar	2	0
Baton/Bo-Chucks	2	1
Nunchaku	2	1
Sai/Jitte	2	0
Tonfa	2	0
Flick Knife	4	6
Dagger	1	1
Knuckle Knife	1	1
Butterfly Knife	3	0
Double-End Knife	1	1
Black Eagle Knife	0	2
Push Knife	2	2
Throwing Blade	2	0
Extendable Baton	0	2
Knuckle Duster	15	15
Imitation Handgun	4	3
Dangerous Articles		
Bottle/Glass	1	0
Axe/Tomahawk	2	8
Bat/Bar/Club	19	21
Syringe	6	9
Other Weapon	17	17
Controlled Weapons		
Knife	144	183
Crossbow	1	1
Speargun	0	1
Baton or Cudgel	6	4
Sword	2	3
Bayonet	0	1
Cattle Prod	0	1
TOTAL	255	300

Notes:

- Data extracted from LEAP on 18 July 2016 and subject to variation
- Due to limited coding on field contract data, weapon seizure data is only partially available

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

Section 60S of the Act 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

Persons under 18 years searched: 2 persons

b) Number of searches of persons irrespective of age without warrant under section 60F conducted during financial year

Persons searched irrespective of age: 4 persons

c) Number and type of volatile substances and items used to inhale a volatile substance seized as a result of conducting those searches

Number of substances seized:

Aerosol	1
Solvent (Glue)	0
Plastic Bag	0
Paper Bag	0
Gases (Rexona)	1
Other (Ink Pen)	1

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)

Surrendered substances and items on request of police officer:

None	2
Some	0
All	0
Unknown	1

e) Number and type of volatile substances and items used to inhale a volatile substance returned to persons under section 60N

Returned substances and items:

None	0
Some	0
All	0
Unknown	4

f) Number and type of volatile substances and items used to inhale a volatile substance disposed of or made safe under section 60O

Disposed of substances and items

None	2
Some	0
All	0
Unknown	1

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

None	0
Some	0
All	0
Unknown	4

h) Number of persons apprehended and detained without warrant under section 60L during financial year

2 persons (under 18 years) apprehended and detained
4 persons (irrespective of age) apprehended and detained
Total: 4 persons apprehended and detained

Males	3
Females	1
Unknown	0
Indigenous	1
Non Indigenous	3
Unknown	0

Note:

- Does not include persons suspected of graffiti

FIREARMS ACT 1996 (SECTION 153C)

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

	2014-15	2015-16
Searches	96	67

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

Firearms found*	2014-15	2015-16
Rifle	6	3
Air rifle/gun	1	0
Shotgun	2	2
Handgun	4	3
Machine Gun	0	0
Sawnoff Firearm	6	2
Imitation Firearm	8	6
Cartridge Ammunition	6	9
Other Firearm	9	1
TOTAL	42	26

c) Any other information requested by the Minister.

No information requested.

Notes:

- Data extracted from LEAP and is 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

* This data is held in a free text field, not coded, and may not be complete

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	2014-15	2015-16
14-17	117	169
18-23	59	63
24+	21	26
Unspecified	11	2
TOTAL PERSONS CONTACTED	208	260
TOTAL REPORTS	131	173

Graffiti implements found during graffiti related search without warrant

Implement Type	2014-15	2015-16
Aerosol Paint Container	43	40
Texta/Marker	57	52
Other Graffiti Implement	14	10
TOTAL IMPLEMENTS	114	102

Notes:

- Data extracted from LEAP on 18 July 2016 and subject to variation
- A field contact report may have multiple persons recorded

SEX OFFENDERS REGISTRATION ACT 2004 (SECTION 62)

Throughout the 2015-16 financial year, the Sex Offenders Registry has been working closely with the Department of Justice and Regulation to develop and refine amendments to the *Sex Offenders Registration Act 2004* (SORA).

The new provisions are contained within the *Sex Offenders Registration Amendment Act 2016* and include:

- A new power allowing police to apply for the making of Prohibition Orders which would prohibit certain activities and behaviours of Registered Sex Offenders (RSOs).
- A new provision which would allow the Chief Commissioner to publish information about RSOs who cannot be located.
- A new provision extending the Independent Broad-based Anti-corruption Commission's (IBAC) current monitoring functions to include monitoring compliance with Part 3 of the SORA by the Chief Commissioner and persons receiving reports.
- A new provision to provide for correction of errors in notices of reporting obligations given by courts.
- A new provision to amend Schedule 2 of the SORA to include further offences against the Criminal Code of the Commonwealth.

The *Sex Offenders Registration Amendment Act 2016* was assented to on 26 April 2016. The commencement date for the amendments is 1 February 2017, although some provisions may be enacted earlier.

The changes to be enacted under the *Sex Offenders Registration Amendment Act 2016* will enhance the capability of Victoria Police to monitor RSOs in the community.

The Sex Offenders Registry has continued an internal focus on ensuring our compliance managers maintain contemporary standards and improve their response with respect to managing RSOs.

	In the Community ¹	Other ²
Total Males	3,947	2,604
Total Females	98	31
Total Juveniles	2 ³	0
TOTAL	4,047	2,635

RSO Reporting Period

4 Years	3
7.5 Years	21
Custom	43
8 Years	1,082
15 Years	1,586
Life	1,310

Other Status

In Custody	808	
Interstate/Overseas	745	
De-registered	756	
Deceased	318	
Suspended	8	
TOTAL	4,045	2,635
Registry Total	6,680⁴	

Notes:

- 'Community' denotes RSOs currently living in the community under the management of Victoria Police compliance managers
- 'Other' refers to RSOs that are in custody, listed as whereabouts unknown, deceased, interstate / overseas, de-registered or suspended
- For advice only. Figure included in Total Males
- Data extracted from the Sex Offender Registry (SOR) database on Tuesday 30 June 2016. Data is subject to change

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 2014-15	RESULTS FOR 2015-16
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	Eight (8) Orders have been made in the Magistrates Court.	44 Orders have been made by Courts
e) the number of persons charged with an offence against section 89DF(1) or (2) during that year	There is no record of any person being charged with an offence against section 89DF(1) or (2)	One (1) person charged under S 89DF 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	There is no record of any person being charged with an offence against section 89DF(1) or (2)	Nil (0) charges under S 89DF 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 applicable, as this is the first year of the scheme.	See above

Notes:

* Victoria Police does not separately capture this data, as the application is part of a brief of evidence (Data cannot be disaggregated for this purpose). Data extracted from LEAP on 20th July 2016 and subject to variation

APPENDIX S – 2015-16 VICTORIA POLICE HONOURS AND AWARDS

2015-16 VICTORIA POLICE HONOURS AND AWARDS

Australian Police Medal (APM)

Inspector	Kenneth Craig	ASHWORTH	20495
Superintendent	Stuart David	BATESON	26242
Superintendent	Alan John	BYRNES	19752
Commander	Shane Robert	COLE	19934
Inspector	Peter James	FERGUSON	22160
Assistant Commissioner	Peter Ross	GUENTHER	25186
Assistant Commissioner	Stephen Frederick	LEANE	22382
Senior Sergeant	Michael Scott	OLSEN	23437
Sergeant	Glenn	PINDER	23435
Superintendent	Debra Lyn	ROBERTSON	23930
Senior Sergeant	Graeme John	STANLEY	29189
Commander	Dean Anthony	STEVENSON	24014
Assistant Commissioner	Therese Mary	WALSH	26256

Public Service Medal (PSM)

Executive Director	Anthony	BATES	
VPS3	Kenneth	THAIN	

Medal for Courage

Senior Constable	David Colin	MALLOCH	35731
Former Senior Sergeant	Trevor Anthony	MUCCHI	24122
Sergeant	Justin John	RHODERICK	29101
Sergeant	Daniel Stephen	WILLSMORE	32202

Medal for Merit

Senior Sergeant	Marilynn June	ROSS	25191
Federal Agent	Danielle	WOODWARD	

Citizen Commendation

David	BUGAJEWSKI		
Tony	FERRARA		
Ross	GALBRAITH		
Alexander	MILKINS		
Nino	ULAAN		
Kes	URBAN		
Chris	WADE		
Brenton	WILLEY		

Australian Bravery Award

Group Bravery Citation

Former Sergeant	David Ernest	KEY	24404
Leading Senior Constable	Bryan Anthony	NORMAN	25767
Constable	Warrick	YOUNG	36320

Royal Humane Society Letter of Commendation

Leading Senior Constable	Clayton James	BECKHOUSE	
Senior Sergeant	Brett Andrew	COLOE	
Constable	Peter John	LANGRIDGE	
Sergeant	Dennis	RAMSAY	
Sergeant	Christopher Charles	STOCK	

Victoria Police Star

Constable	Patrick	DALY	39172
Senior Constable	Patricia Elizabeth	HAYNES	26567
Former Sergeant	Christopher Andrew	HOLLIS	23071
Former Senior Constable	Ian Lloyd	JONES	25604
Former Sergeant	Martin Nicholas	KLOOSTER	30253
Leading Senior Constable	Paul Stuart	McNAMARA	24507
Superintendent	Neil	PATERSON	26509
Senior Sergeant	Kimball Martin	PLUIM	19420
Senior Sergeant	David James	REITHER	26440
Former Sergeant	Zlatko	STEFANCIC	25390
Former Inspector	John Samuel Kenneth	WILSON	19226

Note:

- The rank of honours and awards recipients was as at time of award issue

APPENDIX T - ACRONYM GLOSSARY

AC	Assistant Commissioner	OHS	Occupational Health and Safety
AFP	Australian Federal Police	OMCG	Outlaw Motorcycle Gangs
AM	Member of the Order of Australia	OPI	Office of Police Integrity
ANZPAA	Australia and New Zealand Policing Advisory Agency	OSBB	Organisational Standards and Behaviours Branch
APM	Australian Police Medal	PACE	Professional Approach to Community Engagement
ARC	Audit and Risk Committee	PBEP	Police Building Efficiency Project
ARM	Accountability and Resource Model	PID	Program Initiation Document
ATO	Australian Taxation Office	PIPP	Policing Information Process and Practice
BAC	Blood Alcohol Content	PCO	Police Custody Officer
BAU	Business as Usual	PRSB	Police Registration and Services Board
BP3	Budget Paper No. 3	PSA	Police Service Area
CAG	Corporate Advisory Group	PSPR	Public Safety – Police Response
CALD	Culturally and Linguistically Diverse	PSM	Public Service Medal
CAP	Continuous Auditing Program	PSO	Protective Services Officer
CED	Conducted Energy Device	REM	Regional Engagement Model
CEM	Child Exploitation Material	RFQ	Request for Quote
CLEDS	Commissioner for Law Enforcement Data Security	RFT	Request for Tender
CPDP	Commissioner for Privacy and Data Protection	ROCSID	Register of Complaints Serious Incidents and Discipline
CSA	Crime Statistics Agency (Victorian)	ROGs	Report on Government Services
DTF	Department of Treasury and Finance	RSO	Registered Sex Offender
DWG	Designated Work Group	SAP	Semi-Automatic Pistol
EBA	Enterprise Bargaining Agreement	SD	Standing Direction
ELP	Electronic Lodgement Process	SDEP	Service Delivery Enhancement Program
EO	Executive Officer	SESC	State Emergencies and Security Command
ESGD	Executive Services and Governance Division	SMA	Senior Medical Advisor
ESM	Essential Safety Measures	SOE	Statement of Expectations
FBI	Federal Bureau of Investigation	SORA	Sex Offender Registry Act
FMA	<i>Financial Management Act 1994</i>	SOSRU	Sex Offenders Specialist Response Unit
FO	Forensic Officer	SSP	Shared Service Provider
FOI	Freedom of Information	STEPS	Systems Evaluation for the Prevention of Suicide
FRD	Financial Reporting Direction	STS	Senior Technical Specialist
FTE	Full Time Equivalent	TAC	Transport Accident Commission
GIC	Governor in Council	TRP	Technology Refresh Program
HSR	Health and Safety Representative	VAGO	Victorian Auditor-General's Office
IBAC	Independent Broad-based Anti-corruption Commission	VAP	Victims Assistance Programs
ICE	Crystalline Methylamphetamine (street term)	VBA	Victorian Building Authority
ICT	Information and Communication Technology	VCAT	Victorian Civil and Administrative Tribunal
IHRD	Intentional High Risk Driving	VCDS	Victim Centric Service Delivery Strategy
IRP	Issue Resolution Procedures	VEOHRC	Victorian Equal Opportunity and Human Rights Commission
IVDR	In-Vehicle Data Recorder	VGPB	Victoria Government Purchasing Board
JACET	Joint Anti-Child Exploitation Team	VGRMF	Victorian Government Risk Management Framework
LAC	Local Area Command	VIPP	Victorian Industry Participation Policy
LEAP	Law Enforcement Assistance Program	VPC	Victoria Police Centre
LEDR	LEAP Electronic Data Recorder	VPeR	Victoria Police eReferrals
LGBTI	Lesbian/Gay/Bisexual/Transgender/Intersex	VP MAC	Victoria Police Monitoring and Assessment Centre
LRD	Licensing and Regulation Division	VPS	Victorian Public Service
LTIFR	Lost Time Injury Frequency Rate	VPSC	Victorian Public Sector Commission
MCC	Melbourne Custody Centre	VPSG	Victorian Public Services Officer Grade
MDC	Multi-Disciplinary Centre	VPFSD	Victoria Police Forensic Services Department
MJC	Moorabbin Justice Centre	VSA	Victims Support Agency
MY City	Melbourne/Yarra City	VTRP	Vehicle Theft Reduction Plan
NAIDOC	National Aboriginal Islander Day Observance Committee	WoVG	Whole of Victorian Government
OAM	Order of Australia		
OFT	Oral Fluid Test		

09. FINANCIALS

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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 Directions 4.2 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, cash flow statement, statement of changes in equity, and accompanying notes, present fairly the financial transactions during the year ended 30 June 2016 and financial position of Victoria Police as at 30 June 2016.

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 09 September 2016.



Graham Ashton AM
Chief Commissioner
Victoria Police

Melbourne
09 September 2016



Peter Froutzis
Chief Finance and
Accounting Officer
Victoria Police

Melbourne
09 September 2016

INDEPENDENT AUDITOR'S REPORT

To the Chief Commissioner, Victoria Police

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of Victoria Police which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration.

The Chief Commissioner's Responsibility for the Financial Report

The Chief Commissioner of Victoria Police is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of 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 the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Commissioner, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Victoria Police as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
29 September 2016



Andrew Greaves
Auditor-General

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Income from transactions			
Revenue from Victorian Government	2(a)	2,581,882	2,434,295
Other income	2(b)	14,734	13,898
Total income from transactions		2,596,616	2,448,193
Expenses from transactions			
Employee expenses	3(a)	1,969,630	1,833,773
Depreciation and amortisation	3(b)	88,812	76,756
Capital asset charge	3(c)	91,500	93,716
Supplies and services	3(d)	455,851	458,820
Interest expense	3(e)	1,761	1,836
Bad debts from transactions	3(f)	1,692	316
Total expenses from transactions		2,609,246	2,465,217
Net result from transactions (net operating balance)		(12,630)	(17,024)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	5(a)	6,908	7,164
Net gain/(loss) from other economic flows	5(b)	(6,864)	(7,807)
Total other economic flows included in net result		44	(643)
Net result		(12,586)	(17,668)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	21	114,440	0
Total other economic flows - other comprehensive income		114,440	0
Comprehensive result		101,854	(17,668)

Note:

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

BALANCE SHEET AS 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Financial assets			
Cash and deposits	20(a)	38,029	35,446
Receivables	6	406,531	402,142
Total financial assets		444,560	437,588
Non-financial assets			
Other non-financial assets	8	11,889	17,776
Inventories	7	5,513	6,740
Non-financial physical assets classified as held for sale	9	6,562	9,148
Property, plant and equipment	10	1,605,833	1,462,952
Intangible assets	11	11,133	12,849
Total non-financial assets		1,640,929	1,509,465
Total assets		2,085,489	1,947,053
Liabilities			
Payables	12	81,062	92,608
Borrowings	13	72,498	75,594
Provisions	14	530,303	499,726
Total liabilities		683,863	667,928
Net assets		1,401,626	1,279,125
Equity			
Accumulated surplus		12,333	24,918
Contributed capital		704,362	683,716
Physical asset revaluation surplus	21	684,931	570,491
Net worth		1,401,626	1,279,125
Commitments for expenditure	17		
Contingent liabilities	18		

Note:
• The above balance sheet should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Physical Asset Revaluation Surplus \$'000	Accumulated Surplus \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 July 2014	570,491	42,586	603,660	1,216,738
Net result from transactions for the year	0	(17,024)	0	(17,024)
Other economic flows included in net result	0	(643)	0	(643)
Capital contribution from /(to) other state departments/entities	0	0	(2,505)	(2,505)
Capital contribution by Government as part of annual grants	0	0	82,560	82,560
Revaluation surplus adjustment	0	0	0	0
Balance at 30 June 2015	570,491	24,918	683,716	1,279,125
Net result from transactions for the year	0	(12,630)	0	(12,630)
Other economic flows included in net result	0	44	0	44
Capital contribution from /(to) other state departments/entities	0	0	(2,091)	(2,091)
Capital contribution by Government as part of annual grants	0	0	22,738	22,738
Revaluation surplus adjustment	114,440	0	0	114,440
Balance at 30 June 2016	684,931	12,333	704,362	1,401,626

Note:
• The above statement of changes in equity should be read in conjunction with the accompanying notes

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Receipts from Government		2,583,641	2,411,959
Other income		14,011	9,524
Sales of goods and services		1,341	1,080
Interest received		49	59
GST received from ATO (i)		54,068	63,615
Payments to suppliers and employees		(2,477,627)	(2,308,055)
Capital asset charge		(91,500)	(93,716)
Interest paid		(1,761)	(1,836)
Net cash flows from/(used in) operating activities	20(c)	82,221	82,630
Cash flows from investing activities			
Proceeds from sale of property, motor vehicles, plant and equipment		30,521	29,773
Payments for property, plant & equipment		(75,388)	(136,479)
Net cash flows from/(used in) investing activities		(44,867)	(106,706)
Cash flows from financing activities			
Proceeds from capital contributed by Government		20,646	80,055
Repayment of finance leases		(55,417)	(52,774)
Net cash flows from/(used in) financing activities		(34,771)	27,281
Net increase/(decrease) in cash and cash equivalents		2,583	3,205
Cash and cash equivalents at the beginning of the financial year		35,446	32,241
Cash and cash equivalents at the end of the financial year	20(a)	38,029	35,446

Note:

- The above cash flow statement should be read in conjunction with the accompanying notes
- (i) Goods and Services Tax are presented on a net basis

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for Victoria Police for the year ended 30 June 2016.

The purpose of the report is to provide users with information about Victoria Police's stewardship of resources entrusted to it.

(A) STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) 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 Note 29 Glossary of Terms.

The annual financial statements were authorised for issue by the Chief Commissioner of Police on 9 September 2016.

(B) BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 AAS that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment, refer to Note 1 (M) Non-Financial Assets.
- superannuation expense – refer to Note 1 (H) Expenses from Transactions.
- 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 1 (N) Liabilities.

These financial statements are presented in Australian dollars, and 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. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.
- the fair value of an asset other than land is generally based on its depreciated replacement value.
- the long service leave liability that is calculated with regard to actuarial assessments of the future inflation factor.

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, financial instruments 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 and the level of the fair value hierarchy as explained above.

In addition, Victoria Police determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

(C) REPORTING ENTITY

The financial statements cover Victoria Police as an individual reporting entity. Its principal address is:

Victoria Police Centre
637 Flinders Street
Docklands VIC 3008

Victoria Police is an administrative agency acting on behalf of the Crown.

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.

A description of the nature of Victoria Police's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and Funding

The role of Victoria Police is to serve the Victorian Community and uphold the law and to promote a safe, secure and orderly society. Funding is provided to carry out its statutory obligations of preserving the peace, protecting life and property, preventing the commission of offences, detecting and apprehending offenders and helping those in need of assistance.

Victoria Police is predominantly funded by grants received from the Victorian Government.

Outputs of Victoria Police

The policing services output reports on activities relating to the provision of 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.

(D) 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 and activities that are administered (see explanation below under Administered items) are also not controlled and not consolidated. Details of this is disclosed in Note 22 Administered items.

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.

Administered Items

Certain resources are administered by Victoria Police on behalf of the State. While Victoria Police is accountable for the transactions involving administered items, it does not have the discretion to deploy the resources for its own benefit or the achievement of its objectives. Accordingly, transactions and balances relating to administered items are not recognised as Victoria Police income, expenses, assets or liabilities within the body of the financial statements.

Administered income includes fees and fines and the proceeds from the sale of administered surplus property. 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.

Disclosures related to administered items can be found in Note 22 Administered Items.

Funds Held in Trust - Other Trust Activities on Behalf of Parties External To The Victorian Government

Victoria Police has responsibility for transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. Income, expenses, assets and liabilities 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 or the Victorian Government. Funds under management are reported in Note 24 (c) Third Party Funds Under Management.

(E) SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

Comprehensive Operating Statement

The comprehensive operating statement comprises of three components, being 'net result from transactions', 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result.

The net result is equivalent to the profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market re-measurements. They include:

- gains and losses from disposals of non-financial assets.
- revaluations and impairments of non-financial physical and intangible assets.
- re-measurement arising from defined benefit superannuation plans.
- fair value changes of financial instruments.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 Presentation of Financial Statements.

'Transactions' and 'other economic flows' are defined by the Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 and Amendments to Australian System of Government Finance Statistics, 2005 (ABS Catalogue No. 5514.0) (the GFS manual) - refer Note 29 Glossary of Terms.

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows in 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.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets.

Balance Sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial and non-financial assets.

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included in cash and deposits on the balance sheet.

Statement of Changes in Equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts recognised in 'Other economic flows – other movements in equity' related to 'Transactions with owner in its capacity as owner'.

Rounding

Amounts in the financial statements (including the notes) have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(F) CHANGES IN ACCOUNTING POLICIES

During the financial year, there have been no changes in accounting policies.

(G) INCOME FROM TRANSACTIONS

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.

Revenue from Government

Revenue from government becomes controlled and is recognised by Victoria Police when granted. Additionally, under section 29 of the *Financial Management Act 1994* the entity is permitted to have certain income annotated on the revenue from Government. The income which forms part of a section 29 Agreement is recognised by Victoria Police and the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be granted to Victoria Police. Examples of receipts which can form part of a section 29 Agreement are proceeds from the sale of assets and income from the sale of products and services.

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 Note 22 Administered Items.

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.

Other Income

Sales of Goods and Services - Income from the Supply of Services

Income from the supply of services is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured.
- it is probable that the economic benefits associated with the transaction will flow to Victoria Police.

Under the stage of completion method, income is recognised by reference to labour hours supplied.

Sales of Goods and Services - Income from Sale of Goods

Income from the sale of goods is recognised when:

- Victoria Police has transferred all the significant risk and rewards of ownership of the goods to the buyer.
- Victoria Police no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured.
- it is probable that the economic benefits associated with the transaction will flow to Victoria Police.

Interest Income

Interest includes interest received on term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported either as part of income from other economic flows in the net result or as unrealised gains and losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

Grants Received in Relation to Trusts

Income from grants (other than contribution by owners) is recognised when Victoria Police gains control over the contribution.

Where such grants are payable into the Consolidated Fund, they are reported as administered income, refer to Note 1 (D) Basis of Consolidation, and Note 1 (K) Financial Instruments. For reciprocal grants (i.e. equal value is given back by Victoria Police to the provider), Victoria Police is deemed to have assumed control when the performance obligations under the terms of the grant have been satisfied. For non-reciprocal grants, Victoria Police is deemed to have assumed control when the grant is receivable or received. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Other Trust Income

Other trust income includes private sector donations and fringe benefits tax receipts which are recognised upon receipt.

Plant and Equipment Received Free of Charge or for Nominal Consideration

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

(H) EXPENSES FROM TRANSACTIONS

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

Employee Expenses

Refer to the section in Note 1 (N) Liabilities regarding employee benefits.

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

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Depreciation

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 asset's value, less any estimated residual value; over its estimated useful life. Refer to Note 1 (M) Non-Financial Assets for the depreciation policy for leasehold improvements.

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.

The following are typical estimated remaining useful lives for the different asset classes for current and prior years:

	2016	2015
Buildings	1-50 years	1-50 years
Leasehold improvements	1-20 years	1-20 years
Plant and equipment	1-40 years	1-40 years
Leased plant and equipment	1-3 years	1-3 years
Leased motor vehicles	1-3 years	1-3 years
Heritage assets	1-50 years	1-50 years
Cultural artworks	1-100 years	1-100 years
Software	1-12 years	1-5 years

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.

The estimated useful life of Software has changed from 1-5 years in 2015 to 1-12 years in 2016 due to an enhancement of the Law Enforcement Assistance Program (LEAP) software that has extended its useful life.

Amortisation

Intangible produced 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.

Interest Expense

Interest expense is recognised in the period in which it is incurred. Refer to Note 29 Glossary of Terms for an explanation of interest expense items.

Capital Asset Charge

The capital asset charge is calculated on the revised budgeted carrying amount of applicable non-financial physical assets.

Supplies and Services

Supplies and services expenses generally represent the day to day running costs incurred in normal operations. They are recognised as an expense in the reporting period in which they are incurred.

Ex-Gratia Payments

These are payments made to employees or members of the public to compensate or reimburse, where Victoria Police is not legally bound to make one.

Bad and Doubtful Debts

Refer to Note 1 (L) Financial Assets – Impairment of Financial Assets.

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.

(I) OTHER ECONOMIC FLOWS INCLUDED IN THE NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

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:

Revaluation Gains/ (Losses) of Non-Financial Physical Assets

Refer to Note 1 (M) Non-Financial Assets – Revaluations of Non-Financial Physical Assets.

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

All non-financial assets are tested annually to determine if there is any indication of impairment.

All non-financial assets are assessed annually for indications of impairment, except for:

- inventories, refer to Note 1 (M) Non-Financial Assets.
- non-financial physical assets held-for-sale, refer to Note 1 (M) Non-Financial Assets.

If there is an indication of impairment exists, 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 the write-down can be debited to an asset revaluation surplus applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss 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. The recoverable amount for most assets is measured at the higher of depreciated 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.

Refer to Note 1 (M) Non-Financial Assets in relation to the recognition and measurement of non-financial assets.

Other Gains (Losses) from Other Economic Flows

Other gains/ (losses) from other economic flows include the gains or losses from:

- transfer of amounts from the reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification.
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

(J) ADMINISTERED INCOME

Regulatory Fees and Fines

Victoria Police does not gain control over assets arising from fines and regulatory fees, consequently no income is recognised in Victoria Police's financial statements. This income is paid into the Consolidated Fund.

Grants from the Commonwealth Government and Other Jurisdictions

Victoria Police's administered grants mainly comprise funds provided by the Commonwealth Government to assist the State Government in meeting service delivery obligations. Administered grants are disclosed in the schedule of Administered Items in Note 22.

(K) FINANCIAL INSTRUMENTS

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. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer of Victoria on behalf of Victoria Police are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not. The following refers to financial instruments unless otherwise stated.

Categories of Non-Derivative Financial Instruments

Loans and Receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transactions costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables include cash and deposits, (refer to Note 1 (L) Financial Assets), trade receivables, loans and other receivables, but not statutory receivables.

Financial Liabilities at Amortised Cost

Financial instrument liabilities 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, refer to Note 19 Financial Instruments.

Financial instrument liabilities measured at amortised cost include all contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

(L) FINANCIAL ASSETS

Cash and Deposits

Cash and deposits recognised on the balance sheet 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 with an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as borrowings on the balance sheet.

Any interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

Receivables

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services, loans to third parties, accrued investment income and finance lease receivables (refer to Note 1(O) Leases).
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(K) Financial Instruments for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified. For the measurement principle of receivables, refer to Note 1(K) Financial Instruments.

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:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) 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.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written-off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

The amount of 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.

(M) NON-FINANCIAL ASSETS

Other Non-Financial Assets

Advances Paid to Department of Treasury and Finance

Advances paid to Department of Treasury and Finance are for goods or services not yet received. Payments are for the purchase of property on behalf of Victoria Police and leasehold building fit-outs.

Inventories

Inventories include goods held for distribution at zero or nominal cost or for consumption in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Cost includes an appropriate portion of fixed and variable overhead expenses. Cost for all other inventory is measured on the basis of weighted average cost.

The basis used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Non-Financial Physical Assets Classified as Held for Sale, Including Disposal Group Assets

Non-financial physical assets (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition.
- the sale is highly probable and the asset's sale is expected to be completed within twelve months from the date of classification.
- the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

Property, Plant and Equipment

All individually significant non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

All individually insignificant non-financial physical assets that fall below the capitalisation threshold are aggregated together according to their appropriate asset category and useful life if they meet the capitalisation threshold.

Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Victoria Police. Where an asset is acquired for no or nominal cost, the cost is the asset's fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1 (O) Leases) 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.

Non-financial physical assets such as Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of cultural assets and collections, heritage assets and other non-financial physical assets (including crown land) that Victoria Police intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

The fair value of plant, equipment and vehicles is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Certain assets are acquired under finance leases. Refer to Note 1 (O) Leases and Note 1 (Q) Commitments for more information.

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.

For the accounting policy on impairment of non-financial physical assets refer to Note 1 (I) Other Economic Flows Included in the Net Result.

Leasehold Improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Revaluations of Non-Financial Physical Assets

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with the Financial Reporting Directions (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. As disclosed in Note 10 Property, Plant and Equipment, an independent revaluation was undertaken by the Valuer-General Victoria in 2015-16.

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 – other movements in equity' and accumulated in equity under the 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.

Net revaluation decreases are recognised in 'Other economic flows – other movements in equity' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'Other economic flows – other movements in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

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 of the relevant asset.

Intangible Assets

Purchased intangible assets are initially measured at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Victoria Police.

When the recognition criteria in AASB 138 Intangible Assets are met, internally generated intangible assets are recognised and measured at cost less accumulated amortisation and impairment. Refer to Note 1 (H) Expenses from Transactions – Depreciation and Amortisation, and to Note 1 (I) Other Economic Flows Included in the Net Result – Impairment of Non-Financial Assets.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- (b) an intention to complete the intangible asset and use or sell it.
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefits.
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Prepayments

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.

(N) LIABILITIES

Payables

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to Victoria Police prior to the end of the financial year that are unpaid, and arise when Victoria Police becomes obliged to make future payments in respect of the purchase of those goods and services.
- statutory payables such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost, refer to Note 1 (K) Financial Instruments. 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 a contract.

Borrowings

All interest bearing liabilities are initially recognised at fair value of the consideration received, less directly attributable transaction costs, refer also to Note 1 (O) Leases. 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. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

Provisions

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 liability is the best estimate of the consideration required to settle the present obligation at reporting period, 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.

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.

Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave are made for services rendered to the reporting date.

(i) 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.
- present value if Victoria Police does not expect to wholly settle within 12 months.

(ii) 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.
- 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 1(I) Other Economic Flows Included in the Net Result).

The Minister for Finance approved an alternative wage inflation rate of 5.3 per cent to calculate the LSL liabilities for Sworn members for 2015-16 and subsequent periods based on the new EBA outcomes and staffing profiles. From June 2012 until 2014-15 an inflation rate of 5.5 per cent was used by Victoria Police. The standard wage inflation rate at 30 June 2016 of 4.3 per cent prescribed by the Department of Treasury and Finance is being used to calculate the LSL liabilities for public servants.

(iii) Deferred Salary Scheme

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

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Victoria Police recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

On-Costs Related to Employee Expenses

On-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

(O) LEASES

A lease is a right 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 property, plant and equipment are classified as finance infrastructure 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.

Finance Leases - Victoria Police as Lessee

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 lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease 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. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest expense implicit in the lease and charged directly to the comprehensive operating statement.

Operating Leases - Victoria Police as Lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(P) EQUITY

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.

(Q) COMMITMENTS

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note (refer to Note 17 Commitments for Expenditure) 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.

(R) CONTINGENT LIABILITIES

Contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer Note 18 Contingent Liabilities) and, if quantifiable, are measured at nominal value. Contingent liabilities are presented inclusive of GST payable.

(S) 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 flow.

Commitments and contingent liabilities are also stated inclusive of GST.

(T) AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE FOR THE 2015-16 REPORTING PERIOD

Certain new Australian Accounting Standards (AASs) have been published that are not mandatory for the 30 June 2016 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 2016, the following AASs have been issued by the Australian Accounting Standards Board (AASB) but 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 Public Sector Entity Financial Statements
AASB 9 Financial Instruments	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 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 Revenue from Contracts with Customers	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.	1 Jan 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. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.

Standard/ Interpretation	Summary	Applicable for Annual Reporting Periods Beginning on	Impact on Public Sector Entity Financial Statements
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	Under AASB 16, there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their balance sheets for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 16 Leases which currently do not impact the balance sheet will be required to be capitalised on the balance sheet once AASB 16 is adopted, thereby increasing both the assets and liabilities of the entity. From a P&L perspective operating leases are typically expensed on a straight line basis under AASB 16. The new AASB 16 treatment will result in both a depreciation and interest charge impacting on the P&L. Depreciation is likely to be on a straight basis however interest is higher in the initial years. This will have the effect of front loading expenses in the P&L which will reduce over the life of the lease. The impact of AASB 16 on lessors is expected to be minimal.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> - the change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - other fair value changes are presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 Jan 2018	It is expected to have no material impact on the entity as the financial liabilities are recognised at amortised cost.

Standard/ Interpretation	Summary	Applicable for Annual Reporting Periods Beginning on	Impact on Public Sector Entity Financial Statements
AASB 2014 1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	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 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 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 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends.	1 January 2017, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018.	Entities will be required to measure trade receivables that do not have a significant financing component (determined in accordance with AASB 15) at their transaction price (defined in AASB 15). Any impairment losses are accounted for under AASB 9. Dividends are excluded from the scope of AASB 15 and will be accounted for in accordance with AASB 9. Dividend disclosure under AASB 15 is no longer required unless required by other accounting standards.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

NOTE 2. INCOME FROM TRANSACTIONS

	2016 \$'000	2015 \$'000
(a) Revenue from Victorian Government		
Grants received from Government	2,581,882	2,434,295
Total revenue from Victorian Government	2,581,882	2,434,295
(b) Other income		
Income from sale of goods and services	1,341	1,080
Interest income	49	59
Grants received in relation to trusts	3,940	4,374
Other trust income	8,862	8,304
Plant and equipment received free of charge or nominal consideration	542	81
Total other income	14,734	13,898
Total income from transactions	2,596,616	2,448,193

NOTE 3. EXPENSES FROM TRANSACTIONS

	2016 \$'000	2015 \$'000
(a) Employee expenses		
Salary, wages and annual leave	1,583,242	1,471,684
Superannuation (refer Note 15)	191,664	178,740
Long service leave	62,717	55,422
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	132,007	127,928
Total employee expenses	1,969,630	1,833,773
(b) Depreciation and amortisation		
Buildings	26,858	25,389
Leasehold improvements	10,392	6,253
Plant and equipment	14,800	11,976
Leased plant and equipment	33,974	32,466
Intangible assets	2,787	673
Total depreciation and amortisation	88,812	76,756
(c) Capital asset charge		
Total capital asset charge	91,500	93,716
(d) Supplies and services		
Communications	35,317	33,878
Transport	33,311	37,067
Administration	18,273	16,418
Accommodation	131,934	133,457
Computer facilities	67,282	84,728
Police operating expenses	154,699	137,998
Legal expenses	14,988	15,274
Plant and equipment provided free of charge or for nominal consideration	46	0
Total supplies and services	455,851	458,820
(e) Interest expense		
Finance lease costs (motor vehicle fleet)	1,761	1,836
Total interest expense	1,761	1,836
(f) Bad debts from transactions		
Total bad debts from transactions	1,692	316
Total expenses from transactions	2,609,245	2,465,217

NOTE 4. EX-GRATIA PAYMENTS

	2016 \$'000	2015 \$'000
Compensation for economic loss - property (i)	25	18
Property damage payments	134	84
Total ex-gratia payments	159	102

Note:

(i) These are payments made to employees or members of the public to compensate or reimburse, where Victoria Police are not legally bound to make one

NOTE 5. OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2016 \$'000	2015 \$'000
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of plant, equipment and motor vehicles	6,417	6,035
Assets recognised for first time (i)	491	1,128
Total net gain/(loss) on non-financial assets	6,908	7,164
(b) Net gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(8,620)	(5,831)
Net gain/(loss) from bad/doubtful debts	1,756	(1,976)
Total net gain/(loss) from other economic flows	(6,864)	(7,807)
Total other economic flows included in net result	44	(643)

Note:

(i) Refer to Note 10(f) for further detail of assets recognised for the first time

NOTE 6. RECEIVABLES

	2016 \$'000	2015 \$'000
Current receivables		
Contractual		
Receivables from sale of goods and services (i)	6,328	6,377
Other receivables	10,176	5,197
Provision for doubtful contractual receivables (a)	(358)	(2,115)
	16,146	9,459
Statutory		
Amounts owing from the Victorian Government (ii)	250,717	266,668
GST input tax credit recoverable	3,033	3,572
	253,750	270,240
Total current receivables	269,896	279,699
Non-current receivables		
Statutory		
Amounts owing from the Victorian Government (ii)	136,636	122,443
Total non - current receivables	136,636	122,443
Total receivables	406,531	402,142
(a) Movement in the provision for doubtful contractual receivables		
Balance at beginning of the year	(2,115)	(139)
Increase in provision recognised in the net result	0	(1,975)
Reversal of unused provision recognised in the net result	120	0
Write off during the period	1,636	0
Balance at end of the year	(358)	(2,115)

Notes:

- (i) The average credit period for the sale of goods and services and for other receivables is 30 days
(ii) Statutory receivables are amounts recognised as owing from the Victorian Government for all funding commitments incurred, which are drawn through grants from the Consolidated Fund as they fall due

NOTE 7. INVENTORIES

	2016 \$'000	2015 \$'000
Current inventories		
Supplies and consumables (i)		
General stores at cost	5,375	6,580
Radio and electronics stores at cost	118	143
Victoria Forensic Science Centre stores at cost	20	17
Total inventories	5,513	6,740

Note:

- (i) The total carrying amount of inventories held for distribution at cost

NOTE 8. OTHER NON-FINANCIAL ASSETS

	2016 \$'000	2015 \$'000
Current		
Advances paid to the Department of Treasury and Finance	9,335	17,225
Prepayments	2,554	551
Total other non-financial assets	11,889	17,776

NOTE 9. NON-FINANCIAL PHYSICAL ASSETS CLASSIFIED AS HELD FOR SALE

	2016 \$'000	2015 \$'000
Current		
Freehold land held for sale (i)	2,709	3,169
Freehold buildings held for sale (i)	2,456	3,006
Motor vehicles held for sale (ii)	1,397	2,973
Total non-financial physical assets classified as held for sale	6,562	9,148

Notes:

- (i) Properties held for sale have been identified as surplus to requirements under the Strategic Facility Development Plan. This plan is reviewed on a regular basis and forms part of the Government's multi-year investment strategy
(ii) Motor vehicles held for sale are terminated leases awaiting disposal

(a) Fair Value Measurement of Non-Financial Physical Assets Classified as Held for Sale

The following table provides the fair value measurement hierarchy of non-financial physical assets held for sale.

2016	Carrying Amount as at 30 June 2016	Fair Value Measurement at End of Reporting Period Using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Current				
Freehold land held for sale (i)	2,709	0	2,709	0
Freehold buildings held for sale (i)	2,456	0	2,456	0
Total non-financial physical assets classified as held for sale	5,165	0	5,165	0

Note:

- (i) Freehold land and freehold buildings held for sale are carried at fair value less cost to disposal. Refer to Note 10(b) for the valuation technique applied to non-specialised land and buildings

2015	Carrying Amount as at 30 June 2015	Fair Value Measurement at End of Reporting Period Using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Current				
Freehold land held for sale (i)	3,169	0	3,169	0
Freehold buildings held for sale (i)	3,006	0	3,006	0
Total non-financial physical assets classified as held for sale	6,175	0	6,175	0

Note:

- (i) Freehold land and freehold buildings held for sale are carried at fair value less cost to disposal. Refer to Note 10(b) for the valuation technique applied to non-specialised land and buildings

NOTE 10. PROPERTY, PLANT AND EQUIPMENT CLASSIFICATION BY 'PUBLIC SAFETY AND ENVIRONMENT' PURPOSE GROUP

	2016 \$'000	2015 \$'000
Land		
Crown land		
At fair value	391,315	374,574
Total land	391,315	374,574
Buildings		
At fair value	903,902	893,889
less: accumulated depreciation	(724)	(99,848)
	903,178	794,042
Leasehold Improvements at fair value	136,169	63,256
less: accumulated amortisation	(43,503)	(32,614)
	92,666	30,642
Buildings in the course of construction at cost	51,823	107,348
Total buildings	1,047,667	932,032
Total land, buildings and leasehold improvements	1,438,982	1,306,606
Plant and equipment		
At fair value	165,140	144,658
less: accumulated depreciation	(103,463)	(93,341)
	61,677	51,317
Motor vehicles under finance lease (at cost)	106,407	103,368
less: accumulated amortisation	(35,533)	(31,015)
	70,874	72,353
Plant and equipment in the course of construction at cost	29,489	28,421
Total plant and equipment	162,041	152,091
Cultural artworks assets		
At fair value	4,810	4,255
Total cultural artwork assets	4,810	4,255
Total property, plant and equipment	1,605,833	1,462,952

Note:

- In the 2016 financial year, an independent revaluation of Victoria Police's land and buildings was performed by the Valuer-General to determine the fair value of the land and buildings which includes police stations, residencies, training facilities and other land and building holdings. The latter also includes communication huts and building components such as air-conditioning, CCTV and security systems. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. In the case of police stations, the method used was depreciated replacement cost as the valuer believes it would be difficult to sell such assets in an active and liquid market. The effective date of the valuation was 30 June 2016. The next revaluation is expected to be carried out in the 2021 financial year, unless fair value assessments indicate material changes.

Restricted Assets

Victoria Police holds \$74.2 million (2015 \$83.8 million) worth of properties listed as heritage assets. The decrease in carrying value is due to the Valuer General's downward revaluation, effective 30 June 2016. These heritage assets cannot be modified nor disposed of without formal Ministerial approval.

(a) Fair Value Measurement Hierarchy for Assets as at 30 June 2016

	Carrying Amount as at 30 June 2016	Fair Value Measurement at End of Reporting Period Using:		
	\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land at fair value				
Non-specialised land	19,305	0	19,305	0
Specialised land	372,010	0	0	372,010
Total of land at fair value	391,315	0	19,305	372,010
Buildings at fair value				
Non-specialised buildings	31,719	0	31,719	0
Specialised buildings	797,286	0	0	797,286
Heritage assets	74,173	0	0	74,173
Leasehold improvement	92,666	0	0	92,666
Total of buildings at fair value	995,844	0	31,719	964,125
Plant, equipment and vehicles at fair value				
Plant and equipment	61,677	0	0	61,677
Total plant, equipment and vehicles at fair value	61,677	0	0	61,677
Cultural assets at fair value				
Artworks	4,810	0	0	4,810
Total of cultural assets at fair value	4,810	0	0	4,810

Note:
There have been no transfers between levels during the period.

	Carrying Amount as at 30 June 2015	Fair Value Measurement at End of Reporting Period Using:		
	\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land at fair value				
Non-specialised land	17,661	0	17,661	0
Specialised land	356,913	0	0	356,913
Total of land at fair value	374,574	0	17,661	356,913
Buildings at fair value				
Non-specialised buildings	23,002	0	23,002	0
Specialised buildings	687,259	0	0	687,259
Heritage assets	83,781	0	0	83,781
Leasehold improvement	30,641	0	0	30,641
Total of buildings at fair value	824,683	0	23,002	801,682
Plant, equipment and vehicles at fair value				
Plant and equipment	51,317	0	0	51,317
Total plant, equipment and vehicles at fair value	51,317	0	0	51,317
Cultural assets at fair value				
Artworks	4,255	0	0	4,255
Total of cultural assets at fair value	4,255	0	0	4,255

Note:
• There have been no transfers between levels during the period

(b) Non-Specialised Land and Non-Specialised Buildings

Non-specialised buildings are valued using the market approach. An independent valuation was performed by the Valuer General based on the market to determine the fair value. For residential properties within the Victoria Police portfolio, the Active and Liquid Market (ALM) basis valuations are undertaken where a number of sales of similar properties are available to compare, allowing for various zonings including, but not limited to: Township, Business and Public Use. The effective date of valuation was 30 June 2016.

For non-specialised land, the market based direct comparison approach is used, whereby the subject properties are compared to recent comparable land sales or land with no added or nominal added improvement value sales. The valuation of land was determined by analysing land sales in comparable proximity to the subject properties and allowing for shape, size, topography, location and other relevant factors specific to the land being valued. From the sales analysed, it was determined that either development potential (building area) or land area were the key drivers of value. In most instances, an appropriate dollar rate per square metre from market evidence has been applied. The effective date of valuation was 30 June 2016.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised Land and Specialised Buildings

The Depreciated Replacement Cost (DRC) has been adopted for the valuation of specialised assets. The highest and best use is considered to be for the continued use as a special purpose asset for the fulfilment of Community Service Obligations (CSO).

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. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

The DRC has also been applied to police stations as the valuers believe it would be difficult to sell such assets in an active and liquid market. The effective date of the valuation was 30 June 2016.

Heritage Assets

Heritage assets are valued using the DRC method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Where applicable, the effect of the heritage restrictions and planning overlays has also been reflected in the assessment of fair value. Physical deterioration, functional and economic obsolescence has also been factored into the DRC calculation. These are classified as Level 3 assets.

Plant and Equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the DRC method and these are classified as Level 3 assets.

Cultural Artworks

Cultural artworks are held at fair value which has been calculated using the DRC. The valuation method considers inspection and assessment of similar examples of the artist's work and research on prices paid for similar examples offered at auction or through art galleries. These are classified as Level 3 assets.

There were no changes in valuation techniques throughout the period to 30 June 2016.

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

(c) Reconciliation of Level 3 Fair Value for 2016

	Specialised Land \$'000	Specialised Buildings \$'000	Heritage Assets \$'000	Leasehold Improvement \$'000	Plant and Equipment \$'000	Cultural Artworks \$'000
Opening balance 1 July 2015	356,913	687,259	83,781	30,641	51,317	4,255
Purchases	0	88	12	44	7,388	50
Sales	(648)	(367)	0	0	(610)	0
Assets free of charge	0	(1)	0	0	496	0
Assets recognised for first time	0	0	0	7	333	0
Transfers						
In (out) of level 3	128	394	0	0	0	0
In (out) of assets under construction	2,042	37,816	125	72,218	15,836	0
Between asset classes	0	(3,293)	1,448	147	1,717	0
From contributed capital	0	0	0	0	0	0
Recognised in net result						
Depreciation	0	(23,728)	(2,002)	(10,392)	(14,800)	0
Recognised in other economic flows - other comprehensive income						
Revaluation	13,574	99,117	(9,192)	0	0	505
Closing balance 30 June 2016	372,010	797,286	74,173	92,665	61,677	4,810

(d) Reconciliation of Level 3 Fair Value for 2015

	Specialised Land \$'000	Specialised Buildings \$'000	Heritage Assets \$'000	Leasehold Improvement \$'000	Plant and Equipment \$'000	Cultural Artworks \$'000
Opening balance 1 July 2014	359,048	606,381	82,221	23,976	54,496	4,255
Purchases	0	210	0	21	7,127	0
Sales	0	0	0	(33)	(937)	0
Assets free of charge	0	0	0	0	81	0
Assets recognised for first time	0	122	0	197	803	0
Transfers						
In (out) of level 3	0	0	0	0	0	0
In (out) of assets under construction	25	106,262	3,500	12,733	724	0
Between asset classes	(940)	(2,980)	0	0	1,040	0
From contributed capital	(1,220)	(488)	0	0	(41)	0
Recognised in net result						
Depreciation	0	(22,248)	(1,940)	(6,253)	(11,976)	0
Recognised in other economic flows - other comprehensive income						
Revaluation	0	0	0	0	0	0
Closing balance 30 June 2015	356,913	687,259	83,781	30,641	51,317	4,255

(e) Description of Significant Unobservable Inputs to Level 3 Valuations

	Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)	Sensitivity Of Fair Value Measurement to Changes in Significant Unobservable Inputs
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment	20%	A significant increase or (decrease) in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised Buildings	Market approach	Community Service Obligation (CSO) adjustment	20%	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
	Depreciated replacement cost	Direct cost per square metre	\$44–\$10,528/m2 (\$2,893)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	1–50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Heritage Assets	Depreciated replacement cost	Direct cost per square metre	\$137–\$5,638/m2 (\$4,524)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	1–50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Leasehold Improvements	Depreciated replacement cost	Cost per lease	\$1–\$29,952,150 (\$495,538 per lease)	A significant increase or decrease in cost per lease would result in a significantly higher or lower fair value.
		Lease Period	1–20 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and Equipment	Depreciated replacement cost	Cost per unit	\$44–\$2,424,789 per unit (\$12,766 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	1–40 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Cultural Artworks	Depreciated replacement cost	Cost per unit	\$800–\$2 million per unit (\$218,637)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of cultural artworks	1–100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

(f) Property, Plant and Equipment

Classification by 'Public Safety and Environment' Purpose Group - Movements in Carrying Amounts

The basis of valuation of Victoria Police's land and buildings adopted as at 30 June 2016 is in accordance with applicable accounting standards for the revaluation of non-current assets. The formal revaluation by the Valuer General of land and building assets occurred and is effective as at 30 June 2016.

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

2015-16	Crown Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Leased Motor Vehicles \$'000	Buildings in the Course of Construction \$'000	P & E in the Course of Construction \$'000	Cultural Assets \$'000	Total \$'000
Opening Balance	374,574	794,042	30,642	51,317	72,353	107,348	28,421	4,255	1,462,952
Fair value of assets received free of charge	0	0	0	542	0	0	0	0	542
Fair value of assets recognised for first time	0	0	7	333	0	119	32	0	491
Fair value of assets given free of charge	0	(1)	0	(46)	0	0	0	0	(47)
Additions	0	100	44	7,388	52,322	59,314	6,326	50	125,543
Disposals	(915)	(688)	0	(610)	(21,403)	0	0	0	(23,616)
Transfer in/(out) of assets under construction	2,042	39,605	72,218	15,836	0	(124,486)	(5,215)	0	0
Net Revaluation Increments / (Decrements)	15,486	98,449	0	0	0	0	0	505	114,440
Transfers of assets via Contributed Capital	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	(2,462)	(74)	0	(2,536)
Transfer (to)/from Advances	0	0	0	0	0	11,990	0	0	11,990
Depreciation/amortisation expense (refer to Note (i))	0	(26,858)	(10,392)	(14,800)	(33,974)	0	0	0	(86,025)
Transfers (to)/from assets classified as held for sale	128	394	0	0	1,576	0	0	0	2,098
Reclassification	0	(1,865)	147	1,717	0	0	0	0	0
Balance at 30 June 2016	391,314	903,178	92,666	61,677	70,874	51,824	29,489	4,810	1,605,833

Note:

(i) This note only discloses the total depreciation amount of \$86,025,000, excluding amortisation amount of \$2,787,000 for intangible assets. Refer to Note 3 "Expenses from Transactions" for aggregate amount of \$88,812,000 for depreciation and amortisation.

2014-15

Opening Balance	376,754	712,056	23,976	54,496	65,006	120,923	18,542	4,255	1,376,008
Fair value of assets received free of charge	0	0	0	81	0	0	0	0	81
Fair value of assets recognised for first time	0	122	197	803	0	0	8	0	1,130
Fair value of assets given free of charge	0	0	0	0	0	0	0	0	0
Additions	0	210	21	7,127	60,932	121,071	10,945	0	200,305
Disposals	0	(435)	(33)	(937)	(20,296)	0	0	0	(21,701)
Transfer in/out of assets under construction	35	111,005	12,733	724	0	(123,558)	(939)	0	0
Net Revaluation Increments / (Decrements)	0	0	0	0	0	0	0	0	0
Transfers of assets via Contributed Capital	(1,220)	(488)	0	(41)	0	0	0	0	(1,749)
Other	0	0	0	0	0	(11,087)	(134)	0	(11,221)
Transfer (to)/from Advances	0	0	0	0	0	0	0	0	0
Depreciation/amortisation expense	0	(25,389)	(6,253)	(11,976)	(32,466)	0	0	0	(76,083)
Transfers to/from assets classified as held for sale	(995)	(1,999)	0	0	(823)	0	0	0	(3,817)
Reclassification	0	(1,040)	0	1,040	0	0	0	0	0
Balance at 30 June 2015	374,574	794,042	30,642	51,317	72,353	107,348	28,421	4,255	1,462,952

NOTE 11. INTANGIBLE ASSETS

	2016 \$'000	2015 \$'000
Gross carrying amount		
Opening balance of work in progress	11,626	10,070
Additions	2,167	1,555
Transfer in/(out) of assets under construction (i)	(8,035)	0
Closing balance of work in progress	5,758	11,626
Opening balance of capitalised software	1,223	1,896
Additions (i)	6,939	0
Amortisation (ii)	(2,787)	(673)
Closing balance of capitalised assets	5,375	1,223
Net book value at the end of the financial year	11,133	12,849

Notes:

(i) "Transfer (out) of assets under construction" is higher than "Additions" by \$1.1 million due to write-offs for Registration and Licensing (RandL) and Policing Information Process and Practice (PIPP) projects.

(ii) Amortisation expense is included in the line item 'depreciation and amortisation' in Note 3.

Significant intangible assets

Victoria Police has capitalised law enforcement related software expenditure for the following:

- Interpose with a carrying value of \$0.3 million (2015: \$0.7 million)
- Law Enforcement Assistance Program (LEAP) Electronic Data Recorder (LEDR) with a carrying value of \$3.1 million (2015: \$0.5 million).
- Invoice Automation Solution (P2P) with a carrying value of \$1.6 million (2015: Nil).
- Enterprise Integration Solution (EIS) with a carrying value of \$0.3 million (2015: Nil).

NOTE 12. PAYABLES

	2016 \$'000	2015 \$'000
Current		
Contractual		
Supplies and services (i)	44,832	54,259
Amounts payable to government and agencies	3,324	3,734
Other payables	26,386	14,428
	74,541	72,420
Statutory		
Payroll tax payable	6,238	6,215
Other payables	283	13,973
Total payables (ii)	81,062	92,608

Notes:

(i) The average credit period is 30 days and no interest is charged for the first 30 days from the date of the invoice

(ii) Please refer to Note 19 for the nature and extent of risks arising from contractual payables and related maturity analysis

NOTE 13. BORROWINGS

	2016 \$'000	2015 \$'000
Current		
Finance lease liabilities (i)	44,917	47,278
Non-current		
Finance lease liabilities (i)	27,581	28,316
Total borrowings (ii)	72,498	75,594

Notes:

(i) Finance lease liabilities are effectively secured as the rights to the leased assets and revert to the lessor in the event of default

(ii) Please refer to Note 19 for the nature and extent of risks arising from borrowings, interest rate and related maturity analysis

NOTE 14. PROVISIONS

	2016 \$'000	2015 \$'000
Current provisions		
Employee benefits (Note 14(a)) - annual leave (i) Unconditional and expected to be settled within 12 months (ii)	45,513	40,368
Employee benefits (Note 14(a)) - long service leave (i) Unconditional and expected to be settled within 12 months (ii) Unconditional and expected to be settled after 12 months (iii)	32,746 294,713	31,333 282,001
	372,972	353,702
Provisions related to employee benefit on-costs (Note 14(a)): Unconditional and expected to be settled within 12 months (ii) Unconditional and expected to be settled after 12 months (iii)	16,343 64,202	14,754 58,300
	80,545	73,054
Commuted Overtime Allowance (iv) Other provisions	9,262 730	18,008 2,619
Total current provisions	463,510	447,384
Non-current		
Employee benefits (Note 14(a)) - Long service leave (i) & (iii) Employee benefits on costs (Note 14(a)) (iii) Deferred salary scheme (Note 14(a)) (ii)	50,722 11,023 58	38,837 7,955 43
	61,803	46,836
Make-good provision	4,990	5,506
Total non-current provisions	66,793	52,342
Total provisions	530,303	499,726
(a) Employee Benefits and Related On-Costs		
Current employee benefits		
Annual leave entitlements Long service leave entitlements	45,513 327,459	40,368 313,335
	372,972	353,702
Non-current employee benefits		
Long service leave entitlements Deferred salary scheme	50,722 58	38,837 43
	50,780	38,880
Total employee benefits	423,752	392,583
On-costs		
Current on-costs Non-current on-costs	80,545 11,023	73,054 7,955
	91,568	81,009
Total on-costs	91,568	81,009
Total employee benefits and related on-costs	515,321	473,592

(b) Movement in Provisions

	On-Costs \$'000	Make-Good \$'000	Other \$'000	Total \$'000
Opening balance 1 July 2015	81,009	5,506	20,627	107,143
Additional provisions	25,313	0	9,992	35,305
Reductions arising from payments/other sacrifices of future economic benefits	(14,754)	(516)	(20,627)	(35,898)
Closing balance 30 June 2016	91,568	4,990	9,992	106,551
Current	80,545	0	9,992	90,538
Non-current	11,023	4,990	0	16,013
Closing balance 30 June 2016	91,568	4,990	9,992	106,551

Notes:

- (i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
(ii) The amounts disclosed are nominal amounts
(iii) The amounts disclosed are discounted to present values. The inflation rate applied for Sworn members has been reduced to 5.3% in 2015-16 from 5.5% in 2014-15 (refer Note 1(N) (ii))
(iv) 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

NOTE 15. SUPERANNUATION

Government Employees' Superannuation Fund

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 plans provides benefits based on years of service and final average salary.

Victoria Police does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees, its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its financial report.

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

	Contributions Paid for the Year		Contributions Outstanding at Year End	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Defined benefit plans (i)				
Emergency Services and State Super - revised and new	174,416	163,412	741	532
Defined contribution plans:				
VicSuper	14,611	13,502	62	44
Other	1,826	1,245	8	4
Total	190,853	178,159	811	580

Note:

- (i) The basis for contributions are determined by the various schemes

NOTE 16. LEASES

Disclosure for Lessees - Finance Leases

	Minimum Future Lease Payments		Present Value of Minimum Future Lease Payments	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Finance lease liabilities (i)				
Not longer than one year	46,694	49,451	44,917	47,278
Longer than one year and not longer than five years	28,284	29,335	27,581	28,316
Minimum lease payments*	74,978	78,787	72,498	75,594
less future finance charge	(2,480)	(3,193)	0	0
Present value of minimum lease payments	72,498	75,594	72,498	75,594
Included in the financial statements as:				
Current borrowings lease liabilities (Note 13)			44,917	47,278
Non-current borrowings lease liabilities (Note 13)			27,581	28,316
Present value of minimum lease payments			72,498	75,594

*Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual.

Note:

- (i) 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 4.08% (refer to Note 19.5 Interest Rate Exposure of Financial Instruments)
 - The lease terms and conditions are in accordance with the whole of government lease management facility

NOTE 17. COMMITMENTS FOR EXPENDITURE

The following commitments have not been recognised as liabilities in the financial statements:

	2016 \$'000	2015 \$'000
Capital commitments		
(a) Plant, equipment and motor vehicles		
Not longer than one year	0	0
	0	0
(b) Buildings		
Not longer than one year	15,777	15,755
Longer than one year and not longer than five years	3,270	327
	19,047	16,082
Total capital expenditure commitments	19,047	16,082
Outsourcing commitments (i)		
Not longer than one year	161,425	157,733
Longer than one year and not longer than five years	94,950	172,468
Longer than five years	0	0
Total outsourcing commitments	256,375	330,201
Leasing arrangements (ii)		
Not longer than one year	51,663	52,374
Longer than one year and not longer than five years	187,208	179,814
Longer than five years	410,636	428,245
Total leasing arrangements	649,507	660,433
Total commitments (inclusive of GST)	924,930	1,006,716
Less: GST recoverable from the Australian Taxation Office	(84,085)	(91,520)
Total commitments (exclusive of GST)	840,845	915,196

Notes:

- (i) The outsourcing commitments relate to a number of operational service agreements.
- (ii) These are non-cancellable operating leases. Some property leases are subject to annual Consumer Price Index and fixed indexation movements. All amounts shown in the commitments note are nominal amounts inclusive of GST.

NOTE 18. CONTINGENT LIABILITIES

	2016 \$'000	2015 \$'000
Legal proceedings and disputes (i)	32,016	29,226
Total contingent liabilities	32,016	29,226

Notes:

- (i) These estimates are based on a separate assessment of all Victoria Police files by our legal advisors
- During the financial year, it was discovered that land which Victoria Police has been leasing may require remediation. Presently, the extent of the remediation work and associated costs remain subject to surveyors' investigation. Accordingly, no liabilities and no quantifiable contingent liabilities have been recognised as at 30 June 2016

NOTE 19. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Victoria Police's principal financial instruments comprise: cash assets, receivables (excluding statutory receivables), payables (excluding statutory payables) and finance lease payables. 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 and financial liability are disclosed in Note 1 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 the *Financial Management Act 1994*, and the whole of government Standing Directions including the Financial Management Compliance Framework.

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.

The carrying amounts of Victoria Police's contractual financial assets and financial liabilities by category are disclosed in Table 19.1 below.

Table 19.1: Categorisation of Financial Instruments

	2016 \$'000	2015 \$'000
Contractual financial assets - loans and receivables		
Cash and deposits	38,029	35,446
Receivables (i)		
Sale of goods and services	6,328	6,377
Other receivables	9,818	3,082
Total contractual financial assets	54,175	44,905
Contractual financial liabilities at amortised cost		
Payables (i)		
Supplies and services	44,832	54,259
Amounts payable to government and agencies	3,324	9,948
Other payables	26,386	14,428
Borrowings		
Lease liabilities	72,498	75,594
Total contractual financial liabilities	147,040	154,229

Note:

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

(b) Credit Risk

Credit risk arises from the contractual financial assets of Victoria Police which comprise cash and cash deposits, and non-statutory receivables. 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 which is statutory. 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 assets, which are mainly cash at bank.

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.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Victoria Police's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Table 19.2: Credit Quality of Contractual Financial Assets that are Neither Past Due Nor Impaired.

	Financial Institutions Double-A Credit Rating \$'000	Government Agencies Triple-A Credit Rating \$'000	Total \$'000
2016			
Cash and deposits	(221)	38,250	38,029
	(221)	38,250	38,029
2015			
Cash and deposits	266	35,181	35,446
	266	35,181	35,446

19.3: Ageing Analysis of Contractual Financial Assets

	Carrying Amount \$'000	Not Past Due and not Impaired \$'000	Past Due But Not Impaired			
			Less than 1 Month \$'000	1-3 Months \$'000	3 Months - 1 Year \$'000	1-5 Years \$'000
2016						
Other Receivables (i)	16,146	14,384	64	695	980	23
	16,146	14,384	64	695	980	23
2015						
Other Receivables (i)	9,459	9,405	54	0	0	0
	9,459	9,405	54	0	0	0

Note:

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

Contractual financial assets that are either past due or impaired

- There are no material financial assets which are individually determined to be impaired. Currently Victoria Police does not hold any collateral as security nor credit enhancements relating to any of its financial assets
- There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired

(c) Liquidity Risk

Liquidity risk is the risk that Victoria Police would be unable to meet its financial obligations as and when 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's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. Liquidity risk is managed by careful maturity planning of financial obligations based on forecasts of future cash flows.

Victoria Police's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The carrying amount detailed in the following table of contractual financial liabilities represents Victoria Police's maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis for Victoria Police's contractual financial liabilities.

19.4: Maturity Analysis of Contractual Financial Liabilities (i)

	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 Months - 1 Year \$'000	1-5 Years \$'000
2016						
Trade creditors and other payables (ii)	74,541	74,541	74,541	0	0	0
Borrowings	72,498	74,978	11,641	5,869	29,185	28,284
	147,039	149,519	86,182	5,869	29,185	28,284
2015						
Trade creditors and other payables (ii)	72,420	72,420	72,420	0	0	0
Borrowings	75,594	78,787	12,696	6,703	30,053	29,335
	148,014	151,207	85,116	6,703	30,053	29,335

Notes:

- (i) The carrying amounts disclosed exclude statutory amounts (e.g. GST payable).
- (ii) Maturity analysis is presented using the contractual undiscounted cash flows.

(d) Market Risk

Victoria Police's exposure to market risk is primarily through interest rate risk which is insignificant and may arise through the interest bearing liabilities. 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.

19.5: Interest Rate Exposure of Financial Instruments

	Weighted Average Effective Interest Rate %	Interest Rate Exposure			
		Carrying Amount \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-Interest Bearing \$'000
2016					
Financial assets					
Cash and cash equivalents	1.96%	38,029	2,640	0	35,389
Other Receivables (ex intergov)		16,146	0	0	16,146
Total financial assets		54,175	2,640	0	51,535
Financial liabilities					
Trade creditors and other payables		74,541	0	0	74,541
Borrowings	4.08%	72,498	72,498	0	0
Total financial liabilities		147,039	72,498	0	74,541
2015					
Financial assets					
Cash and cash equivalents	2.41%	35,446	2,160	0	33,286
Other receivables		9,459	0	0	9,459
Total financial assets		44,905	2,160	0	42,745
Financial liabilities					
Trade creditors and other payables		72,420	0	0	72,420
Borrowings	4.77%	75,594	75,594	0	0
Total financial liabilities		148,014	75,594	0	72,420

(e) Fair Value

The fair values and net fair values of financial instrument 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.
- 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 only holds Level 1 financial instruments. We consider that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

NOTE 20. CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2016 \$'000	2015 \$'000
Cash and deposits	204	484
Funds held in trust	37,826	34,963
Total cash and deposits	38,029	35,446

Cash and Deposits

Due to the State of Victoria's investment policy and government funding arrangements, government entities including Victoria Police generally do not hold a large cash reserve in their bank accounts. Cash received from the generation of revenue is generally paid into the State's bank account, known as the Public Account. Similarly, any expenditure, including those in the form of cheques drawn by Victoria Police for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that the Public Account would remit cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by Victoria Police's suppliers or creditors.

The above funding arrangements often result in Victoria Police having a notional shortfall in the cash at bank required for payment of unpresented cheques at the reporting date.

Funds Held in Trust

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.

Short Term Deposits

The deposits held during the year were bearing a weighted average interest rate of 1.96% (2015: 2.41%).

(b) Restrictions on the Use of Cash

Funds held in trust are quarantined for use specifically for the purpose under which each trust has been established and not for operating purposes.

(c) Reconciliation of Net Result for the Period to Net Cash Flows from Operating Activities

	2016 \$'000	2015 \$'000
Net result	(12,586)	(17,668)
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	(6,417)	(6,035)
Depreciation and amortisation of non-current assets	88,812	76,756
Plant and equipment received free of charge or nominal consideration	(542)	(81)
Plant and equipment provided free of charge or for nominal consideration	46	0
Assets recognised for first time	(491)	(1,128)
Other non-cash movements	8,031	7,807
Movements in assets and liabilities		
(Increase)/decrease in assets:		
(Increase)/decrease in receivables	(4,268)	(24,304)
(Increase)/decrease in prepayments	(2,003)	(146)
(Increase)/decrease in inventories	1,227	1,361
Increase/(decrease) in liabilities:		
Increase/(decrease) in payables	(11,546)	(1,778)
Increase/(decrease) in provisions	21,957	47,848
Net cash flows from operating activities	82,221	82,630

NOTE 21. PHYSICAL ASSET REVALUATION SURPLUS

	2016 \$'000	2015 \$'000
Land revaluation surplus		
Balance at beginning of financial year	290,381	290,381
Revaluation increments/(decrements) (i)	15,486	0
Balance at end of financial year	305,867	290,381
Buildings revaluation surplus		
Balance at beginning of financial year	276,084	276,084
Revaluation increments/(decrements) (i)	98,449	0
Balance at end of financial year	374,533	276,084
Cultural and heritage assets revaluation surplus		
Balance at beginning of financial year	4,026	4,026
Revaluation increments/(decrements) (i)	505	0
Balance at end of financial year	4,531	4,026
Total physical asset revaluation surplus	684,931	570,491

Note:

(i) The total of revaluation increments totalled \$114.4 million

NOTE 22. ADMINISTERED ITEMS

In addition to the specific departmental operations which are included in the comprehensive operating statement, balance sheet and cash flow statement, 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 Policing Advisory Agency. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis. Administered revenues include taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include Government incomes earned but yet to be collected. Administered liabilities include Government expenses incurred but yet to be paid.

	2016 \$'000	2015 \$'000
Administered income		
Regulatory fees and fines	31,138	26,896
Sale of Government Property	(196)	321
Seized and Unclaimed Monies	10,576	14,230
Commonwealth Grants	3,179	2,867
Other Agency Contributions	4,064	3,795
Other	161	183
Total income	48,921	48,291
Administered expenses		
Payments into the Consolidated Fund	34,696	31,591
Repayment of Seized and Unclaimed Monies	8,547	12,661
Other Agency Expenses	4,077	4,581
Other	602	579
Total expenses	47,923	49,413
Income less expenses	998	(1,121)
Administered assets		
Cash held at Treasury	23,833	21,898
Receivables	4	808
Non Current Physical Assets	10	14
Total assets	23,847	22,720
Administered liabilities		
Trade creditors and accruals	20,613	19,378
Other Liabilities - Trusts	2,236	4,463
Total liabilities	22,849	23,841
Net administered assets (i)	998	(1,121)

Note:

(i) 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

NOTE 23. ANNOTATED INCOME AGREEMENTS

The following is a listing of the *Financial Management Act 1994* section 29 annotated income agreements approved by the Treasurer.

	2016 \$'000	2015 \$'000
User charges, or sales of goods and services		
Information services	5,078	6,317
Event management	4,816	4,749
Training services	46	88
Proceeds from asset sales		
Motor vehicles	27	168
Land and Buildings	1,397	233
Plant & Equipment	67	534
	11,431	12,089

NOTE 24. TRUST ACCOUNT BALANCES

(a) Trust Account Balances Relating to Trust Accounts Controlled or Administered by Victoria Police

Cash and Cash Equivalents and Investments

2016		Opening Balance \$'000	Total Receipts \$'000	Total Payments \$'000	Closing Balance \$'000
Controlled trusts					
4165	Departmental Suspense Account <i>To record donations and grants by Victoria Police as required by the Financial Management Act 1994.</i>	30,494	15,614	(10,922)	35,181
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>	2,085	(1,997)	(10)	78
4700	Traffic Accident Info System Trust Account <i>To record transactions relating to the operations of the traffic accident information system, which was established to coordinate the distribution of accident data to agencies responsible for road traffic programs and the administration of road accident legislation.</i>	2,384	908	(725)	2,567
Total controlled trusts		34,963	14,525	(11,657)	37,826
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>	19,274	10,289	(8,518)	21,046
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>	806	6,210	(6,168)	848
4765	Public Service Commuter Club (i) <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>	(155)	560	(559)	(159)
Total administered trusts		19,925	17,058	(15,245)	21,735

Note:

(i) 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 Department of Treasury and Finance. The overall Public Service Commuter Club Trust is in surplus.

(b) No Trust Accounts Were Opened During 2015-16 and 2014-15

(c) Third Party Funds Under Management

The third party funds under management are funds held in trust for certain clients. They are not used for government purposes and therefore are not included in Victoria Police's financial statements. Victoria Police maintains one such trust: Australia and New Zealand Policing Advisory Agency.

2016		Opening Balance \$'000	Total Receipts \$'000	Total Payments \$'000	Closing Balance \$'000
4057	Australia and New Zealand Policing Advisory Agency <i>Under the Financial Management Act 1994 for contributions from various police organisations throughout Australia and New Zealand.</i>	1,808	5,784	(5,495)	2,098
Total third party funds under management		1,808	5,784	(5,495)	2,098

(d) Trust Account Balances Relating to Trust Accounts Controlled or Administered by Victoria Police

Cash and Cash Equivalents and Investments

2015		Opening Balance \$'000	Total Receipts \$'000	Total Payments \$'000	Closing Balance \$'000
Controlled trusts					
4165	Departmental Suspense Account <i>To record donations and grants by Victoria Police as required by the Financial Management Act 1994.</i>	28,689	11,598	(9,793)	30,494
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>	1,354	746	(15)	2,085
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>	1,814	1,894	(1,324)	2,384
Total controlled trusts		31,857	14,238	(11,133)	34,963
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>	18,196	13,809	(12,730)	19,274
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>	4,490	7,416	(10,934)	971
4765	Public Service Commuter Club (i) <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>	(112)	600	(644)	(155)
4772	Police Youth Fund <i>Under the Financial Management Act 1994 to provide services, programs and partnerships to reduce the representation of young people in the criminal justice system.</i>	603	0	(603)	0
Total administered trusts		23,177	21,825	(24,911)	20,090

Note:

(i) 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 Department of Treasury and Finance. The overall Public Service Commuter Club Trust is in surplus.

(e) Third Party Funds Under Management

The third party funds under management are funds held in trust for certain clients. They are not used for government purposes and therefore are not included in Victoria Police's financial statements. Victoria Police maintains one such trust: Australia and New Zealand Policing Advisory Agency.

2015		Opening Balance \$'000	Total Receipts \$'000	Total Payments \$'000	Closing Balance \$'000
4057	Australia and New Zealand Policing Advisory Agency <i>Under the Financial Management Act 1994 for contributions from various police organisations throughout Australia and New Zealand.</i>	1,945	4,329	(4,466)	1,808
Total third party funds under management		1,945	4,329	(4,466)	1,808

NOTE 25. 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 Minister

Minister for Police Hon. Lisa Neville MP	23 May 2016 to 30 June 2016
Minister for Police Hon. Wade Noonan MP	1 July 2015 to 22 May 2016
Acting Minister for Police Hon. Robin Scott MP	9 February 2016 to 22 May 2016
Acting Minister for Police Hon. Fiona Richardson MP	23 September 2015 to 27 September 2015
Acting Minister for Police Hon. Martin Pakula MP	19 September 2015 to 22 September 2015
Acting Minister for Police Hon. Jane Garrett MP	17 July 2015 to 24 July 2015

Accountable Officers

Chief Commissioner of Police Graham Ashton	1 July 2015 to 30 June 2016
Acting Chief Commissioner of Police Shane Patton	18 June 2016 to 30 June 2016

Remuneration

Total remuneration including bonus payments, 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 \$450,000 and \$459,999 (2015: \$570,000 to \$579,999).

The comparative remuneration amount includes employee entitlement payments made to the previous Chief Commissioner.

Related Party Transactions with Responsible Persons

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no other matters to report/considered and there are no matters to report.

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of Ministers, the register of members' interests is publicly available from: www.parliament.vic.gov.au/publications/register-of-interests.

NOTE 26. REMUNERATION OF EXECUTIVES AND PAYMENTS TO OTHER PERSONNEL

(a) Remuneration of Executives

The numbers of executive officers, other than the Responsible Minister and the Accountable Officer, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

As at 30 June 2015-16, there were 5 executive officers (2014-15: 6) whose base remuneration and 3 executive officers (2014-15: 5) whose total remuneration paid by Victoria Police was less than the reportable threshold of \$100,000 because they held office for only part of the year. The total remuneration of the executive officers is included in the total amount disclosed below.

The disclosure below excludes Governor-in-Council appointments associated with the Office of Chief Examiner, and the Police Registration and Services Board in accordance with FRD21B.

Income Band	Total Remuneration		Base Remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
\$100,000 - \$109,999	1	0	1	0
\$110,000 - \$119,999	1	2	2	1
\$120,000 - \$129,999	2	0	2	0
\$130,000 - \$139,999	0	0	0	0
\$140,000 - \$149,999	2	1	3	1
\$150,000 - \$159,999	3	0	1	2
\$160,000 - \$169,999	3	3	3	3
\$170,000 - \$179,999	2	2	2	1
\$180,000 - \$189,999	4	4	4	3
\$190,000 - \$199,999	3	2	3	2
\$200,000 - \$209,999	2	6	2	7
\$210,000 - \$219,999	9	1	8	0
\$220,000 - \$229,999	3	4	3	6
\$230,000 - \$239,999	1	1	1	1
\$240,000 - \$249,999	4	3	3	2
\$250,000 - \$259,999	1	1	1	1
\$260,000 - \$269,999	1	1	2	1
\$270,000 - \$279,999	1	0	1	1
\$280,000 - \$289,999	2	0	2	0
\$290,000 - \$299,999	1	3	0	1
\$300,000 - \$309,999	0	0	0	0
\$310,000 - \$319,999	0	0	0	0
\$320,000 - \$329,999	0	0	0	0
\$330,000 - \$339,999	0	1	0	1
Total number of executives	46	35	44	34
Total annualised employee equivalent	40.92	29.37	40.92	29.37
Total amount	\$9,522,158	\$7,665,771	\$8,898,160	\$7,363,625

(b) No Payments Have Been Made to Other Personnel (i.e. Contractors With Significant Management Responsibilities (2015 - Nil))

NOTE 27. REMUNERATION OF AUDITORS

	2016 \$'000	2015 \$'000
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of Victoria Police's annual financial statements	379	370
Total remuneration of auditors	379	370

The Victorian Auditor-General's Office has not provided Victoria Police any other services.

NOTE 28. SUBSEQUENT EVENTS

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

NOTE 29. GLOSSARY OF TERMS

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an other economic flow.

Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, and finance leases.

Capital Asset Charge

A charge levied on the written-down value of controlled non-current physical assets in an agency's balance sheet which aims to attribute to agency 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.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive Result

The comprehensive result is the net result of all items of income and expense recognised for the period. It is the aggregate of the net result and other comprehensive income.

Depreciation

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 transactions.

Employee Benefits Expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia Payments

These are payments made to employees or members of the public to compensate or reimburse, where Victoria Police is not legally bound to make one.

Financial assets

A financial asset is any asset that is:

- (a) cash; or
- (b) a contractual or statutory 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

A 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 assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial Liability

A financial liability is any liability that is a contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Annual Financial Statements

The Annual financial statements comprise of:

- (a) a comprehensive operating statement for the period.
- (b) a balance sheet as at the end of the period.
- (c) a statement of changes in equity for the period.
- (d) a cash flow statement for the period.
- (e) notes, comprising a summary of significant accounting policies and other explanatory information.
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements.

Grants and Other Transfers

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

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest Expense

Interest expenses include interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest Income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net Result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other non-owner changes in equity.

Net Result from Transactions/Net Operating Balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income 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 Worth

Assets less liabilities, which is an economic measure of wealth.

Non-Financial Assets

Non-financial assets are all assets that are not 'financial assets' (refer to definition of 'financial assets' above). Examples of non-financial assets include property, plant and equipment, and certain intangible assets such as software development.

Other Economic Flows Included in 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. It includes:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets.
- fair value changes of financial instruments.

Other Economic Flows – Other Comprehensive Income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in the net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows - other comprehensive income include changes in physical asset revaluation surplus.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Includes 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 and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Style Conventions

Figures in the financial statements have been rounded to the nearest thousands. The notations used in these annual financial statements is '\$'000.

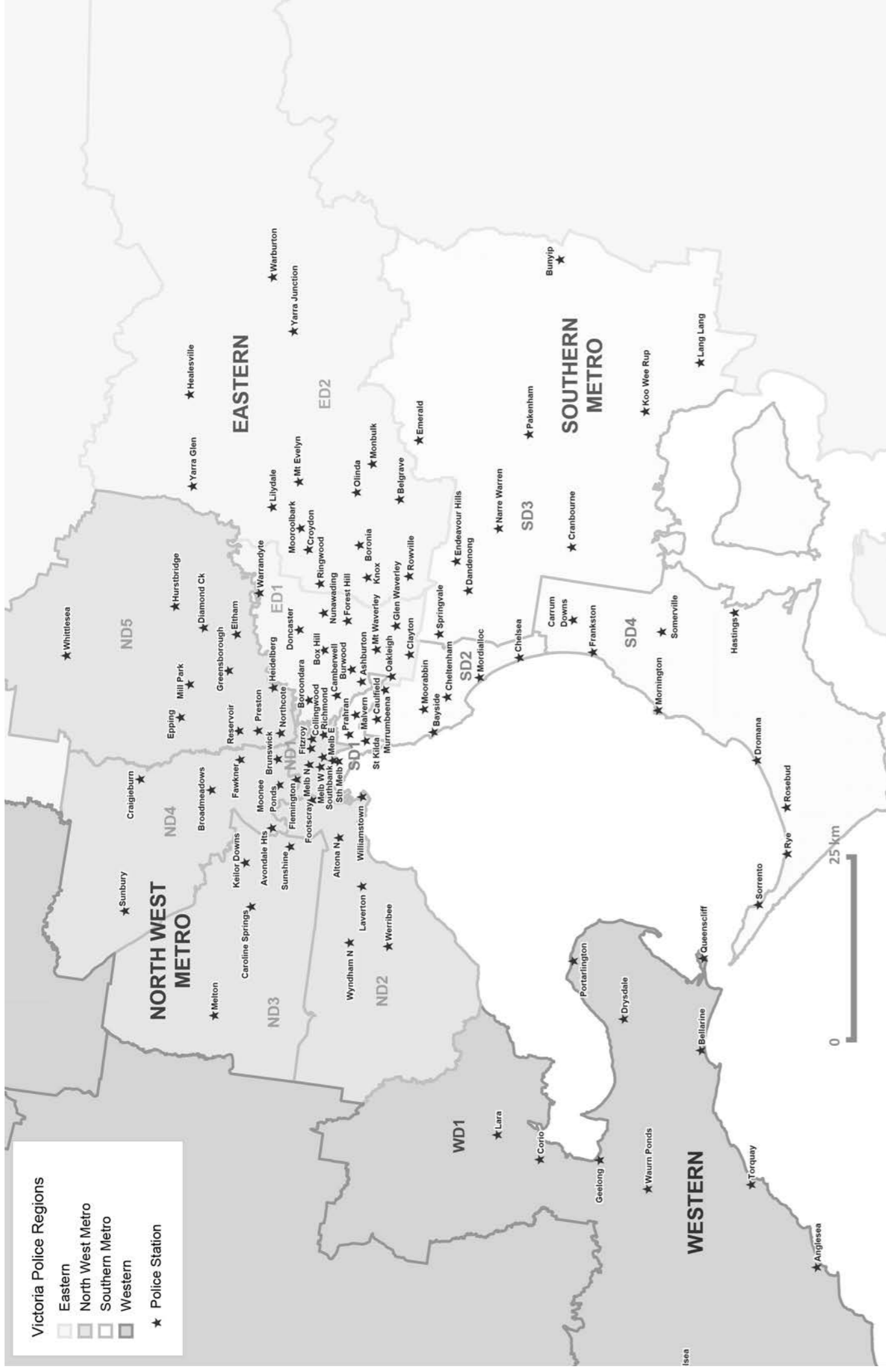
Supplies and Services

Supplies and services generally represent the day-to-day running costs, including maintenance costs, incurred in the normal operations of Victoria Police.

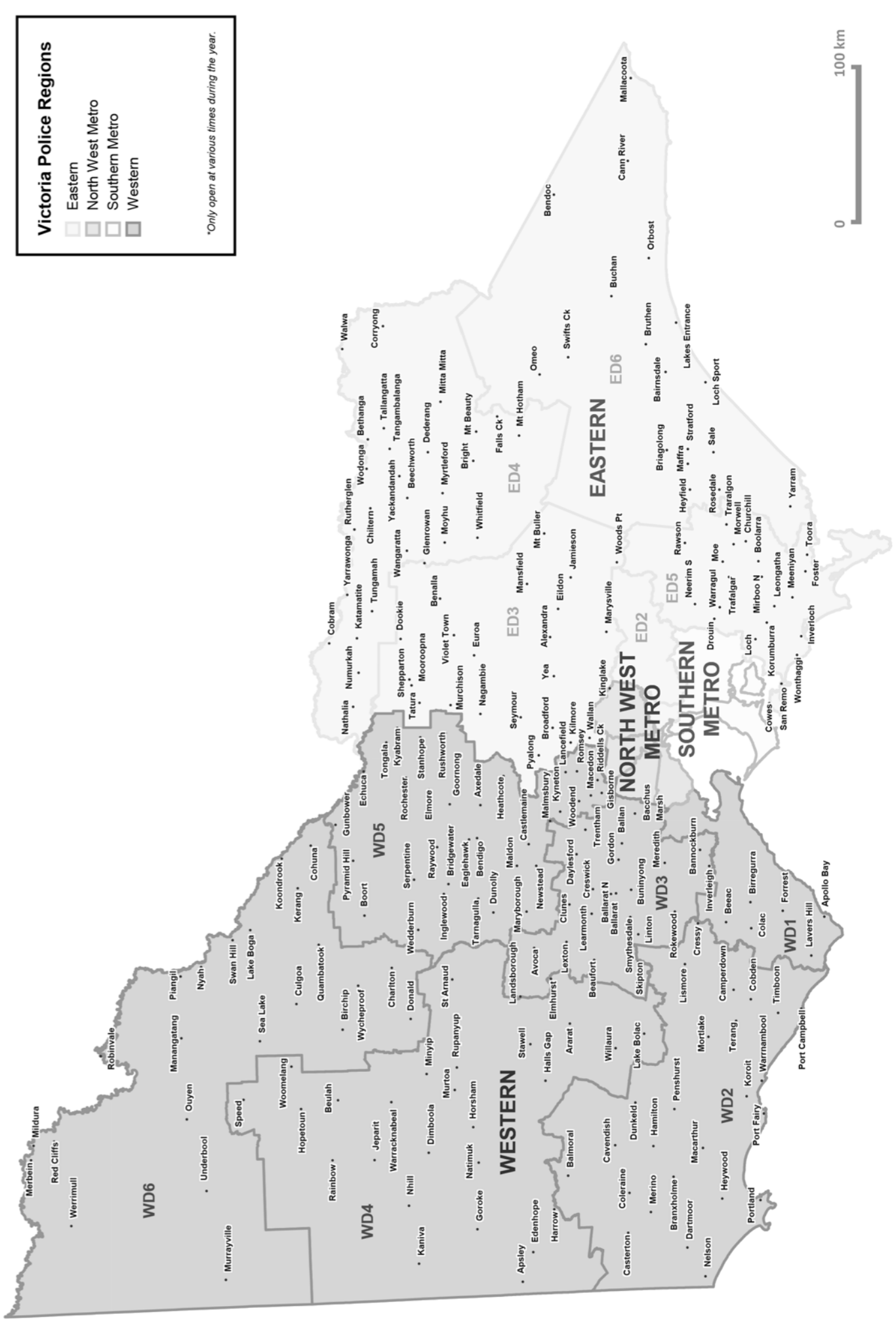
Transactions

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 within 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.

VICTORIA POLICE REGIONS (METRO)



VICTORIA POLICE REGIONS



CONTACT DETAILS

Head Office

Victoria Police Centre
637 Flinders Street
(GPO Box 913)
Docklands VIC 3008
PH: (03) 9247 6666

Statement of availability of other information

Financial Reporting Direction (FRD) 22G 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
GPO Box 913
Docklands VIC 3008