

VICTORIA POLICE
Annual Report
2019–2020



Victoria Police respectfully acknowledges the Traditional Owners of the country throughout Victoria. We pay our respects to Elders, both past, present and emerging and continue to recognise and embrace the fact that Aboriginal People are connected to the oldest, continuous history.

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Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victoria Police Annual Report for the year ending 30 June 2020.



Shane Patton APM
Chief Commissioner
12 October 2020

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Foreword from the Outgoing Chief Commissioner of Police



It is with pride that I present the **Victoria Police Annual Report for the 2019–20 financial year, and my final Annual Report as Chief Commissioner of Victoria Police.**

The 2019–20 Annual Report provides a record of performance and achievements against a range of statutory requirements, as well as Victoria Police strategic plans.

The *Victoria Police Capability Plan 2016–2025* (Capability Plan), in its third year of implementation, outlines the capabilities we need to be an effective police force now and in the future. The Capability Plan provides us with a clear strategic vision based on changing needs within Victoria Police and across our communities to guide our reform and investment decisions.

2019–20 in Review

This year has been a challenging one, for Victoria Police and Victorians alike, with many events having greatly impacted Victoria. In our summer season we faced devastating bushfires across the state's north and east and saw the first ever State of Disaster declared for Victoria. Victoria Police deployed more than 2,000 officers to the fire zones to provide much needed support to affected areas and manage the unprecedented evacuation of approximately 70,000 people.

On 11 March 2020, the World Health Organisation declared coronavirus (COVID-19) a Global Pandemic, and a State of Emergency was declared in Victoria on 16 March 2020. Victoria Police has been crucial to the Victorian Government response to coronavirus (COVID-19). Our officers have been playing an active role in ensuring that the community is complying with the directions of the Chief Health Officer (CHO), while also maintaining regular policing services, which are critical for keeping Victorians safe.

Operations Sentinel, Soteria, Shielding and Ribbon were established, and have played a vital role in our organisation's efforts to combat the spread of the virus and have seen an expanded role for our Protective Services Officers (PSOs) which has been well received by the community.

This unprecedented and challenging situation has seen a need for Victoria Police to think innovatively.

In compliance with the Premier's directive that people who could work from home must do so, a large portion of our workforce worked remotely for several months and continued to work diligently in the service of the Victorian community. The recent ICT modernisation work which commenced in late 2019 has well equipped Victoria Police for remote working and has stretched our thinking on workplace flexibility.

I would personally like to thank all Victoria Police employees for the dedication and resolve they have displayed during these challenging times. It is their dedication that has enabled Victoria Police to continue to protect and serve the community in these extraordinary times.

On Wednesday 22 April 2020, Victoria Police suffered an immense tragedy. Leading Senior Constable Lynette Taylor, Constable Glen Humphris, Senior Constable Kevin King and Constable Josh Prestney were killed while responding to an incident on the Eastern Freeway. It was the biggest loss of Victoria Police life in a single incident.

This tragedy has been felt deeply by the organisation and the wider community as demonstrated by the grief, support and respect the people of Victoria have shown for our police officers. On behalf of Victoria Police, I would like to pay tribute to our fallen officers and extend my deepest sympathies to their families. They gave their lives to protect the Victorian community, and their sacrifice will not be forgotten.

Despite the many challenges we have faced this year, Victoria Police can also be proud of many achievements.

The launch of the Police Assistance Line (PAL) and Online Reporting (OLR) services has marked another big step towards a modernised police service. Victoria Police completed the state-wide rollout of body worn cameras in January 2020. Frontline police at the rank of sergeant and below, PSOs and specialist units such as the Public Order Response Team, Dog Squad, Water Police, Mounted Branch and Highway Patrol are all now embracing the new piece of equipment.

In May 2020, Victoria Police relaunched its Organisational Values: Respect, Integrity, Leadership, Professionalism, Support, Flexibility and Safety. Recommitting to our values is an important part of Victoria Police's progress towards cultural reform. The seven values and associated behaviours define what our organisation stands for and guide how we behave.

In August 2019, I made a public apology to the LGBTIQ community on behalf of Victoria Police for police actions over the years that have caused unnecessary and unacceptable harm. This was an important step in Victoria Police's journey to becoming an inclusive, supportive and equitable organisation for LGBTIQ employees.

I am pleased to leave the organisation under the strong leadership of Shane Patton.

In January 2020, the Gender Equality and Inclusion Command (GEIC) was established. The GEIC will build on the lessons learnt and progress made as part of the organisation's response to the Victorian Equal Opportunity and Human Rights Commission (VEOHRC) *Independent review into sex discrimination and sexual harassment, including predatory behaviour, in Victoria Police*. It will also focus on broader workplace diversity, aiming to create a workforce that reflects the Victorian community and is inclusive and safe for all employees.

In 2019—20, 229 people lost their lives on our roads. While this figure marks a decrease from 2018—19, there is still much work to be done. Victoria Police will continue to work together with our road safety partners, stakeholders, community and government to make Victorian roads the safest in the world.

In closing I would like to say that I am immensely proud of Victoria Police's achievements during my time as Chief Commissioner. I remain as passionate about policing as I was when I commenced in this role five years ago. My time as Chief Commissioner has only served to increase my commitment to making Victoria a safe place to work and raise a family.

I am pleased to leave the organisation under the strong leadership of Shane Patton who was appointed and commenced his post on 27 June 2020, as Victoria's 23rd Chief Commissioner of Police.



Graham Ashton AM
Chief Commissioner
Victoria Police

Foreword from the Incoming Chief Commissioner of Police



It is an honour and a privilege to be appointed as the 23rd Chief Commissioner of Victoria Police.

First, I would like to thank former Chief Commissioner Graham Ashton for the significant contribution he has made to the people of Victoria and to reflect on his commitment to policing nationally and his leadership of Victoria Police. The modernisation program has put Victoria Police at the forefront of policing.

My key focus as Chief Commissioner will be on community safety. This will be at the centre of all actions and activities undertaken by Victoria Police over the coming years. We will continue to enhance our community engagement and build public trust and confidence, and work to keep the community safe and feeling safe.

There will be a proactive focus on targeting high-harm and high-impact crime, family violence and road trauma. Wherever possible, we will take the opportunity to work with others to prevent crime. We will also maintain our focus on counter-terrorism and will increase police visibility in the community and on the roads to ensure a safe, secure and orderly society.

The first order of business is to continue working closely with partner agencies in our response to the coronavirus (COVID-19) pandemic.

I will continue the commitment to supporting the mental health and wellbeing of our employees to increase resilience, as well as progress the gender equality and diversity reforms initiated through our work with the Victorian Equal Opportunity and Human Rights Commission.

We will maintain the momentum of our modernisation program by examining the services we deliver and how we deliver them through a major Service Delivery Transformation program. Drawing on our internal expertise, international good practice and the input of the communities we serve, this multi-year program will fundamentally rethink the way we operate and ensure we have the capabilities and approaches required to maintain community safety into the future.

However, the first order of business is to continue working closely with partner agencies in our response to the coronavirus (COVID-19) pandemic. Our organisation has been doing great work to enforce the CHO directions, engaging with the community and keeping us all safe. We will continue to support the pandemic response.

A handwritten signature in blue ink that reads "Shane Patton". The signature is written in a cursive, flowing style.

Shane Patton APM
Chief Commissioner
Victoria Police

1. Our Organisation

Our Role and Function

Victoria Police has been working to keep Victoria safe since 1853. Under the *Victoria Police Act 2013*, the role of Victoria Police is to provide a safe, secure and orderly society by serving the community and upholding the law. Victoria Police achieves this by:

- preserving the peace
- protecting life and property
- preventing offences
- detecting and apprehending offenders
- helping those in need of assistance.

Our Values

Respect

Everyone is treated fairly and with dignity and feels valued and included.

Leadership

Being people-focused, confident but still humble and committed to living our values.

Professionalism

Being accountable, transparent and committed to maintaining the highest standards of conduct.

Support

Having empathy and being genuinely committed to responding to the needs and wellbeing of others.

Integrity

Acting with honour, being fair and respectful of both the law and human rights.

Safety

Safety is at the heart of our purpose, it is fundamental to, and underpins, everything we do.

Flexibility

Providing a service that is agile and evolves with the community's needs.

Victoria Police Values Relaunch

In May 2020, Victoria Police relaunched our Organisational Values as a recommitment to an important aspect of cultural reform. The seven values and associated behaviours define what our organisation stands for and guide how we behave. The values also reflect the expectations placed upon us by the Victorian community.

For more information on the relaunch of the Victoria Police Organisational Values, please refer to page 31 of this report.

Our Services

Victoria Police provides policing services to the Victorian community 24 hours a day, seven days a week, across 54 Police Service Areas, within 21 divisions and four regions – North West Metro, Southern Metro, Eastern and Western. These regional boundaries correspond with those of other Victorian Government departments, enhancing cross-department service delivery, particularly in the area of emergency management.

Our services include:

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

For further information on the location of Victoria Police services, including regional maps, please go to police.vic.gov.au on the internet.

Our Operating Environment

Our Governance

Actions by Victoria Police are underpinned by internal organisational structures and governance committees that support decision making. Victoria Police is accountable to government and the community, and subject to review by independent oversight functions.

Victoria Police is committed to a positive risk culture. Continuous embedding of risk management processes across the organisation enhances decision making in all areas of the business and operational policing.

Further information on Victoria Police's governance and risk management frameworks is presented in Chapter 2 of this report.

Our Performance

Victoria Police received a published budget of \$3.56 billion in 2019–20 to deliver policing services to the Victorian community 24 hours a day, seven days a week and is accountable to government and the community for its performance. Each reporting year Victoria Police is required to provide to government and the community information on outcomes and financial performance. Chapter 3 of this report presents further information on Victoria Police's performance against the Victorian Government Budget Papers and Community Safety Statements.

Our People

Police officers and Protective Services Officers are supported in their roles by public service professionals. These professionals work in many areas as Police Custody Officers, administrators, managers and specialists in a range of functions including forensic science, intelligence, information and communications technology, legal services, regulation, capability development, human resources, finance and accounting, research, policy, organisational planning and community engagement.

Chapter 4 of this report provides further information about our people.

Our Annual Plan

The *Victoria Police Capability Plan 2016–2025* establishes what we need to do as an organisation to continue to be effective. It highlights the way we will transform our service delivery to be an agile, responsive, people-focused and connected organisation. The Annual Plan forms a component of the Capability Plan. Our performance against the *2019–20 Annual Plan* is presented in Chapter 5 of this report.

Our Legislation

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

Disclosures required under the *Victoria Police Act 2013*, additional legislation and other reporting requirements are presented in Chapter 6 of this report.

The role of Victoria Police is to serve the Victorian community and uphold the law so as to promote a safe, secure and orderly society.

2. Our Governance

Victoria Police is responsible to the Minister for Police and Emergency Services.

The Hon. Lisa Neville MP was appointed as the Minister for Police and Emergency Services in December 2018. From May 2016 to December 2018 she served as the Minister for Police.

Minister Neville is also the Minister for Water and the Minister for the Coordination of Environment, Land, Water and Planning: COVID-19.

As Minister for Police and Emergency Services, Minister Neville is responsible for the regulation of police and emergency service agencies and oversees the direction of these agencies.

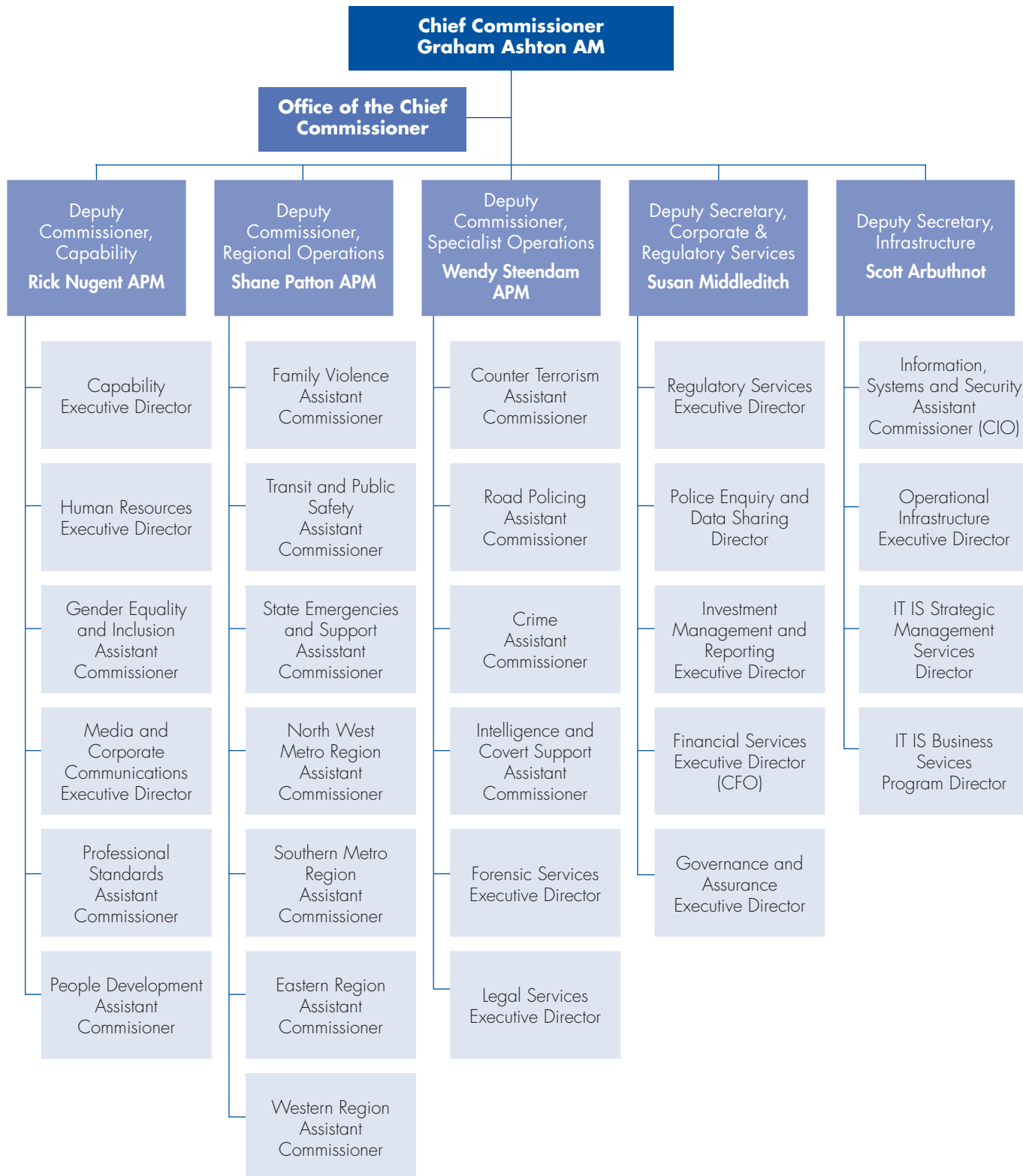
In addition to the Minister for Police and Emergency Services, Victoria Police also supports the following:

- The Premier
- The Attorney-General
- The Treasurer
- The Minister for Roads and Road Safety
- The Minister for the Prevention of Family Violence
- The Minister for Crime Prevention
- The Minister for Corrections
- The Minister for Youth Justice
- The Minister for Victim Support.

Victoria Police is accountable to government and the community, and subject to review by independent oversight functions.

Organisational Structure

Figure 2.1: Victoria Police Organisational Chart – as at 20 June 2020



Graham Ashton AM ceased his appointment as the 22nd Chief Commissioner of Victoria Police on 26 June 2020 and Shane Patton APM commenced the role of Chief Commissioner of Victoria Police on 27 June 2020. An updated organisational structure and overview of the Senior Leadership Group will be reflected in the 2020–21 Annual Report.

Victoria Police Senior Leadership Group

Executive Command

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

Executive Command comprises the Chief Commissioner of Police, all Victoria Police Deputy Commissioners and Deputy Secretaries, the Chief Information Officer, and retired Air Chief Marshall Sir Angus Houston AK AC AFC as an independent member.

The current Executive Command members include:

- **Graham Ashton AM** - Chief Commissioner until 26 June 2020
- **Shane Patton APM** - Chief Commissioner as at 27 June 2020, Deputy Commissioner Regional Operations until 26 June 2020
- **Rick Nugent APM** - Deputy Commissioner Regional Operations as at 27 June 2020, Deputy Commissioner Capability until 26 June 2020
- **Wendy Steendam APM** - Deputy Commissioner Specialist Operations

- **Susan Middleditch** - Deputy Secretary Corporate and Regulatory Services
- **Scott Arbuthnot** - Deputy Secretary IT and Infrastructure
- **Stephen Fontana APM** - Assistant Commissioner, Chief Information Officer
- **Sir Angus Houston AK AC AFC (Ret'd)** - Independent member

Command

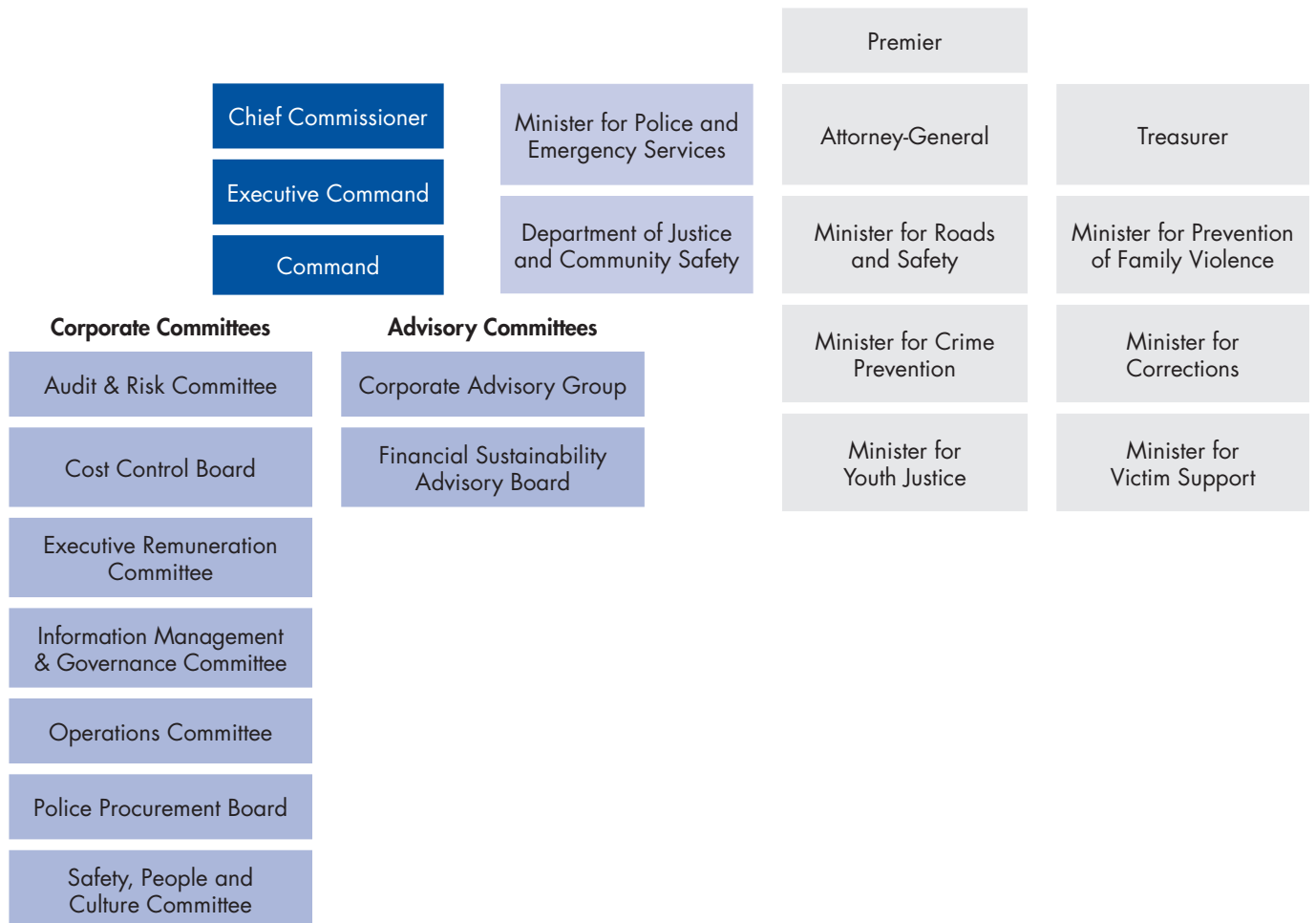
Victoria Police Command is comprised of Executive Command members and all Assistant Commissioners, Commanders, Executive Directors and Directors.

Command meets quarterly to discuss significant community and organisational issues.

Victoria Police Committees

Victoria Police is supported by a number of standing executive, corporate and advisory committees ensuring good corporate governance with a focus on improving organisational performance. Figure 2.2 shows a snapshot of the governance arrangements for Victoria Police.

Figure 2.2: Snapshot of Governance Arrangements



Corporate Committees

Committee	Focus
Audit & Risk Committee* <i>Meets bi-monthly, plus two additional meetings dedicated to endorsement of financial statements</i>	Provides independent assurance and assistance to the Chief Commissioner of Police regarding Victoria Police financial, risk, control and compliance frameworks, as well as its external accountability responsibilities. Maintains effective communication with external auditors and considers recommendations from internal and external auditors.
Cost Control Board <i>Meets monthly</i>	Provides an ongoing, strategic focus on financial management with a view to achieving the organisation's financial sustainability objectives. Considers and approves key financial management policies and procedures, business cases and major resource management decisions. The Cost Control Board had its first meeting in 2019–20.
Executive Remuneration Committee* <i>Meets as required</i>	Ensures a consistent and rigorous approach is taken to setting and adjusting executive remuneration.
Information Management and Governance Committee <i>Meets bi-monthly</i>	Provides a strategic focus on Enterprise Information Management related priorities and governance, risk management and compliance with organisational and government Information Management frameworks and policies, strategic directions and associated standards.
Operations Committee <i>Meets bi-monthly</i>	Identifies and addresses significant emerging operational issues and trends. Focuses on policy, strategy and reforms relating to operations. Monitors key operational projects and risks.
Police Procurement Board <i>Meets monthly</i>	Delegated responsibility to approve procurement processes and requisitions within limits.
Safety, People and Culture Committee* <i>Meets bi-monthly</i>	Identifies and addresses significant emerging people, culture and safety issues, policy, strategy and reforms. Monitors key reports, projects and risks. Proactively drives positive organisational cultural change by overseeing strategies and frameworks that develop organisational cultural aspirations.

*Includes independent members

Advisory Committees

Committee	Focus
Corporate Advisory Group* <i>Meets quarterly</i>	Provides strategic advice to Executive Command on a range of reforms to be undertaken by Victoria Police. Continuously reviews strategic projects including advice on the Victorian Equal Opportunity and Human Rights Commission Review implementation.
Financial Sustainability Advisory Board* <i>Meets bi-monthly</i>	Provides ongoing oversight of the Financial Sustainability Project and provides advice to Executive Command. The Financial Sustainability Advisory Board had its first meeting in 2019–20.

*Includes independent members

Oversight and Assurance

Audit & Risk Committee

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

The Committee has no executive powers, except those expressly provided by the Standing Directions of the Minister for Finance and as may be delegated to it from time to time by the Chief Commissioner of Police. The ARC chair is external to, and independent of, the organisation. A list of the ARC members for 2019–20 can be found in Chapter 6.19.

Internal Audit

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

In 2019–20, Victoria Police's internal audit function continued as a co-sourced arrangement under commercial contract with a specialist auditing firm. Ernst & Young were Victoria Police's audit partner until December 2019. After a competitive tender process in 2019, KPMG commenced as Victoria Police's audit partner from January 2020. Victoria Police's internal audit program includes compliance and performance reviews, with results and follow-up actions reported to Executive Command and the ARC on a bi-monthly basis.

Continuous Auditing

In 2019–20, continuous auditing programs (CAPs) provided ongoing assurance and more timely insight into risk and control issues to senior management. The results of all CAPs are reported to Executive Command and the ARC on a quarterly basis. Continuous auditing activities aim to identify control issues across key corporate and operational processes and systems using data analytics.

Other Organisational Reviews

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

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

- Victorian Auditor-General's Office
- Victorian Ombudsman
- Independent Broad-based Anti-corruption Commission
- Office of the Victorian Information Commissioner
- Victorian Equal Opportunity and Human Rights Commission
- Coroners Court of Victoria.

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

Risk Management

As a Victorian Public Sector organisation, Victoria Police is expected to ensure consideration of material risks in its decisions, and appropriately manage risk in view of relevant obligations, constraints and objectives. Effective risk management enhances decision making and increases service delivery and community safety outcomes.

These obligations are legislated under the *Financial Management Act 1994*, which includes risk management and insurance standing directions issued by the Minister for Finance. Victoria Police is mandated by the Ministerial Standing Direction 3.7.1 – *Risk Management Framework and Processes*, to apply the Victorian Government Risk Management Framework (VGRMF).

The VGRMF describes the minimum risk management requirement to demonstrate risks are managed effectively. It adopts the *ISO 31000:2018 Risk management - Guidelines*, an internationally accepted basis for best practice risk management.

Risk management obligations include the requirement that risk considerations must be documented and reflected in the organisation's overall governance, strategic planning, performance management, financial management and service delivery processes and outcomes.

Organisational risks are mapped against the Victoria Police Capability Framework to ensure alignment with organisational objectives and capability priorities. Responsibilities are assigned, ensuring clear accountability. Organisational risks are managed collaboratively and reported regularly. Victoria Police Executive Command recognises that risk management, as an integral part of culture, policies, systems and processes, is required to ensure community safety. Executive Command is committed to maturing the Victoria Police risk management framework and requires all employees and contractors to manage risks in their areas of responsibilities by making timely and informed decisions.

3. Our Performance

We are accountable to the Victorian Government and the community for our performance through a number of mechanisms.

The 2017 and 2018–19 Community Safety Statements (CSS) outlined the government’s commitment to policing. The 2019–20 CSS builds on the foundation of the two previous statements while also identifying new commitments to support the changing needs of the Victorian community. In addition, the 2019–20 CSS contains the community safety outcomes and the corresponding performance indicators for these commitments.

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

Victoria Police is also required to provide to government, and the community, information on outcomes and financial performance for each reporting year.

Objective		
Ensuring community safety through policing, law enforcement and prevention activities.		
Indicators		
Community safety during the day and at night	Crime statistics	Road fatalities and injuries
Outputs		
Policing and Crime Prevention		

Source: 2019–20 Budget Paper 3 Service Delivery

Impacts on Performance in 2019–20

The Victorian bushfires and coronavirus (COVID-19) pandemic impacted Victoria Police’s performance against reporting measures, initiatives and projects in 2019–20. Throughout the year, we recorded significant variances against several performance measures, some of which are attributable to changes to tasking, working environments and the reprioritisation of roles and responsibilities in response to these events. Our working environment changed to comply with the Chief Health Officer (CHO) directions and to ensure the health and safety of our employees and the wider community in response to the coronavirus (COVID-19).

Many of the impacts from changes to the environment during the coronavirus (COVID-19) response are still being monitored and additional time is required to fully realise these trends. For example, the restriction of roadside alcohol and drug testing saw the booze and drug bus fleet grounded in March 2020. As a result, the figures for these tests are significantly reduced for the 2019–20 reporting period.

Several projects and initiatives were affected by operational prioritisation during the bushfires and coronavirus (COVID-19) response, with the succession of these amplifying the impacts. Delays in the procurement of equipment and social distancing requirements have caused some projects to be interrupted while appropriate continuity plans are put in place to manage the changing environment.

Performance Against Objective Indicators

Victoria Police contributes to the BP3 objective: *ensuring community safety through policing, law enforcement and prevention activities*. Three indicators are used to monitor progress towards the objective:

- community safety during the day and at night
- crime statistics
- road fatalities and injuries.

Community Safety During the Day and at Night

The National Survey of Community Satisfaction with Policing 2018–19 results are contained within the *Report on Government Services (RoGS) 2020*, released in January 2020.

Survey respondents were asked to rate their feeling for each indicator, ranging from very unsafe to very safe. Victorian results on the proportion who reported feeling safe or very safe are shown in Table 3.1 and 3.2. Of note, Victorians are increasingly reporting feelings of safety on public transport.

The 2019–20 results will be reported in the 2021 RoGS, to be published by the Productivity Commission in January 2021

Table 3.1: Community Safety During the Day

Indicator	2018–19 %	2017–18 %	2016–17 %	2015–16 %	2014–15 %	Change from 2017–18 to 2018–19	Change over 5 years
Walking alone in your neighbourhood	88.1	87.4	84.0	90.0	90.3	+0.7	-2.2
On public transport	68.6	67.1	58.5	59.0	63.4	+1.5	+5.2

Source: 2020 Report on Government Services

Table 3.2: Community Safety at Night

Indicator	2018–19 %	2017–18 %	2016–17 %	2015–16 %	2014–15 %	Change from 2017–18 to 2018–19	Change over 5 years
At home	83.8	83.0	79.1	87.1	89.5	+0.8	-5.7
Walking alone in your neighbourhood	48.1	47.1	42.8	48.6	52.1	+1.0	-4.0
On public transport	32.3	31.3	23.3	25.6	28.5	+1.0	+3.8

Source: 2020 Report on Government Services

Crime Statistics

Crime statistics are based on reports from the public and crimes detected by police. The Crime Statistics Agency (CSA) is responsible for processing and publishing Victorian crime statistics, independent of Victoria Police. A further breakdown of crime statistics is available on the crimestatistics.vic.gov.au website.

Changes to recorded crime can be due to increased presence and focus on community safety throughout Victoria, police detection and enforcement activity, the introduction of new offences or increased police powers to enforce certain offences. For example, in March 2020 two new coronavirus (COVID-19) offence codes were introduced in response to breaches of the CHO's directions under the *Public Health and Wellbeing Act 2008*. Changes may also be due to social, economic and environmental factors, or changing public confidence to report crime to police.

In the 2019–20 financial year, there was an increase in total recorded crime by 6.0 per cent from 513,578 offences in 2018–19 to 544,237 offences in 2019–20. There were increases in all offence categories except for public order and security offences, which fell 10 per cent from 34,848 in 2018–19 to 31,338 in 2019–20.

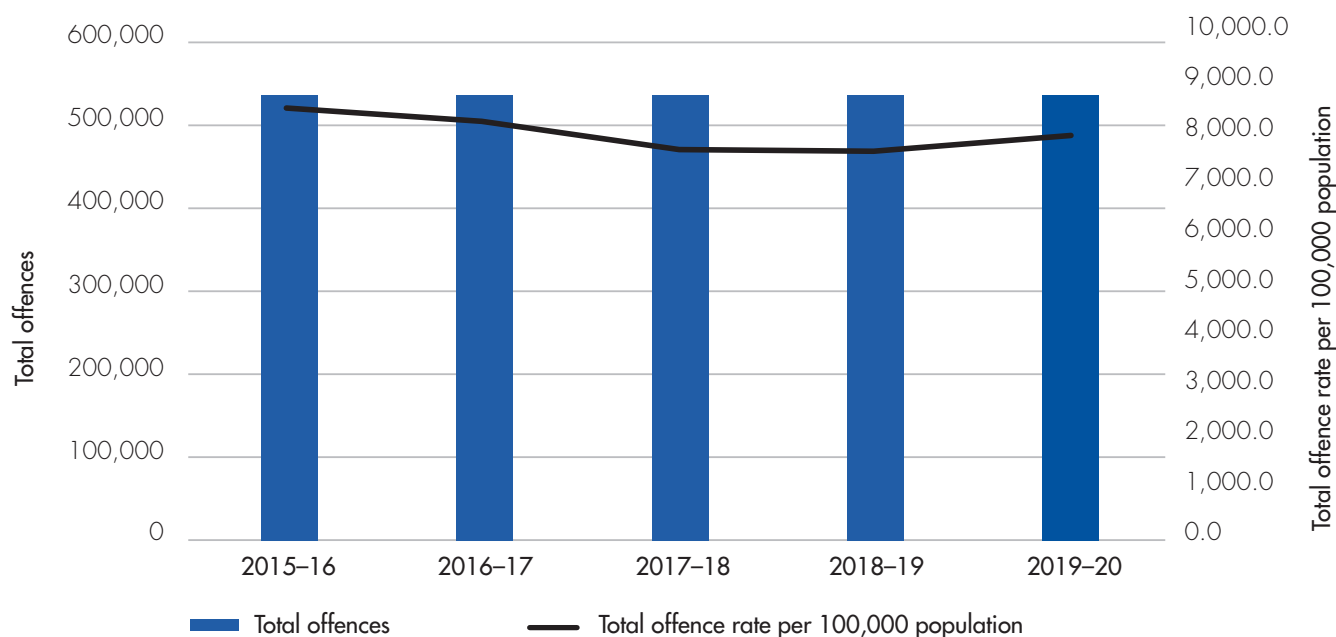
The overall increase in total recorded crime was mostly driven by increases in property and deception offences, which increased by 16,838 between 2018–19 and 2019–20. The increase in total recorded crime was also impacted by an increase in 'other offences', which increased by 6,119 between 2018–19 and 2019–20. This was related to the new public health and safety offences introduced as part of the response to coronavirus (COVID-19). Further information about the CSA offence classification is available at www.crimestatistics.vic.gov.au/about-the-data/explanatory-notes.

Table 3.3: Five-Year Trend in Offence Categories

Indicator	2019–20	2018–19	2017–18	2016–17	2015–16	Change from 2018–19 to 2019–20	Change over 5 years
Crimes against the person offences	83,114	81,054	80,040	79,116	76,468	+2.5%	+8.7%
Property and deception offences	303,931	287,093	287,994	315,163	319,934	+5.9%	-5.0%
Drug offences	36,951	32,539	29,868	30,352	30,189	+13.6%	+22.4%
Public order and security offences	31,338	34,848	34,743	36,025	36,693	-10.1%	-14.6%
Justice procedures offences	81,389	76,649	71,090	69,902	70,558	+6.2%	+15.4%
Other offences	7,514	1,395	2,145	1,670	1,636	+438.6%	+359.3%
Total offences	544,237	513,578	505,880	532,228	535,478	+6.0%	+1.6%
Total offence rate per 100,000 population	8,115.6	7,786.2	7,828.5	8,419.2	8,674.3	+4.2%	-6.4%

Source: Crime Statistics Agency. Data extracted from LEAP on 18 July 2020 and is subject to change

Chart 3.1: Victorian Recorded Offences and Rate per 100,000 Population Five-Year Trend



Road Fatalities and Injuries

In 2016, the Victorian Government released its *Towards Zero 2016–2020 Victoria’s Road Safety Strategy and Action Plan* (Towards Zero), with a goal to reduce serious injuries by 15 per cent and lives lost to fewer than 200 by the end of 2020. We continue to play a critical role in achieving this goal through highly visible and sustained enforcement. In 2019–20, we implemented several initiatives to facilitate our road safety response, including the expansion of mobile Automatic Number Plate Recognition, enhancements to the roadside drug testing program and the delivery of several technological improvements to aid information collection and analysis.

In the last five years, the number of lives lost on our roads has fluctuated from year to year, but an overall decrease of 13.6 per cent has been recorded. During 2019–20, 229 lives were lost on Victorian roads, decreasing by 12.9 per cent from the previous year.

Drivers of motor vehicles continued to account for the most lives lost, comprising 46 per cent. The number of bicyclists who lost their lives on the road increased to 13 from 12 the previous year. All other road user groups showed a decrease in the number of lives lost when compared to the previous year.

Although fewer lives were lost on our roads in 2019–20, the number of injuries sustained remained relatively stable, increasing 1.1 per cent in comparison to the previous year.

When broken down by location, the number of lives lost was slightly higher in regional areas. In contrast, metropolitan locations recorded more than double the number of injuries than regional Victoria.

Table 3.4: Road Fatalities and Injuries

	2019–20	2018–19	2017–18	2016–17	2015–16
Fatalities (Lives Lost)	229	263	238	267	265
Injuries	18,010	17,807	17,999	20,396	22,128

Source: Data was extracted from the Collision Management Information System on 5 July 2020. Data capture for road fatalities and injuries are subject to variation due to reclassification or data settling

Table 3.5: Road Policing Statistics by User

Road User	Lives Lost		Injuries	
	2019–20	2018–19	2019–20	2018–19
Driver	106	112	9,734	9,615
Passenger	37	42	3,106	3,328
Pedestrians	41	46	1,348	1,537
Bicyclists	13	12	1,324	1,246
Motorcyclist	32	48	2,192	1,907
Pillion Passenger	0	1	73	48
Other	0	2	233	126
Total	229	263	18,010	17,807

Source: Data was extracted from the Collision Management Information System on 5 July 2020. Data capture for road fatalities and injuries are subject to variation due to reclassification or data settling

Table 3.6: Road Policing Statistics by Area

Location	Lives Lost		Injuries	
	2019–20	2018–19	2019–20	2018–19
Metropolitan	109	119	12,483	12,348
Regional	120	144	5,527	5,459
Total	229	263	18,010	17,807

Source: Data was extracted from the Collision Management Information System on 5 July 2020. Data capture for road fatalities and injuries are subject to variation due to reclassification or data settling

Performance Against Output Measures for Policing and Crime Prevention

Victoria Police strives to reduce violence and crime through law enforcement, judicial support, community assistance, guidance and leadership. The performance measures reported in Table 3.7 compare targets and actual results from the delivery of programs and services as part of the Policing and Crime Prevention output.

Table 3.7: Performance against Output Measures for Policing and Crime Prevention

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
Quantity					
Community calls for assistance to which a Victoria Police response is dispatched	number	914 362	900 000	1.6	✓
Contravention of family violence intervention order (FVIO) offences per 100 000 population	number	716.8	670	7.0	✓
The actual is above the target as an upward trend has been reported during the 2019–20 reporting year.					
Crimes against property – excluding family violence related crime (rate per 100 000 population)	number	4 360.1	4 200	-3.8	○
Crimes against property – family violence related crime (rate per 100 000 population)	number	172.1	160	7.0	✓
The actual is above the target due to the increase in family violence related criminal damages offences.					
Crimes against the person – excluding family violence related crime (rate per 100 000 population)	number	668.0	660	-1.2	○
Crimes against the person – family violence related crime (rate per 100 000 population)	number	571.4	580	-1.5	○
Number of alcohol screening tests conducted	number	2 524 006	3 000 000	-15.9	■
The actual is below the target due to impacts of the coronavirus (COVID-19) pandemic, with frontline testing being restricted.					
Number of hours of family violence related education provided to police	number	5 032.9	1 995	152.3	✓
This actual is above the target as further training courses were introduced to police employees during the 2019–20 reporting year.					
Number of prohibited drug screening tests conducted by booze and drug buses and highway patrol units	number	132 580	150 000	-11.6	■
This actual is below the target due to impacts of the coronavirus (COVID-19) pandemic, with frontline testing being restricted.					
Number of youth referrals	number	912	1 200	-24.0	■
This actual is below the target due to data capture. If all Embedded Youth Outreach Program referrals were captured the actual would be above target.					
Police record checks conducted to contribute to community safety	number	718 968	703 000	2.3	✓
Total reported road fatalities in vehicle collisions	number	229	≤200	-14.5	■
In 2019–20, road fatalities occurring on country roads accounted for 52.4 per cent of all road fatalities. Of road users, drivers accounted for 46.3 per cent of all road fatalities followed by pedestrians at 17.9 per cent.					
Total persons reported injured in vehicle collisions	number	18 010	15 000	-20.1	■
In 2019–20, Victoria Police altered reporting processes to align with partner agencies. The 2020–21 target will reflect the new methodology.					

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
Quality					
Community Crime Prevention grant payments properly acquitted	per cent	100	100	0.0	✓
Perceptions of safety - walking locally at night	per cent	52.8	53	-0.4	○
Proportion of community satisfied with policing services (general satisfaction)	per cent	78.5	80	-1.9	○
Proportion of drivers tested by road safety cameras 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	91.5	93	-1.6	○
Proportion of Family Incident Report affected family members receiving referrals	per cent	87.9	85	3.4	✓
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	81.3	87	-6.6	■

The actual is below the target due to responses from total survey participants, not only those that had contact with police. This measure is highly responsive to changes in perception.

Timeliness

Proportion of crimes against the person resolved within 30 days	per cent	38.1	45	-15.3	■
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The actual is below the target due to increased crime rates and the diversion of Victoria Police resourcing tasked to manage coronavirus (COVID-19) compliance enforcement.

Proportion of property crime resolved within 30 days	per cent	20.8	25	-16.8	■
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The actual is below the target due to increased crime rates and the diversion of Victoria Police resourcing tasked to manage coronavirus (COVID-19) compliance enforcement.

Cost

Total output cost	\$ million	3 737.4	3 563.6	4.9%	○
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Notes:

The performance variation (%) and the result rating recorded reflects how the outcome of the measure is interpreted

2019–20 Revised Budget reflects estimated expenditure as at 2019–20 Budget Update

Variance is between revised and actuals

Excluding Department of Justice & Community Safety – Crime Prevention output costs

✓ Performance target achieved or exceeded. This is a positive outcome

○ Performance target not achieved – within 5 per cent variance. This is a negative outcome

■ Performance target not achieved – exceeds 5 per cent variance. This is a negative outcome

Financial Performance

The Annual Financial Statements¹ included in the Victoria Police Annual Report provide information about Victoria Police's stewardship of the resources entrusted to it.

Table 3.8 provides a summary of Victoria Police's financial results for the 2019–20 financial year and comparative information for the preceding four years.

Table 3.8: Five-Year Financial Summary

	2019–20 \$'000	2018–19 \$'000	2017–18 \$'000	2016–17 \$'000	2015–16 \$'000
Financial Performance					
Total Income from Transactions	3,746,442	3,380,623	3,073,265	2,785,000	2,596,616
Total Expenses from Transactions	3,738,574	3,399,200	3,065,762	2,782,181	2,609,246
Net Results from Transactions	7,868	(18,577)	7,503	2,819	(12,630)
Net Results	9,883	(30,336)	15,803	17,138	(12,586)
Cash Flows					
Net Cash Inflow from Operating Activities	177,241	190,166	116,661	73,650	82,221
Net Cash Inflow from Financing Activities	(36,729)	(19,035)	4,292	(35,641)	(34,771)
Balance Sheet					
Total Assets	3,454,822	2,544,257	2,343,438	2,135,743	2,085,489
Total Liabilities	1,705,067	864,081	764,387	702,950	683,863
Net Worth	1,749,755	1,680,176	1,579,051	1,432,793	1,401,626

Financial Performance

Most of Victoria Police's income arises from annual government grants for output delivery. In 2019–20, total income from transactions increased 10.8 per cent over the previous year and was primarily due to:

- wage indexation associated with the 2015 and 2019 Sworn Enterprise Bargaining Agreements
- incremental increases associated with approved government decisions including the Community Safety Statement
- the impact of the change to Australian Accounting Standard AASB16 – Leases on 1 July 2019, where the capitalisation of lease assets has resulted in a corresponding increase in interest charges and depreciation expenses
- additional support for Victoria Police's operations
- costs associated with the Royal Commission into the Management of Police Informants
- operational costs associated with the 2019–20 summer bushfires response.

Consequently, Victoria Police's total expenditure from transactions for the year likewise increased 10.0 per cent over the same period.

The net result for the year was a surplus of \$9.9 million, compared to a deficit of \$30.3 million in 2018–19. This takes into account the net effect of gains on the disposal of non-financial assets such as plant, equipment and motor vehicles and the revaluation of the organisation's long service leave provision due to the discount rate reduction from the previous financial year from 1.32 per cent to 0.9 per cent in 2019–20.

¹ The financial statements exclude the transactions of entities with varying representation of Victoria Police members on their board or executive management teams, including:

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

To be read in conjunction with the Comprehensive Operating Statement within Chapter 7 – Annual Financial Statements. Disclosure 6.22 Budget Portfolio Outcomes, within Chapter 6, also provides a comparison between the actual and budgeted financial information

Balance Sheet

Victoria Police's net worth as at 30 June 2020 was \$1,749.8 million, an increase of \$69.6 million from the previous year. This comprises total assets increasing \$910.6 million from the previous year to \$3,454.8 million and total liabilities increasing \$841.0 million from the previous year to \$1,705.1 million.

Property, plant and equipment represent 76.0 per cent (\$2,634.9 million) of total assets. These assets increased in value by \$756.4 million, primarily as a result of the implementation of the new Australian Accounting Standard, AASB 16 *Leases*. The application of this standard requires that all property, plant and equipment leased by Victoria Police be recognised as a Right-of-Use Asset and a Lease Liability in the Balance Sheet. The lease liability is represented primarily in Borrowings, which increased from \$83.1 million in 2018–19 to \$801.2 million in 2019–20. Further information regarding Borrowings can be found in Annual Financial Statements Note 7.1 Borrowings on page 114.

The other key movement in the Balance Sheet was for employee-related provisions. Long service leave and recreation leave provisions increased \$86.9 million to \$729.5 million from the previous year due to wage indexation and associated on costs from the *Victoria Police (Police Officers, PSOs, Police Reservists and Police Recruits) Enterprise Agreement 2019*. There was also an increase in the WorkCover risk premium rate driven by mental health-related claims. Further information regarding Employee Related Provisions can be found in Annual Financial Statements Note 3.1.2 Employee Related Provisions on page 92.

Cash Flows

The decrease in net cash inflows from operating activities from \$190.2 million in 2018–19 to \$177.2 million in 2019–20 is primarily due to the implementation of AASB 16 *Leases*, where these cash movements are now reclassified within net cash inflows from financing activities.

Victoria Police's response to the summer bushfires and coronavirus (COVID-19) pandemic demonstrated our ability to think innovatively and prioritise community needs.

Operational Overview

Our operational capability ensures police are visible and active in the community to prevent crime, hold offenders to account and help those in need of assistance. Victoria Police's response to the summer bushfires and coronavirus (COVID-19) pandemic demonstrated our ability to think innovatively and prioritise community needs. This section outlines some of our key achievements in 2019–20 in continuing to keep the Victorian community safe.

Policing in Communities

Throughout 2019–20, Victoria Police continued to work in partnership with communities across the state to enhance community safety.

We returned as a major exhibitor at the 2019 Royal Melbourne Show, reinstating a long-standing tradition since the 1950s. The Show provided Victoria Police with an important platform to build trust and communicate to a large and diverse number of visitors through focused community engagement. We designed and built a contemporary modular, interactive and highly engaging display for the Show and were awarded the '2019 Royal Melbourne Show – Best Overall Exhibitor' (out of 250 eligible exhibitors in total).

Western Region occupies approximately 60 per cent of Victoria and has some of the most remote communities in the state. In recognising the importance of connecting with these communities, local police are delivering the Community Web of Protection initiative across communities in the region. Between December 2017 and June 2019, we engaged with approximately 5,000 community members to better understand what they needed from their local police. This included increased police visibility at community events and engagement with the community in developing responses to issues. The resulting initiative now requires all six divisions within Western Region to formally survey their communities to identify local issues and work collaboratively with both the community and stakeholders to develop and implement solutions.

Targeting Organised Crime, Illicit Drugs and Illicit Firearms

We continued to commit a significant amount of resources to investigate and disrupt illicit markets in Victoria including for drugs and firearms. A number of operations were conducted throughout 2019–20, often in collaboration with partner agencies, with outcomes improving community safety.

The Firearm Prohibition Order (FPO) scheme introduced in 2018 continues to prevent people who may pose a threat to public safety from accessing firearms. In 2019–20, 231 FPOs were issued against known violent offenders who pose a serious risk to the community, including members of Outlaw Motorcycle Gangs, Middle Eastern crime groups and other criminal groups. We recorded 286 FPO-related searches in 2019–20, including searches of the FPO subject and persons in their company.

We also recorded in excess of 80 offences against the *Firearms Act 1996*, 25 offences against the *Control of Weapons Act 2006* and 131 offences against other Acts, identified as a result of the operation of the FPO scheme.

Joint Taskforce Icarus was established following a Victoria Police operation to detect domestic parcel post articles containing illicit substances. The taskforce operates as a partnership consisting of the Australian Border Force, Australian Criminal Intelligence Commission, Australian Federal Police (AFP) and Victoria Police. Taskforce Icarus focuses on contributing to a reduction in the supply of drugs to the Victorian community through border detections of drugs imported via air cargo and the international mail stream, and through operations and investigations to counter the trafficking of drugs through the domestic mail system. Since the commencement of Joint Taskforce Icarus, there have been over 55 shifts at a mail screening facility pertaining to Operation Vitreus that have yielded in excess of 4,300 seizures of various products including methylamphetamine (with a street value of over \$1.2 million); heroin (over \$75,000); cocaine (over \$900,000); cannabis (over \$800,000); ecstasy (over \$500,000); GHB/GBL/1,4 BD (over \$11,000); pharmaceuticals, weapons and cash (over \$40,000).

Promoting Public Safety

Joint agency arrangements with the AFP and other security partners continued to provide an integrated investigative and analytical capability to prevent and investigate potential acts of terrorism and politically motivated violence. In addition to our involvement in the tri-agency Joint Counter Terrorism Team and other collaborative arrangements, our Counter Terrorism Command has provided additional detective positions into the AFP's dedicated High-Risk Terrorism Offender teams. Importantly, these teams support the integration of persons convicted of terrorism matters back into the community, while maintaining a focus on community safety. Additionally, Counter Terrorism Command has worked closely with the Office of the Commonwealth Director of Public Prosecutions during brief preparation and court proceedings of several complex, high risk and protracted investigations which holds offenders to account and enhances public safety.

In the first six months of the financial year there were over 100 different protests in Melbourne CBD, with almost 40 in October alone. The safety and security of the community remains Victoria Police's priority and when protest organisers engaged in their planning, we were able to ensure public safety by policing protests to minimise harm, disruption and risk to the community. In the latter part of the year, protest activity occurred during the coronavirus (COVID-19) pandemic. While Victoria Police upholds the community's right to protest, enforcing the CHO directions intended to safeguard the health and safety of every Victorian remained our priority.

Serious and violent offending continued to negatively affect community safety in 2019–20. Operation Liege was established in July 2019 in response to the increasing mobilisation of offenders operating across multiple police areas and committing serious and violent offending including aggravated burglaries, armed robberies and carjackings. Using real time intelligence and resource-sharing capabilities, Operation Liege quickly identified patterns of offending to apprehend offenders and hold them to account. During a 'day of action' in October 2019, police arrested 57 offenders and executed warrants in suburbs including Cranbourne, Clyde North, Dandenong, Narre Warren, Frankston, Pakenham, Reservoir, Sunshine, Truganina, Lara and Norlane. The majority of those arrested were aged between 15 and 21-years-old. Since October, more than 120 individual offenders have been returned to court for outstanding crime investigations.

The Melbourne foreshore areas attract large numbers of people on hot days and evenings, leading to increases in crime and public order incidents. Operation Summersafe commenced on 1 December 2019 with the objective of minimising antisocial behaviour and criminal activity through proactive policing, a visible police presence and the prompt mobilisation of resources to several divisions. The intelligence-led operation provided an agile response to issues and incidents within foreshore areas and aimed to maintain public order, detect offences, identify offenders, gather intelligence and provide community reassurance.

Working in Partnership

In addition to joint responses with law enforcement agencies to disrupt serious organised crime, we worked with various services and institutions to minimise harm and improve outcomes for those involved in the justice system.

We have partnered with Griffith University and University of Queensland to design a number of evidence-based trials to test policing strategies. These include a place-based crime prevention trial utilising mobile technology for police tasking and reducing crime through youth diversion and outreach. This partnership will also develop a project relating to community trust in policing in the context of the coronavirus (COVID-19) response.

We commenced an innovative trial to combat the financial exploitation of older people in our community. Family Violence Investigation Units from five rural and metropolitan policing divisions have teamed up with key institutions in the banking, legal, health and aged care sectors to identify and respond to financial elder abuse. The trial was a recommendation of the Royal Commission into Family Violence and aims to strengthen reporting channels for victims of financial elder abuse; improve police responses and capacity to investigate financial elder abuse; and improve the understanding of the range of options required to protect victims.

The 2019–20 Victorian Community Safety Statement affirmed the Victorian Government's support for a thriving and vibrant music festival scene as an integral part of Victoria's cultural landscape. This includes promoting safety and preventing drug and other harm at events. In November 2019, Victoria Police convened the inaugural Music Festival Forum, which involved all sectors associated with single and multi-day music festivals, to commit to the common purpose of ensuring public safety at events. The forum focused on an affirmation of partnerships amongst all stakeholders to collectively identify challenges, good practice and new initiatives fundamental to the prosperity of music festivals. Representatives attended from all major Victorian festival events, Victorian and Local Governments and health and law enforcement agencies from Victoria, New South Wales, Queensland and Tasmania.

Emergency Response

Victoria Police was pleased to be able to contribute to the development of significant changes to the New Zealand firearms legislation and safety of one of our nearest neighbours. Following the events of 15 March 2019 in Christchurch, New Zealand, Victoria Police as a member of the Firearms and Weapons Policy Working Group and signatory to the National Firearms Agreement played a consultative role in the development of amendments to the *Arms Act 1983* (New Zealand). Consultation provided insight into the firearm licensing and registration regime in Victoria. This included sharing lessons learned, firearm classifications and genuine need requirements.

The capability and capacity of personnel to undertake pivotal roles when responding to emergency incidents is vital. In October 2019, Victoria Police participated in the joint-agency Exercise Praesidio. Emergency services and emergency management personnel, in conjunction with community members and partner organisations, considered evacuation options and practiced an evacuation in accordance with Victorian emergency management arrangements. Conducted over three phases, the exercise required participants to assess the need for an evacuation; develop and deploy withdrawal and shelter components of an evacuation plan; and engage with community members about the decision-making process which led to an evacuation. The objectives of the exercise were largely met, with both the community and emergency management sector benefiting from participation.

Road Safety

Victoria Police plays a critical role in road safety through highly visible and sustained enforcement. Holidays continue to be high risk periods on Victorian roads and Victoria Police conducted several operations to minimise risks, collectively resulting in over 80,000 traffic offences detected.

Operation and Duration	Outcome
National Day of Action (27 August 2019)	27 Blood Alcohol Content offences 63 Oral Fluid Test offences 2,582 Traffic offences 116 Crime offences
Operation Argus (5-8 September 2019)	157 Blood Alcohol Content offences 213 Oral Fluid Test offences 8,307 Traffic offences 751 Crime offences
Operation Scoreboard (4 days) Grand Final Long Weekend	234 Blood Alcohol Content offences 265 Oral Fluid Test offences 8,203 Traffic offences 746 Crime offences
Operation Furlong (5 days) Melbourne Cup Long Weekend	250 Blood Alcohol Content offences 271 Oral Fluid Test offences 10,412 Traffic offences 925 Crime offences
Operation Road Wise (24 days) Christmas/New Year Period	628 Blood Alcohol Content offences 621 Oral Fluid Test offences 21,064 Traffic offences 2,910 Crime offences
Operation Amity (4 days) Australia Day Long Weekend	233 Blood Alcohol Content offences 141 Oral Fluid Test offences 5,939 Traffic offences 755 Crime offences
Operation Arid (4 days) Labour Day Long Weekend	257 Blood Alcohol Content offences 209 Oral Fluid Test offences 8,060 Traffic offences 726 Crime offences
Operation Nexus (5 days) Easter Long Weekend	124 Blood Alcohol Content offences 259 Oral Fluid Test offences 7,900 Traffic offences 1,518 Crime offences
Operation Regal (4 days) Queen's Birthday Long Weekend	146 Blood Alcohol Content offences 269 Oral Fluid Test offences 10,328 Traffic offences 847 Crime offences

4. Our People

Victoria Police is dedicated to building and maintaining a safe, inclusive and respectful workplace and culture, where our people are healthy, fit, ready and capable to deliver service excellence.

We recognise our people are the source of our success. It is critical that as an organisation we have the capability to operate effectively and to understand and connect with the Victorian community. This Chapter details who we are, celebrates our successes and highlights our achievements in providing a workplace that is safe, inclusive and respectful.

Workforce Overview

Our organisation now exceeds 21,000 employees, with police officers and Protective Services Officers (PSOs) supported in their roles by public service professionals (Table 4.1). Further breakdowns of our workforce can be found in Chapter 6.20.

Table 4.1: Full Time Equivalent (FTE) Summary

Employees (FTE) ¹	As at 20 June 2020	As at 22 June 2019
Police	15,923	15,115
Police Recruits	63	311
PSOs	1,475	1,453
Reservists	2	2
Police Custody Officers ²	402	390
Victorian Public Service Employees ³	3,481	3,477
Total⁴	21,345	20,748

2019–20 Victoria Police Awards and Honours

We recognise and value special service by employees and the community in keeping Victorians safe. A variety of medals and awards are bestowed upon Victoria Police employees, as well as a series of awards available to the community for assistance in support of Victoria Police. In 2019–20, 68 Victoria Police employees and 19 community members received an award or honour. A full list of individuals who were presented with Victoria Police Awards and Honours in 2019–20 can be found in Appendix B.

A Commitment to Equality and Inclusivity

As set out in Victoria Police's *Diversity and Inclusion Framework* (the Framework), we are committed to respecting the differences between individuals and embracing diversity in such a way that we take account of a wide range of views to inform our thinking. The Framework aims to create a workplace that is diverse, inclusive and respectful, as well as a workforce that is better equipped to support one another and respond to the needs of our communities.

The Framework provides the roadmap for the delivery of the five dedicated strategies and action plans focusing on Gender Equality, Accessibility, Aboriginal, LGBTIQ and Culturally and Linguistically Diverse (CALD) Inclusion. Each dedicated strategy and action plan has clear actions, indicators and outcomes aimed at improving employment outcomes for the cohort across the employee lifecycle. This includes the following key targets:

We are committed to respecting the differences between individuals and embracing diversity in such a way that we take account of a wide range of views to inform our thinking.

¹ This table is prepared in accordance with Financial Reporting Direction (FRD) 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 20 June 2020 and 22 June 2019). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police

² Police Custody Officers are VPS employees but are listed separately

³ Police Medical Officers are included with VPS but are employed as Senior Medical Advisors

⁴ FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C

Table 4.2: Performance against Workforce Inclusion Targets

Cohort	Targets	Due	Victoria Police's performance as at 30 June 2020
Aboriginal and Torres Strait Islander	2 per cent of the Victorian Public Service (VPS)	June 2022	0.5 per cent of all employees 0.7 per cent of VPS
People with disability	6 per cent of VPS 12 per cent of VPS	December 2020 December 2025	1.8 per cent of VPS 0.3 per cent of sworn employees
CALD people	1.6 per cent of Command are employees of CALD heritage to match Federal and State Public Service Heads	June 2021	8.5 per cent of Command
LGBTIQ	Capture of gender identity and sexual orientation data through voluntary self-disclosure by employees	June 2020	Completed
Gender Equality	Gender equality, which is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of gender.	2030	Baseline data to inform monitoring against the Outcome Monitoring Framework is current being collated.

Notes:

CALD data is at 30 June 2019 due to current data being temporarily unavailable

Data related to Aboriginal and Torres Strait Islander people, people with disability and CALD people are reliant on employees voluntarily sharing their diversity information through our HR Systems

The Outcome Monitoring Framework enabled the Victorian Equal Opportunity and Human Rights Commission to assess the current state of gender equality in Victoria Police across 10 key domains

These strategies and action plans have delivered, and continue to progress, several initiatives which support us achieving our vision. Key achievements for 2019–20 include:

LGBTIQ Inclusion Strategy and Action Plan 2018–2021

The Chief Commissioner of Police formally apologised in August 2019 to the LGBTIQ community. Our employees are part of this community and some had experienced LGBTIQ related workplace harm and discriminatory behaviour. During the last year we continued to partner with Pride in Diversity to advance LGBTIQ workplace inclusion including the delivery of training to build workforce capability. This included participation in the Australian Workplace Equality Index, with Victoria Police achieving Bronze employer status for a second successive year.

Gender Equality Strategy and Action Plan 2017–2020

The 'It's About Respect': Sexual Harassment and Sex Discrimination leadership program was delivered to approximately 700 constables, senior constables, sergeants and VPS employees. We celebrated International Women's Day and acknowledged the International Day for the Elimination of Violence Against Women and the 16 Days of Activism against Gender-Based Violence campaign through events organised by the 39 Women in Policing Local Committees across the state.

Aboriginal Inclusion Strategy and Action Plan 2018–2021

Since January 2020, 37 trainees have enrolled in the Aboriginal school-based traineeship program at police stations across the state. Aboriginal employees have participated in career coaching sessions and an emerging future leaders program under the *Barrng Djinang Strategy*.

A key initiative introduced under the *Aboriginal Inclusion Strategy and Action Plan 2018–2021* was the development of Aboriginal Cultural Awareness training that is being rolled out state-wide. The training is delivered by Aboriginal Community Liaison Officers in partnership with regional training officers.

Accessibility Inclusion Strategy and Action Plan 2018–2021

We participated in pathway programs, including internships resulting in successful employment opportunities for participants, and incorporated an Accessibility Checklist into the Victoria Police Design Guidelines for all new Victoria Police built infrastructure. Targeted training sessions were also delivered to employees, managers and our executive leadership team to build the disability confidence of our workforce. The *Victoria Police Accessibility Action Plan 2019–2021* outlines our commitment to becoming a more inclusive and accessible organisation for people with disability, their families and carers, both in service delivery and as an employer. Further information on our progress under this plan can be found in Chapter 6.8.

CALD Inclusion Strategy and Action Plan 2018–2021

The Victoria Police CALD Council was formally launched in May 2020 and advocates for and contributes to the development of policies and strategies that support the health and wellbeing of CALD employees. The Victoria Police Diversity Recruitment Program in collaboration with Victoria University and Jesuit Social Services continues to operate, helping to increase the representation of African Australian employees.

Compliance with the *Carers Recognition Act 2012*

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

- Promoting the availability of flexible work arrangements and providing enhanced resources that embed the attitude of 'how can we make this work' to effectively manage successful flexibility.
- Promoting carer's leave entitlements, along with other leave entitlements, as per enterprise agreements, policy and the *Fair Work Act 2009* and ensure compliance with these by providing clear and consistent advice in response to queries.
- Building awareness of available support programs through Victoria Police's induction program.
- Providing support to all employees through the Employee Assistance Program and with practical guidance and support through the Childcare, Parenting and Eldercare information kits. Each kit contains specific information tailored to the needs and responsibilities of the carer and provides practical guidance and further resources to help manage carer responsibilities and work.

The Gender Equality and Inclusion Command commenced on 1 January 2020 to support Victoria Police in achieving gender equality in our culture and in our practice.

Establishment of the Gender Equality and Inclusion Command

In August 2019, Chief Commissioner Ashton and Victorian Equal Opportunity and Human Rights Commission (VEOHRC) Commissioner Kristen Hilton released the final VEOHRC review. The report identified the significant progress we have made since the first review in 2015, while highlighting the ongoing work, leadership and commitment needed to achieve gender equality. The review found Victoria Police had implemented 80 per cent of VEOHRC's original 20 recommendations to at least a moderate extent and concluded we are transforming into a modern policing organisation that is disrupting its deeply entrenched culture of systemic discrimination and high tolerance for gendered harm.

The Gender Equality and Inclusion Command commenced on 1 January 2020 to support Victoria Police in achieving gender equality in our culture and in our practice. The Command will build on the lessons learnt and progress made as part of the organisation's response to the VEOHRC review and aims to create a gender equal workplace for all employees which will improve our service delivery, especially for women and children affected by violence.

The Command supports the organisation achieving long-term, sustainable change through identifying strategic opportunities for organisational reform, engaging and supporting workplaces in achieving gender equality by jointly designing approaches, building organisational understanding of the benefits of gender equality and strengthening employee engagement with gender equality initiatives. The Command also performs an oversight and monitoring function where progress against gender equality outcomes are measured and reported and opportunities to drive performance and accountability are identified.

Grace Papers Pilot

Victoria Police, with funding from the Office for Women, implemented a pilot project in 2019–20 to provide employees who are at various stages of their parental journey access to Grace Papers. Grace Papers provide career and development coaching, tools and support via an online platform to empower women and working parents. The aim of the program is to retain high quality employees by encouraging career planning conversations prior to periods of parental leave, while maintaining ongoing relationships between employees, managers and the workplace throughout their parental leave. Over 100 sworn and VPS employees across the organisation participated in the online program through accessing a digital platform that provided step-by-step support during their pregnancy, parental leave and return to work.

Employment Conditions

Victoria Police employee terms and conditions of employment are governed by legislation, Enterprise Agreements and Victoria Police policy. In addition to the *Fair Work Act 2009*, and *Fair Work Regulations 2009*, our police, including PSOs are governed by the *Victoria Police Act 2013* and *Victoria Police Regulations 2014*. Similarly, our VPS employees are governed by the *Public Administration Act 2004*. Both cohorts also have dedicated Enterprise Agreements.

The *Victoria Police (Police Officers, PSOs, Police Reservists and Police Recruits) Enterprise Agreement 2019* was approved by the Fair Work Commission on 26 March 2020 and came into effect on 1 April 2020.

The new agreement delivers many industrial reforms and positive outcomes for police including more generous parental leave, enhanced flexible working arrangements, opt in payout schemes for ill or injured members, increased allowances for mid-week unsociable and intrusive shifts, increased remuneration for sergeants and senior sergeants, remote area benefits and an enhanced PSO career and supervisory structure. A number of projects are underway to support the new agreement, including PSO Reform, a Blended Roster project and other key initiatives to enable efficiencies and to improve health and wellbeing.

Developing Leadership Capability

Our commitment to a safe and inclusive workforce is underpinned by confident, respectful and visible leadership. Several initiatives have been implemented in 2019–20 which support the ongoing development of our leaders. The Leadership Capability Uplift is supported by the Victorian Government's Community Safety Statement as part of a wider commitment to enhance the capability, culture and technology of our organisation. The project continued to expand on our commitment to more confident, humble, respectful and people-focused leaders, engaging more than one third of mid-level managers and supervisors in development opportunities in 2019–20.

The open access online resource hub 'Latitude' was launched at the end of 2019, connecting employees and workplaces to recommended and relevant resources in support of ongoing leadership development. The platform had over 2,000 visitors in its first six months.

We also implemented a reconnection element into our people-focused leadership programs, with over 600 employees participating, providing a timely opportunity to re-engage with concepts, strengthen networks and reflect on the impact of the learning investment.

Occupational Health and Safety

Victoria Police is committed to ensuring the health, safety and wellbeing of our employees, visitors and the community. We recognise that health, safety and wellbeing is integral to achieving excellence in service delivery through building a safe, inclusive and respectful culture and workplace, where our people are empowered and equipped to be high performing.

We prevent and reduce the impact of harm by:

- Empowering our people to be safety leaders through skills, knowledge and equipment, aligned with integrated systems, processes and services.
- Working with individuals and business areas to create early, effective and sustainable health and safety interventions and solutions.
- Strengthening our safety management and governance, focusing on continuous improvement by building an evidence base to inform strategic direction and measurable objectives.
- Holding all levels of management responsible and accountable for the health, safety and wellbeing of their people.

Through the mindset *Zero — Think Safe, Be Safe* we will drive the health and safety behaviour and cultural change we desire. We will bring safety to the forefront of everything we do.

In 2019–20, the focus for the Occupational Health and Safety (OHS) capability of Victoria Police shifted significantly to managing and responding to the impacts of emergencies on employee health and wellbeing. We deployed OHS specialists to the 2019–20 summer bushfires and the coronavirus (COVID-19) response, which at the time of writing is ongoing. What these two catastrophic emergencies have identified is the critical role safety plays in decision making in an emergency management scenario.

Incident Management

Incidents, including near-misses and those resulting in injury increased 10.2 per cent from 3,547 to 3,909 in 2019–20. The increase is largely attributable to the summer bushfires response (55 incidents, 47 injuries, and 9 WorkCover claims) as well as supporting Victoria's coronavirus (COVID-19) response (310 incidents, 193 injuries, and 1 WorkCover claim).

The losttime injury frequency rate decreased from 14.3 to 14.09. However, claims rose by 9.8 per cent from 1,085 to 1,191. Time lost as a result of WorkCover claims increased 6.3 per cent to 103,205 shifts lost; the increase is attributable to mental health claims which increased from 358 to 386 whereas shifts lost to physical injury claims decreased 3.3 per cent to 24,750.

Mental health claims and employees seeking help for mental health have been increasing since the publication of the *Victoria Police Mental Health Review (MHR)* in May 2016. All recommendations from the MHR have been implemented. Victoria Police anticipated there would be an increase in claims as the organisation raised awareness and acceptance of mental health issues. We are preparing for the benefits of these actions to be realised in coming years, and claims may decrease. Further information regarding our OHS performance for 2019–20 can be found in Chapter 6.21.

5. Our Year

This financial year presented a number of unique challenges to keeping Victorians safe.

The 2019–20 summer bushfire season saw a State of Disaster declared for the first time in Victoria and the coronavirus (COVID-19) pandemic is evolving to be one of the most significant global events in modern history. As an organisation, we continued to demonstrate our agility, support and leadership in keeping communities safe by assisting those in need, preventing offences from occurring and detecting and apprehending offenders.

Over the past 12 months, we have continued our modernisation reform program by using the *Victoria Police Capability Plan 2016–2025: Capability Framework* as a systems-based

approach to planning, using 78 core and enabling capabilities that provide visibility of where we need to invest time or resources. We need to acknowledge the impacts the summer bushfires and coronavirus (COVID-19) pandemic have had on our performance against our Annual Plan. Some initiatives were impacted as a result of the need to reprioritise resources, supply chain disruption and training delays due to the requirements of social distancing. Although our progress has been slowed, we remain committed to the modernisation reform program, ensuring Victoria Police will continue to adapt to the needs of the community and our workforce.

In 2019–20:

800,000

PAL and OLR received nearly 800,000 calls and processed more than 17,000 online crime and lost property reports.



9,000+

We completed the rollout of over 9,000 body worn cameras.



92 Highway Patrol vehicles were equipped with Mobile Automatic Number Plate Recognition technology.



39 Victoria Police completed our acquittal of all 39 recommendations from the Mental Health Review.



10,000+

We completed our deployment of over 10,000 hand-held mobile (IRIS) devices to frontline police officers.



622+25

622 police and 25 Protective Services Officers were deployed as part of the Community Safety Statement.



19 Upgrading and modernisation works were completed at 19 police stations.



1 The new purpose-built Victoria Police Centre was formally opened.



2,000

The Embedded Youth Outreach Project has engaged with more than 2,000 young Victorians.



2 Two regional forensic hubs were opened, one in Morwell and the other in Ballarat West.



2019–20 Bushfire Season

In the 2019–20 summer season, Victoria faced devastating bushfires across the state's north and east. This event saw a State of Disaster declared for the first time and one of the largest joint agency operations in Australian history, involving Victoria Police, the Australian Defence Force (ADF) and other emergency service providers.

The 2019–20 Victorian bushfires commenced in East Gippsland on 21 November 2019 as a result of lightning strikes, with these continuing and increasing in size at a manageable level until late December 2019. Between Christmas and the New Year several new fires started which very quickly increased in size and threatened towns including Omeo, Swifts Creek, Buchan and smaller locations such as Club Terrace and Suggan Buggan. The Bendoc area was under ongoing threat from a southerly travelling fire in New South Wales (NSW). The coastal town of Mallacoota, which was heavily populated with holiday makers, was also under extreme threat. Concurrently, hundreds of thousands of hectares were burned throughout north east Victoria between 29 December 2019 and late January 2020 when many smaller fires caused by lightning strikes quickly joined to form two main large fire complexes in the Corryong and Mt Buffalo regions.

By any measure, the 2019–20 Victorian bushfires were disastrous for the state, some regional and local communities and for many families and individuals. Fires in eastern Victoria sadly claimed five lives, destroyed 372 residences and significant public infrastructure, disrupted major transport links and severely affected local economies.

Response

Our response was delivered on an unprecedented scale. In the north east alone, 1,200 additional deployments of police personnel were facilitated, providing 4,800 additional shifts in support of local resources work in evacuation, traffic management, public reassurance and other police operations.

In early to mid-January 2020, we successfully facilitated the evacuation and relocation of over 65,000 people from the potential impact zone, around 40,000 from the North East and Alpine areas and 30,000 from the East Gippsland areas.

We deployed dedicated Inspectors to oversee impacted communities, as well as the return of evacuees, and liaise with other government agencies and emergency service organisations.

Control Centres

Control Centres were established at the local, regional and state level. This tiered approach ensured our response remained agile at the frontline while also considerate of any broader regional and state-wide implications. The control centres facilitated decision making with dedicated cells for planning, public information, safety, logistics, operations, intelligence and investigations contributing to an understanding of the environment.

Joint Agency Collaboration

Our relationships with local, state and federal agencies were crucial in responding to the bushfires. The Army provided support with the provision of supplies and the Royal Australian Air Force provided air support for the delivery of materials and extricating people from Mallacoota when conditions allowed. The Royal Australian Navy also provided ships to evacuate people from Mallacoota and provided additional required supplies.

Recovery works on the Princes Highway were significant and involved a multi-agency approach including the Department of Transport, the ADF and local government personnel working 24 hours a day. This was particularly important as this highway is the main thoroughfare for goods and services to travel by road between Victoria and NSW.

Specialist Response

With the bushfires impacting the full spectrum of community safety, responses were also provided by our specialist Commands and Departments, often in addition to the support provided in extra personnel to the frontline.

We delivered constant provision of public information to assist the community throughout the emergency and support control agencies. Additionally, we collated a series of photos, videos and news items captured and collected from bushfire events to add to Victoria Police's historical collection.

Our road policing employees assisted with the various vehicle check points established to stop movement into restricted areas. In addition to supporting community reassurance, we also assisted with the transport of feed for livestock into restricted areas and convoys created to move persons in and out of affected communities.

We undertook proactive strategies to engage and monitor Registered Sex Offenders (RSO) within disaster affected areas and engage and monitor those offenders whose environments may have changed. Information collected from offenders as part of routine RSO reporting conditions was utilised to inform proactive operations and allow police to engage directly with offenders across the state. These strategies helped to ensure continuous monitoring and management for improved community safety outcomes in the unprecedented situation.

Recovery

Over several weeks as the threat reduced, roads and towns reopened after numerous assessments were conducted and the recovery process commenced. This is still ongoing to this day with Bushfire Recovery Victoria, Department of Health and Human Services (DHHS), East Gippsland Shire and numerous agencies embedded in the area.

Local police continue to support their communities and Emergency Management Victoria through the recovery effort and are working closely with the lead agency and local government resources to build on the resilience of the people and provide much needed relief.

Coronavirus (COVID-19) Pandemic

Australia recorded its first coronavirus (COVID-19) case on 25 January 2020, with Victoria declaring a State of Emergency and implementing the first restricted movement directions on 16 March 2020. Victoria Police played a pivotal role in the government's response to coronavirus (COVID-19) and successfully balanced our role of providing a safe, secure and orderly society while adapting organisational practices to the changing environment. Our response to the coronavirus (COVID-19) pandemic demonstrated our agility and adaptiveness, with operations established in response to community needs and changes to operational tasking and shift processes to minimise the risk to our employees and the community. Additionally, technological enhancements were swiftly rolled out to ensure core and enabling capabilities were maintained.

Operations

Operation Sentinel commenced on 28 March 2020 and was established to enforce the Chief Health Officer's (CHO) directions. The operation continued into 2020–21 and comprised approximately 500 police members working 24 hours a day seven days a week. Police patrolled locations for prohibited gatherings and businesses subject to closure, as well as responding to public initiated reports of non-compliance. They also assisted with compliance checks for those under mandatory quarantine.

We promptly adapted to the change in community movement following the imposing of Stage 3 restrictions, with some Protective Services Officers (PSOs) moving to conduct high visibility patrols at designated community locations. Aimed at providing community reassurance through visible presence, Operation Shielding also provided asset protection for large areas of commercial precincts. While public transport continued to be supported by police and PSOs, the deployment of PSOs away from public transport was a first for Victoria Police.

We initiated Operation Ribbon to ensure family violence remained an operational focus during the coronavirus (COVID-19) response. Specialist Family Violence Investigation Units actively engaged with over 8,000 high risk victims and perpetrators, with partner agencies assisting in monitoring safety and compliance. We diversified our methods of contact including over the phone and via email, and wherever safe and practical, contact in person was made for those identified to be most vulnerable to experiencing or committing further family violence.

In addition to Operation Ribbon, we commenced a sustained communications campaign to support and encourage help-seeking persons. The campaign included social media messages emphasising we remained 'open for business' and advice about reporting options, including the ability to make online applications for intervention orders. Ensuring persons from culturally and linguistically diverse (CALD) communities were supported, we also released video and audio messages in 27 languages.

Normally, Operation Nexus focuses on road safety over the Easter long weekend. In March 2020, the operation, under the name Operation Nexus Plus, continued our commitment to road safety as well as enforcing Stage 3 restrictions over the Easter period.

Other Initiatives

Initially designed for reporting non-urgent crimes, the Police Assistance Line (PAL) and Online Reporting (OLR) services took on new functions at the start of the coronavirus (COVID-19) pandemic when the community could report breaches of the CHO directions. Our PAL and OLR programs processed in excess of 50,000 calls from the public wanting to either report or provide information about possible breaches of the directions. The ability for PAL and OLR to take reports from the community enabled our frontline police to focus on being out in the community and responding to and preventing crime.

We developed and installed an internal Audio-Visual Link solution at seven police stations across Greater Metropolitan Melbourne, Bendigo and Geelong to limit the movement of accused persons, who were diagnosed positive or symptomatic and isolated pending test results, into the Court for any bail or remand application. The technology was also used to give evidence at County Court and Supreme Court hearings as well as Magistrates' Court bail hearings where the accused is already in custody with Corrections Victoria. The introduction of the technology provided an opportunity to embed flexible options for the conduct of court hearings in the long-term, delivering benefits for participants and the administration of justice more broadly.

The significant investment in the Modern Workplace program was instrumental in facilitating our ability to continue to operate with minimal impact both internally and in the provision of services to the Victorian community. We tripled our network capacity, introduced Microsoft Teams and increased our remote working limitations to enable in excess of 10,000 employees to connect remotely. This was possible given the significant investment in the Modern Workplace program.

The coronavirus (COVID-19) pandemic accelerated changes to the way we interact with homeless people in inner Melbourne. We established a homelessness portfolio to recognise the importance of this issue and worked with existing and new agencies to provide supportive and compassionate services for people experiencing homelessness. We also supported a joint operation with the DHHS, the Salvation Army and the City of Melbourne to rehouse approximately 1,000 people sleeping rough in the city into hotel accommodation, with our response and agility an asset in the response and building an understanding of where the most vulnerable people were.

We implemented an altered training service delivery model, ensuring critical programs continued and non-critical programs were deferred. The model reduced numbers of people attending the Police Academy by exploring online delivery and fasttracking projects that can enhance our flexibility and remote classroom activities. This includes our recruitment campaigns, where we adapted our recruit foundation program to only single squads being inducted to accommodate social distancing requirements and where possible, adjusted the face-to-face components of the program.

Other Events

311 New Victoria Police Centre

The new Victoria Police Centre (VPC) at 311 Spencer Street was formally opened by the Minister for Police and Emergency Services on 25 June 2020. Construction of the VPC commenced in 2017 and has connected the new VPC with the existing 313 Spencer Street Police Complex, forming a consolidated Victoria Police Precinct which will provide a home for operations over the next 30 years.

The modern and secure precinct is 40 storeys high and can accommodate over 5,000 employees in addition to those already at the 313 Spencer Street Complex. The purpose-built environment reflects the needs of the VPC operational units and departments to deliver policing services efficiently and support Victoria Police in providing a safe and secure society for Victoria. Our commitment to servicing the community is reaffirmed by the precinct's improved community interface and accessibility for locals and visitors.

Inquest into January 2017 Bourke St Event

In November 2019, the Coroners Court's Inquest into the January 2017 Melbourne Bourke Street event (the Inquest) examined the circumstances surrounding the fatal injury of six people struck by a car driven through the Bourke Street Mall and along the footpath of Bourke Street on 20 January 2017. The Inquest heard evidence from many witnesses including 47 Victoria Police officers who were involved on the day, or subsequently through operational and policy reviews. The Inquest has now concluded hearings and the Coroner's findings are pending.

Victoria Police continues to work proactively in relation to learnings from the incident, including development of the Victoria Police Hostile Vehicle Policy, which was released in October 2019. The policy was the first of its kind in an Australian policing jurisdiction and provides police officers with clear direction for responding to hostile vehicles and how to manage the risks involved in order to protect the public and themselves.

Royal Commissions

Victoria Police responded to many royal commissions, parliamentary inquiries and reviews this year, demonstrating our commitment to continuous improvement and alignment of behaviours and values with community expectations.

In 2019–20, Victoria Police made contributions to: the Royal Commission into Victoria's Mental Health System (Victorian); the Royal Commission into Aged Care Quality and Safety (Commonwealth); the Royal Commission into National Natural Disaster Arrangements (Commonwealth) and the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Commonwealth).

Following the Victorian Government's announcement of a Royal Commission into the Management of Police Informants on 3 December 2018, Taskforce Landow was established by Victoria Police and has continued throughout 2019–20 to coordinate and support the response. The work of the taskforce has included the identification, assessment, retrieval and examination of relevant documentation to respond to Notices to Produce; managing disclosure requests, suppression orders, public interest immunity claims

and redactions; providing ongoing welfare support to witnesses; and reviewing Court of Appeal matters. The taskforce has identified, located and searched in excess of 50 million records dating back to the early 1990s, producing to the Royal Commission approximately:

- 75,000 documents consisting of 650,000 pages
- 980 diary entries consisting of 22,000 pages
- 3,500 audio files consisting of 230 hours of recordings (much of this material was transcribed)
- 29,000 emails and attachments.

Establishment of Specialist Responses

We continued to demonstrate agility in our response to community needs, with a number of dedicated units established to provide a specialist, evidence-based approach to crime.

The Illicit Firearms Unit was established to provide a dedicated focus on illicit firearms and the use of Firearm Prohibition Order legislation to reduce firearm-related violence in the community. Along with targeting and disrupting sources of illicit firearms, the unit will also be investigating trafficking of firearms, supply, possession and removing illicit firearms from the community.

In recognition of the significant impacts crime has on the farming and livestock industry, in October 2019 we established the Farm Crime Coordination Unit working across Victoria to target farm crime, including livestock and equipment theft. The unit strengthens and facilitates work undertaken by liaison officers across the state. It works collaboratively to reduce the risks and opportunity for farm crime and livestock theft, and improve public confidence in our ability to effectively respond.

Process Enhancements

We continue to evaluate existing processes and drive innovation to ensure our decisions are evidence-based and intelligence-led. Throughout 2019–20, we implemented several changes to our information collection practices which will enhance police responses and minimise community harm.

Victoria Police launched the new Victoria Police Family Violence Report (FVR) on 22 July 2019. The development of the FVR, a validated tool for risk assessment and management, was a recommendation of both the Coronial Inquest into the death of Luke Batty and the Royal Commission into Family Violence. The FVR supports frontline police in their decision making and assessment of risk. Combined with enhanced training and professional judgement, it gives members more guidance and confidence in these complex situations.

The new FVR helps determine the likelihood and severity of further family violence taking place between the parties. This information is then used to determine the level of risk management required by police, what safety measures need to be put in place, what follow up is needed and who manages the investigation. Through this process, Victoria Police can identify and allocate the highest risk cases for a specialised response from the Family Violence Investigation Units. The FVR also allows information relevant to risk management to be shared with and received by other sector partners to inform decision making.

Feedback received has indicated the positive impact the FVR has had for victims, particularly the increase in information now available allowing a more specialised responses, especially for children.

We implemented an approved drug testing process to enhance the capability to monitor RSOs, where those on a Sex Offender Prohibition Order can now be tested for drugs in addition to alcohol where the offender has a drug prohibition condition. The new drug testing capability will provide an additional mechanism for Victoria Police to manage RSOs and reduce the risk of these offenders to the safety of the community.

The Alcohol and Drug Impaired Driver Information System Replacement went live in October 2019. This system provides a more accessible mechanism for the collection, storage and retrieval of alcohol and drug-impaired driver data. The organisation is now better placed to continue its efforts to target and remove impaired drivers from Victorian roads.

2019–20 Annual Plan Actions

The 2019–20 Annual Plan demonstrates how, through structured investment and reform, our services will be more tailored and responsive.

The actions in the Victoria Police Annual Plan represent the priorities identified through our capability-based planning approach, continuation of multi-year projects and what we have committed to delivering on behalf of the Victorian Government.

Our achievements for 2019–20 are highlighted against each of Victoria Police's eight capability-based planning transformation pathways:

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

Safety 2019–20 Actions

A safer workplace through improved safety culture, processes, environment and outcomes

Victoria Police undertook to continue the implementation of the *Mental Health and Wellbeing Strategy and Action Plan 2017–2020* and its companion document, the *Health and Safety Strategy and Action Plan 2019–2022*. This project incorporates the Early Intervention and Prevention Fund initiatives of Reflective Practice and Supervision, a Trauma Group and expansion of Injury Management Services.

The actions within the *Mental Health and Wellbeing Strategy and Action Plan 2017–2020* have been acquitted with a number of initiatives becoming business as usual and additional projects delivered across workplaces.

The *Health and Safety Strategy and Action Plan 2019–2022* is continuing to implement major initiatives to streamline policies, systems and processes. A review is currently underway of the process where a member's access to firearms may be suspended when there are concerns for wellbeing and/or suitability. This process ensures Victoria Police employees get support when they need it most and maintains safety for all in the workplace. There is also work currently being undertaken to improve access to data for managers on their health and safety performance and development of an enhanced Safety Governance Framework. This project will be ongoing into 2020–21.

Enhanced health, safety and wellbeing of the workforce

Victoria Police began the deployment of longarm firearms to expand our Critical Incident Management capability. The Enhanced Firearm Capability Project procured 300 longarms and recruited and trained police and Victorian Public Service (VPS) instructors to introduce a general duties longarm capability to Victoria Police. The deployment of semi-automatic rifles to the Public Order Response Team (PORT) and some regional general duties police provides an enhanced first responder capability and promotes community and workforce safety by equipping police to better respond to critical incidents. Training to the PORT and relevant general duties members will continue into 2020–21.

During 2019–20, Victoria Police continued implementing enhanced mental health literacy through the development and delivery of mental health literacy training for all employees. In 2019–20, we implemented Healthy Minds, a refreshed and expanded mental health literacy program of works which focuses on building resilience and self-care for employees and people leaders. Similarly, we released the Understanding and Managing Your Mental Health online learning modules in 2019–20. The modules aim to reduce stigma, facilitate early intervention, address common barriers to seeking help, establish a shared language regarding mental health and provide a foundation on which to deliver a range of other safety initiatives. The mental health literacy initiative has been completed this year.

Leadership 2019–20 Actions

The reform agenda is effectively driven through the organisation

Our new intranet was launched on 27 February 2020. The refreshed intranet provides a responsive, secure and available platform to meet the needs of Victoria Police employees through an improved user experience and the ability to publish regular and timely information — particularly in times of crisis. We have also developed an Internal Communications Strategic Framework which includes a refreshing of templates to ensure messages to employees are coordinated, prioritised and relevant. It is expected this project will be completed in 2020–21 following impacts to deliverables as a result of an operational focus on the 2019–20 summer bushfires and coronavirus (COVID-19) pandemic.

The organisational values are embraced, and embedded into culture and behaviour

The review of the Organisational Values and Code of Conduct has been completed. On 11 May 2020, we proudly launched a refreshed set of organisational values, affirming our commitment to the recommendations of the 2015 Victorian Equal Opportunity and Human Rights Commission review. Through consultation with employees across the organisation, as well as the community, we identified the seven existing values remained relevant and represented the needs of employees and the public. Based on this feedback, the seven values were retained, but refreshed, with new descriptors to increase clarity, inclusiveness and continued alignment with the Victoria Police Mission. The refreshed values and descriptors can be found on page 5 of this report.

The revised *Victoria Police Manual* - Conflict of Interest policy was released to the organisation, effective 1 July 2019. The policy combines areas where actual, potential or perceived conflicts may exist, including Gifts, Benefits and Hospitality, Secondary Employment and Declarable Associations.

The review of the discipline and complaints policy and processes is currently underway and expected to be delivered in 2020–21.

Agility 2019–20 Actions

Resources are deployed when and where they are most needed

Victoria Police continues to build an agile workforce with the deployment of police and PSOs. Between May 2019 and April 2020, 709 police officers and 25 PSOs were deployed as part of the 2,729 additional police provided under the Community Safety Statement. An additional 788 police and 25 PSOs will be deployed across Victoria between May 2020 and April 2021, and when completed will be the biggest deployment of resources to regional Victoria in Victoria Police history.

The allocation of resources continues to be informed by the organisation's Staff Allocation Model (SAM), with Generation 4 of the SAM released in December 2019. This version incorporates a minimum service framework to ensure staffing levels at police stations do not fall below a base level. In addition to the minimum service framework, refinements have been made to the data and information sources used to measure workload requirements for regional police and VPS. This project is on track to be completed in 2020–21.

The Aviation Capability Program delivered the first of three new rotary-wing aircraft in June 2020 and is currently being used to train pilots and Tactical Flight Officers. The new aircraft multiply the effectiveness of the police airwing through modern police mission systems, increased endurance and increased passenger capacity, enabling swift deployment of specialist tactical teams, investigators and rescue.

In June 2020, our Water Police received 12 new Police Patrol vessels under the Vessel Replacement Program, providing vessels which are safer, more economical to run and introduce interoperability through standardised design.

We successfully delivered phase one of a campaign aimed at improving application rates for female PSOs and enhancing community perceptions of safety and awareness of PSOs in the community. Phase Two of this campaign has been extended into 2020–21 and will focus on the role of PSOs in community safety. The timing of this campaign has also been delayed due to an operational focus on the coronavirus (COVID-19) pandemic.

The first of the new Mobile Policing Units are expected to commence operational field testing by late November 2020. The project will also include delivery of two new medium units (due for completion by early 2022) that can be used as Mobile Command Centres for search and rescue, bushfires and other emergency response events. This project is ongoing.

Victoria Police is committed to implement and deploy resources to combat serious offending and organised crime occurring online. This is a large-scale project with many aspects including technology, resource and infrastructure upgrades to various specialist policing areas. During 2019–20, a specialist victim identification team was established at the Joint Anti-Child Exploitation Team. This initiative has resulted in the development of investigation tools, strengthening Victoria Police's online capability and will increase detection and disruption of crime as well as the identification and prosecution of offenders. In addition to technology enhancements, additional resources have been deployed to the E-Crime Squad to support their ability to complete critical analysis of digital devices. This project will be ongoing in 2020–21.

Victoria Police has continued to modernise police facilities throughout 2019–20. Upgrade works have been completed at Avondale Heights, Broadmeadows, Doncaster, Euroa, Geelong, Glen Waverley, Hamilton, Keilor Downs, Mansfield, Mildura, Mill Park, Moorabbin, Mornington, Portland, Prahran, Swan Hill, St Kilda, Waurin Ponds and Williamstown Police Stations. During 2019–20, we opened two regional forensic hubs in Morwell and Ballarat West, providing a significant boost to our regional forensic capability. Most of the projects have been completed to schedule. Some building projects have experienced delays due to issues such as the coronavirus (COVID-19) pandemic.

Public has multiple options for accessing police services

The PAL and OLR services were successfully launched state-wide on 1 July 2019, allowing the community to report non-urgent crimes over the phone or online. We received nearly 800,000 calls and processed more than 17,000 online crime and lost property reports in 2019–20. A material amount of hours have been returned to frontline police since commencement of the services, enabling these hours to be redirected to proactive policing. Enhanced operational capability has enabled the early identification of emerging trends within the reports, with intelligence shared with local areas to inform timely tasking and response.

Evidence-Based 2019–20 Actions

Problem-solving approaches are applied to manage hot spots, offenders, support victims and tackle complex social problems

Victoria Police has introduced robotics to automate parts of the DNA analysis process following the implementation of expanded DNA sample collection powers in Victoria. This automation, in combination with additional staff, enables us to better manage the workflow from sample receipt through to reporting. The increase in the number of DNA samples collected along with the decrease in sample processing times provides positive community outcomes and aids in investigation of criminal activity.

We continue to develop and strengthen our forensic drug intelligence capability. In 2019–20, chemical drug profiling analysis of methylamphetamine became standard, with information and knowledge derived from this and enhanced drug data collection providing a new source of data on the Victorian drug market. Our clandestine laboratory data collation criteria and protocols continue to mature and enhance the organisation's intelligence capability, improving drug crime investigation capability and enhanced understanding of drug trends and risks within the Victorian community. Training activities for this ongoing project have continued but are slowed due to the impact of coronavirus (COVID-19).

Victim-Centric 2019–20 Actions

Impact of harm reduced

The *Victoria Police Drug Strategy 2020–2025* has been developed in consultation with internal stakeholders and will be launched in the second half of 2020. With the objective to improve community safety, the strategy and accompanying Drug Action Plan will refocus Victoria Police's efforts towards preventing the harm caused by drugs and drug networks. The project will be carried over into 2020–21.

In 2019–20, Victoria Police conducted over 132,500 roadside drug tests, the second highest level ever recorded. Our roadside drug testing capability continued to be enhanced through dedicated projects targeting sustainability and maximisation of efficiencies in the delivery of tests. A successful trial was implemented in 2019–20 where testing could be undertaken by members at One Member Stations that allows for more testing in rural areas, ultimately removing more impaired drivers from Victorian roads and saving lives. The suite of projects enabled Victoria Police to continue playing a role in reducing harm on Victorian roads through both targeted and general deterrence activities, despite the limitations in testing capability experienced as a result of the coronavirus (COVID-19) pandemic.

By the end of June 2020, 130 highway patrol vehicles were equipped with mobile Automatic Number Plate Recognition technology. The system facilitates the ability to safely and quickly identify motorists committing specific road safety breaches by utilising custom-built cameras and software that identify registration number plates and checks these plates against relevant databases. This project is ongoing.

Young people and other vulnerable individuals are prevented from entering the criminal justice system

Victoria Police is continuing to pilot an innovative partnership approach for high risk young people called the Embedded Youth Outreach Project (EYOP). The EYOP is being piloted within two police divisions where the EYOP teams work with young people who have a high level of vulnerability risk factors. The pilot is delivered in partnership, which pairs a police officer with a youth worker to provide afterhours support to young people who come into contact with police. The success of the EYOP partnership has seen a progressive rise in the number of young people being engaged, with in excess of 2,000 young people across the two sites engaged during the reporting period. This project has experienced some delays due to the impact of coronavirus (COVID-19) social distancing requirements.

Gender, Diversity and Flexibility 2019–20 Actions

Education and training that reflects the professionalisation of the workforce and expected performance and behavioural standards

The Centre of Learning for Family Violence continued to develop Victoria Police's capability in responding to and investigating family violence reports through improved family violence training and education, with over 5,000 hours of family violence education provided in 2019–20. In the year, the family violence risk assessment training was rolled out to complement the launch of the new Family Violence Report. Several new programs and packages were also launched including Family Law Court Orders and Family Violence Intervention Orders and information sharing under the Family Violence Information Sharing and Child Information Sharing Schemes. The centre's evidence-based holistic curriculum and delivery strategy provides all Victoria Police employees with career-long, accessible, tailored training programs to enable them to better protect the safety and wellbeing of victims, including children in our diverse community and to hold perpetrators to account. This project will be completed in 2020–21.

Technology 2019–20 Actions

Mobile technology for operational police, integrated with central information management systems

The Body Worn Camera (BWC) project is completed and has now deployed over 9,000 BWCs to police members. In 2019–20, over one million footage files were obtained, totalling over 500 gigabytes in size. Victoria Police completed a trial on the use of BWCs for the purpose of taking a digitally recorded evidence-in-chief from a victim at a family violence incident. The trial demonstrated that collecting digital evidence reduced trauma by affected persons in the justice system as they are only required to tell their story once and in their own words. Higher quality evidence was captured and visibly shows the emotional and physical impact of the incidents on affected persons in a way that a written statement could not. Due to the strength of the digital evidence, matters are finalised quicker, holding offenders to account and further reducing the trauma to affected persons. Monash University conducted an independent empirical evaluation of using BWC

footage as evidence-in-chief in family violence incidents and the final report was provided to the Minister for Police and Emergency Services in June 2020. The evaluation will be tabled in Parliament in the second half of 2020.

The Mobile Technology project equipped frontline police with hand-held devices to access additional information via a range of operational and third-party applications in the field, mitigating some of the inherent risks of policing to police members and the public. The Mobile Technology project has deployed over 10,000 hand-held mobile (IRIS) devices to frontline police. Although the project has been completed, new mobile devices will continue to be deployed to recruits throughout 2020–21.

The Mobility Phase II program has delivered a collection of operational services to further enhance the IRIS device tools and services including the deployment of functionality enhancements, crime reporting applications and keyboards for use with devices.

The Cyber Defence project has improved Victoria Police's security incident prevention, detection and response capabilities. This was through enhancing existing security controls and introducing new ones to minimise the likelihood and impact of cyber breaches, while enabling operational members access to the right information at the right time. This cyber-security upgrade is enabling information sharing between Victoria Police and its partners, supporting law enforcement activities and protecting unauthorised access to sensitive and confidential police and community information. This project will be completed in 2020–21.

The new Victoria Police website launched in April 2019 provided enhancements to access and delivery of critical information to the Victorian community. In 2019–20, we developed new sections to better reflect the work currently underway by the organisation (e.g. farm and rural crime) and content which directly increased visitor participation to the site. This new content, combined with ongoing enhancements, saw over 9 million sessions on the site to June 2020, with 80 per cent of the traffic being via mobile devices. Additional work on this project will be completed in 2020–21.

The Equipment Tracking & Management System project aims to address Coronial, WorkSafe and Internal Audit Occupational Health and Safety findings related to member safety and access to Victoria Police firearms. The project is on track to be completed in 2020–21, ensuring the issue of operational safety equipment, particularly firearms, is subject to real-time qualification checks and there is a robust audit trail of when, where and to whom this equipment is issued.

Access to secure, high quality integrated information, importantly from partner agencies where appropriate, to deliver information to the right people, in the right place, at the right time

The Intelligence Management project has been completed and successfully delivered Victoria Police's web-based Intelligence Management Solution. This tool provides investigators with enhanced intelligence and analytical capabilities by enabling users to collate, analyse and use information to generate insights to inform operational decision making. This system allows police to reduce risk to the community as offenders are identified sooner, before they commit further offences.

Partnerships 2019–20 Actions

Partnerships with other agencies to address drivers and causes of risk/harm/crime

The Child Information Sharing Scheme (CIS) enables information sharing between agencies to promote the wellbeing and safety of children including in situations where family violence is suspected or established as being present. In 2019–20, the Inter-agency Information Sharing Service was established to centrally respond to requests for information under the CIS and received over 1,500 requests for information between July 2019 and May 2020. Other key achievements under the CIS reform project during 2019–20 include the embedding of policy guidance and operating procedures to ensure Victoria Police provides timely and optimal service to requesting agencies to support their management of the wellbeing and safety of children; developing information-sharing training modules led by the Centre of Learning for Family Violence to increase understanding of the CIS across operational areas; and engaging Service Victoria to deliver a robust recordkeeping system to ensure Victoria Police can track all requests and document compliance with all regulatory requirements under the CIS. The Build Phase of the new recordkeeping system is scheduled for completion in 2020–21. The project is on track to deliver; however, will likely carryover due to coronavirus (COVID-19) related delays with delivering the IT system.

During 2019–2020, Victoria Police continued to service and support the operation of the after-hours Bail and Remand Court at Melbourne Magistrates' Court, participating in the finalisation of more than 2,000 matters. An evaluation of the Remand Liaison Officer Pilot operating in metropolitan Magistrates' Courts has identified significant benefits for the coordination and timely production of evidence to the Court and the management of police resources.

The Police Responding in Mental Health Events training two-day package will commence in 2020–21 and will be provided to all frontline police, Police Custody Officers and PSOs. The training is a specialist course designed to improve police capability to manage incidents involving persons experiencing mental health issues. The objective of the training is to build the capability of our workforce to better manage situations involving persons experiencing mental health issues, avoid the escalation of incidents and associated harm to the individual, police and the community and facilitate diversion to assessment and treatment. Delays resulting from the bushfire responses were compounded by coronavirus (COVID-19) social distancing requirements and the prioritisation of frontline service delivery. The majority of training has been delayed until 2020–21, although both the Supervisor and Foundation packages were progressed in 2019–20.

The Fixated Threat Assessment Centre (FTAC) continues to focus on engagement and training across all sectors to build capability within agencies in responding to fixated individuals; with a focus on metropolitan and regional mental health providers. Over the past 12 months the centre has also focused on reducing community risk by working proactively with our stakeholders in the planning and operational stages of major events. Planned training, interstate hosting and a National FTAC conference have been cancelled as a result of the coronavirus (COVID-19) pandemic.

6. Other Disclosures

6.1 Local Jobs First

The *Local Jobs First Act 2003* (the Act), as strengthened in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately. The Act relates to the participation of local industry in projects, developments, procurements and other initiatives undertaken or funded (whether wholly or partially) by the state.

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

A Local Industry Development Plan (LIDP) is a document prepared by the supplier as part of the Expression of Interest or Request for Proposal and/or tender submission for a Local Jobs First project. The LIDP details the supplier's commitment to address the Local Jobs First requirements and details the expected local content and job outcomes. The LIDP supersedes the previous VIPP Plan as a result of the creation of the Act.

MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines continue to apply to relevant projects where contracts have been entered into prior to August 2018.

Local Jobs First Standard Projects

A Local Jobs First Standard project is a project:

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

Projects Commenced

During 2019–20, Victoria Police commenced eight Local Jobs First Standard projects totalling \$56.63 million in total commercial value. Of those projects, two were in metropolitan Melbourne, with an average commitment of 15 per cent local content, two were in regional Victoria with an average commitment of 55 per cent local content and four were state-wide with an average commitment of 40 per cent local content.

The outcomes expected from the implementation of the Local Jobs First policy to these projects were:

- An average of 38 per cent of local content commitment.
- A total of 58 annualised employee equivalent (AEE) jobs were committed, including the creation of five new AEE jobs and the retention of 53 existing AEE jobs.
- The MPSG was applied to one project which commenced in the year. Two apprenticeships and one cadetship were created for this project.

Projects Completed

During 2019–20, three Local Jobs First Standard projects were completed, totalling \$26.76 million in commercial value. The state-wide projects declared an average commitment of 95 per cent local content and projects in metropolitan Melbourne declared an average commitment of 87 per cent local content. The MPSG did not apply to any completed projects in the year.

The outcomes achieved from the implementation of the Local Jobs First policy to these projects were:

- An average of 95 per cent of local content was achieved.
- A total of four positions were created and 41 positions were retained.
- One apprenticeship and one traineeship position were created.

Local Jobs First Strategic Projects

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

During 2019–20, Victoria Police did not commence or complete any Local Jobs First Strategic projects.

All Projects

During 2019–20, there were 11 businesses that applied to the Industry Capability Network for a LIDP to accompany a contract.

Across all projects commenced or completed in 2019–20, 289 small and medium sized businesses were engaged as either the principle contractor or as part of the supply chain.

Grants

Nil.

6.2 Government Advertising Expenditure

In accordance with Financial Reporting Direction (FRD) 22H, Victoria Police undertook the following government advertising campaigns for 2019–20 with a media spend of \$100,000 or greater.

Police Recruitment Campaign

Campaign Summary	Start/End Date	Advertising (Media) Expenditure 2019–20 (excl. GST)	Creative and Campaign Development Expenditure 2019–20 (excl. GST)	Research and Evaluation Expenditure 2019–20 (excl. GST)	Print and Collateral Expenditure 2019–20 (excl. GST)	Other Campaign Expenditure 2019–20 (excl. GST)
Advertising, communication and marketing activities for the recruitment of police.	1 July 2019 – 30 June 2020	\$2,908,000	\$275,000	\$125,000	\$17,000	\$86,000

PAL/OLR Campaign

Campaign Summary	Start/End Date	Advertising (Media) Expenditure 2019–20 (excl. GST)	Creative and Campaign Development Expenditure 2019–20 (excl. GST)	Research and Evaluation Expenditure 2019–20 (excl. GST)	Print and Collateral Expenditure 2019–20 (excl. GST)	Other Campaign Expenditure 2019–20 (excl. GST)
Advertising, communication and marketing activities for the promotion of the Police Assistance Line and Online Reporting service.	1 July 2019 – 30 June 2020	\$2,700,000	\$288,000	\$105,000	\$262,000	-

6.3 Consultancy Expenditure

In accordance with FRD 22H, information below pertains to consultancy expenditure in 2019–20.

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

In 2019–20, there were 70 consultancies where the total fees payable to the individual consultancies was \$10,000 or greater. The total expenditure incurred during 2019–20 in relation to these consultancies was \$7.0 million (excluding GST).

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

Chief Commissioner of Police
GPO Box 913
Melbourne VIC 3001

Details of consultancies under \$10,000

In 2019–20, there were 22 consultancies where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure during 2019–20 in relation to these consultancies was \$0.1 million (excluding GST).

6.4 Disclosure of Major Contracts

Victoria Police has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the financial year ending 30 June 2020.

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

6.5 Information and Communication Technology Expenditure

For the 2019–20 reporting period, Victoria Police had a total Information and Communication Technology (ICT) expenditure of \$357.9 million, with the details shown below.

	(\$'000)
Total Business as Usual ICT Expenditure	249,411
Non-Business as Usual Expenditure	
Operational Expenditure	77,479
Capital Expenditure	31,040
Total Non-Business as Usual Expenditure	108,519
Total ICT Expenditure	357,930

ICT expenditure refers to the Victoria Police costs in providing business enabling ICT services within the current reporting period. 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 Victoria Police current ICT capabilities. BAU IT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

6.6 Freedom of Information

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

In 2019–20, Victoria Police received 4,095 requests for access to documents under the Act, including requests from applicants to amend personal information. Of those applications, 3,316 related to personal requests and 779 were non-personal requests. Eight applications were received from Members of Parliament, 61 were received from the media and the remaining 4,026 were from the general public.

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

In 2019–20, 26 appeals were lodged with the Victorian Civil and Administrative Tribunal, in addition to 10 cases outstanding from previous years. Of these, 13 cases were finalised in 2019–20, of which 10 were withdrawn.

Request for Access to Documents

Type of Request	
Personal	3,316
Non-Personal	779
Total	4,095

Compliance

In 2019–20, Victoria Police processed 48 per cent of requests within the statutory time period, 47 per cent within one to 45 days after the statutory time period and 5 per cent 46 or more days after the statutory time period. The average processing time taken to finalise requests was 40.6 days.

Application Procedure

Since 27 June 2020, the Principal Officer for the purpose of administering the requirements of the Act is the Chief Commissioner of Police, Shane Patton. The authorised officer is the Manager of the Freedom of Information Division who is responsible for all decisions relating to Freedom of Information (FOI) applications received by Victoria Police.

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

Freedom of Information Division
GPO Box 913
MELBOURNE VIC 3001

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

Categories of Documents

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

Additional Information

Additional information about Victoria Police is available from the police.vic.gov.au website.

Publication Requirements

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

Media and Corporate Communications Department
Community and Employee Communications Division
GPO Box 913
MELBOURNE VIC 3001

The contact telephone number is (03) 8335 5246.

Documents Available for Purchase

The Victoria Police Manual is available for purchase from the Capability Department.

The contact telephone number is (03) 8335 6286.

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

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 the police.vic.gov.au website.

Documents Available for Public Inspection

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

Privacy Policy Statement

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

Victoria Police is committed to protecting the personal and health information of the persons with whom it interacts within the course of its functions and activities. In line with the provisions of the *Freedom of Information Act 1982*, individuals can request access to personal and health information held by Victoria Police. Applications should be addressed to the Freedom of Information Officer, Freedom of Information Division. Further information about the *Privacy and Data Protection Act 2014* or *Health Records Act 2001* can be obtained from:

Privacy Unit
Victoria Police Centre
GPO Box 913
MELBOURNE VIC 3001

The contact telephone numbers are (03) 8335 8782 or (03) 8335 8783.

6.7 Statement on National Competition Policy

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

The State Competitive Neutrality Policy requires government businesses to ensure, where services compete with the private sector, advantages arising from their government ownership are removed if they are not in the public interest.

This policy does not override other policy objectives of government and focuses on efficiency in the provision of service. During the reporting period, Victoria Police did not receive any responses from the market where the competitive neutrality policy could be applied.

6.8 Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that these rights require support across the government sector and within the community. The *Victoria Police Accessibility Action Plan 2019–2021* outlines our commitment to becoming a more inclusive and accessible organisation for people with disability, their families and carers, both in service delivery and as an employer.

This Action Plan builds on the achievements of the previous *Accessibility Action Plan 2014–2017* and recognises that we can continue to improve both our service delivery model and as an employer of people with disability.

Victoria Police aims to reflect the community we serve, and to be an employer of choice for people with disability. We are dedicated to making Victoria Police an organisation that provides meaningful employment opportunities for people with disability and values their skills and contribution.

The *Victoria Police Accessibility Action Plan 2019–2021* is influenced by and meets the requirements of the *Disability Act 2006*, which identifies four outcomes to be addressed:

Reducing barriers to accessing goods, services and facilities

The quality of the very first interaction between people with disability and police, and consistent follow-up by police, is fundamental to improved service delivery. The Action Plan identifies that improving access to information is essential. Victoria Police is committed to making public information available in accessible formats and has updated the Victoria Police internet and intranet sites to meet Web Content Accessibility Guidelines (WCAG) 2.0 standards.

Victoria Police has committed to providing physically accessible policing services state-wide. All new buildings and facilities are designed and constructed to meet *Disability Discrimination Act 1992* compliance and following universal design and design for dignity principles.

Police at Box Hill and Geelong watch houses have completed communication access training and the police stations have been awarded Communications Access Accreditation by Scope Australia.

Reducing barriers to persons with a disability obtaining and maintaining employment

The *Accessibility Inclusion Strategy and Action Plan 2018–2021* provides the organisation with the foundations to create positive change in our workplace, where we welcome people with disability and continue to build a culture of respect and zero tolerance towards discrimination.

We are working to remove stereotypes, eliminate discrimination and improve our attraction, retention and career development strategies to enable people with disability to bring their whole self to work.

One of the key measures within the strategy is achieving an employment target set by the Victorian Government of 6 per cent of people with disability employed across Victorian Public Service (VPS) employees of Victoria Police by 2020, increasing to 12 per cent by 2025. Victoria Police currently has 1.8 per cent of VPS employees who have voluntarily shared their disability through our HR Systems.

The Victoria Police Employee Accessibility Advocacy Network for employees with disability and their allies is a key partner in driving the actions and influencing the required leadership, workplace behaviours and practices outlined in the strategy. Their goal is to promote a culture of access and inclusion at Victoria Police by influencing policy, raising organisational awareness and increasing disability confidence. Key achievements of the network during this financial year include advocating for the new Victoria Police Complex at 311 Spencer Street to incorporate universal design principles on access and inclusion and delivering disability confidence training to our senior leaders, in partnership with Australian Network on Disability.

Promoting inclusion and participation in the community

The outcomes of the Action Plan strengthen support for people with disability, their families and carers when encountering police. The Disability Services Victoria Police electronic Referral pathway has been updated with appropriate support for people with disability. Local community engagement and regional action plans and strategies have been reviewed, updated and published in accessible formats to ensure proactive engagement with people with disability. Victoria Police is also currently developing an Accessible Events Guideline and Checklist to ensure that all police events are accessible to people with disability.

For the past six years, the Chief Commissioner of Police has led the Law Enforcement Torch Run with Special Olympics athletes and Victoria Police employees to celebrate International Day of People with Disability.

The Victoria Police Disability Portfolio Reference Group (DPRG) aims to improve interactions between police and people with disability, their families and carers. The group is informed by the experiences of people living with disability and their support networks and brings a stakeholder and community perspective to Victoria Police's policies, processes and initiatives. The DPRG is co-chaired by a person with disability, reflecting Victoria Police's commitment to community partnership and the principles of self-determination and co-design.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

Victoria Police acknowledges the importance of delivering services that respect the dignity of the person and do not discriminate. The Action Plan aims to increase police understanding of disability and how to identify it so that police members can provide the appropriate support as soon as possible. Co-designed resources have been made available to police to improve their ability to make reasonable adjustments and make use of disability referral pathways.

Initiatives underway include developing a disability good practice guide to enable respectful, professional and appropriate service delivery to individuals and developing a language guide to ensure police use language that is always respectful, and that their service delivery puts the person, and not the disability, first.

6.9 Compliance with the *Building Act 1993*

Victoria Police complies with the requirements of the *Building Act 1993*, the *Building Regulations 2018* and other Victorian legislation referenced by the Victorian Building Authority. 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

In 2019–20, Victoria Police conducted capital and minor works in compliance with the *Building Act 1993*, other relevant building regulations and statutory requirements. Victoria Police maintains the appropriate mechanisms to ensure all building conformity is met. Capital commitments completed during the year were:

- Replacement police stations at Altona and Reservoir.
- Replacement police residences at Gordon, Robinvale, Toora and Ouyen.
- Major refurbishments at Avondale Heights, Broadmeadows, Doncaster, Euroa, Geelong, Glen Waverley, Hamilton, Kilor Downs, Mansfield, Mildura, Mill Park, Moorabbin, Mornington, Portland, Prahran, Swan Hill, St Kilda, Waurn Ponds and Williamstown.

Maintenance of Buildings in Safe and Serviceable Condition

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

Victoria Police worked closely with Cladding Safety Victoria (CSV) to assess the status of cladding on all Victoria Police-owned buildings and to progress the rectification of sites found to contain non-compliant cladding. CSV has assessed all Victoria Police-owned sites and conducted inspections of sites suspected to contain non-compliant cladding. Risk assessments have been completed and remedial work scoped. Victoria Police has appointed consultants to document the remedial works and contractors to undertake the work.

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.

6.10 Office-Based Environmental Impacts

Victoria Police is committed to efficiency and reducing adverse impacts on the environment across all areas of the organisation and continues to progressively identify, develop and implement initiatives to adapt to the changing climate and reduce greenhouse gas emissions.

In line with its commitment to efficiency and reducing impacts on the environment across all areas of the organisation, Victoria Police monitors and reports against a range of indicators for energy and water consumption, transportation, waste generation, paper purchasing and greenhouse gas emissions.

For the purposes of this reporting, Victoria Police sites include:

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

Reporting disclaimer: The following considerations should be given for all sections unless otherwise specified:

- Results are based on a 1 April to 31 March fringe benefit tax year.
- Data that informs results comes from many sources including other government agencies and third party service providers. Reliability and validity of externally sourced data is assumed.
- The Australian National Greenhouse Accounts Factors were used to calculate greenhouse gas emissions. The July 2018 factors were used to calculate 2018–19 results and the August 2019 factors were used to calculate 2019–20 results.
- Complete data was not always available. In accordance with the Department of Treasury and Finance's Guidance for FRD 24D Reporting, data is extrapolated where missing.
- Results for 2018–19 have been recalculated where third-party suppliers have provided more complete data.
- Results cover police stations and other support facilities. They do not include police residences.
- Totals may not tally due to rounding.

Victoria's *Climate Change Act 2017* requires the development of five-yearly sector pledges which describe the actions government will take to reduce emissions. Victoria Police will contribute pledges for the period to 2025 which include targets and priority actions to reduce emissions and promote sustainable resource use and management.

Energy

Victoria Police consumes energy at many different facilities for a number of different uses. Sites include police stations, administrative offices, training facilities, transport complexes and storage warehouses.

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

Description	2019–20	2018–19	% Change
Total energy usage segmented by primary source (GJ)			
Electricity	248,104	243,555	+1.9%
Natural gas	105,551	107,288	-1.6%
LPG	301	305	-1.2%
Green power	-	-	-
Total	353,956	351,148	0.8%

Total greenhouse gas emissions by primary source (Tonnes of CO₂e)			
Electricity	70,296	72,390	-2.9%
Natural gas	5,425	5,515	-1.6%
LPG	18	18	-1.2%
Green power	-	-	-
Total	75,740	77,923	-2.8%

Energy consumption and greenhouse gas emissions by FTE			
Energy used per FTE (gj/FTE)	16,621.4	16,924.6	-1.8%
Energy intensity (gj/m ²)	673.5	668.1	+0.8%
Tonnes of CO ₂ e per FTE	3.6	3.8	-5.3%

Notes:

Results may not tally due to rounding

The Australian National Greenhouse Accounts Factors were used to calculate greenhouse gas emissions. The factor for electricity reduced from 1.07 in 2018–19 to 1.02 tonnes per gigajoule in 2019–20

The purchase of Green Power was discontinued several years ago

In 2018–19 and 2019–20, Victoria Police did not purchase Greenhouse gas emissions offsets

The increase in electricity is partly driven by an issue with the co-generation plant at the 313 Spencer Street complex. While out of service, the consumption of electricity increased and natural gas decreased. The plant is now back in service and it is expected that the complex's energy consumption will return to normal levels from approximately August 2020.

Actions Undertaken During 2019–20

Favourably, overall energy use per full time equivalent staff and area has decreased.

In 2019–20, Victoria Police commenced a review of its design guidelines that form the basis of briefing consultants for new build and major refurbishment projects. Data obtained through this evaluation has and will continue to inform a series of working groups, including one that will specifically focus on good practice in environmentally sustainable design initiatives.

The new Victoria Police Centre at 311 Spencer Street in Docklands was constructed to achieve a National Australian Built Environment Rating System (NABERS) energy for offices rating of 4.5 stars.

Targets for 2020–21

Work to verify the NABERS energy rating at the new Victoria Police Centre at 311 Spencer Street in Docklands will commence when the required occupancy levels for assessment are achieved. When the required occupancy levels are achieved, an assessment and validation process will run for two years i.e. 12 months for certification and subsequent 12 months for independent quarterly monitoring and fine-tuning.

Victoria Police will continue to update its design guidelines. Guidelines will focus on opportunities to reduce the adverse environmental impacts of infrastructure projects both during the construction and ongoing operation stages. These practices increase efficiency and reduce construction timeframes and waste through the offsite construction of smaller standardised facilities.

It is anticipated that the continued adoption of sustainable and efficient energy design principles will lead to further reductions in energy consumption. While no specific targets have been set for 2020–21, it can be expected that energy use per full-time equivalent staff will continue to decrease as opportunities to reduce adverse environmental impacts are leveraged.

Water

The table below covers police stations and other support facilities based on billing data provided by Victoria's water corporation boards and facility managers for leased sites.

Indicator	2019–20	2018–19	% Change
Total units of metered water consumed (kl)	256,052	264,800	-3.3%
Units of metered water consumed per FTE (kl/FTE)	12.0	12.8	-5.8%
Units of metered water consumed per area (kl/m ²)	0.49	0.50	-3.3%

Note:

Results may not tally due to rounding

Actions Undertaken During 2019–20

Favourably, overall water consumption per full time equivalent staff and area decreased in 2019–20. A 140-kilolitre rainwater tank was installed at the new Victoria Police Centre at 311 Spencer Street in Docklands. The new centre was constructed to achieve NABERS water for offices rating of five stars.

The review of Victoria Police design guidelines, referred to in the above energy usage section, considered water usage.

Targets for 2020–21

Victoria Police has not set targets for water consumption in 2020–21. However, opportunities to reduce water usage will be considered as part of the review of the Victoria Police design guidelines as referred to in the above energy usage section.

Work to verify the NABERS water rating at the new Victoria Police Centre at 311 Spencer Street in Docklands will commence when the required occupancy levels for assessment are achieved.

In 2020–21, Victoria Police will continue to work with Victoria's water corporation boards to increase data reliability and coverage and continue to look for opportunities to improve water saving facilities and reduce adverse environmental impacts.

Paper Management

Victoria Police is committed to moving away from paper-based files and continue to pursue opportunities to become more efficient in relation to paper use. Increased workplace mobility through the use of laptops and tablets has reduced the need to print material in recent years.

Indicator	2019–20	2018–19	% Change
Indicator (A4 ream equivalent)			
Total units of copy paper used	213,544	207,388	+3.0%
Units of copy paper used per FTE (reams/FTE)	10.0	10.0	+0.3%
Percentage of 76–100% recycled content copy paper purchased	98.6%	98.4%	+0.2%
Percentage of virgin fibre copy paper purchased	1.4%	1.6%	-11.9%

Note:
Results may not tally due to rounding

Actions undertaken during 2019–20

From 1 November 2019, Victoria Police now uses 100 per cent recycled content white paper. Paper that is securely destroyed is then recycled.

More than 7,000 laptops were deployed across the organisation. Devices are enabled with Microsoft Teams for collaborating and electronic files sharing. Being portable, laptops reduce the need to print documents when staff require access to files when attending meetings and are otherwise away from the workstation.

New digital faxing technology was implemented. Digital faxing technology allows staff to send and receive faxes using an email interface. This removes the need to print and manage paper-based faxing.

Targets for 2020–21

Specific paper targets for 2020–21 have not been established. However, Victoria Police continues to develop and implement initiatives to reduce usage.

An additional 5,000 laptops are expected to be deployed across the organisation in 2020–21.

Victoria Police will implement the Follow You Printing initiative. Follow You Printing is a secure print management solution that will enable staff to print documents securely using their employee identification cards from any enabled print device. This capability will ensure staff print only what they need, prevent unnecessary printing and waste, protect document confidentiality and enable the flexibility to print from any enabled print device.

The coronavirus (COVID-19) pandemic is likely to influence a downward trend of paper usage as more staff are working from home and have now learnt new practices with limited paper usage.

Waste

Victoria Police is committed to the effective management of waste to reduce operational costs and environmental impacts, as well as potential health risks to staff and the broader Victorian community.

Description	2019–20	2018–19
Total units of office waste disposed of by destination (Kilograms)		
Landfill	2,269,139	2,640,122
Recycling	490,279	585,714
Total	2,759,419	3,225,836
Total units of waste disposed of per FTE by destination (Kilograms/FTE)		
Landfill	113.1	135.6
Recycling	24.4	30.1
Total	137.5	165.7
Recycling rate (per cent)	17.8%	18.2%
Greenhouse gas emissions associated with waste to landfill (tonnes of CO ₂ e)	3,177	3,696

Notes:

Data coverage has decreased due to the transition to a new waste management service provider. For April 2019 to November 2019 inclusive, data accounts for 33 per cent of Victoria Police sites and accounts for approximately 93 per cent of Victoria Police FTE staff. For December 2019 to March 2020 inclusive, data accounts for 30 per cent of Victoria Police sites and accounts for approximately 80 per cent of Victoria Police FTE staff.

Due to the change in coverage, a direct comparison between years should not be made.

Actions undertaken during 2019–20

To reduce recycling contamination associated with food waste, educational posters were hung, bins were custom designed to promote the use of appropriate waste streams and an online educational portal was rolled out. Regular communication, monitoring and education are ongoing.

Site-based waste champions were identified and met regularly with the contracted cleaning and waste management providers.

The Simply Cups Australia program was rolled out at the City West Police Complex. Under the Simply Cups Australia program, takeaway cups are separated from other waste streams and cups are upcycled with other materials to produce valuable items including re-usable cups, car park stops and roadside kerbing, outdoor furniture, air-conditioning mounting blocks and road surfacing.

Smaller skips were also replaced with larger ones where possible to reduce the frequency of collection, consequently saving on bin collection fees and reducing greenhouse gas emissions.

Targets for 2020–21

In 2020–21, Victoria Police will deploy an additional 55 modular recycling bin systems across police stations to further increase recycling and reduce contamination in offices and public spaces. Where possible, the Simply Cups Australia program will be rolled out to more sites, including the Police Academy.

Ongoing education and monitoring will continue. The emphasis by Victoria Police on environmental sustainability, reducing waste overall and recycling of waste where possible, is likely to continue to have positive impact on waste management.

Victoria Police will also continue to develop systems to collect data more comprehensively.

Sustainable Transport

Victoria Police continues to work towards building a more environmentally sustainable fleet.

Indicator	2019–20	2018–19	% Change
Total energy consumption by vehicles (GJ)			
Unleaded	218,902	249,852	-12.4%
Diesel	142,553	108,327	+31.6%
Hybrid	5,283	7,135	-26.0%
LPG	694	3,037	-77.1%
Electric	3	3	+6.6%
Total	367,434	368,353	-0.2%

Total vehicle travel ('000 km)			
Unleaded	56,702	62,224	-8.9%
Diesel	36,186	28,408	+27.4%
Hybrid	2,411	3,280	-26.5%
LPG	171	787	-78.2%
Electric	3	3	+6.6%
Total	95,474	94,703	+0.8%

Greenhouse gas emissions from vehicles (tc02e)			
Unleaded	15,542	17,739	-12.4%
Diesel	10,478	7,962	+31.6%
Hybrid	375	507	-26.0%
LPG	44	194	-77.1%
Electric	1	1	+1.6%
Total	26,440	26,403	+0.1%

Indicator	2019–20	2018–19	% Change
Greenhouse gas emissions from vehicles per 1,000km travelled (tc02e)/1,000km			
Unleaded	0.274	0.285	-3.9%
Diesel	0.290	0.280	+3.3%
Hybrid	0.156	0.154	+0.7%
LPG	0.258	0.246	+4.9%
Electric	0.247	0.259	-4.7%
Total	0.277	0.279	-0.7%

Number of Vehicles			
Unleaded	1,966	1,993	-1.4%
Diesel	1,230	1,027	+19.8%
Hybrid	99	150	-34.0%
LPG	1	23	-95.7%
Electric	1	1	-
Total	3,297	3,194	+3.2%

Notes:

Results may not tally due to rounding

The United States Department of Energy's Fuel Economy database was used to calculate the energy consumption of the electric vehicle

Police numbers have increased as part of the Victorian Government's Community Safety Statement. The fleet composition and distance travelled increased as a result of more police being deployed. With the introduction of new technology, police are undertaking more frontline duties and becoming increasingly present out in the community.

Environmental impacts are considered when making changes to the fleet composition. Impacts are also considered when selecting the right mode of transport to deploy police.

Actions undertaken during 2019–20

Victoria Police was one of the first jurisdictions in the world to acquire an all-electric Tesla Model X vehicle. It was purchased as part of a feasibility study to develop fully integrated electric, IT-based police vehicles. The feasibility study identified the energy capacity of this vehicle is not sufficient for police requirements; however, this could potentially be achieved by installing additional battery packs and may not be required in future as technology advances. The Tesla Model X vehicle is currently used for some specialist police duties. Key considerations informing the feasibility study were the requirement for police vehicles to be able to power police lights and technology while sitting idle for extended periods and energy charging facilities requirements.

With the departure of the Australian car industry, Victoria Police continues to phase out Australian-made vehicles as their lease terms expire.

Targets for 2020–21

Victoria Police will continue to manage its fleet growth in line with the objectives set by the Victorian Government's Community Safety Statement.

Australian-made vehicles will continue to be phased out as their lease terms expire. It is anticipated that the Victoria Police fleet will become increasingly fuel efficient and produce fewer greenhouse gases per kilometre travelled as the market continues to offer vehicles that perform better.

Air Travel

Description	2019–20	2018–19
Total distance travelled (kilometres)	6,822,359	9,196,703
Greenhouse gas emissions (tonnes CO ₂ e)	787	1,791

Notes:

Results may not tally due to rounding

Includes travel undertaken by members of Australia and New Zealand Policing Advisory Agency and National Institute of Forensic Science

Procurement

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

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

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

Victoria Police has committed to considering certified indigenous suppliers in its procurement activities where possible and appropriate.

The table below provides a selection of examples of further sustainable and environmental considerations that were applied by Victoria Police during the procurement process for contracts entered into during 2019–20. It also contains a list of any tenders, contracts, or products for which Victoria Police has developed or is using sustainability clauses or specifications.

Procurement Contract	Additional sustainable and environmental considerations applied during the procurement process
Annual Maintenance and Service of Scientific Equipment	Consideration of how waste (power, water, chemicals, paper, toner cartridges etc.) caused as a result of leakages will be reduced and/or eliminated.
2019 Royal Melbourne Show Event	Committed to the use of sustainable timber products in the build, and, the Preferred Tenderer is in the state of Victoria, offering local job opportunities.
TruNarc Drug Analysis Devices	The move to new Spectroscopy technology to reduce hard waste and lessen risk exposure to staff using the devices.
Upgrade and integration of security management system at 313 Spencer Street	Other considerations included solar power supplementation and charging points for electric vehicles.
Provision of 7TS Holsters and Accessories	The contractor demonstrated a strong Social Procurement Plan, including gender equity ratios, Family Violence leave, and job pathways for sustainable employment in regional locations.

Distance travelled decreased by 2.3 million kilometres in 2019–20 compared to the previous year. This decrease was driven by a decrease in the number of flights. The total number of flights has decreased by 15 per cent. International travel decreased by 30 per cent, domestic travel decreased by 13 per cent and Trans-Tasman flights decreased by 6 per cent. The decrease observed in both domestic and international travel was attributable to the coronavirus (COVID-19) pandemic.

Commuter Travel

Ongoing VPS employees are able to participate in the Commuter Club Scheme. The scheme offers public transport users a discount on a 365-day (annual) pass with staff paying for the pass as a deduction from their fortnightly salary. The decrease observed in 2019–20 was attributable to an increase in persons working from home as a result of the coronavirus (COVID-19) pandemic.

Commuter Club Members	2019–20 Estimate	2018–19 Estimate
Myki	285	445
V/Line	22	34

Procurement Contract	Additional sustainable and environmental considerations applied during the procurement process
The Provision of Cold Weather Clothing – Thermal Beanies	Beanies manufactured in New South Wales with raw materials sourced overseas. The supplier abides by the Social Procurement Framework with policies in place that cover Equal Opportunity Employment, Affirmative Action Flexible Working Arrangement, Aboriginal Procurement Policies and Environmental Policies in line with their ISO accreditation.
Café Services Provider for @311 Spencer Street	Waste and recycling initiatives to minimise waste and environmental impact were included as evaluation criteria.
Enhanced Firearms Capability Project Weapons Clearance Booths	Contract supports a manufacturer from a small local industry.
<ul style="list-style-type: none"> • Contact Centre Cloud-based Solution • WalkMe for SAP SuccessFactors • Azure Implementation & Maintenance Support • Event Management System • Invoice Automation Solution • IBM Distributed Software Licence, Maintenance and Support • The Provision of a Discreet Internet Surveillance Program • Cyber Defence Uplift Phase 2 – centralised logging and event Analytical Reporting (CLEAR) • Fleet Vehicles: Installation/De-Installation Service of Surveillance Services Division Specialist Automotive Equipment • Equine Horse Transport Vehicles (2 or 3 Units) • Eight Small Mobile Policing Units (MPU) • Counter Terrorism Command – Revisiting Risk Applied Security Science Partnership countering Violent Extremism Sub-Committee Funding • National Survey of Community Satisfaction with Policing • Palo Alto Research Centre (PARC) Roadside Drug Detection Device Development – Feasibility Assessment • Office Relocation Services from Victoria Police Centre, VPC @ 311 Project – Removal, Transport and Set Down • Supporting and maintaining Victoria Police Sites • Security Services at the Office of Chief Examiner • Venue Hire for the Australia New Zealand Policing Advisory Agency (ANZPAA) Police Conference 2020 • Venue Hire for the Australia New Zealand Policing Advisory Agency (ANZPAA) Police Conference 2021 – Location Adelaide • Scanning Electron Microscope-Energy Dispersive X-Ray Spectrometer • Purchase of Comparison Microscope • The Provision of Fingerprint Consumables • Video Spectral Comparator (VSC) • Executive Coaching and Mentoring Services • People Development Command (PDC) – Educator Assessments • Winter Pullovers • Influenza Vaccination • Communications Data (CD) – Replacement of Deployable Tactical Capability • Technical Surveillance Unit (TSU) Covert Method of Entry (CMOE) Workshop Machinery • Provision of communications works and electrical services 	<p>The listed contracts committed only to the mandatory Supplier Code of Conduct which stipulates the minimum standards of ethical, sustainable and socially responsible practices.</p>

Procurement Contract	Additional sustainable and environmental considerations applied during the procurement process
<p>IT Supplies and Marketing</p> <ul style="list-style-type: none"> • ITIR SPC – CISCO Equipment (RF290078) Lifecycle Management & Application Modernization (LMAM) Project – 311 Spencer Street Installation • TPAMS2025 SPC – Dark Fibre Purchase Approval • VAESM Dell Purchase Approval • Dell Monitor Bulk Purchase • Dell Monitor Bulk Purchase (additional 800) • Purchase of Microsoft PowerApps – Low Code Platform • Mobility Devices 2020 • Multifunctional devices and printers • Salesforce, Social Studio SPC • Negotiation Advisory and Support Services for the Kinetic IT Contract • E-Crime Squad Server Upgrade • VMWare Licensing, Maintenance & Support • Project Control Professional Advisory Services (PAS) for the Road Policing Projects Division (RPPD) • Drug-driving Deterrence Business Case Development • VPC @ 311 Project Manager – Delivery <ul style="list-style-type: none"> – VPC@ 311 Facilities Manager – VPC @ 311 Project Creative Communication Campaign – Crestron Network Controllers – MS Surface Hubs – 311 Spencer Street – NEC Equipment – 311 Spencer Street – AV Peripherals – 311 Spencer Street – Network Equipment (Packetlight) – 311 Spencer Street – Network Equipment (SPOC Video Processing Units) – 311 Spencer Street • Provision of two (2) Senior Project Managers to BlueConnect <ul style="list-style-type: none"> – Provision of two (2) Senior Project Officers – Re-engagement of Senior Project Manager • Provision of three (3) Contract Lawyers for Taskforce Landow to meet requirements of Royal Commission into Management of Police Informants <ul style="list-style-type: none"> – Provision of two (2) Contract lawyers – Provision of additional two (2) Contract Lawyers – Provision of additional two (2) Contract Lawyers • Supply of Perishable food items to the Academy and Airlie • Supply of Non-Perishable food items to the Academy and Airlie • Multidisciplinary Centres (MDCs) Data Collection Framework • Victoria Fixated Threat Assessment Centre (FTAC) – Cost Benefit Analysis • Offsite Academy Accommodation • MediaCom media buy – 2019–2020 Police Recruitment Campaign • Security Services at the Office of Chief Examiner • Child Sexual Exploitation Disruption Guide • Forensic Financial Audit Services 	<p>The listed activities have been leveraged from Mandated State Purchase Contracts where Corporate Social and Environmental requirements already apply.</p>

Procurement Contract	Additional sustainable and environmental considerations applied during the procurement process
Capital Works Projects	
<p>Police Station Works:</p> <ul style="list-style-type: none"> • Altona Police Station • Broadmeadows Amenities Upgrade • Brunswick Police Station – Replacement of Mechanical Infrastructure • Caroline Springs Police Station – Replacement of Mechanical Infrastructure • Doncaster Police Station – Equipment Store • Geelong Police Complex – Replacement of the Two Chillers, Controllers (BMS) Upgrade and Associated Works • Hamilton Police Station – Proposed Alterations and Additions • Kaniva Police Station – Proposed Rectification Works • Mildura Police Station – Replacement of the Two Chillers and Associated Works • Portland Police Station – Proposed Minor Cell Upgrade Works • Reservoir Police Station • St Kilda Police Station – Amenities Upgrade Stage 2 & Lift Replacement • Warrnambool Police Station – Replacement of the Boiler and Associated Works • Werribee Police complex – Sewer Relocation Works & Contract for Construction • Williamstown Police Station – Equipment Issue Storeroom Relocation • Wyndham (Werribee) Police Complex – Early Works civil Infrastructure <p>Police Residence:</p> <ul style="list-style-type: none"> • Gordon New Police Residence – Design and Construction • Toora New Police Residence – Proposed Design and Construction <p>Refurbishment works:</p> <ul style="list-style-type: none"> • Ballarat, 101 Albert Street for SOCITFVU-PTT-Prosecutors • Dandenong Equipment Issue Storeroom • VPC Docklands – Tower 3, Level 9, (HRD) <p>2729 Accommodation Project Works:</p> <ul style="list-style-type: none"> • Geelong Police Station • Moorabbin Police Station • Doncaster Police Station Stage B <p>VPC @ 311 Project:</p> <ul style="list-style-type: none"> • Delivery & Technical Advisory Services • Museum Design & Fitout <p>Other works at Victoria Police Facilities:</p> <ul style="list-style-type: none"> • Specialist Training Facility and Weapons Range (STFWR) Design and Construction • STFWR Targetry • Police Academy – Air Conditioning of Soft Fall Rooms 1 and 2 • Provision of Second-hand Five Module Relocatable Building at Attwood • Melbourne Custody Centre – Ground Floor Office Upgrade Project • Demolition Contractor South Melbourne Construction Memorandum • Non-Compliant Cladding Removal and Replacement Works 	<p>All Victoria Police construction projects contractually require our contractors to comply with Volume One, Section J [Energy Efficiency] of the National Construction Code. That section defines requirements for the energy efficiency performance of:</p> <ul style="list-style-type: none"> • the building fabric including external glazing and shading • sealing of the building • performance of heating, ventilation and air conditioning systems • artificial lighting and power • heated water supply systems • facilities to monitor energy use.

6.11 Compliance with the *Public Interest Disclosures Act 2012*

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

Requirement	Count	Further Information
a) Information about how to access the procedures established by the investigating entity under Part 9:		Guidelines for making, handling and investigating public interest disclosures are available on the Victoria Police police.vic.gov.au website
b) For 2019–20: i) the number and types of disclosures notified to the Independent Broad-based Anti-Corruption Commission (IBAC) under s.21(2) or s.22	129	Includes allegations of: <ul style="list-style-type: none"> • Misconduct • Assault • Predatory behaviour • Inappropriate behaviour • Workplace conflict • Duty Failure • Excessive Use of Force • Information Disclosure
ii) the number and types of protected disclosure complaints referred to the investigating entity by the IBAC	155	Includes allegations of: <ul style="list-style-type: none"> • Theft • Misconduct • Sexual assault • Excessive force • Drug offences • Assault • Predatory Behaviour • Inappropriate Behaviour • Workplace Conflict • Duty Failure • Excessive Use of Force • Information Disclosure
iii) the number and types of protected disclosure complaints investigated by the investigating entity	155	Includes allegations of: <ul style="list-style-type: none"> • Theft • Misconduct • Sexual assault • Excessive force • Drug offences • Assault • Predatory Behaviour • Inappropriate Behaviour • Workplace Conflict • Duty Failure • Excessive Use of Force • Information Disclosure
iv) the number and types of protected disclosure complaints dismissed by the investigating entity	-	Victoria Police is not an investigating entity that can dismiss a public interest disclosure.
c) The number of applications for an injunction made by the investigating entity under s.50 during the financial year:	-	Nil.

Note:

The Protected Disclosures Act 2012 concluded on 31 December 2019. The Public Interest Disclosures Act 2012 commenced on 1 January 2020. A noticeable change in the new Act is the ability to notify a trade union of a disclosure (e.g. TPAV) and WorkCover (where applicable)

6.12 Disciplinary Action — Victoria Police Act 2013

Section 12(1) (a)

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

No Victoria Police officer was terminated on the basis of incapacity for duty in accordance with this section of the Act in 2019–20.

Section 12(1) (b)

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

Please refer to the following tables regarding actions taken in 2019–20.

Results of Discipline Charges Determined by Inquiry Officers 2019–20

Victoria Police Officers/ Protective Services Officers (PSO) charges and results of inquiries	Discipline Inquiries Victoria Police Act 2013 (s.125)	Inquiries into important matters found proven Victoria Police Act 2013 (s.136)
Total discipline charges laid against Victoria Police Officers/PSOs (Date Charge was Authorised)	45	9
Total Victoria Police Officers/PSOs charged (Date Charge was Authorised)	36	8
Victoria Police Officers/PSOs appearing before an inquiry officer (Last Hearing Date)	39	7
Victoria Police Officers/PSOs dismissed from force (Date Dismissed)	4	2
Victoria Police Officers/PSOs – All charges dismissed after a discipline inquiry (Last Inquiry Date)	11	-

Notes:

This data only includes discipline outcomes under the Victoria Police Act 2013 Part 7 that occurred during 2019–2020. A Victoria Police officer can be charged with one or more discipline charges

The data can include a police officer who has charges/outcomes from both s.125 and s.136 proceeding, i.e. they may appear in both columns. The initial charges related to these outcomes may have been laid in 2019–2020, or previous reporting period(s)

The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System on 29 July 2020

Results of Discipline Charge Notices and Inquiries 2019–20

Result	Total	% Total
Discipline charges found proven s.125 only (Last Inquiry Date)	41	71%
Charge dismissed s.125 only (Last Inquiry Date)	6	10%
Charge s.125 or inquiry s.136 not heard (resigned/retired prior to discipline inquiry)	11	19%
Total Charges	58	100

Notes:

Table includes discipline proceedings arising from public complaints and internally initiated investigations

Discipline charges found proven and discipline charges dismissed only refer to s.125 as s.136 criminal charges have been proven in the criminal court and cannot be dismissed at inquiry. Initial charges related to these outcomes may have been laid in 2019–2020, or the previous reporting period(s)

Where the police officer resigned or retired prior to the inquiry relates to both s.125 and s.136. All sections are charge centric and not person centric

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

The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System on 29 July 2020

Results of Discipline Charges Determined by Inquiry Officer Review of Sanctions 2019–2020

	PRSB Review Result			
	Number of Sanctions Reviewed	Sanction Affirmed	Sanction Dismissed/ Officer Withdrew Appeal	Sanction Varied
Discipline Sanctions s.125 (s.132 Victoria Police Act 2013) (Last Review Date)	3	3	-	-
Inquiry into Important Matters s.136 (Last Review Date)	1	1	-	-

Notes:

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

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

Data relates to reviews completed during the reporting period. Initial sanctions in relation to these reviews may have been handed down in 2019–20, or previous reporting period(s)

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

The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System on 29 July 2020

Section 12 (1) (c)

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

No action was undertaken in accordance with this section of the Act in 2019–20.

Section 12 (1) (d)

The prescribed information in relation to Part 5 (drug and alcohol testing).

Drug and Alcohol Testing of Officers

Result	2019–20 Result
The number of samples taken during testing	2,108*
The number of persons tested	1,057
The number of those tests that indicated the presence of a drug of dependence or alcohol in a person's body	9

Note:

* Some members may have provided both breath and urine samples when tested once

6.13 Report under the *Corrections Act 1986*

Section 9D (3A) of the *Corrections Act 1986* requires the Chief Commissioner to provide to the Minister, for inclusion in the annual report under Part 7 of the *Financial Management Act 1994*, a report on the provision of services by contractors during the financial year. In accordance with s.9D (3A), Victoria Police key actions and achievements in relation to prisoner management in 2019–20 are outlined below.

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

Victoria Police manage the Melbourne Custody Centre, Moorabbin Justice Centre, Ringwood Court Cell and Collingwood Neighbourhood Justice Centre facilities under the custody and escort services contract with G4S Australia (G4S). The custody and escort services contract with G4S was extended on 29 March 2020 for a further two consecutive years.

Ringwood Magistrates' Court Cells

In April 2014, Corrections Victoria recommissioned the Ringwood Magistrates' Court cells, which are managed by G4S to provide custody and escort services as an additional service under the existing contract with Victoria Police. This initiative has positively impacted both the courts and police cells at Ringwood. The G4S escort and custody services at Ringwood Court Cell although operated and managed by Victoria Police, are funded by the Department of Justice and Community Safety.

Collingwood Neighbourhood Justice Centre

In July 2019, G4S commenced management of the cells within the Collingwood Neighbourhood Justice Centre to provide custody and escort services as an additional service under the existing contract. The custody services at the centre operate three days a week.

Prisoner Escort and Custody Contract Services

Victoria Police engages G4S as a private contractor responsible for custody and escort services, including court movements within the Melbourne Custody Centre, Moorabbin Justice Centre, Ringwood Court Cell and Collingwood Neighbourhood Justice Centre. G4S works 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 has ongoing mandatory human rights and responsibilities training for all staff. G4S is accredited with an AS/NZS ISO 9001:2015 Certified Quality Management System.

During 2019–20 G4S provided the following contract services:

Melbourne Custody Centre

- Managed 28,977 prisoner movements (counted in and out). In addition, 353 intoxicated persons were lodged.
- Managed 16,750 court movements between the Melbourne Custody Centre and Melbourne Magistrates' Court. This includes 4,577 court movements between the Melbourne Custody Centre and Melbourne Magistrates' Court Night Court.
- Provided full-time security of prisoners in up to 16 Melbourne Magistrates' Courts during the day and two Bail and Remand Courts.
- Facilitated a total of 21,401 visits to prisoners, including 239 visits by relatives and friends, 20,588 legal visits to prisoner clients and 574 police visits to prisoners.
- Escorted 37 prisoners to hospital and provided 343.5 hours of guard duties while prisoners received medical treatment.

Moorabbin Justice Centre

- Managed 629 prisoner admissions.
- Managed 777 court movements.
- Facilitated 1,397 legal visits to prisoner clients.

Ringwood Magistrates' Court Cells

- Managed 1,506 prisoner admissions.
- Managed 1,714 court movements.
- Facilitated 3,091 legal visits to prisoner clients.

Collingwood Neighbourhood Justice Centre

- Managed 208 prisoner admissions.
- Managed 347 court movements.
- Facilitated 735 legal visits to prisoner clients.

6.14 Compliance with Other Legislation

Drugs, Poisons and Controlled Substances Act 1981 (section 60S)

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

(a) Number of searches without warrant under section 60E conducted during financial year

Person under 18 years searched:	-
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(b) Number of searches of persons irrespective of age without warrant under section 60F conducted during financial year

Persons searched irrespective of age:	1
---------------------------------------	---

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

Type of substances seized:	Number of substances seized:
petrol-soaked under garment in plastic bag	1
Texta/Marker	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)

Type of substances seized:	Number of substances seized:
	-

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

Type of substances seized:	Number of substances seized:
	-

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

Type of substances seized:	Number of substances seized:
	-

(g) Number and type of volatile substances and items used to inhale a volatile substance forfeited to the Crown under section 60P

Type of substances seized:	Number of substances seized:
	-

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

Persons	Number
Persons (under 18 years) apprehended and detained	-
Persons (irrespective of age) apprehended and detained	1
Male	1
Female	-
Indigenous	-
Non-Indigenous	1

Note:

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

Control of Weapons Act 1990

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

The number of searches without warrant under sections 10A or 10AA

Search Type	Number
Searches Conducted	1,170

Prohibited, Dangerous and Controlled Weapons Found as a Result of a *Control of Weapons Act 1990* Search

Weapon Type	Number
Prohibited Weapons	
Slingshot	6
Capsicum Spray	7
Electric Current Emitting Article	11
Laser Pointer	3
Mace or Similar	1
Baton/Bo-Chucks	3
Nunchaku	2
Throwing Star	2
Flick Knife	13
Dagger	5
Knuckle Knife	1
Butterfly Knife	2
Double-End Knife	2
Push Knife	4
Extendable Baton	6
Knuckle Duster	18
Imitation Handgun	6
Crossbow	1
Sword	1
Dangerous Articles	
Bottle/Glass	2
Axe/Tomahawk	11
Bat/Bar/Club	35
Syringe	13
Other Weapon	39
Controlled Weapons	
Knife	258
Baton or Cudgel	4
Bayonet	2
Cattle Prod	1
Total	459

Note:
Data was extracted from Law Enforcement Assistance Program on 18 July 2020 and is based on field contact data. Due to limited coding of field contact data, weapon seizure data was only partially available

Section 10G

The number of strip searches conducted under section 10G

	Number
Total	13

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

	Number
Total	13

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

	Number
Total	-

Prohibited, dangerous and controlled weapons found as result of searches under section 10G

	Number
Flick Knife	1
Knuckle Duster	1
Weighted Glove	1
Bat/Bar/Club	1
Syringe	2
Knife	3
Baton or Cudgel	1
Total	10

Note:
Data was extracted from Law Enforcement Assistance Program on 18 July 2020 and is based on field contact data and where modus operandi types are "prohibited weapons", "dangerous article" and "controlled weapons"

Section 10KB

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

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

	Number
Number of declarations made regarding planned designation of search area (s. 10D)	20
Number of declarations made regarding unplanned designation of search area (s. 10E)	1

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

	Number	Power exercised under section 10KA
Section 10D	21	21 Directions to Leave
Section 10E	-	-

Note:

*Each designation (planned or unplanned) under s. 10D and 10E will involve multiple searches. Therefore, the figures reported are not indicative of the number of searches conducted during the reported financial year

Firearms Act 1996

Section 153C

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

	Number
Total	167

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

Firearms found	Number
Rifle	5
Air Rifle/Gun	1
Shotgun	3
Handgun	11
Sawn-off Firearm	2
Imitation Firearm	5
Cartridge Ammunition	22
Bullet	5
Firearm	4
Gel Gun	1
Gel Blast Firearm	1
Total	60

Note:

Data was extracted from Law Enforcement Assistance Program on 18 July 2020 and is based on field contact data. Firearms found are firearms recorded in the narratives and/or recorded as a modus operandi code and are subject to variation

- (c) Any other information requested by the Minister.

No information requested.

Section 172.1

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

	Number
a) Number of firearm prohibition orders issued	231
b) Number of prohibition orders in operation	382
c) the number of people under 18 years of age who are subject to firearm prohibition orders	1
d) the number of firearms and firearm-related items seized during any exercise of powers under Part 4A	76

e) the number of charges laid for offences under this Act connected with searches under Part 4A	102
f) the number of charges laid for other offences connected with searches under Part 4A	98

Notes:

Data against items (b) and (c) was at 30 June 2020

Data provided against (c) relates to persons who were under the age of 18 and subject to an FPO throughout the year

Counting rules for data provided against (d) Imitation firearms have been excluded from this count as they fall outside of the definition of a firearm pursuant to section 3 of the Firearms Act 1996

Data provided against (e) - offences charged includes offences detected as a result of searches conducted using FPO search powers and as a result of other search types which result in detecting FPO breaches and other offences (e.g. firearms or firearm-related item located and seized under common law when Drugs, Poisons, Controlled Substances warrant executed on FPO subject)

Data provided against (d) - Property and Laboratory Management (PALM) is currently unable to identify property items by seizure type. The FPO Registry is dependent on manual reporting of seizures and return of PALM receipts to collect this data. Data is validated by cross reference to charges resulting from either FPO searches with an offence category of WEAPONS/EXPLOSIVES or FPO specific offences detected under warrant or another search power. Includes imitation firearms although they are by definition weapons and not firearms

The 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	Number
14-17	115
18-23	54
24+	32
Unspecified	9
Total persons contacted	210
Total reports	154

Graffiti implements found during graffiti related search without warrant

Implement type	Number
Aerosol paint container	81
Texta/marker	67
Other graffiti implement	7
Total implements	155

Note:

Data was extracted from Law Enforcement Assistance Program on 18 July 2020 and is based on field contact data. A field contact report may have multiple persons recorded

The 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 inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994*, a report containing:

Reporting Requirement	Number
(a) the number of applications made for alcohol exclusion orders during that financial year.	Not reported
(b) the number of applications for alcohol exclusion orders that were withdrawn during that year.	Not reported
(c) the number of applications for alcohol exclusion orders that were dismissed during that year.	Not reported
(d) the number of alcohol exclusion orders made during that year.	26 Orders have been made by the courts
(e) the number of persons charged with an offence against section 89DF (1) or (2) during that year. *	Three or less than three (≤ 3)
(f) the number of charges for an offence under section 89DF (1) or (2) that resulted in a finding of guilt in that year. *	Three or less than three (≤ 3)
(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
(h) a comparison with the immediately preceding three financial years of the information required under this subsection.	Not reported

Notes:

Data for (d) was extracted from Law Enforcement Assistance Program on 18 July 2020 using the court result table

Data for (e) and (f) was sourced from the Crime Statistics Agency. In order to maintain confidentiality, sensitive offence counts with a value of 1 to 3 are displayed as " ≤ 3 " and are given a value of 2 to calculate totals

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

*Includes persons charged with an offence under s.89DF (1) or (2)

The Sex Offenders Registration Act 2004 (section 70P)

In accordance with section 70P of the *Sex Offender Registration Act 2004*, the Chief Commissioner of Police must provide to the Minister, for inclusion in the annual report of operations under Part 7 of the *Financial Management Act 1994*, a report containing:

Composition of 2019–20 Register

	In the community	Other ²	Gender totals
Total males	4,359	4,278	8,637
Total females	122	61	183
Total juveniles	2 ³	- ⁴	-
Total	4,481	4,339	8,820

Breakdown of 'Other' status

Other Status	Other ²
In custody	953
Interstate/overseas	1,243
Expired Reporting Obligations	1,571
Deceased	549
Suspended (per section 45A) ⁵	23
Total	4,339

RSO Reporting Period	In the Community	Overall Total
4 years	3	19
7.5 years	19	88
Custom	43	243
8 years	1,078	2,505
15 years	1,565	2,637
Life	1,773	2,471
Total	4,481	7,963⁶

Notes:

1 Data is current as at 1 July 2020 for the 2019–20 financial year

2 Other refers to RSOs that are in custody, deceased, interstate/overseas, expired reporting obligations or suspended

3 Figures included in 'In the community' male total

4 Figure included in 'Other' male total

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

6 Overall reporting period total is 857 less than registry total (8,820) due to legislative and procedural requirements (for example, RSOs in custody do not have a recorded reporting period until their release from custody)

7 As per s.66ZR of the *Sex Offenders Registration Act 2004* allows for prohibition orders from interstate to be registered in Victoria

8 Refers to a person who had been in a foreign jurisdiction and required to report to the corresponding registrar in the jurisdiction

Offenders added to the register	471
Prohibition orders made	21
Registration orders made ⁷	1
Offenders aged under 18 added	2
Offenders added following s.11	29
Corresponding offenders added ⁸	82

6.15 Licensing and Regulation

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

2019–20 Statement

On 21 June 2018, the Minister for Police and Emergency Services issued a Statement of Expectations for Victoria Police, setting the following performance objectives for a two-year period:

1. New Firearm Licence application forms converted to online e-forms.
2. Firearm and private security licence renewal application forms converted to online e-forms and change of details.
3. Improved ability to record and update personal details utilising prepopulated data in the eServices portal.
4. Online access and notification to the status of a firearm or private security licence application.
5. A risk-based framework that supports compliance activities within the Regulation Support Unit of the Licensing and Regulation Division is implemented.

Progress against Statement of Expectations

The development of the Victoria Police eServices Portal for firearm and private security licence applications continues to be a priority for the Regulatory Services Department. Efficient service delivery and stakeholder experience is the ongoing goal of the project, providing stakeholders with a modernised application process. In 2018–19, new applications for firearm licences were introduced to eServices. Since then, improvements to user accessibility functions including in-form instructions and information buttons have been implemented. The benefits of having an established online platform has allowed the Licensing and Regulation Division to provide uninterrupted delivery of service throughout the challenges of the coronavirus (COVID-19) pandemic. The project continues with renewal applications for both private security and firearm licences as the next priority.

Victoria Police Licensing and Regulation Division continues to work towards converting firearm and private security licence renewal application forms to online e-forms to provide a user friendly, efficient and modern service. Progression with this work has been impacted by several factors, however, it is expected to be delivered in the first quarter of 2021.

The division has improved its capability to respond to the needs of the public during times of emergency and disaster. Online forms have been developed to support licence holders to submit change of details information during coronavirus (COVID-19) restrictions and notify Victoria Police of the destruction of registered firearms as a result of bushfire. Not only does this provide effective service to stakeholders, it also enables them to meet the conditions of their licence efficiently while providing timely information to Victoria Police.

Compliance and enforcement activities continue to be supported by a risk-based regulation framework. Continuous monitoring, assessment and mitigation of risk is prioritised and informs the ways in which the division allocates resources.

Regulating the Firearms, Weapons and Private Security Industries

Like many other regulatory bodies across Australia, the Victoria Police Licensing and Regulation Division employs a risk-based compliance model in its role as regulator of the firearms, weapons, and private security industries. This achieves good public policy that ensures public safety and the integrity of the firearms, weapons, and private security licensing regime.

As the regulator of these industries, Victoria Police undertakes risk-based compliance using the following general principles:

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

In 2019–20, the Licensing and Regulation Division processed 138,757 new and renewal applications for firearm permits and licences, private security licences and registrations and Chief Commissioner of Police weapon approvals. This figure represents a 2.3 per cent decrease on applications processed in 2018–19. Of the applications processed in 2019–20, 95 per cent were approved.

As at 30 June 2020, there were:

- 228,215 current Victorian firearm licences
- 864,002 registered firearms attached to 221,955 current firearm licences
- 39,894 private security licences and registrations.

The focus for Victoria Police continues to be on compliance and ensuring that only fit and proper people are licensed. Across the state, 1,907 private security licences and registrations, and firearms licences were cancelled in 2019–20. Between 1 July 2019 and 30 June 2020, a significant number of regulatory transactions were undertaken by the Licensing and Regulation Division, which are listed below:

Firearm licence and permit to acquire applications

- 47,131 new and renewal firearm licence applications were approved
- 580 new and renewal firearm licence applications were refused
- 1,578 firearm licences were suspended
- 1,501 firearm licences were cancelled
- 67,446 firearm permit applications were approved
- 414 firearm permit applications were refused.

Private security licence applications

- 17,133 new and renewal private security licence and registration applications were approved
- 197 new and renewal private security licence and registration applications were refused
- 183 private security licence and registrations were suspended
- 406 private security licence and registrations were cancelled.

Weapons applications

- 850 Chief Commissioner of Police weapon approvals were completed.

6.16 Professional Standards – Complaints Received

The tables below address Recommendation 7 of the 2016 audit of Victoria Police regional complaints handling processes by the Independent Broad-based Anti-corruption Commission (IBAC) to publicly release aggregate data on complaints received.

Breakdown of Complaints

Complaint Classification	Definition	2019–20	2018–19	2017–18
Management Intervention Model (MIM) and Local Management Resolution (LMR)	Allegations of minor nature regarding service delivery, performance management or professional conduct.	976	1,049	1,104
Misconduct – Minor/Serious/Corruption	Misconduct as per s.116 of the <i>Victoria Police Act 2013</i> and s.4 of the <i>Public Administration Act</i> .	807	796	681
Complaints registered as Incidents and resolved immediately	Resolved in the first instance by the Police Conduct Unit, Professional Standards Command and no further formal investigation required.	640	637	585
Total		2,423	2,482	2,370

Note:

Data includes all complaints received by Victoria Police

Allegation Determination – Complaint 'Allegations' Finalised by Financial Year

Determination		2019–20		2018–19		2017–18	
		Count	%	Count	%	Count	%
Case to Answer	Lesser Deficiency Found	2	0.1%	15	0.5%	10	0.3%
	Substantiated	491	15.5%	480	14.8%	426	12.0%
	Sub Total	493	15.5%	495	15.2%	436	12.3%
No Case to Answer	False Report	7	0.2%	1	0.0%	6	0.2%
	For Intelligence Purposes Only	37	1.2%	43	1.3%	31	0.9%
	Member Exonerated	53	1.7%	54	1.7%	53	1.5%
	No Complaint	555	17.5%	532	16.3%	536	15.1%
	Not Substantiated	432	13.6%	516	15.9%	537	15.1%
	Unable to Determine	153	4.8%	186	5.7%	131	3.7%
	Unfounded	364	11.5%	383	11.8%	295	8.3%
	Withdrawn	39	1.2%	32	1.0%	57	1.6%
	Sub Total	1,640	51.7%	1,747	53.7%	1,646	46.4%
Other	Conciliated	2	0.1%	6	0.2%	3	0.1%
	Not Finalised	3	0.1%	7	0.2%	2	0.1%
	Not Proceeded With	135	4.3%	109	3.4%	100	2.8%
	Sub Total	140	4.4%	122	3.8%	105	3.0%
Other (Local Management Actions)	Not Resolved	288	9.1%	194	6.0%	368	10.4%
	Resolved	611	19.3%	665	20.4%	989	27.9%
	Sub Total	899	28.3%	859	26.4%	1,357	38.2%

Determination		2019–20		2018–19		2017–18	
		Count	%	Count	%	Count	%
Other (Oversight Matters)	No Complaint (Oversight)	2	0.1%	32	1.0%	7	0.2%
	Sub Total	2	0.1%	32	1.0%	7	0.2%
Total		3,174	100%	3,255	100%	3,551	100%

Notes:

Data extracted 4 August 2020

A complaint may consist of one or more allegations against one or more employees. The figure in this table reflects the 'Determination' for each allegation, not the outcome of a single complaint

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

Data provided in the above table for earlier financial years may vary from that previously published due to internal administration and quality control processes that may result in the back capturing of information

Recommendations – Recommended Actions for Complaint 'Allegations' Finalised by Financial Year

Recommendations	2019–20		2018–19		2017–18	
	Count	%	Count	%	Count	%
Admonishment	155	4.9%	158	4.9%	136	3.8%
Criminal Charges	66	2.1%	64	2.0%	65	1.8%
Discipline Charges	64	2.0%	37	1.1%	44	1.2%
Management Actions	559	17.6%	606	18.6%	459	12.9%
No Data Recorded	41	1.3%	10	0.3%	-	-
No action	2,180	68.7%	2,299	70.6%	2,779	78.3%
Resigned/Retired	102	3.2%	75	2.3%	62	1.8%
Terminated	7	0.2%	6	0.2%	6	0.2%
Total	3,174	100%	3,255	100%	3,551	100%

Notes:

Data extracted 4 August 2020

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

Data provided in the above table for earlier financial years may vary from that previously published due to internal administration and quality control processes that may result in the back capturing of information

6.17 Drink Driving Detections

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

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

Drink driving detections of Victoria Police officers during 2019–2020

BAC	Collision	Determination
0.084%	N	Substantiated – Admonishment
0.082%	N	Substantiated – Admonishment
0.059%	N	Substantiated – Admonishment
0.051%	N	Substantiated – Admonishment
0.107%	N	Formal Counselling

Notes:

BAC is Blood Alcohol Concentration

Data extracted from the Register of Complaints Serious Incidents and Discipline System on 16 July 2020 and is subject to variation

6.18 Recommendations From Royal Commission Into Family Violence

Victoria Police has implemented all 26 police-specific recommendations arising from the 2016 *Royal Commission into Family Violence* (RCFV). The organisation is also supporting the implementation of recommendations led by other government agencies that impact Victoria Police. The RCFV recommendations directed to Victoria Police aim to improve responses to family violence and support for victims through systemic change. This involves adapting the organisational structure to reflect family violence as core business, enabling multi-agency information sharing, utilising technology effectively and improving education and guidance.

Over the past year, Victoria Police has continued to implement recommendations and embed reforms across the organisation through the final deployment of specialist family violence police positions across the state, the trial of digitally recorded evidence-in-chief from victims of family violence, and the rollout of a new Family Violence Report and Case Prioritisation and Response Model.

Policies, practices and training continued to be enhanced throughout the year to support frontline members in responding to family violence, including the delivery of training in the use of the Case Prioritisation and Response Model to the specialist Family Violence Investigation Unit detectives. The Family Violence Training Officers based in each division continue to provide immediate practice guidance to frontline members and specialist investigators, and to advise the Centre of Learning for Family Violence on priorities for training development.

In supporting the whole of system reforms being led by other agencies, Victoria Police has worked closely with Family Safety Victoria and other agencies on the rollout of the Multi Agency Risk Assessment Model, the delivery of the Central Information Point and the implementation of the Child Information and Family Violence Information Sharing Schemes.

Given the maturity of its family violence reform agenda, Victoria Police has been able to:

- *assess the impact of some of its earliest reforms*, such as commissioning Monash Gender and Family Violence Prevention Centre to conduct an independent evaluation of the introduction of the Specialist Investigator Support Unit that provides proactive mental health and wellbeing support to specialists working in the themes of family violence, sexual offences and child abuse.
- *lead community of practice discussions of the priorities for improving the policing response*, such as hosting the Australia and New Zealand Police Domestic and Family Violence Forum in November 2019, involving more than 200 policing employees considering best practice under the theme of 'Sharing Evidence to Building Collaborative Capability'.
- *provide timely and expert assurance during high risk periods*, such as producing video and audio messages in 27 languages in May 2020 on the reporting options and support services available to Affected Family Members (AFMs) during the coronavirus (COVID-19) restrictions in Victoria. Also launching Operation Ribbon in April 2020 involving the specialist Family Violence Investigation Unit detectives proactively engaging with high risk AFMs and perpetrators, and liaising closely with partner services, to intrusively monitor AFM safety and perpetrator compliance.

6.19 Audit & Risk Committee List

Audit & Risk Committee	Chair
Independent Members	
Ms Jane Brockington Ms Merran Kelsall (resigned April 2020) Mr Stewart Leslie Ms Elizabeth Grainger Ms Gail Moody	Ms Jane Brockington (Chair) Vacant (Deputy Chair)
Management Representatives	
Deputy Commissioner, Capability (resigned December 2019) Deputy Secretary, Corporate and Regulatory Services Assistant Commissioner, Professional Standards Command Executive Director, Capability Department	

6.20 Comparative Workforce Data

Victoria Police Headcount and Full Time Equivalent (FTE) Numbers of Employees

June 2020							
	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Police	16,229	15,923	15,190	1,020	15,904	19	19
Chief Commissioner	1	1	-	-	-	1	1
Deputy Commissioner	3	3	-	-	-	3	3
Assistant Commissioner	15	15	-	-	-	15	15
Commander	13	13	13	-	13	-	-
Superintendent	97	97	97	-	97	-	-
Chief Inspector	-	-	-	-	-	-	-
Inspector	338	338	338	-	338	-	-
Senior Sergeant	864	861	848	16	861	-	-
Sergeant	2,777	2,744	2,653	124	2,744	-	-
Senior Constable	7,913	7,649	7,054	859	7,649	-	-
Constable	4,208	4,202	4,187	21	4,202	-	-
Protective Services Officers (PSO)	1,489	1,475	1,437	52	1,475	-	-
PSO Senior Super	4	4	4	-	4	-	-
PSO Supervisor	12	12	12	-	12	-	-
PSO Senior	46	46	45	1	46	-	-
PSO First Class	742	730	700	42	730	-	-
PSO	685	683	676	9	683	-	-
Other Sworn Employees	65	65	65	-	65	-	-
Recruits	63	63	63	-	63	-	-
Reservists	2	2	2	-	2	-	-
Police Custody Officers (PCO)	405	402	391	14	402	-	-
PCO-1	3	3	3	-	3	-	-
PCO-2	344	341	332	12	341	-	-
PCO-3	58	58	56	2	58	-	-

Victoria Police Headcount and FTE Numbers of Employees (Cont'd)

June 2020							
	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
VPS 1-6 Grades	3,335	3,138	2,512	537	2,867	286	271
VPS-1	5	5	-	-	-	5	5
VPS-2	1,208	1,113	876	248	1,037	84	76
VPS-3	853	813	692	108	762	53	52
VPS-4	704	659	502	122	583	80	76
VPS-5	321	309	245	36	270	40	39
VPS-6	244	239	197	23	215	24	24
Forensic Officers (FO)	311	290	238	62	279	11	11
FO-1	-	-	-	-	-	-	-
FO-2	80	77	63	7	67	10	10
FO-3	80	74	62	18	74	-	-
FO-4	104	94	74	29	93	1	1
FO-5	33	31	25	8	31	-	-
FO-6	14	14	14	-	14	-	-
Senior VPS Employees	55	53	18	5	21	32	32
Senior Technical Specialist (STS)	15	15	12	-	12	3	3
FO-7	2	2	2	-	2	-	-
Senior Medical Advisor (SMA)	9	7	4	5	7	-	-
Executives	29	29	-	-	-	29	29
Total employees	21,889	21,345	19,851	1,690	21,012	348	333

June 2019							
	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Police	15,420	15,115	14,407	993	15,095	20	20
Chief Commissioner	1	1	-	-	-	1	1
Deputy Commissioner	3	3	-	-	-	3	3
Assistant Commissioner	16	16	-	-	-	16	16
Commander	12	12	12	-	12	-	-
Superintendent	97	97	97	-	97	-	-
Chief Inspector	-	-	-	-	-	-	-
Inspector	324	324	323	1	324	-	-
Senior Sergeant	823	820	810	13	820	-	-
Sergeant	2,660	2,629	2,542	118	2,629	-	-
Senior Constable	8,031	7,765	7,182	849	7,765	-	-
Constable	3,453	3,449	3,441	12	3,449	-	-
Protective Services Officers (PSO)	1,468	1,453	1,416	52	1,453	-	-
PSO Senior Super	4	4	4	-	4	-	-
PSO Supervisor	12	12	12	-	12	-	-
PSO Senior	41	41	40	1	41	-	-
PSO First Class	599	587	560	39	587	-	-
PSO	812	809	800	12	809	-	-
Other Sworn Employees	313	313	313	-	313	-	-
Recruits	311	311	311	-	311	-	-
Reservists	2	2	2	-	2	-	-
Police Custody Officers (PCO)	393	390	381	12	390	-	-
PCO-1	-	-	-	-	-	-	-
PCO-2	339	336	329	10	336	-	-
PCO-3	54	54	52	2	54	-	-
VPS 1-6 Grades	3,338	3,141	2,501	511	2,835	326	306

Victoria Police Headcount and FTE Numbers of Employees (Cont'd)

June 2019							
	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
VPS-1	7	7	-	-	-	7	7
VPS-2	1,241	1,143	890	233	1,039	118	105
VPS-3	845	806	691	105	758	49	48
VPS-4	704	660	503	115	579	86	81
VPS-5	298	287	227	36	253	35	34
VPS-6	243	238	190	22	207	31	31
Forensic Officers (FO)	305	284	205	61	246	39	38
FO-1	-	-	-	-	-	-	-
FO-2	94	90	50	8	54	36	36
FO-3	74	70	57	15	68	2	2
FO-4	90	79	58	31	79	1	-
FO-5	32	30	25	7	30	-	-
FO-6	15	15	15	-	15	-	-
Senior VPS Employees	55	52	17	5	20	33	33
Senior Technical Specialist (STS)	18	18	12	-	12	6	6
FO-7	2	2	2	-	2	-	-
Senior Medical Advisor (SMA)	8	6	3	5	6	-	-
Executives	27	27	-	-	-	27	27
Total employees	21,292	20,748	19,240	1,634	20,351	418	397

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (20 June 2020 and 22 June 2019). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police

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

Police Custody Officers are VPS employees but are listed separately

Police Medical Officers are included with VPS but are employed as Senior Medical Advisors

Victoria Police Headcount and FTE Numbers of Employees as at 20 June 2020 and 22 June 2019 – Demographic Data

June 2020							
Demographic Data	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender	21,889	21,345	19,851	1,690	21,012	348	333
Women	7,456	7,001	5,874	1,376	6,806	206	195
Men	14,429	14,340	13,974	313	14,202	142	138
Self-Described	4	4	3	1	4	-	-
Age	21,889	21,345	19,851	1,690	21,012	348	333
15–24	962	956	909	12	916	41	39
25–34	6,759	6,661	6,357	303	6,564	99	97
35–44	5,693	5,457	4,900	716	5,385	77	72
45–54	5,644	5,515	5,155	416	5,445	73	70
55–64	2,616	2,555	2,355	211	2,506	50	48
65+	215	202	175	32	196	8	5

June 2019							
Demographic Data	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender	21,292	20,748	19,240	1,634	20,351	418	396
Women	7,194	6,742	5,602	1,334	6,500	258	242
Men	14,097	14,005	13,638	300	13,851	159	153
Self-Described	1	1	-	-	-	1	1
Age	21,292	20,749	19,240	1,634	20,351	418	396
15–24	1,125	1,114	1,040	19	1,051	66	62
25–34	6,438	6,347	6,034	277	6,222	127	124
35–44	5,478	5,243	4,703	703	5,175	72	68
45–54	5,556	5,418	5,044	426	5,337	86	81
55–64	2,511	2,454	2,265	184	2,396	62	58
65+	184	173	154	25	170	5	3

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 20 June 2020 and 22 June 2019). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police

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

Victoria Police Employees by Type and Gender as at 20 June 2020 and 22 June 2019 – Headcount

Employee Type	Man		Woman		Self-Described		Total		% Man		% Woman		% Self-Described	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
Police Member	11,616	11,101	4,612	4,319	1	-	16,229	15,420	71.6%	72.0%	28.4%	28.0%	0.01%	-
Recruits	38	231	25	80	-	-	63	311	60.3%	74.3%	39.7%	25.7%	-	-
PSO Deployed	1,310	1,323	158	141	-	-	1,468	1,464	89.2%	90.4%	10.8%	9.6%	-	-
PSO in Training	12	3	9	1	-	-	21	4	57.1%	75.0%	42.9%	25.0%	-	-
Reservists	1	1	1	1	-	-	2	2	50.0%	50.0%	50.0%	50.0%	-	-
Sworn	12,977	12,659	4,805	4,542	1	-	17,783	17,201	73.0%	73.6%	27.0%	26.4%	0.01%	-
Public Servants	1,175	1,163	2,523	2,534	3	1	3,701	3,698	31.8%	31.5%	68.2%	68.5%	0.08%	0.03%
PCO	275	275	127	118	-	-	402	393	68.4%	70.0%	31.6%	30.0%	-	-
PCO in Training	2	-	1	-	-	-	3	-	66.7%	-	33.3%	-	-	-
Public Servants Total	1,452	1,438	2,651	2,652	3	1	4,106	4,091	35.4%	35.2%	64.6%	64.8%	0.07%	0.02%
Total Workforce	14,429	14,097	7,456	7,194	4	1	21,889	21,292	65.9%	66.2%	34.1%	33.8%	0.02%	0.00%

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 20 June 2020 and 22 June 2019 respectively)

All public servants within the following statutory and nationally funded bodies are excluded from the above table in the annual report: Australia New Zealand Policing Advisory Agency and Police Registration & Services Board. Executive Officers from the Office of the Chief Examiner are also excluded

Currently there are no federally funded police

Public Servants include VPS, Forensic Officers, Executive Officers and Senior Medical Advisors

Police Custody Officers are VPS employees but are listed separately (PCOs)

Self-described per cent data is represented as two decimal places due to low values

Statutory and Nationally Funded Bodies Administered by Victoria Police

Public Servant classification	Headcount		FTE	
	June 2020	June 2019	June 2020	June 2019
Governor in Council	3	5	3	4
EO-1	-	-	-	-
EO-2	1	1	1	1
EO-3	2	3	2	3
SMA	-	-	-	-
FO-7 (includes STS)	1	1	1	1
Total Senior Public Servants	7	10	7	9
FO-6	-	-	-	-
FO-5	-	-	-	-
FO-4	-	-	-	-
FO-3	-	-	-	-
FO-2	-	-	-	-
FO-1	-	-	-	-
VPS-6	4	4	4	3
VPS-5	12	13	8	10
VPS-4	11	10	10	9
VPS-3	7	7	6	6
VPS-2	1	1	1	1
VPS-1	-	-	-	-
PCO-2	-	-	-	-
PCO-1	-	-	-	-
Total Other Public Servants	35	35	29	30
Total Workforce	42	45	36	39

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 20 June 2020 and 22 June 2019 respectively)

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

Police Custody Officers are VPS employees but are listed separately (PCOs)

Police Medical Officers are included with VPS but are employed as Senior Medical Advisors (SMAs)

Senior Technical Specialists (STS) are otherwise referred to as FO-7 and captured as such in the above table

Number of Executive Officers Broken Down by Gender

Classification	All		Man		Woman		Self-Described	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
EO-1	2	2	1	1	1	1	-	-
EO-2	10	9	5	3	5	6	-	-
EO-3	17	16	8	10	9	6	-	-
Assistant Commissioner	15	16	12	13	3	3	-	-
Total	44	43	26	27	18	16	-	-

Reconciliation of Executive Officer Numbers to Note 9.4 to the Financial Statements

		June 2020	June 2019
Executives (Financial Statements Note 9.4)		57	49
Less	Employees acting for 3+ months	4	4
	Separations	9	2
Total Executive Numbers		44	43

Notes:

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

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

The list above details total executive numbers (other than the accountable officer) as at the end of the last full pay period in June - 20 June 2020 and 22 June 2019

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

Annualised Total Salary for Senior Public Servants

Income band (salary)	Executive Officers and Assistant Commissioners		STS		SMA	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
< \$160,000	-	-	1	1	4	4
\$160,000 – \$179,999	-	3	4	3	-	-
\$180,000 – \$199,999	7	5	4	7	1	1
\$200,000 – \$219,999	10	14	6	9	-	-
\$220,000 – \$239,999	2	12	2	-	-	-
\$240,000 – \$259,999	6	4	-	-	2	1
\$260,000 – \$279,999	5	3	-	-	2	2
\$280,000 – \$299,999	10	-	-	-	-	-
\$300,000 – \$319,999	2	1	-	-	-	-
\$320,000 – \$339,999	-	1	-	-	-	-
\$340,000 – \$359,999	1	-	-	-	-	-
\$360,000 – \$379,999	1	-	-	-	-	-
\$380,000 – \$399,999	-	-	-	-	-	-
\$400,000 – \$419,999	-	-	-	-	-	-
\$420,000 – \$439,999	-	-	-	-	-	-
\$440,000 – \$459,999	-	-	-	-	-	-
\$460,000 – \$479,999	-	-	-	-	-	-
\$480,000 – \$499,999	-	-	-	-	-	-
Total	44	43	17	20	9	8

Notes:

This table is prepared in accordance with FRD 29C Workforce Data disclosure requirements. It therefore excludes staff who were not on salary at the end of the last pay period of the financial year (which ended 20 June 2020 and 22 June 2019)

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

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

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

One executive officer was working in a part-time capacity (0.8 FTE) during 2019–20

Five SMAs were working part time capacity (average 0.5 FTE) during 2019–20

Four employees were acting in long-term acting arrangement executive roles during 2019-20

Long-term acting arrangement means instances where: a person has been acting in a role for more than three months and the role is substantively vacant

6.21 OHS Key Performance Indicators

		2019–20	2018–19	2017–18
1	Compensated Fatalities	4	-	-
2	Lost Time Injury Frequency Rate (All Lost Time Injuries)	14.09	14.3	16.5
	Serious Lost Time Injury Frequency Rate (Lost Time Injuries > 5 Days)	10.93	11.5	12.5
3	Shifts Lost All Claims	103,205	97,054	81,236
	Rate Per 100 FTE	483.5	467.8	413.7
4	Number of Claims Lodged this Year that Exceeded 13 Weeks Where a Compensation Payment was Made	210	170	153
	Number of Claims that were Active this Year that Exceeded 13 Weeks of Compensation Payments	506	446	578
5	All Claims	1,191	1,085	1,185
	Rate Per 100 FTE	5.6	5.2	6
	Time Lost Claims	594	566	585
	Rate Per 100 FTE	2.8	2.7	3
	Standard Claims	863	829	818
	Rate Per 100 FTE	4.0	4	4.2
6	Average Cost per Claim	\$14,427	\$13,179	\$7,882
	Costs Plus Estimates	\$96,332	\$83,540	\$72,795
7	Number of Incidents	3,909	3,547	3,604
	Rate Per 100 FTE	18.3	17.1	18.4
8	Management Commitment <ul style="list-style-type: none"> Evidence of OHS Policy statement OHS objectives Regular reporting to Senior Management of OHS and OHS plans (signed by Chief Executive Officer or equivalent) 	<p><i>The Health and Safety Strategy and Action Plan 2019–2022 was endorsed by the Chief Commissioner on 29 April 2019.</i></p> <p>The strategy is accessible to all employees. Reporting against the plan is managed by the Safety, People and Culture Committee.</p> <p>An environmental scan and a best practice gap analysis of the Victoria Police safety management system (Safe-T-Works) has been conducted. This is a key deliverable of year one of the <i>Health and Safety Strategy and Action Plan 2019–2022</i>. Plans are being developed for ongoing improvement as a result of the review</p>		
9	Management Commitment Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	<p>OHS considerations in purchasing criteria improved in 2019–20. A key project was the introduction of longarm firearms to some frontline police officers. The project engaged an OHS resource to provide technical advice in all phases of the project from initial specification requirements through to safety in the training environment.</p> <p>During the 2019–20 summer bushfires and the coronavirus (COVID-19) response, demand for Personal Protective Equipment (PPE) grew exponentially as more members became involved in the emergency response. With the bushfires and coronavirus (COVID-19) occurring in proximity, some PPE became hard to procure. Victoria Police logistics engaged OHS resources early to identify PPE manufacturers outside of the usual vendors due to the global shortages. OHS consultants played a key role in the procurement process to ensure Victoria Police members had the appropriate PPE for operating under the threat of coronavirus (COVID-19).</p>		

10(a)	Consultation Evidence of agreed structure of designated workgroups (DWG), health and safety representatives (HSRs) and Issue Resolution Procedures (IRPs)	Victoria Police local managers continue to engage with DWGs through their elected HSRs to address any concerns, hazards or risks within the workplace. Managers and HSRs meet quarterly to discuss any safety plans, projects, continuous strategies and immediate or unresolved issues. The successful running of OHS committees and regular consultation between HSRs and local area managers has improved overall safety and relationships within DWGs reflected by Victoria Police only being issued with one valid Provisional Improvement Notice (PIN) in 2019–20. The lack of PINs issued by HSRs in 2019–20 indicated the effective use of the Issue Resolution Process.
10(b)	Compliance with agreed structure DWG, HSRs and IRPs	Victoria Police has active consultation practices at all levels of the organisation. OHS Committees are established for managers and HSRs to meet at least quarterly to discuss safety matters that affect their work unit areas. These committees usually occur at the divisional (or equivalent) level; however, there are many work units that have established Police Service Area or Local Area Commander monthly safety meetings to ensure that safety consultation occurs on a more regular basis. Key stakeholder engagement with external agencies such as WorkSafe, the Police Association Victoria and the Community and Public Sector Union occur regularly or as safety issues arise.
11	Risk Management Regular internal audits/inspections conducted	The Safe-T-Works internal audit program was suspended in 2019 due to secondment of the internal auditor and will recommence in 2020. Workplace inspections have continued and OHS consultants have continued to partner with managers in completion of inspections.
12	Risk Management Issues identified and actioned	WorkSafe Notices: <ul style="list-style-type: none"> • Entry Reports = 81 (an increase of 16 from the previous year) • Improvement Notices = 52 (an increase of 28 from the previous year) • Notifiable Incidents = 35 (an increase of 24 from the previous year)
13	Staff and Managers with OHS Training	During 2019–20, two new online mental health training packages were developed with the Black Dog Institute. <ol style="list-style-type: none"> 1) An all employee training (Modules 1–3) launched organisation wide 9 Dec 2019. 14,608 employees have completed the program since launch to 30 June. 2) A people manager training (Module 4, 'Wellbeing Conversations for Managers') launched 30 April 2020. The training is compulsory for VPS-5/sergeant and above. <p>OHS training for employees and managers is conducted upon entry into the organisation through online and onsite inductions. Safety is embedded throughout police foundation training with a focus on responding to occupational violence through Operational Safety Tactics Training.</p> <p>Other training such as Hazardous Manual Handling Training and Hazardous Substances is conducted online.</p> <p>The OHS Consultant team are regularly requested to provide training in relation to Incident Reporting and Investigations and responding to WorkSafe activities and Notifiable Incidents.</p>
14	Health and Safety Representative Training	92 HSRs attended a WorkSafe approved initial five day OHS training course and 12 attended a refreshing OHS training course in 2019–20.
15	OHS Survey	Victoria Police participated in a Whole of Victorian Government working from home survey in May 2020. Participation rate from Victoria Police was 1,745 with results to be reviewed to inform working from home policy in the future.

6.22 Budget Portfolio Outcomes

Comprehensive Operating Statement

For the financial year ended 30 June 2020

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
Income From Transactions				
Output appropriations ^(a)	3,718,489	3,514,319	204,170	6%
Interest	25	50	(25)	-49%
Sale of Goods and Services	1,897	-	1,897	100%
Grants	17,425	21,286	(3,861)	-18%
Fair value of assets and services received free of charge or for nominal consideration	580	-	580	100%
Other Income	6,870	1,514	5,356	354%
Total Income From Transactions	3,745,286	3,537,169	208,117	6%
Expenses From Transactions				
Employee expenses ^(b)	2,777,660	2,523,756	253,904	10%
Depreciation and amortisation	198,970	205,033	(6,063)	-3%
Interest expense ^(c)	25,348	78,866	(53,518)	-68%
Grants and other transfers	2,714	3,707	(993)	-27%
Capital asset charge	107,357	107,356	-	0%
Purchase of supplies and services	625,369	612,399	12,970	2%
Total Expenses From Transactions	3,737,418	3,531,117	206,300	6%
Net Result From Transactions (Net Operating Balance)	7,868	6,052	1,816	30%
Other Economic Flows Included in Net Result				
Net gain/(loss) on non-financial assets	11,689	10,700	989	9%
Net gain/(loss) from other economic flows	(9,674)	-	(9,674)	100%
Total Other Economic Flows Included in Net Result	2,015	10,700	(8,685)	-81%
Net Result	9,883	16,752	(6,869)	-41%
Other Economic Flows - Other Comprehensive Income				
Items that may be reclassified to net result				
Fair value gain/(loss) arising from cash flow hedging instruments during the year	(7,804)	-	(7,804)	0.0%
Items that will not be reclassified to net result				
Changes in physical asset revaluation surplus	713	-	713	0.0%
Total Other Economic Flows - Other Comprehensive Income	(7,091)	-	(7,091)	0.0%
Comprehensive Result	2,792	16,752	(13,960)	-83.3%

Notes:

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

(a) Actual Output appropriation is greater than budget, primarily due to: wage indexation; support for Victoria Police operations; Bushfire response; the Royal Commission into the Management of Police Informants and the introduction of a new Australian Accounting Standard AASB 16 Leases

(b) Actual employee expenditure is greater than budget due to recruitment to support the Community Safety Initiatives, increments in the Enterprise Bargaining Agreement (EBA), WorkCover costs plus the response to the Bushfires

(c) Due to the Practical Completion date of the new Victoria Police Complex at 311 Spencer Street, Docklands occurring post 30 June 2020, the interest expensed required to be recognised under the new AASB 16 Leases was not required.

Balance Sheet

As at 30 June 2020

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
Assets				
Financial Assets				
Cash and deposits	49,273	60,029	(10,756)	-18%
Receivables	621,541	679,550	(58,009)	-9%
Other Financial Assets	1,136	-	1,136	100%
Total Financial assets	671,950	739,579	(67,629)	-9%
Non Financial Assets				
Inventories	6,058	6,940	(882)	-13%
Non-financial physical assets classified as held for sale, including disposal group assets	2,483	1,945	538	28%
Property, plant and equipment ^(a)	2,634,851	4,027,736	(1,392,885)	-35%
Intangible assets	122,061	93,225	28,836	31%
Other	27,612	27,869	(257)	-1%
Total Non Financial Assets	2,793,065	4,157,715	(1,364,650)	-33%
Total Assets	3,465,015	4,897,294	(1,432,279)	-29%
Liabilities				
Payables	166,740	147,769	18,971	13%
Borrowings ^(a)	808,039	2,241,701	(1,433,662)	-64%
Provisions	740,481	669,364	71,117	11%
Total Liabilities	1,715,260	3,058,834	(1,343,574)	-44%
Net Assets	1,749,755	1,838,460	(88,705)	-5%
Equity				
Accumulated Surplus	24,821	31,688	(6,867)	-22%
Reserves	859,070	866,162	(7,092)	-1%
Contributed Capital	865,864	940,610	(74,746)	-8%
Net Worth	1,749,755	1,838,460	(88,705)	-5%

Notes:

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

(a) Property, plant and equipment and Borrowings are both less than budget as the lease for the new Victoria Police Complex at 311 Spencer Street, Docklands did not meet the AASB 16 Leases (AASB 16) recognition criteria as at 30 June 2020 as the Practical Completion was only achieved on 9 July 2020

Cash Flow Statement

For the financial year ended 30 June 2020

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
Cash Flows From Operating Activities				
Receipts				
Receipts from Government	3,492,065	3,336,336	155,729	5%
Other receipts	17,170	20,286	(3,116)	-15%
Interest received	25	50	(25)	-51%
GST paid to or received from ATO ^(b)	1,301	-	1,301	100%
Payments				
Payments of grants and other transfers	(3,457)	(4,693)	1,236	-26%
Payments to suppliers and employees	(3,299,989)	(3,110,430)	(189,559)	6%
Capital asset charge payments	(107,357)	(107,356)	-	0%
Interest and other costs of finance paid	(25,348)	(78,866)	53,518	-68%
Net Cash Flows From Operating Activities	74,410	55,327	19,084	34%
Cash Flows From Investing Activities				
Proceeds from the sale of non-financial assets	25,573	34,000	(8,427)	-25%
Net Investment	(7,803)	-	(7,803)	0%
Payments for non-financial assets	(230,374)	(186,250)	(44,124)	24%
Net loans from other parties	4,687	-	4,687	100%
Net Cash Flows (Used In) Investing Activities	(207,917)	(152,250)	(55,667)	37%
Cash flows from Financing Activities				
Proceeds from capital contribution by Department of Justice and Regulations	67,161	141,534	(74,373)	-53%
Repayment of finance leases	-	1,757	(1,757)	-100%
Repayment of right-of-use leases	(42,421)	34,618	(77,039)	-223%
Net borrowings	112,088	(66,908)	178,996	268%
Net Cash Flows From Financing Activities	136,828	111,001	25,827	23%
Net Increase In Cash And Cash Equivalents	3,321	14,077	(10,756)	-76%
Cash and cash equivalents at the beginning of the financial year	45,952	45,952	-	0%
Cash and Cash Equivalents at the End Of The Financial Year	49,273	60,029	(10,756)	-18%

Notes:

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

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

Administered Items

For the financial year ended 30 June 2020

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
Administered Operating Statement				
Administered Income				
Interest	24	17	7	40%
Sales of goods and services	40,536	24,788	15,748	64%
Grants	382	3,080	(2,698)	-88%
Other income	26,359	3,243	23,116	713%
Total Administered Income	67,302	31,128	36,174	116%
Administered Expenses				
Employee expenses	4,100	3,375	725	21%
Depreciation	1	4	(3)	0%
Payments into the consolidated fund	49,868	25,935	23,933	92%
Other operating expenses	9,277	1,023	8,254	807%
Total Administered Expenses	63,246	30,337	32,909	108%
Income Less Expenses	4,056	791	3,265	413%
Other Economic Flows Included In Net Result				
Net gain/(loss) on non-financial assets and other economic flows	(184)	700	(884)	-126%
Total Other Economic Flows	(184)	700	(884)	-126%
Net Result	3,872	1,491	2,381	160%

Administered (Non-Controlled) Balance Sheet				
As at 30 June 2020				
Administered Assets				
Cash and deposits	46,818	39,300	7,519	19%
Receivables	12,542	8,968	3,574	40%
Other financial assets	-	2,000	(2,000)	-100%
Property, plant and equipment	1	(2)	3	0%
Total Administered Assets	59,361	50,266	9,096	18%
Administered Liabilities				
Payables	45,511	38,507	7,004	18%
Provisions	911	778	133	17%
Total Administered Liabilities	46,422	39,285	7,136	18%
Total Administered Net Assets	12,939	10,981	1,959	18%

Note:

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

Statement of Changes in Equity

For the financial year ended 30 June 2020

	Actual \$'000	Original Budget \$'000	Variance \$'000
Accumulated Surplus/(Deficit)			
Opening Balance*	14,938	14,936	2
Comprehensive result	9,883	16,752	(6,869)
Closing Balance	24,821	31,688	(6,867)
Contributed Capital			
Opening Balance *	799,077	799,076	1
Capital contributions received from Victorian Government and/or contributions made to other departments or entities of Victoria State	66,787	141,534	(74,747)
Closing Balance	865,864	940,610	(74,746)
Asset Revaluation Reserve			
Opening Balance *	866,161	866,162	(1)
Revaluation surplus adjustment	713	-	713
Closing Balance	866,874	866,162	712
Hedging Reserve			
Opening Balance *	-	-	-
Fair value gain/(loss) arising from cash flow hedging instruments during the year	(7,804)	-	(7,804)
Closing Balance	(7,804)	-	(7,804)
Total Equity	1,749,755	1,838,460	(88,706)

* 1 July 2019

Note:

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

7. Financial Statements

Report Structure

The Chief Commissioner of Victoria Police has the pleasure of presenting the audited general purpose financial statements of Victoria Police for the financial year ended 30 June 2020. These financial statements provide users with information about Victoria Police's stewardship of resources entrusted to it. It is presented in the following structure:

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VICTORIA POLICE

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, present fairly the financial transactions during the year ended 30 June 2020 and financial position of Victoria Police as at 30 June 2020.

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 15 September 2020.

Shane Patton APM
Chief Commissioner

Melbourne
15 September 2020

Byron Crawford
Executive Director, Financial
Services, (CFO)
Victoria Police

Melbourne
15 September 2020

Independent Auditor's Report

To the Chief Commissioner of Victoria Police

Opinion	<p>I have audited the financial report of Victoria Police which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Victoria Police as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of Victoria Police in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Key audit matters	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.</p>

Key audit matter	How I addressed the matter
------------------	----------------------------

First time adoption of AASB 16 Leases

Refer Note 5.1(a) right-of-use assets and Note 7.1 borrowings

Note 9.2 describes the first-time adoption of AASB 16, which resulted in recognition of:

- right-of-use assets of \$712.68m, and lease liability of \$712.68m on 1 July 2019
- right-of-use assets of \$780.84m and lease liability of \$801.23m at 30 June 2020.

AASB 16 requires lessee to account for all leases on the balance sheet by recording a right-of-use (RoU) asset and a lease liability except for the leases that are shorter than 12 months and leases where the underlying asset is of low value.

I consider the first-time adoption of this standard to be a key audit matter because:

- right-of-use assets and lease liabilities are financially significant
- significant judgment and assumptions were used by management to determine key factors impacting the measurement of the right-of-use assets and lease liabilities, such as lease terms, lease options and variable lease payments
- the extent of the audit efforts and involvement of senior personnel on the audit including those with technical accounting expertise of AASB 16 were significant
- significant financial statement disclosures were required in the first year of application.

In responding to the identified key audit matter, my audit procedures included:

- gaining an understanding of management’s process and assessing the design and implementation of key controls in place for assessing the impact of AASB 16
- assessing completeness by reconciling leases reported in the prior period operating lease commitment (disclosed in 9.2.1 of the financial statements) with the 1 July 2019 lease liability
- for a representative sample of leases:
 - verifying completeness and accuracy of underlying lease data to the lease agreements or other supporting information
 - checking the mathematical accuracy of calculation
 - assessing the reasonableness of the significant judgments and assumptions used by management
- assessing the appropriateness of the financial statements disclosures with reference to AASB 16 and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Chief Commissioner’s responsibilities 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 Management Act 1994*, and for such internal control as the Chief Commissioner determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Victoria Police's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Commissioner
- conclude on the appropriateness of the Chief Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Victoria Police's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Victoria Police to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

MELBOURNE
17 September 2020



Andrew Greaves
Auditor-General

Comprehensive Operating Statement

For the financial year ended 30 June 2020

(\$ thousand)

	Notes	2020	2019
Income From Transactions			
Grants from Government	2.2	3,718,489	3,362,390
Sale of goods and services	2.3.1	1,897	1,711
Grants	2.3.2	18,365	13,137
Fair value of assets received free of charge or for nominal consideration		580	335
Other income	2.4	7,111	3,049
Total Income From Transactions		3,746,442	3,380,623
Expenses From Transactions			
Employee expenses	3.1.1	2,777,399	2,505,357
Depreciation and amortisation	5.1.1	198,970	121,704
Interest expense	7.1	25,348	2,079
Capital asset charge	3.2	107,357	103,720
Operating expenses	3.3	629,500	666,340
Total Expenses From Transactions		3,738,574	3,399,200
Net Result From Transactions (Net Operating Balance)		7,868	(18,577)
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets	9.1	11,689	9,698
Net gain/(loss) from other economic flows	9.1	(9,674)	(21,457)
Total Other Economic Flows Included in Net Result		2,015	(11,759)
Net Result		9,883	(30,336)
Other Economic Flows – Other Comprehensive Income			
Items That May Be Reclassified Subsequently To Net Results			
Fair value gain/(loss) arising from cash flow hedging instruments during the year		(7,804)	-
Items That Will Not Be Reclassified To Net Results			
Changes in physical asset revaluation surplus	5.3	713	103,429
Total Other Economic Flows – Other Comprehensive Income		(7,091)	103,429
Comprehensive Result		2,792	73,093

Note:

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2020

(\$ thousand)

	Notes	2020	2019
Assets			
Financial Assets			
Cash and deposits	7.3	49,273	45,952
Receivables	6.1	604,333	474,835
Total Financial Assets		653,606	520,787
Non-Financial Assets			
Inventories		6,058	6,941
Non-financial physical assets classified as held-for-sale		2,483	1,946
Property, plant and equipment	5.1	2,634,851	1,878,453
Intangible assets	5.2	122,061	95,425
Other non-financial assets	6.4	35,763	40,705
Total Non-Financial Assets		2,801,216	2,023,470
Total Assets		3,454,822	2,544,257
Liabilities			
Payables	6.3	162,835	130,153
Borrowings	7.1	801,234	83,067
Employee related provisions	3.1.2	729,467	642,554
Other provisions	6.5	11,531	8,307
Total Liabilities		1,705,067	864,081
Net Assets		1,749,755	1,680,176
Equity			
Accumulated surplus		24,821	14,938
Cash flow hedge reserves	8.1.3	(7,804)	-
Physical asset revaluation reserves	5.3	866,874	866,161
Contributed capital		865,864	799,077
Net Worth		1,749,755	1,680,176

Note:

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the financial year ended 30 June 2020

(\$ thousand)

	Notes	Physical Asset Revaluation Reserve	Hedging Reserves	Accumulated Surplus/ (Deficit)	Contributed Capital	Total
Balance at 1 July 2018		762,732	-	45,274	771,045	1,579,051
Net result for the year		-	-	(30,336)	-	(30,336)
Capital contribution (to) other state departments/entities		-	-	-	(20,743)	(20,743)
Capital contribution by Victorian Government as part of annual grants		-	-	-	48,775	48,775
Revaluation surplus adjustment	5.3	103,429	-	-	-	103,429
Balance at 30 June 2019		866,161	-	14,938	799,077	1,680,176
Net result for the year		-	-	9,883	-	9,883
Capital contribution (to) other state departments/entities		-	-	-	(375)	(375)
Capital contribution by Victorian Government as part of annual grants		-	-	-	67,162	67,162
Fair value gain/(loss) arising from cash flow hedging instruments during the year	8.1.3	-	(2,413)	-	-	(2,413)
Fair value gain/(loss) arising from cash flow hedging instruments during the year	8.1.3	-	(5,391)	-	-	(5,391)
Revaluation surplus adjustment	5.3	713	-	-	-	713
Balance at 30 June 2020		866,874	(7,804)	24,821	865,864	1,749,755

Note:

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

Cash Flow Statement

For the financial year ended 30 June 2020

(\$ thousand)

	Notes	2020	2019
Cash Flows From Operating Activities			
Receipts			
Receipts from government		3,597,428	3,377,136
Grants and other income		21,584	16,445
Sales of goods and services		1,879	756
Interest received	2.4	25	59
GST received from ATO ^(a)		94,105	82,603
Payments			
Payments to suppliers and employees		(3,405,075)	(3,181,034)
Capital asset charge payments	3.2	(107,357)	(103,720)
Interest and other costs of finance paid		(25,348)	(2,079)
Net Cash Flows From Operating Activities	7.3.1	177,241	190,166
Cash Flows From Investing Activities			
Proceeds from sale of property, motor vehicles, plant and equipment		26,182	19,412
Payments for property, plant and equipment		(163,373)	(186,379)
Net Cash Flows (Used In) Investing Activities		(137,191)	(166,967)
Cash Flows From Financing Activities			
Proceeds from capital contributed by Victorian Government		66,785	28,031
Repayment of borrowings and principal portion of lease liabilities		(103,514)	(47,066)
Net Cash Flows From Financing Activities		(36,729)	(19,035)
Net Increase In Cash And Cash Equivalents		3,321	4,164
Cash and cash equivalents at the beginning of the financial year		45,952	41,788
Cash and Cash Equivalents at the End Of The Financial Year	7.3	49,273	45,952

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

Note:

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

1. About This Report

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

Victoria Police Centre
637 Flinders Street
Docklands VIC 3008

The annual financial statements represent the audited general purpose financial statements of Victoria Police for the year ended 30 June 2020. The purpose of the report is to provide users with information about Victoria Police's stewardship of resources entrusted to it.

Basis of Preparation

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

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

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

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

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

- the fair value of land, buildings, plant and equipment – refer to Note 5.1 Property, Plant and Equipment and Note 8.3 Fair Value Determination; and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates – refer to Note 3.1.2 Employee Related Provisions.
- exercising of lease options under AASB 16 Leases.

With regard to COVID-19, there was uncertainty on the impact this has on the fair value of Victoria Police's property, plant and equipment as the Valuer-General Victoria's (VGV) indices did not take into consideration the impact of COVID-19 during the period April to June 2020. For further details, please refer to Note 5.3 Physical Asset Revaluation Surplus and Note 9.7 COVID-19 Statement.

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

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

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

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

Compliance Information

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

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

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

The annual financial statements were authorised for issue by the Chief Commissioner of Police on 15 September 2020.

Reporting Entity

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

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

Basis of Consolidation

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

Accounting for the Goods and Services Tax (GST)

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

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

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

Commitments and contingent liabilities are also stated inclusive of GST.

2. Funding Delivery of our Services

Introduction

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

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

Structure		Pages
2.1	Summary of Income that Funds the Delivery of Our Services	88
2.2	Grants from Victorian Government	88
2.3	Income from Transactions	88–90
2.4	Other Income	90
2.5	Annotated Income Agreements	90

2.1 Summary of Income that Funds the Delivery of Our Services

(\$ thousand)

	Notes	2020	2019
Grants from Victorian Government	2.2	3,718,489	3,362,390
Sale of goods and services	2.3.1	1,897	1,711
Grants	2.3.2	18,365	13,137
Fair value of assets received free of charge or for nominal consideration		580	335
Other income	2.4	7,111	3,050
Total Income From Transactions		3,746,442	3,380,623

Income Recognition and Measurement

Revenue and income that fund delivery of the Victoria Police's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the respective notes in this section. All amounts of income over which Victoria Police does not have control are disclosed as administered income in the schedule of administered income and expenses. Refer to Note 4.1 Administered Items.

2.2 Grants from Government

(\$ thousand)

	2020	2019
Grants from Victorian Government	3,718,489	3,362,390
Total Grants from Victorian Government	3,718,489	3,362,390

Grants Received from Victorian Government

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

2.3 Income from Transactions

2.3.1 Sale of Goods and Services

(\$ thousand)

	2020	2019
Sale of goods	1,891	1,625
Rendering of services	6	87
Total Sale of Goods and Services	1,897	1,711

The sale of goods and rendering of services included in the table above are transactions that Victoria Police has determined to be classified as revenue from contracts with customers in accordance with AASB 15. The impact of initially applying AASB 15 *Revenue from Contracts with Customers* (AASB 15) on Victoria Police's revenue from contracts with customers is described in Note 9.2.2. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Performance Obligations and Revenue Recognition Policies

Revenue is measured based on the consideration specified in the contract with the customer. Victoria Police recognises revenue when it transfers control of a good or service to the customer.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (Note 6.3) and the right to recover returned goods is included in inventory. As the sales are made with a short credit term, there is no financing element present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

2.3 Income from Transactions (Cont'd)

Revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Income from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded.

Previous Accounting Policy for 30 June 2019

Income from the sale of goods and services was recognised when:

- Victoria Police no longer has any of the significant risks and rewards of ownership of the goods transferred 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; and
- it is probable that the economic benefits associated with the transaction will flow to Victoria Police.

Regulatory fees are recognised at the time of billing.

Income from the **supply of policing services** for events was recognised by reference to the number of hours the services are being performed. The income is recognised when:

- the amount of the income, policing hours and hourly rate can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Victoria Police.

2.3.2 Grants

	(\$ thousand)	
	2020	2019
Donations	83	87
Other specific purpose grants without any sufficiently specific performance obligations	203	863
Other specific purpose grants with sufficiently specific performance obligations	18,079	12,188
Total Grants	18,365	13,137

Victoria Police has determined that all grant income is recognised as income of not-for profit entities in accordance with AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058). During the current and previous year Victoria Police received income from only two types of grants – grants without any sufficiently specific performance obligations, or that are not enforceable and specific purpose grants for on-passing. There has been no material change in the recognition of revenue from grants as a result of the adoption of AASB 1058. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements. The adoption of AASB 1058 did not have an impact on the Comprehensive Operating Statement and the Statement of Cash flows for the financial year.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Victoria Police has an unconditional right to receive cash which usually coincides with the receipt of cash. On initial recognition of the asset, Victoria Police recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions*;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16 *Leases*;
- a financial instrument, in accordance with AASB 9 *Financial Instruments*; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately passed on to the relevant recipient entities on behalf of the Commonwealth Government.

Previous Accounting Policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Victoria Police without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For non-reciprocal grants, Victoria Police recognises revenue when the grant is receivable or received. Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Victoria Police recognises income when it has satisfied its performance obligations under the terms of the grant. For non-reciprocal grants, Victoria Police recognises revenue when the grant is received.

Grants can be received as **general purpose grants**, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as **specific purpose grants**, which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants for on-passing are grants paid to one institutional sector (e.g. a state-based general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

2.4 Other Income

	(\$ thousand)	
	2020	2019
Interest income	25	60
Miscellaneous income	7,086	2,990
Total Other Income	7,111	3,050

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

2.5 Annotated Income Agreements

Victoria Police is permitted under Section 29 of the *Financial Management Act 1994* (FMA) to have certain income annotated to the annual appropriation. The income, which forms part of a Section 29 agreement, is recognised by Victoria Police and the receipts are paid into the Consolidated Fund. At the point of income recognition, Section 29 provides for an equivalent amount to be added to the annual appropriation. The following is a listing of the annotated income agreements approved by the Treasurer.

	(\$ thousand)	
	2020	2019
User Charges Or Sales of Goods and Services		
Information services	3,395	4,240
Event management	4,539	6,140
Training services	53	55
Insurance ^(a)	11,576	7,593
Other income	5,529	-
Total User Charges Or Sales of Goods and Services ^(b)	25,092	18,029
Asset Sales		
Motor vehicles	32	303
Land and buildings	142	-
Plant and equipment	25	58
Total Proceeds From Asset Sales	199	361
Commonwealth Specific Purpose Payments		
Commonwealth special purpose grants	386	582
Total Commonwealth Specific Purpose Payments	386	582
Total Annotated Income Agreements	25,677	18,972

Notes:

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

(b) The annotated income of \$25.1 million (2019: \$18.0 million) forms part of the Grants from the Victorian Government in Note 2.2 Grants from Government.

3. The Cost of Delivering Services

Introduction

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

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

Structure		Pages
3.1	Expenses Incurred in Delivery of Services	92–94
3.2	Capital Asset Charge	94
3.3	Operating Expenses (Including Ex-Gratia Payments)	94–95

3.1 Expenses Incurred in Delivery of Services

3.1.1 Employee Expenses

(\$ thousand)

	Notes	2020	2019
Defined contribution superannuation expense	3.1.3	34,233	28,034
Defined benefit superannuation expense	3.1.3	228,305	208,263
Salaries, wages, annual leave and others		2,203,284	1,993,801
Long service leave		93,784	84,402
Other on-costs (Fringe Benefits Tax, Payroll Tax and WorkCover Levy)		217,793	190,857
Total Employee Expenses		2,777,399	2,505,357

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

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

3.1.2 Employee Related Provisions

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

(\$ thousand)

	2020	2019
Current Provisions: ^(a)		
Annual Leave		
Unconditional and expected to be settled within 12 months ^(b)	71,189	59,950
Long Service Leave		
Unconditional and expected to be settled within 12 months ^(b)	30,194	39,030
Unconditional and expected to be settled after 12 months ^(c)	401,143	351,274
Provisions for On-Costs:		
Unconditional and expected to be settled within 12 months ^(b)	22,477	21,791
Unconditional and expected to be settled after 12 months ^(c)	93,024	82,379
Commuted Overtime ^(d)		
Commuted overtime allowance	2,279	2,341
Total Current Provisions for Employee Benefits	620,306	556,765
Non-Current Provisions: ^(a)		
Employee benefits – conditional long service leave ^(c)	84,156	67,401
On-costs ^(c)	21,204	15,757
Deferred salary scheme ^(e)	3,801	2,631
Total Non-Current Provisions for Employee Benefits	109,161	85,789
Total Provisions for Employee Benefits	729,467	642,554

Notes:

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

(b) The amounts disclosed are nominal amounts.

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

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

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

3.1 Expenses Incurred in Delivery of Services (Cont'd)

Reconciliation of Movement in On-Cost and Commuted Overtime Provisions

(\$ thousand)

	On-Costs	Commuted Overtime	Total 2020
Opening Balance 1 July 2019	119,927	2,341	122,268
Additional provisions recognised	38,569	152	38,721
Reductions arising from payments/other sacrifices of future economic benefits	(21,791)	(214)	(22,005)
Closing Balance 30 June 2020	136,705	2,279	138,984
Current	115,501	2,279	117,780
Non-current	21,204	-	21,204
Closing Balance 30 June 2020	136,705	2,279	138,984

Wages and Salaries and Annual Leave

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

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

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

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

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

Long Service Leave

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

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

The components of this current LSL liability are measured at:

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

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

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

The Minister for Finance approved an alternative wage inflation rate of 5.2% to calculate the LSL liabilities for Sworn members from 2019–23 until the expiry of the current Enterprise Bargaining Agreement (EBA) on 30 November 2023.

The approved inflation rate for Victoria Public Servant (VPS) employees for LSL is 4.3%.

Deferred Salary Scheme

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

3.1 Expenses Incurred in Delivery of Service (Cont'd)

3.1.3 Superannuation Contributions

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

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

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

(\$ thousand)

	Contributions Paid For The Year		Contributions Outstanding At Year End	
	2020	2019	2020	2019
Defined Benefit Plans ^(a)				
Emergency Services and State Super	220,683	203,447	7,622	4,816
Subtotal	220,683	203,447	7,622	4,816
Defined Contribution Plans:				
VicSuper	19,030	18,292	602	440
Other	14,171	9,090	430	212
Subtotal	33,201	27,382	1,032	652
Total	253,884	230,829	8,654	5,468

Note:

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 Capital Asset Charge

(\$ thousand)

	2020	2019
Capital asset charge	107,357	103,720
Total Capital Asset Charge	107,357	103,720

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

3.3 Operating Expenses

(\$ thousand)

	2020	2019
Supplies and Services		
Motor vehicle expenses	48,558	43,302
Travel and accommodation	19,051	16,690
Contributions	7,292	7,521
Property rental and maintenance	82,242	141,784
- Utilities	16,554	16,640
- Property maintenance	42,152	41,270
- Lease rental ^(a)	839	61,355
- Rental outgoings and related expenses ^(a)	22,697	22,519
Computer expenses	108,119	92,977
- IT maintenance	54,679	54,854

3.3 Operating Expenses (Cont'd)

(\$ thousand)

	2020	2019
- Software licences	33,318	26,693
- Computer equipment and accessories	4,804	6,206
- Other IT services	15,318	5,224
Legal	60,074	28,077
Operational support	199,780	235,082
- Communications ^(b)	57,648	69,329
- Aviation expenses	12,757	23,713
- Professional services	57,006	59,819
- Agency services	6,495	11,712
- Mobile Data Network/Radio	37,345	43,406
- Transcription costs	2,671	2,589
- Inquiry Fees	4,623	4,413
- Others	21,235	20,102
Other operating expenses	103,777	99,865
- Equipment and office expenses	21,390	26,772
- Uniforms and personal equipment	27,768	24,319
- Incidentals ^(c)	42,825	37,199
- Forward exchange contract costs	-	54
- Prisoner supplies	2,426	2,439
- Custody centres	9,368	9,082
Subtotal for Supplies and Services	628,893	665,298
Bad debts from transactions	51	887
Ex-gratia expenses ^(d)	556	155
Total Operating Expenses	629,500	666,340

Notes:

(a) To conform with the current year's presentation following the implementation of AASB 16 Leases, the comparative 30 June 2019 balance of \$83.8 million for Rental Including Rental Under Operating Leases has been reclassified between Lease Rental of \$61.3 million and Rental Outgoings and Related Expenses of \$22.5 million respectively.

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

(c) Included in the Incidentals Expenses is the agreed audit fee of \$379,300 (2019: \$210,000) for the year ended 30 June 2020, of which \$369,300 (2019: \$345,000) was recognised in the current year.

(d) These are voluntary payments of money that are not made either to acquire goods, services or other benefits for Victoria Police or to meet a legal liability or to settle or resolve a possible legal liability of or claim against Victoria Police.

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

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

Operating Lease Payments Up Until 30 June 2019

Operating lease payments up until 30 June 2019 are recognised on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased assets.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- short-term lease – leases with a term less than 12 months; and
- low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the assets being leased) is no more than \$10,000

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive operating statement (except for payments which has been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

4. Administered Items

Introduction

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

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

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

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

Structure		Pages
4.1	Administered Items	97–98

4.1 Administered Items

Administered (Non-Controlled) Income and Expenses

For the financial year ended 30 June 2020

(\$ thousand)

	2020	2019 ^(a)
Administered Income From Transactions		
Regulatory fees and fines	30,417	30,412
Sale of goods and services	4,592	6,196
Seized and unclaimed monies	9,135	11,331
Grants	382	582
Other agency contributions	4,584	3,419
Interest income	24	56
Other income	18,168	9,466
Total Administered Income From Transactions	67,302	61,462
Administered Expenses From Transactions		
Payments into the Consolidated Fund	49,868	38,827
Payment of seized and unclaimed monies	7,970	9,967
Employee expenses	4,100	3,801
Depreciation	1	2
Other expenses	1,307	1,271
Total Administered Expenses From Transactions	63,246	53,868
Total Administered Net Result From Transactions (Net Operating Balance)	4,056	7,594
Administered Other Economic Flows Included In Administered Net Result		
Net gain/(loss) on non-financial assets	(178)	427
Other gains/(losses) from other economic flows	(6)	(7)
Administered Net Result	3,872	8,014

Administered (Non-Controlled) Assets and Liabilities

As at 30 June 2020

(\$ thousand)

	Notes	2020	2019 ^(a)
Administered Financial Assets			
Cash held at Treasury ^(b)	7.4	46,818	39,857
Receivables		12,542	8,891
Total Administered Financial Assets		59,360	48,748
Administered Non-Financial Assets			
Non-current physical assets		1	2
Total Administered Non-Financial Assets		1	2
Total Administered Assets		59,361	48,750
Administered Liabilities			
Trade creditors and accruals		404	107
Seized and Unclaimed Funds		44,937	38,333
Unearned revenue		170	-
Employee provisions		911	770
Other liabilities – Trusts		9,067	1,526
Total Administered Liabilities		55,489	40,736
Total Administered Net Assets ^(c)		3,872	8,014

Notes:

(a) The 30 June 2019 comparative balances have been restated to conform with the current year's presentation.

(b) This balance is made up of the Administered Trusts and Australia and New Zealand Policing Advisory Agency (ANZPAA) balances of \$45.0 million and \$1.8 million (2019: \$38.1 million and \$1.7 million) respectively.

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

5. Key Assets Available to Support Output Delivery

Introduction

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

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

Structure		Pages
5.1	Property, Plant and Equipment	100–105
5.2	Intangible Assets	106
5.3	Physical Asset Revaluation Surplus	107

5.1 Property, Plant and Equipment

(\$ thousand)

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2020	2019	2020	2019	2020	2019
Crown land at fair value	507,026	506,056	-	-	507,026	506,056
Buildings at fair value (excluding heritage buildings) ^(a)	1,906,669	1,150,762	290,113	178,823	1,616,556	971,938
Heritage buildings at fair value ^(b)	83,418	75,207	11,300	8,469	72,118	66,738
Plant and equipment at fair value	507,830	378,823	226,658	193,015	281,172	185,809
Assets under construction at cost	153,100	143,033	-	-	153,100	143,033
Cultural artworks at fair value	4,879	4,879	-	-	4,879	4,879
Net Carrying Amount	3,162,922	2,258,760	528,071	380,307	2,634,851	1,878,453

Notes:

(a) Leasehold improvements are included in this balance.

(b) These heritage assets cannot be modified or disposed of without formal Ministerial approval.

The following tables are subsets of buildings, and plant and equipment by right-of-use assets.

5.1(a) Total Right-of-Use Assets: Buildings, Plant, Equipment and Vehicles

(\$ thousand)

	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount 2020
Buildings	697,454	58,481	638,973
Aviation	49,641	12,487	37,154
Motor vehicles	153,702	48,994	104,708
Closing Balance – 30 June 2020	900,797	119,962	780,835

(\$ thousand)

	Buildings	Aviation	Motor Vehicles	Total
Opening balance – 1 July 2019 ^(a)	703,727	8,951	82,026	794,704
Additions	2,443	40,690	74,587	117,720
Disposals	-	-	(14,281)	(14,281)
Adjustment to carrying value of right-of-use assets	(8,716)	-	-	(8,716)
Transfers (to)/from assets classified as held for sale	-	-	(913)	(913)
Depreciation	(58,481)	(12,487)	(36,711)	(107,679)
Closing Balance – 30 June 2020	638,973	37,154	104,708	780,835

Note:

(a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019, which includes the transfer motor vehicles under a finance lease arrangement (recognised under AASB 117 at 30 June 2019) to right-of-use assets recognised under AASB 16 at 1 July 2019.

5.1(a) Total Right-of-Use Assets: Buildings, Plant, Equipment and Vehicles (Cont'd)

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost recorded is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful lives.

The initial cost for non-financial physical assets under a finance lease (under AASB 117 *Leases* until 30 June 2019) 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.

Right-of-Use Assets Acquired by Lessees (under AASB 16 Leases from 1 July 2019) – Initial Measurement

Victoria Police recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Management has determined that the right-of-use assets under leases approximates the fair value at 30 June 2020 as the rental payments are fairly stable and predictable and the available floor space is known. In our fair value assessment, management has taken into consideration the impact of the recent COVID-19 outbreak and the primary and unique function of Victoria Police and the use of its non-financial assets. As Victoria Police's non-financial assets are not influenced by consumer behaviour and there is a continued need for such essential services it provides to the public, management is of the opinion its non-financial physical assets is stated at its fair value at 30 June 2020.

Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Right-of-Use asset Acquired by Lessees – Subsequent Measurement

Victoria Police depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Non-specialised land, non-specialised buildings and cultural artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is also used for specialised land, although it is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For the majority of Victoria Police's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Heritage buildings are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Vehicles are valued using the current replacement cost method. Victoria Police acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in Victoria Police who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use is determined using the current replacement cost method.

Refer to Note 8.3 Fair Value Determination for additional information on fair value determination of property, plant and equipment.

Impairment of Property, Plant and Equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

5.1 Property, Plant and Equipment (Cont'd)

5.1.1 Depreciation and Amortisation

(\$ thousand)

	Notes	2020	2019
Depreciation of buildings (including heritage buildings)		115,247	53,085
Depreciation of plant and equipment		75,835	66,537
Amortisation of intangible assets	5.2	7,888	2,082
Total Depreciation and Amortisation		198,970	121,704

All buildings (including leasehold improvements), plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under assets held for sale and land. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over the estimated useful life.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Assets	Useful life
Buildings	1–50 years
Plant and equipment	1–40 years
Leased plant and equipment	1–3 years
Heritage assets	1–50 years
Cultural artworks	Indefinite Useful Life
Software – Internally Generated Intangible Asset	1–12 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

In the event of a loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where Victoria Police obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that Victoria Police will exercise a purchase option, Victoria Police will then depreciate the right-of-use asset over its useful life.

Indefinite Life Assets: Land and cultural assets which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Internally Generated Intangible Assets: Refer to Note 5.2 Intangible Assets.

Amortisation of Internally Generated Intangible Assets

Internally generated intangible assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The estimated useful lives, residual values and amortisation method are reviewed at the end of each annual reporting period and adjustments are made where appropriate.

5.1 Property, Plant and Equipment (Cont'd)

5.1.2 Carrying Values by 'Purpose' Groups ^(a)

(\$ thousand)

Nature Based Classification	Public Order and Safety					
	Specialised		Non-Specialised		Total	
	2020	2019	2020	2019	2020	2019
Crown land at fair value	485,163	484,259	21,863	21,798	507,026	506,057
Buildings at fair value (excluding heritage buildings)	1,584,646	934,239	31,910	30,810	1,616,555	965,049
Heritage buildings ^(b)	72,118	73,627	-	-	72,118	73,627
Plant and equipment at fair value	281,172	185,808	-	-	281,172	185,808
Assets under construction at cost	153,100	143,033	-	-	153,100	143,033
Cultural artworks at fair value	4,879	4,879	-	-	4,879	4,879
Net Carrying Amount	2,581,078	1,825,846	53,773	52,608	2,634,851	1,878,454

Notes:

(a) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets in this purpose group are further sub-categorised according to the asset's nature (i.e. buildings, plant etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

(b) These heritage assets cannot be modified nor disposed of without formal Ministerial approval.

5.1 Property, Plant and Equipment (Cont'd)

5.1.3 Reconciliation of Movements in Carrying Amounts of Property, Plant and Equipment

(\$ thousand)

	Crown land at fair value		Buildings at fair value	
	2020	2019	2020	2019
Opening Balance	506,056	459,253	1,038,676	980,253
Recognition of Right-of-Use Assets On Initial Application of AASB 16 Leases ^(b)	-	-	703,727	-
Adjusted Balance at 1 July 2019	506,056	459,253	1,742,403	980,253
Fair value of assets received free of charge or for nominal considerations	-	-	-	-
Fair value of assets recognised for first time	-	-	-	3
Fair value of assets provided free of charge or for nominal considerations	-	-	-	-
Additions	-	-	2,880	101
Adjustment to carrying value of right-of-use assets	-	-	(8,716)	-
Disposals	-	-	-	(1,418)
Transfer in/(out) of assets under construction	970	26,856	67,604	29,615
Revaluation of PPE	-	20,057	713	83,372
Transfers of assets via Contributed Capital	-	-	-	-
Transfer (to)/from Advances	-	-	-	-
Depreciation ^(a)	-	-	(115,247)	(53,085)
Transfers (to)/from assets classified as held for sale	-	(110)	-	(165)
Reclassification	-	-	(963)	-
(Over)/under capitalisation	-	-	-	-
Closing Balance	507,026	506,056	1,688,674	1,038,676

Notes:

(a) This note only discloses the total depreciation amount of \$191.1 million (2019: \$119.62 million), excluding amortisation amount of \$7.9 million (2019: \$2.08 million) for intangible assets. Refer to Note 5.1.1 Depreciation for the aggregate amount of \$199.0 million (2019: \$121.7 million) for depreciation and amortisation.

(b) In Note 5.1 (a) Total Right-of-Use Assets: Buildings, Plant, Equipment and Vehicles, the opening balance disclosed is \$794.7 million compared to \$712.7 million disclosed in this Note. The difference of \$82.0 million is due to motor vehicles previously under finance lease and disclosed separately is now being recognised as part of the this note's Plant and Equipment at Fair Value opening balance of \$185.8 million.

(\$ thousand)

	Plant and Equipment at fair value		Assets under construction at cost		Cultural artworks at fair value		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	185,809	138,374	143,033	110,124	4,879	4,879	1,878,453	1,692,883
	8,951	-	-	-	-	-	712,678	-
	194,760	138,374	143,033	110,124	4,879	4,879	2,591,131	1,692,883
	580	335	-	-	-	-	580	335
	170	2,777	718	51	-	-	888	2,831
	-	-	-	-	-	-	-	-
	131,846	61,679	114,723	144,162	-	-	249,449	205,942
	-	-	-	-	-	-	(8,716)	-
	(14,704)	(12,508)	-	-	-	-	(14,704)	(13,926)
	44,304	61,489	(114,540)	(113,464)	-	-	(1,662)	4,496
	-	-	-	-	-	-	713	103,429
	-	-	-	-	-	-	-	-
	-	-	4,687	4,869	-	-	4,687	4,869
	(75,835)	(66,536)	-	-	-	-	(191,082)	(119,621)
	(912)	194	-	-	-	-	(912)	(81)
	963	-	-	-	-	-	-	-
	-	5	4,479	(2,709)	-	-	4,479	(2,704)
	281,172	185,808	153,100	143,033	4,879	4,879	2,634,851	1,878,453

5.2 Intangible Assets

(\$ thousand)

	Capitalised Computer Software		Work-In-Progress Computer Software		Total	
	2020	2019	2020	2019	2020	2019
Gross Carrying Amount						
Opening Balance	19,257	12,303	88,228	66,537	107,485	78,840
Additions from internal development	-	-	33,443	33,088	33,443	33,088
Transfers in/(out) of assets under construction	113,862	6,886	(112,200)	(11,380)	1,662	(4,494)
Disposals	-	-	-	-	-	-
Fair value of assets recognised for first time	-	68	(68)	188	(68)	256
Other (over/under capitalisation)	-	-	(513)	(205)	(513)	(205)
Closing Balance	133,119	19,257	8,890	88,228	142,009	107,485
Accumulated Depreciation, Amortisation and Impairment						
Opening Balance	(12,060)	(9,978)	-	-	(12,060)	(9,978)
Disposals	-	-	-	-	-	-
Amortisation ^(a)	(7,888)	(2,082)	-	-	(7,888)	(2,082)
Closing balance	(19,948)	(12,060)	-	-	(19,948)	(12,060)
Net Book Value at End of Financial Year	113,171	7,197	8,890	88,228	122,061	95,425

Note:

(a) Amortisation expense is included in the line item 'depreciation and amortisation' in the Comprehensive Operating Statement and is disclosed in Note 5.1.1.

Initial Recognition

Purchased intangible assets are initially measured at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

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

Subsequent Measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 12 years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is 3 to 5 years.

Impairment of Intangible Assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairments is outlined in Note 5.1 Property, Plant and Equipment.

5.3 Physical Asset Revaluation Surplus

(\$ thousand)

	Land	Buildings	Cultural and Heritage Assets	Total
2020				
Revaluation Surplus				
Balance at beginning of financial year	404,923	456,707	4,531	866,161
Revaluation increments/(decrements) ^(a)	-	713	-	713
Balance at End of Financial Year	404,923	457,420	4,531	866,874

Note:

(a) This balance relates a correction of the prior year's managerial revaluation.

2019				
Revaluation Surplus				
Balance at beginning of financial year	384,866	373,335	4,531	762,732
Revaluation increments/(decrements)	20,057	83,372	-	103,429
Balance at End of Financial Year	404,923	456,707	4,531	866,161

Revaluations and Subsequent Measurements of Non-Financial Physical Assets

Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value. In determining the fair value of an asset other than land, it is generally based on the assets' current replacement value.

Consistent with AASB 13 *Fair Value Measurement* (AASB 13), Victoria Police determines the policies and procedures for both recurring and fair value measurements such as property, plant and equipment and for non-recurring fair value measurements such as non-financial physical assets held for sale in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions (FRDs).

All assets for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note 8.3 Fair Value Determination.

Subsequent Measurements

Non-financial physical assets are measured at fair value (AASB 13 – *Fair Value Measurement*) on a cyclical basis in accordance with the FRDs issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the government purpose classification of assets, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – changes in physical asset revaluation surplus' and accumulated in equity under the physical asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result. Conversely, net revaluation decreases are recognised immediately as other economic flows in the net results unless a credit balance exists in the physical asset revaluation surplus, to which the net revaluation decrease is recognised in 'Other economic flow – changes in physical asset revaluation surplus' to the extent of the credit balance.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

The last independent revaluation that was undertaken by the Valuer-General Victoria (VGV) was in 2015–16. On a semi-annual basis, Victoria Police monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

A managerial revaluation review of land and buildings was undertaken in 2019–20 using the indices provided by VGV. This review did not result in any revaluation of land and buildings as the net increase in its carrying amount is less than the 10% threshold required under FRD 103H *Non-Financial Physical Assets*. The last managerial revaluation undertaken was in 2018–19 with a net revaluation increase of \$103.4 million.

The land indices were released by the Valuer-General Victoria (VGV) in March 2020 and may not fully reflect the fair values as at 30 June 2020 given the valuation uncertainties of COVID-19 pandemic during the period between April to June 2020, however, in 2020–21 financial year, Victoria Police is scheduled to perform the five-yearly revaluation to be conducted by the Valuer-General Victoria. The upcoming revaluation will be based on physical inspection by VGV of Victoria Police assets and will take into account current market conditions including the impact of COVID-19.

6. Other Assets and Liabilities

Introduction

This section sets out those assets and liabilities that arose from Victoria Police's controlled operations.

Structure		Pages
6.1	Receivables	109
6.2	Derivative Financial Instruments	110
6.3	Payables	111
6.4	Other Non-Financial Assets	111
6.5	Other Provisions	112

6.1 Receivables

(\$ thousand)

	Notes	2020	2019
Contractual			
Sale of goods and services		3,495	2,035
Other receivables		18,190	12,543
Provision for doubtful contractual receivables		(2,407)	(2,412)
Derivatives financial instruments	8.1.3	1,136	-
Statutory			
Amounts due from the Victorian Government ^(a)		581,449	460,387
GST input tax credit recoverable		2,470	2,282
Total Receivables		604,333	474,835
Represented by:			
Current receivable		456,805	388,593
Non-current receivable		147,528	86,242
Total Receivables		604,333	474,835

Note:

(a) Amounts owing from the Victorian Government relates to all funding commitments incurred, which are drawn through grants from the Consolidated Funds as they fall due.

Contractual receivables are classified as financial instruments and categorised as financial assets at amortised costs. They are initially recognised at fair value plus any directly attributable transaction costs. Victoria Police holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Victoria Police applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Doubtful debts: Victoria Police records the allowance for expected credit loss by applying AASB 9's Expected Credit Loss approach. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

A provision is made if there is an expected credit loss by applying AASB 9's Expected Credit Loss approach.

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

6.2 Derivative Financial Instruments

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income (OCI) and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Victoria Police designates only the change in fair value of the spot element of forward exchange contracts and forward exchange options as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts and forward exchange options (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). Victoria Police has established a hedge ratio of 1:1 for the hedging relationship as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, Victoria Police uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- differences in the timing of the cash flows of the hedged items and hedging instruments;
- different indexes (and accordingly different curves) linked to the hedged items and hedging instruments;
- the counter parties' credit risk differently impacting the fair value movements of the hedged items and hedging instruments;
- changes to the forecasted amount of cash flows of the hedges items and hedging instruments.

The hedged item in the derivative financial instruments relates to a highly probable monthly USD cash outflow identified in the RW Aircraft Supply and Support Agreement (Agreement) which is for a term of 10 years commencing in 2020–21. The assessment of highly probable USD cash outflows has been undertaken through an analysis of flying hours that will be undertaken during the term of the Agreement. The risk that is being hedged is the foreign currency exposure as the payments are made in USD.

Victoria Police did not have any forecast transaction for which cash flow hedge accounting had been used in the previous period.

6.3 Payables

(\$ thousand)

	Notes	2020	2019
Contractual			
Supplies and services		70,210	68,289
Amounts payable to government and agencies		1,219	2,554
Other payables		76,054	51,956
Derivatives financial instruments	8.1.3	6,805	-
Statutory			
Payroll tax payable		8,193	7,058
Other payables		354	296
Total Payables		162,835	130,153
<i>Represented by:</i>			
Current payables		156,512	130,153
Non-current payables		6,323	-
Total Payables		162,835	130,153

Payables consist of:

- **contractual payables** classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Victoria Police prior to the end of the financial year that are unpaid. Victoria Police's exposure to liquidity risk is deemed insignificant based on prior periods data and current assessment of risk. The carrying amount of the contractual financial liabilities recorded above represents Victoria Police's maximum exposure to liquidity risk; and
- **statutory payables** are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. However, in April 2020 the State Premier announced that all supplier invoices effective from the announcement date are to be paid within 10 business days.

The terms and conditions in relation to the amounts payable to the government and agencies vary according to the particular agreements. As they are not legislative payables, they are not classified as financial instruments.

Please refer to Note 8.1.3 Financial Risk Management Objectives and Policies for Maturity Analysis of Contractual Financial Liabilities and Borrowings.

6.4 Other Non-Financial Assets

(\$ thousand)

	2020	2019
Current Other Assets		
Advances paid to the Department of Treasury and Finance	8,151	12,837
Prepayments	25,488	23,950
Total Current Other Assets	33,639	36,787
Non-Current Other Assets		
Prepayments	2,124	3,918
Total Non-Current Other Assets	2,124	3,918
Total Other Assets	35,763	40,705

Advances paid to the Department of Treasury and Finance are payments for services to be provided for the acquisition of land and buildings on behalf of Victoria Police.

Prepayments represent payments made in advance of receipt of goods or services or the payments made for services covering a term extending beyond that financial accounting period.

6.5 Other Provisions

(\$ thousand)

	2020	2019
Current Provisions		
Other provisions	-	647
Make-good provision	5,689	3,406
Total Current Provisions	5,689	4,053
Non-Current Provisions		
Make-good provision	5,842	4,254
Total Non-Current Provisions	5,842	4,254
Total Other Provisions	11,531	8,307

Other provisions are recognised when Victoria Police has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

Reconciliation of Movements in Other Provisions

(\$ thousand)

	Make-Good	Other	Total
Current			
Opening balance	3,406	647	4,053
Additional provisions recognised	2,283	(516)	1,767
Reversal of provisions	-	516	516
Reductions arising from payments/other sacrifices of future economic benefits		(647)	(647)
Total Current Provisions	5,689	-	5,689
Non-Current			
Opening balance	4,254	-	4,254
Additional provisions recognised	1,728	-	1,728
Reversal of provisions	(140)	-	(140)
Total Non-Current Provisions	5,842	-	5,843
Closing Balance	11,531	-	11,531

When some or all of the economic benefits that are required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Make-Good Provision: Properties occupied by Victoria Police are subject to make-good costs (where applicable) when vacated at the termination of the lease. The make-good provision is recognised in accordance with the lease agreement for these properties.

7. Financing our Operations

Introduction

This section provides information on the sources of finance utilised by Victoria Police during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Victoria Police.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 8.1 Financial Instruments Specific Disclosures and Note 8.3 Fair Value Determination provides additional, specific financial instrument disclosures.

Structure		Pages
7.1	Borrowings	114
7.2	Leases	114–115
7.3	Cash Flow Information and Balances	116
7.4	Trust Account Balances	116–118
7.5	Capital Structure	118
7.6	Commitments for Expenditure	119

7.1 Borrowings

(\$ thousand)

	2020	2019
Current Borrowings		
Lease liabilities ^(a)	85,259	47,599
Total Current Borrowings	85,259	47,599
Non-Current Borrowings		
Lease liabilities ^(a)	715,975	35,468
Total Non-Current Borrowings	715,975	35,468
Total Borrowings	801,234	83,067

Note:

(a) For the motor vehicles leased, they are secured by the assets leased. In the event of a default, the leased assets revert to the lessor.

Borrowings refer to interest bearing liabilities arising from finance lease arrangements.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Please refer to Note 8.1.3 Financial Risk Management Objectives and Policies for Maturity Analysis of Contractual Financial Liabilities.

Interest Expense

(\$ thousand)

	2020	2019
Interest on lease liabilities	25,348	2,079
Total Interest Expense	25,348	2,079

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

7.2 Leases

7.2.1 Leases

Information about leases for which Victoria Police is a lessee is presented below.

Victoria Police leases various properties and motor vehicles. The lease contracts are typically made for fixed periods of 1–30 years with an option to renew the lease after that date. Depending on the lease contract terms, property lease payments are usually renegotiated every 5 years to reflect the market rentals.

7.2.1 (a) Short-Term Lease (Lease term of 12 months or less)

At 30 June 2020, Victoria Police had no commitments to any short-term leases.

7.2.1 (b) Right-of-Use Assets

Right-of-use assets are presented in Note 5.1(a).

7.2.1 (c) Amounts Recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

(\$ thousand)

	2020
Interest expense on lease liabilities	25,348
Expenses relating to short-term leases	839
Expenses relating to leases of low-value assets	-
Income from subleasing right-of-use assets	-
Total Amount Recognised in the Comprehensive Operating Statement	26,187

7.2 Leases (Cont'd)

7.2.1 (d) Amounts Recognised in the Cash Flow Statement

The following amounts are recognised in the Statement of Cash Flows for the year-ended 30 June 2020 relating to leases:

	(\$ thousand)
	2020
Total cash outflow for leases	103,514

For any new contracts entered into on or after 1 July 2019, Victoria Police considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, Victoria Police assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Victoria Police and for which the supplier does not have substantive substitution rights;
- Victoria Police has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Victoria Police has the right to direct the use of the identified asset throughout the period of use; and
- Victoria Police has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of Lease and Non-Lease Components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and Measurement of Leases as a Lessee (under AASB 16 Leases from 1 July 2019)

Lease Liability – Initial Measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the incremental borrowing rate as provided by the Department of Treasury and Finance (DTF).

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-Term Leases and Leases of Low Value Assets

Victoria Police has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Below Market/Peppercorn Lease

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally by the organisation to further its objectives, are initially and subsequently measured at cost. As at 30 June 2020, Victoria Police has no below market/peppercorn lease.

Presentation of Right-of-Use Assets and Lease Liabilities

Victoria Police presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the Balance Sheet. Lease liabilities are presented as 'borrowings' in the Balance Sheet.

Recognition and Measurement of Leases (under AASB 117 Leases until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Leases of property, plant and equipment where Victoria Police as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the Comprehensive Operating Statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in Victoria Police's balance sheet. Operating lease payments were recognised as an operating expense in the Comprehensive Operating Statement on a straight-line basis over the lease term.

7.3 Cash Flow Information and Balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	(\$ thousand)	
	2020	2019
Cash and term deposits ^(a)	1,448	797
Funds held in trust ^(b)	47,825	45,155
Balance as per Cash Flow Statement	49,273	45,952

Notes:

(a) The term deposits held during the year were bearing a weighted average interest rate of 0.69% (2019: 1.81%).

(b) These are monies provided by outside organisations for special purpose projects related to the normal operating activities of Victoria Police. The funds can only be used for those purposes and each trust fund has a nominated trustee. The funds are held in a suspense account at the Department of Treasury and Finance on behalf of Victoria Police.

Due to Victoria State's investment policy and funding arrangements, Victoria Police does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into Victoria State's bank account ('public account'). Similarly, any expenditure, including in the form of cheques drawn for Victoria Police to its suppliers and creditors are made via the public account. The public account remits to Victoria Police the cash required upon presentation of cheques by Victoria Police's suppliers or creditors.

These funding arrangements often result in Victoria Police having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the reporting date. As at 30 June 2020, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$343,435 (2019: \$457,670).

7.3.1 Reconciliation of net result for the year to cash flow from operating activities

		(\$ thousand)	
	Notes	2020	2019
Net result for the year		9,883	(30,336)
Non-Cash Movements			
(Gain)/loss on sale or disposal of non-current assets	9.1	(10,868)	(6,611)
Depreciation and amortisation of non-current assets	5.1.1	198,970	121,704
Plant and equipment received free of charge or for nominal consideration	2.1	(580)	(335)
Assets recognised for first time	9.1	(821)	(3,087)
Other non-cash movements		5,707	24,367
Movements in Assets and Liabilities			
(Increase)/decrease in receivables		(128,968)	11,330
(Increase)/decrease in prepayments		(1,878)	(1,890)
(Increase)/decrease in inventories		883	14
Increase/(decrease) in payables		24,454	17,730
Increase/(decrease) in provisions		80,459	57,280
Net Cash Flows From/(Used In) Operating Activities		177,241	190,166

7.4 Trust Account Balances

Victoria Police has responsibility for the transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by Victoria Police.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

7.4 Trust Account Balance (Cont'd)

Trust Account Balances Relating to Trust Accounts Controlled and/or Administered by Victoria Police

(\$ thousand)

Cash and cash equivalents and investments		2020				2019			
		Opening Balance	Total Receipts	Total Payments	Closing Balance	Opening Balance	Total Receipts	Total Payments	Closing Balance
Controlled Trusts									
4165	Departmental Suspense Account <i>To record donations and grants to Victoria Police as required by the Financial Management Act 1994.</i>	40,961	30,066	(27,878)	43,149	37,392	19,063	(15,494)	40,961
4288	FBT Trust Account <i>To record the receipt of fringe benefits tax deducted from executive salaries and repayments of FBT from drivers of novated lease vehicles when FBT obligations have not been met through scheduled payroll deductions. The funds are disbursed to the Australian Taxation Office.</i>	510	243	(37)	716	418	186	(94)	510
4700	Traffic Accident Info System Trust Account <i>To record transactions relating to the operations of the traffic accident information system, which was established to coordinate the distribution of accident data to agencies responsible for road traffic programs and the administration of road accident legislation.</i>	3,599	855	(581)	3,873	2,986	1,181	(568)	3,599
4740	Inter Departmental Transfer Trust <i>To record inter-departmental transfers when no other trust arrangement exists.</i>	85	5	(3)	87	81	309	(305)	85
Total Controlled Trusts ^(b)		45,155	31,169	(28,499)	47,825	40,878	20,739	(16,461)	45,155
Administered Trusts									
4165	Departmental Suspense Account <i>Under the Financial Management Act 1994 to record the receipt and disbursement of seized and unclaimed money.</i>	37,011	18,936	(12,263)	43,684	29,558	20,747	(13,294)	37,011
4742	Treasury Trust Fund <i>Under the Financial Management Act 1994 to record the receipt and disbursement of unclaimed and unidentified money (unpresented cheques, surplus cash).</i>	1,314	8,527	(8,581)	1,260	1,127	10,891	(10,704)	1,314
4765	Public Service Commuter Club ^(a) <i>Under the Financial Management Act 1994 to record the receipt of amounts associated with the scheme and deductions from Club members' salaries as well as recording payment to the Public Transport Corporation.</i>	(191)	751	(531)	29	(179)	732	(745)	(191)
Total Administered Trusts ^(c)		38,134	28,214	(21,375)	44,973	30,506	32,371	(24,742)	38,134

Notes:

(a) The Public Service Commuter Club surplus balance at 30 June 2020, relates to the movement between the purchase of travel tickets and reimbursement from employees. The trust's working capital is funded by the Department of Treasury and Finance.

(b) The closing balance forms part of Victoria Police's cash balances as at 30 June 2020.

(c) The closing balance does not form part of Victoria Police's cash balances as at 30 June 2020.

7.4 Trust Account Balance (Cont'd)

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

(\$ thousand)

Cash and cash equivalents and investments	2020				2019			
	Opening Balance	Total Receipts	Total Payments	Closing Balance	Opening Balance	Total Receipts	Total Payments	Closing Balance
4057 Australia and New Zealand Policing Advisory Agency <i>Under the Financial Management Act 1994 for contributions from various police organisations throughout Australia and New Zealand.</i>	1,723	5,802	(5,680)	1,845	1,467	5,788	(5,532)	1,723
Total Third Party Funds Under Management ^(a)	1,723	5,802	(5,680)	1,845	1,467	5,788	(5,532)	1,723

Note:

The closing balance does not form part of Victoria Police's cash balances as at 30 June 2020.

7.5 Capital Structure

7.5.1 Contributed capital

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 to or distributions by owners have also been designated as contributions by owners. Please refer to the Statement of Changes in Equity for details of movement in Contributed Capital during the financial year.

7.5.2 Cash flow hedge reserve

Foreign currency translation differences are recognised in the cash flow hedge reserves in the Statement of Changes in Equity in the period in which they arise.

Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in Statement of Changes in Equity and accounted for similarly to gains or losses in the hedging reserve.

7.6 Commitments For Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of the Goods and Services Tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.

7.6.1 Total commitments payable

(\$ thousand)

Nominal amounts 2020	Less than 1 year	1 – 5 years	5+ years	Total
Capital expenditure commitments payables				
Plant and equipment	7,319	7,354	-	14,673
Buildings	60,131	-	-	60,131
Lease commitments payables				
Buildings ^(a)	36,262	164,960	1,835,259	2,036,481
Land ^(b)	1,189	4,870	16,574	22,633
Aviation ^(c)	14,098	63,566	49,467	127,131
Derivative financial instruments ^(d)	8,663	52,462	45,175	106,300
Other commitments payables	201,846	224,648	131,792	558,286
Total Commitments (inclusive of GST)	329,508	517,860	2,078,267	2,925,635
Less GST Recoverable				(265,967)
Total Commitments (exclusive of GST)				2,659,668
2019	Less than 1 year	1 – 5 years	5+ years	Total
Capital expenditure commitments payables				
Plant, equipment and motor vehicles	8,022	14,673	-	22,695
Buildings	2,835	169	-	3,004
Operating lease commitments payables	81,314	355,093	2,300,650	2,737,057
Other commitments payables	220,238	363,930	242,211	826,379
Total Commitments (inclusive of GST)	312,409	733,865	2,542,861	3,589,134
Less GST Recoverable				(326,285)
Total Commitments (exclusive of GST)				3,262,850

Notes:

(a) This balance relates to the new Victoria Police Complex at 311 Spencer Street. This lease was not recognised as part of the lease liabilities under AASB 16 Leases (AASB 16) as the recognition criteria as at 30 June 2020 was not met as the Practical Completion date was only achieved on 9 July 2020. This lease will form part of the lease liabilities disclosure under AASB 16 for the financial year ending 30 June 2021. Please refer to Note 9.6 Subsequent Events for further details.

(b) This balance relates to the lease of land at Avalon Airport. This lease was not recognised as part of the lease liabilities under AASB 16 Leases (AASB 16) as the recognition criteria as at 30 June 2020 was not met as the Practical Completion date was only achieved on 31 July 2020. This lease will form part of the lease liabilities disclosure under AASB 16 for the financial ending 30 June 2021.

(c) This balance relates to the leasing of fixed and rotary wing aircraft where the lease commences during the 2020–21 financial year.

(d) The hedged item in the derivative financial instruments relates to a highly probable monthly USD cash outflows identified in the RW Aircraft Supply and Support Agreement (Agreement) which is for a term of 10 years commencing in 2020–21. The assessment of a highly probable USD cash outflow has been undertaken through an analysis of flying hours that will be undertaken during the term of the Agreement. The risk that is being hedged is the foreign currency exposure as the payments are made in USD.

8. Risks, Contingencies and Valuation Judgements

Introduction

Victoria Police is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Victoria Police relates mainly to fair value determination.

Structure		Pages
8.1	Financial Instruments Specific Disclosures	121–130
8.2	Contingent Liabilities and Contingent Assets	131
8.3	Fair Value Determination	132–139

8.1 Financial Instruments Specific Disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Victoria Police's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Guarantees issued by the Treasurer of Victoria on behalf of Victoria Police are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Victoria Police to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Victoria Police recognises the following assets in this category:

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

Financial assets at fair value through Other Comprehensive Income

Debt investments are measured at fair value through Other Comprehensive Income if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Victoria Police to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

Equity investments are measured at fair value through Other Comprehensive Income if the assets are not held for trading and Victoria Police has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in Other Comprehensive Income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to Comprehensive Operating Statement. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings. Victoria Police does not have any debt or equity instruments measured at fair value through Other Comprehensive Income.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through Other Comprehensive Income as explained above.

However, as an exception to those rules above, Victoria Police may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Victoria Police does not have any debt or equity instruments measured at fair value through net results.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Comprehensive Operating Statement over the period of the interest-bearing liability, using the effective interest rate method. Victoria Police recognises the following liabilities in this category:

- payables (excluding statutory payables) – refer to Note 6.3 Payables; and
- borrowings (including lease liabilities) – refer to Note 7.1 Borrowings.

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, Victoria Police has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Victoria Police does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

8.1 Financial Instruments Specific Disclosures (Cont'd)

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Victoria Police retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Victoria Police has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where Victoria Police has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Victoria Police's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'Other Economic Flow' in the Comprehensive Operating Statement.

Reclassification of financial instruments: Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net results, fair value through Other Comprehensive Income and amortised cost when and only when the Victoria Police's business model for managing financial assets has changed such that its previous model would no longer apply.

Victoria Police is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and it is required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

8.1.1 Financial Instruments: Categorisation

(\$ thousand)

2020	Notes	Cash and deposits	Derivatives designated in hedge relationship – FVTPL	Contractual financial assets at amortised cost	Contractual financial liabilities at amortised cost	Total
Contractual Financial Assets						
Cash and deposits	7.3	49,273	-	-	-	49,273
Receivables^(a)						
Sale of goods and services	6.1	-	-	1,088	-	1,088
Other receivables	6.1	-	-	18,190	-	18,190
Derivative financial instruments	6.1	-	1,136	-	-	1,136
Total Contractual Financial Assets		49,273	1,136	19,278	-	69,687
Contractual Financial Liabilities						
Payables^(a)						
Supplies and services	6.3	-	-	-	70,210	70,210
Amounts payable to government and agencies	6.3	-	-	-	1,219	1,219
Other payables	6.3	-	-	-	76,054	76,054
Derivative financial instruments	6.3	-	6,805	-	-	6,805
Borrowings						
Lease liabilities	7.1	-	-	-	801,234	801,234
Total Contractual Financial Liabilities		-	6,805	-	948,717	955,522

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

8.1 Financial Instruments Specific Disclosures (Cont'd)

8.1.1 Financial Instruments: Categorisation (Cont'd)

(\$ thousand)

2019	Notes	Cash and deposits	Derivatives designated in hedge relationship – FVTPL	Contractual financial assets at amortised cost	Contractual financial liabilities at amortised cost	Total
Contractual Financial Assets						
Cash and deposits	7.3	45,952	-	-	-	45,952
Receivables ^(a)						
Sale of goods and services	6.1	-	-	1,981	-	1,981
Other receivables	6.1	-	-	10,185	-	10,185
Total Contractual Financial Assets		45,952	-	12,166	-	58,118
Contractual Financial Liabilities						
Payables ^(a)						
Supplies and services	6.3	-	-	-	68,289	68,289
Amounts payable to government and agencies	6.3	-	-	-	2,554	2,554
Other payables	6.3	-	-	-	51,956	51,956
Borrowings						
Lease liabilities	7.1	-	-	-	83,067	83,067
Total Contractual Financial Liabilities		-	-	-	205,866	205,866

Notes:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

(b) There are no comparative balances as the financial year ended 30 June 2020 was the first year Victoria Police had entered into a hedging contract.

8.1.2 Financial Instruments: Net Holding Gain/(Loss) in Financial Instruments Category

(\$ thousand)

2020	Net holding gain/(loss)	Fee income (expense)	Total
Contractual Financial Assets			
Financial assets at amortised costs	-	-	-
Financial derivatives at fair value through profit and loss	-	(999)	(999)
Total Contractual Financial Assets	-	(999)	(999)
Contractual Financial Liabilities			
Financial liabilities at amortised costs	-	-	-
Financial derivatives at fair value through profit and loss ^(a)	(5,391)	(1,414)	(6,805)
Total Contractual Financial Liabilities	(5,391)	(1,414)	(6,805)

8.1 Financial Instruments Specific Disclosures (Cont'd)

8.1.2 Financial Instruments: Net Holding Gain/(Loss) in Financial Instruments Category (Cont'd)

(\$ thousand)

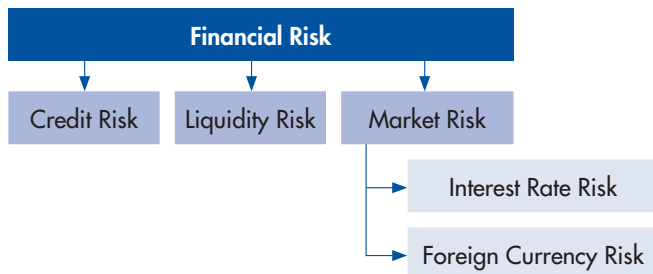
2019	Net holding gain/(loss)	Fee income (expense)	Total
Contractual Financial Assets			
Financial assets at amortised costs	-	-	-
Total Contractual Financial Assets	-	-	-
Contractual Financial Liabilities			
Financial liabilities at amortised costs ^(a)	66	(54)	12
Financial liabilities designated at fair value through the operating statement	-	-	-
Total Contractual Financial Liabilities	66	(54)	12

Notes:

- (a) For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.
- (b) For financial asset and liabilities that are measured at or designated at fair value through equity, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.
- (c) There are no comparative balances as the financial year ended 30 June 2020 was the first year Victoria Police had entered into a hedging contract.

8.1.3 Financial Risk Management Objectives and Policies

As a whole, Victoria Police's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. Victoria Police is exposed to a number of financial risks, including:



Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.3 Fair Value Determination to the financial statements.

The main purpose in holding financial instruments is to prudentially manage Victoria Police's financial risks within the government policy parameters.

Victoria Police's main financial risks include credit risk, liquidity risk, and interest rate risk. Victoria Police manages these financial risks in accordance with its financial risk management policy.

Victoria Police uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Chief Finance Officer.

Financial Instruments: Credit Risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Victoria Police's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Victoria Police. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Victoria Police's contractual financial assets is minimal as the main debtor is the Victorian Government. For debtors other than the Victorian Government, it is Victoria Police's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements where appropriate.

In addition, Victoria Police does engage in hedging some of its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Victoria Police's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Victoria Police will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debts written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Victoria Police's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Victoria Police's credit risk profile in 2019–20.

8.1 Financial Instruments Specific Disclosures (Cont'd)

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

Credit Quality of Financial Assets

(\$ thousand)

	Notes	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
2020					
Cash and deposits	7.3	1,010	48,263	-	49,273
Derivatives financial instruments	6.1	-	1,136	-	1,136
Statutory receivables	6.1	-	583,919	-	583,919
Contractual receivables applying the simplified approach to impairment	6.1	-	19,148	130	19,278
Total Contractual Financial Assets		1,010	652,466	130	653,606

Credit Quality of Contractual Financial Assets that are Neither Past Due Nor Impaired ^(a)

(\$ thousand)

	Notes	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
2019					
Cash and deposits	7.3	395	45,557	-	45,952
Statutory receivables	6.1	-	462,669	-	462,669
Contractual receivables applying the simplified approach to impairment	6.1	2	11,955	208	12,165
Total Contractual Financial Assets		397	520,181	208	520,786

Note:

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

Impairment of financial assets under AASB 9 Financial Instruments (AASB 9)

Victoria Police records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes Victoria Police's contractual receivables and statutory receivables. The identified impairment loss was immaterial.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB 15 *Revenue from Contract with Customers* are also subject to impairment however it is immaterial.

Contractual receivables at amortised cost

Victoria Police applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Victoria Police has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on

Victoria Police's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

In applying AASB 9's simplified approach to measure the expected credit losses, Victoria Police has determined that allowance was immaterial on application of AASB 9.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are written off by mutual consent.

Statutory receivables at amortised cost

Victoria Police's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

8.1 Financial Instruments Specific Disclosures (Cont'd)

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

The statutory receivables are considered to have low credit risk, taking into account the counter party's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance was recognised.

Financial Instruments: Liquidity Risk

Liquidity risk arises from Victoria Police being unable to meet its financial obligations as they fall due. Victoria Police operates under the Victorian Government's fair payment policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Victoria Police is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the Balance Sheet and the amounts related to financial guarantees.

Victoria Police manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

Victoria Police's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. Cash for unexpected events is generally sourced from making a request to the Treasury Corporation of Victoria (TCV). The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents Victoria Police's maximum exposure to liquidity risk.

Maturity Analysis of Contractual Financial Liabilities ^(a)

(\$ thousand)

2020	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	1 – 5 Years
Payables ^(b)						
Supplies and services (Note 6.3)	70,210	70,210	65,300	3,067	1,753	90
Amounts payable to government and agencies (Note 6.3)	1,219	1,219	577	389	253	-
Other payables (Note 6.3)	76,054	76,054	76,054	-	-	-
Derivative financial instruments (Note 6.3) ^(c)	6,805	6,805	48	96	338	6,323
Borrowings						
Lease liabilities (Note 7.1)	801,234	1,123,174	19,186	22,904	69,020	1,012,064
Total Contractual Financial Liabilities	955,522	1,277,462	161,165	26,456	71,364	1,018,477

2019	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	1 – 5 Years
Payables ^(b)						
Supplies and services (Note 6.3)	68,289	68,289	67,892	397	-	-
Amounts payable to government and agencies (Note 6.3)	2,554	2,554	1,431	55	1,068	-
Other payables (Note 6.3)	51,956	51,956	51,956	-	-	-
Borrowings						
Lease liabilities (Note 7.1)	83,067	85,710	12,548	6,723	30,039	36,400
Total Contractual Financial Liabilities	205,866	208,509	133,827	7,175	31,107	36,400

Notes:

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

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

(c) There are no comparative balances as the financial year ended 30 June 2020 was the first year Victoria Police had entered into a hedging contract.

8.1 Financial Instruments Specific Disclosures (Cont'd)

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

Financial Instruments: Market Risk

Victoria Police's exposures to market risk is primarily through interest rate risk and foreign currency risk. Victoria Police's exposure to other financial price risks is insignificant. These liabilities relate to the leasing arrangements. As the interest rates applied to these leasing arrangements are not variable or floating in nature, they are not subject to a sensitivity analysis. With reference to the VicFleet leases only, the adjustment to the interest rate that is made upon the settlement of such leases is regarded as a recovery by the lessor of their borrowing costs. Hence the underlying interest rates in these leases are based on fixed interest rate exposure.

Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Victoria Police does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Victoria Police has minimal exposure to cash flow interest rate risks through cash and term deposits that are at floating rate as the balance held at 30 June 2020 is immaterial at \$3.9 million.

Victoria Police manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank as financial assets, can be left at floating rate without necessarily exposing Victoria Police to significant bad risk. Management monitors movement in interest rates on a regular basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the tables below.

Interest Rate Exposure of Financial Instruments

(\$ thousand)

2020	Notes	Interest rate exposure				
		Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial Assets						
Cash and deposits (including cash equivalents)	7.3	0.70%	49,273		3,895	45,378
Receivables ^(a)						
Sale of goods and services (net of doubtful receivables)	6.1		1,088	-	-	1,088
Other receivables (net of doubtful receivables)	6.1		18,190	-	-	18,190
Total Financial Assets			68,551	-	3,895	64,656
Financial Liabilities						
Payables ^(a)						
Supplies and services	6.3		70,210	-	-	70,210
Amounts payable to government and agencies	6.3		1,219	-	-	1,219
Other payables	6.3		76,054	-	-	76,054
Borrowings						
Lease liabilities	7.1	2.35%	801,234	801,234	-	-
Total Financial Liabilities			948,717	801,234	-	147,483

Note:

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

8.1 Financial Instruments Specific Disclosures (Cont'd)

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

(\$ thousand)

2019	Notes	Interest rate exposure				
		Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial Assets						
Cash and deposits (including cash equivalents)	7.3	1.81	45,952		3,610	42,342
Receivables ^(a)						
Sale of goods and services (net of doubtful receivables)	6.1		1,986	-	-	1,986
Other receivables (net of doubtful receivables)	6.1		10,180	-	-	10,180
Total Financial Assets			58,118	-	3,610	54,508
Financial Liabilities						
Payables ^(a)						
Supplies and services	6.3		68,289	-	-	68,289
Amounts payable to government and agencies	6.3		2,554	-	-	2,554
Other payables	6.3		51,956	-	-	51,956
Borrowings						
Lease liabilities ^(b)	7.1	3.15	83,067	83,067	-	-
Total Financial Liabilities			205,866	83,067	-	122,799

Notes:

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

(b) This balance only relates to motor-vehicles under finance lease that was disclosed in the prior year's financial statements as AASB 16 Leases only came into effect from 1 July 2019.

Interest Rate Sensitivity Analysis

As Victoria Police's exposure to interest rate risk sensitivity is deemed insignificant as the cash and deposit balance subject to interest rate sensitivity for the current year is \$3.9 million (2019: \$3.6 million). As such no interest rate risk sensitivity analysis was performed for 2019–20.

Foreign Currency Risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. There are no non-monetary assets carried at fair value that are denominated in foreign currencies.

Victoria Police is exposed to foreign currency risk mainly through payables relating to purchases of supplies and consumables from overseas as well of leasing of aviation aircraft and related services. For the purchase of supplies and consumables from overseas, there are only limited amount of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement, therefore risk is minimal and immaterial.

However, with regard to the RVW Aircraft Supply and Support Agreement (Agreement), Victoria Police has also entered into forward foreign exchange options to hedge foreign currency risk exposure associated with lease liability in US dollars estimated based on the estimated flying hours. For the cost of the flying hours, 95% is hedged of which 80% is through forward exchange contracts and 15% is through forward exchange options. The derivative contracts are for a term of 10 years ending 30 August 2030.

8.1 Financial Instruments Specific Disclosures (Cont'd)

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

Foreign Exchange Sensitivity Analysis

(\$ thousand)

2020	Notes	Carrying amount	-5%		+5%	
			Net result	Fair value through OCI	Net result	Fair value through OCI
Contractual Financial Assets						
Derivative financial instruments ^(a)	Note 6.1	1,136	-	-	-	-
Total Impact		1,136	-	-	-	-
Contractual Financial Liabilities						
Derivative financial instruments ^(a)	Note 6.3	6,805	-	(4,575)	-	4,139
Total Impact		6,805	-	(4,575)	-	4,139

Note:

There are no comparative balances for this note as the financial year ended 30 June 2020 was the first year Victoria Police had entered into a hedging contract.

Cash Flow Hedges

As at 30 June 2020, Victoria Police held the following instruments to hedge exposures to changes in foreign currencies.

(\$ thousand)

2020	Maturity		
	1 – 6 Months	6 – 12 Months	More than 1 Year
Foreign Currency Risk			
Forward Exchange Contracts (Nominal Value)			
AUD equivalent of net exposure to USD	3,149	4,726	88,761
Average AUD:USD forward contract rate	0.64	0.64	0.63

Note:

There are no comparative balances for this note as the financial year ended 30 June 2020 was the first year Victoria Police had entered into a hedging contract.

The amounts at reporting date relating to items designated as hedged items were as follows:

(\$ thousand)

2020	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
Foreign Currency Risk				
Forward Exchange Contracts				
Supply of services	(7,804)	(5,391)	(2,413)	-

Note:

There are no comparative balances for this note as the financial year ended 30 June 2020 was the first year Victoria Police had entered into a hedging contract.

8.1 Financial Instruments Specific Disclosures (Cont'd)

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

Financial Instruments: Market Risk (cont'd)

Cash Flow Hedges (cont'd)

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

(\$ thousand)

2020	Hedging reserve	Cost of hedging reserve	Total
Balance at 1 July 2019	-	-	-
Cash Flow Hedges			
Effective portion of changes in fair value:			
Financial instruments assets	-	(999)	(999)
Financial instruments liability	(5,391)	(1,414)	(6,805)
Amount reclassified to Comprehensive Operating Statement:			
Foreign currency risk – other items	-	-	-
Amount included in the cost of non-financial items:			
Foreign currency risk – services rendered	-	-	-
Balance at 30 June 2020	(5,391)	(2,413)	(7,804)

Note:

There are no comparative balances for this note as the financial year ended 30 June 2020 was the first year Victoria Police had entered into a hedging contract.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

2020	Note	Carrying Amount		Line item in the Balance Sheet where the hedging instrument is included	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in Comprehensive Operating Statement	Line item in Comprehensive Operating Statement that includes hedge ineffectiveness
		Assets	Liabilities				
	6.1	1,136		Receivables		-	Not applicable
	6.3		6,805	Payables	5,391	-	Not applicable
Total		1,136	6,805		5,391		

Continuation of table from above

2020	Note	Cost of hedging recognised in OCI	Hedging Reserves in OCI	Amount from hedging reserve transferred to cost of service rendered	Amount from cost of hedging transferred to cost of service rendered	Amount reclassified from hedging reserve to Comprehensive Operating Statement	Amount reclassified from cost hedging reserve to Comprehensive Operating Statement	Line item in Comprehensive Operating Statement that is affected by the reclassification
	6.1	999	999	-	-	-	-	Not applicable
	6.3	1,414	6,805	-	-	-	-	Not applicable
Total		2,413	7,804	-	-	-	-	

Note:

There are no comparative balances for this note as the year-ended 30 June 2020 was the first year Victoria Police had entered into the hedging contract.

8.2 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

No contingent assets have been recognised for the year ended 30 June 2020 (2019: Nil).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligation cannot be measured with sufficient reliability.

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

Non-quantifiable contingent liabilities

Non-quantifiable contingent liabilities include potential obligations arising from indemnities provided in relation to transactions (including financial arrangements and consultancy services) as well as for directors and administrators, performance guarantees, warranties and letters of comfort, deeds in respect of certain obligations and unclaimed monies, which may be subject to future claims by the general public against the Victoria State.

The Royal Commission into the Management of Police Informants commenced hearings in February 2019. The Commissioner presented a Progress Report to the Governor of Victoria on 1 July 2019. In May 2020 the time for the Commission to hand its report and recommendations to the Governor was extended until 30 November 2020. Victoria Police anticipates it may receive claims for compensation. Victoria Police will assess any litigation as it arises.

Quantifiable contingent liabilities	(\$ thousand)	
	2020	2019
Legal proceedings and disputes ^(a)	42,348	34,190
Total Contingent Liabilities	42,348	34,190

Note:

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

8.3 Fair Value Determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Victoria Police.

This section sets out information on how Victoria Police determines fair value for financial reporting purposes. Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through the Comprehensive Operating Statement;
- land, buildings, infrastructure, plant and equipment; and
- right-of-use assets.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

Victoria Police determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair Value Hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Victoria Police determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Victoria Police's independent valuation agency. Victoria Police, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1 Fair Value Determination of Financial Assets and Liabilities) and non-financial physical assets (refer to Note 8.3.2 Fair Value Determination – Non-Financial Physical Assets).

8.3.1 Fair Value Determination of Financial Assets and Liabilities

The fair value of financial assets and liabilities are determined as follows:

Level 1 – The fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 – The fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 – The fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

Victoria Police currently holds Level 1 financial instruments. We consider the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair value, because of the short-term nature of the financial instruments and the expectation that they will be paid in full by the end of 2019–20 reporting period with the exception of derivative financial instruments.

8.3 Fair Value Determination (Cont'd)

These financial instruments include:

Financial Assets	Financial Liabilities
Cash and deposits	
Receivables: <ul style="list-style-type: none"> - Sales of goods and services - Other receivables - Derivative financial instrument 	Payables: <ul style="list-style-type: none"> - Purchase of supplies and services - Amounts payable to government and agencies - Other payables - Derivative financial instrument
Investment and other contractual assets: <ul style="list-style-type: none"> - Term deposits 	Borrowings: <ul style="list-style-type: none"> - Leases

8.3.2 Fair Value Determination: Non-Financial Physical Assets

Fair Value Measurement Hierarchy ^(a)

(\$ thousand)

2020	Note	Carrying Amount as at 30 June 2020	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 ^(b)	Level 2 ^(b)	Level 3 ^(b)
Land at Fair Value					
Non-specialised land ^(c)		21,863	-	21,863	-
Specialised land		485,163	-	-	485,163
Total of Land at Fair Value	5.1.2	507,026	-	21,863	485,163
Buildings at Fair Value					
Non-specialised buildings ^(c)		31,911	-	31,911	-
Specialised buildings		870,302	-	-	870,302
Heritage assets ^(d)		72,118	-	-	72,118
Leasehold improvement ^(e)		75,371	-	-	75,371
Total of Buildings at Fair Value	5.1.2	1,049,702	-	31,911	1,017,791
Plant, Equipment and Vehicles at Fair Value					
Plant and equipment	5.1.2	139,310	-	-	139,310
Total Plant, Equipment and Vehicles at Fair Value		139,310	-	-	139,310
Cultural Assets at Fair Value					
Artworks	5.1.2	4,879	-	-	4,879
Total of Cultural Assets at Fair Value		4,879	-	-	4,879

Notes:

(a) The right-of-use assets do not apply for this table as the costs approximate the fair value at 30 June 2020.

(b) Classified in accordance with the fair value hierarchy.

(c) Non-specialised land and buildings are residential properties used by Sworn members.

(d) The Agency holds \$72.1 million worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

(e) This amount forms part of the balance for Buildings at Fair Value (Excluding Heritage Buildings) in Note 5.1 Property, Plant and Equipment.

8.3 Fair Value Determination (Cont'd)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Fair Value Measurement Hierarchy ^(a)

(\$ thousand)

2019	Note	Carrying Amount as at 30 June 2019	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 ^(b)	Level 2 ^(b)	Level 3 ^(b)
Land at Fair Value					
Non-specialised land ^(b)		21,798	-	21,798	-
Specialised land		484,259	-	-	484,259
Total of Land at Fair Value	5.1.2	506,057	-	21,798	484,259
Buildings at Fair Value					
Non-specialised buildings ^(c)		30,810	-	30,810	-
Specialised buildings		857,080	-	-	857,080
Heritage assets ^(d)		73,627	-	-	73,627
Leasehold improvement ^(e)		77,159	-	-	77,159
Total of Buildings at Fair Value	5.1.2	1,038,676	-	30,810	1,007,866
Plant, Equipment and Vehicles at Fair Value					
Plant and equipment	5.1.2	103,783	-	-	103,783
Total Plant, Equipment and Vehicles at Fair Value		103,783	-	-	103,783
Cultural Assets at Fair Value					
Artworks	5.1.2	4,879	-	-	4,879
Total of Cultural Assets at Fair Value		4,879	-	-	4,879

Notes:

(a) Classified in accordance with the fair value hierarchy.

(b) The Agency holds \$73.6 million worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

(c) Non-specialised land and buildings are residential properties used by Sworn members.

(d) The Agency holds \$73.6 million worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

(e) This amount forms part of the balance for Buildings at Fair Value (Excluding Heritage Buildings) in Note 5.1 Property, Plant and Equipment.

There have been no transfers between levels during the year.

Non-specialised land, non-specialised buildings and artworks are valued using the market approach whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Every 5 years, an independent valuation is performed by the Valuer-General Victoria (VGV) to determine the fair value using the market approach. The last independent valuation was performed during the 2015–16 financial year. The valuation of the assets was determined by analysing sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. A revaluation assessment using the indices provided by VGV is performed on a semi-annual basis (every 6 months) as required by FRD 103H *Non-Financial Physical Assets*.

For artwork, valuation of the assets is determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on recent prices paid for similar examples offered at auctions or through art galleries. No revaluation was performed for artwork for the financial period ended 30 June 2020.

To the extent that non-specialised land, non-specialised buildings and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and Specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

8.3 Fair Value Determination (Cont'd)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible.

As adjustments of CSO are considered significant unobservable inputs, specialised land would be classified as Level 3 assets. A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.

For the majority of Victoria Police's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of Victoria Police's specialised land and specialised buildings was performed by VGV. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2016. A managerial revaluation of specialised land and specialised buildings was also undertaken in 2019–20 using indices provided by the VGV.

Heritage assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the current replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of Victoria Police's heritage assets was performed by VGV. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation was 30 June 2016. As adjustments of heritage assets are considered significant unobservable inputs, these assets would be classified as Level 3 assets.

Plant and Equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. Any adjustments of plant and equipment are considered significant unobservable inputs, as such these assets would be classified as Level 3 assets.

There were no changes in valuation techniques throughout the period to 30 June 2020.

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

Vehicles

Vehicles are valued using the current replacement cost method. Victoria Police acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in Victoria Police who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

8.3 Fair Value Determination (Cont'd)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Reconciliation of Level 3 Fair Value Movements

(\$ thousand)

2020	Specialised Land	Specialised Buildings	Heritage Buildings	Leasehold Improvement	Plant and Equipment	Cultural Artworks
Opening balance	484,259	857,082	73,627	77,158	103,782	4,879
Purchases	-	437	-	-	13,670	-
Sales	-	-	-	-	(423)	-
Assets free of charge	-	-	-	-	580	-
Assets recognised for first time	-	-	-	-	3,070	-
Transfers:						
In (out) of level 3	-	-	-	-	-	-
In (out) of assets under construction	934	46,232	1,281	17,475	44,305	-
Between asset classes	(30)	(267)	-	(963)	963	-
From contributed capital	-	-	-	-	-	-
Gains or losses recognised in net result:	-	-	-	-	-	-
Depreciation	-	(33,854)	(2,831)	(18,299)	(26,637)	-
Sub-total	904	12,548	(1,550)	(1,787)	35,528	-
Gains or losses recognised in Other Economic Flows – Other Comprehensive Income:						
Revaluation ^(a)	-	672	41	-	-	-
Closing Balance	485,163	870,302	72,118	75,371	139,310	4,879
Unrealised Gains/(Losses) on Non Financial Assets	-	-	-	-	-	-

Note:

(a) This balance relates a correction of the prior year's managerial revaluation.

8.3 Fair Value Determination (Cont'd)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Reconciliation of Level 3 Fair Value Movements (Cont'd)

(\$ thousand)

2019	Specialised Land	Specialised Buildings	Heritage Buildings	Leasehold Improvement	Plant and Equipment	Cultural Artworks
Opening balance	436,989	790,802	69,383	90,999	62,271	4,879
Purchases	-	56	19	26	9,028	-
Sales	-	(1,418)	-	-	(888)	-
Assets free of charge	-	-	-	-	335	-
Assets recognised for first time	-	3	-	-	2,782	-
Transfers:						
In (out) of level 3	-	-	-	-	-	-
In (out) of assets under construction	26,695	25,878	164	2,851	61,489	-
Between asset classes	-	-	-	-	-	-
From contributed capital	-	-	-	-	-	-
Gains or losses recognised in net result:	-	-	-	-	-	-
Depreciation	-	(31,731)	(2,828)	(16,718)	(31,235)	-
Sub-total	26,695	(7,212)	(2,645)	(13,841)	41,511	-
Gains or losses recognised in Other Economic Flows – Other Comprehensive Income:	-	-	-	-	-	-
Revaluation	20,575	73,492	6,889	-	-	-
Closing Balance	484,259	857,082	73,627	77,158	103,782	4,879
Unrealised Gains/(Losses) on Non Financial Assets	-	-	-	-	-	-

8.3 Fair Value Determination (Cont'd)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Description of Significant Unobservable Inputs to Level 3 Valuations

Asset Class	Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)	Sensitivity Of Fair Value Measurement to Changes in Significant Unobservable Inputs
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment	20%	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised Buildings	Market approach	Community Service Obligation (CSO) adjustment	20%	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
	Current replacement cost	Direct cost per square metre	\$40 – \$7,720/m ² (\$2,688/m ²)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	10–50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Heritage Assets	Depreciated replacement cost	Direct cost per square metre	\$140 – \$4,885/m ² (\$3,497/m ²)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of heritage assets	18–50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Leasehold Improvements	Current replacement cost	Cost per lease	\$2 – \$23,431,290 (\$247,216 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	Current replacement cost	Cost per unit	\$50 – \$10,044,792 (\$25,682 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	2–40 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Cultural Artworks	Current replacement cost	Cost per unit	\$800 – \$2,250,000 (\$212,137 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of cultural artworks	23–100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Significant unobservable inputs have remained unchanged since 30 June 2019.

8.3 Fair Value Determination (Cont'd)

8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

Non-Financial Physical Assets Held for Sale

The following table provides the fair value measurement hierarchy of Victoria Police's non-financial physical assets held for sale.

(\$ thousand)

2020	Carrying Amount as at 30 June 2020	Fair Value Measurement at End of Reporting Period Using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Freehold land held for sale ^(b)	110	-	110	-
Freehold buildings held for sale ^(b)	165	-	165	-
Total Non-Financial Physical Assets Classified as Held-For-Sale	275	-	275	-
2019				
Freehold land held for sale ^(b)	460	-	460	-
Freehold buildings held for sale ^(b)	190	-	190	-
Total Non-Financial Physical Assets Classified as Held-For-Sale	650	-	650	-

Notes:

(a) Classified in accordance with the fair value hierarchy.

(b) Freehold land and buildings held for sale are carried at fair value less cost to disposal. Refer to Non-Specialised Land and Non-Specialised Buildings for the valuation technique applied to non-specialised land and buildings.

9. Other Disclosures

Introduction

This section includes those additional disclosures required by accounting standards or otherwise, that are material for the understanding of this financial report.

Structure	Pages	
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9.1 Other Economic Flows Included In Net Result

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

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to fair value through other comprehensive income from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

	(\$ thousand)	
	2020	2019
Net Gain/(Loss) on Non-Financial Assets		
Net gain on disposal of plant, equipment and motor vehicles	10,868	6,611
Assets recognised for the first time	821	3,087
Total Net Gain/(Loss) on Non-Financial Assets	11,689	9,698
Other Gain/(Loss) from Other Economic Flows		
Net gain/(loss) arising from revaluation of long service leave liability ^(a)	(9,679)	(19,097)
Net gain/(loss) from bad/doubtful debts	5	(2,360)
Total Other Gain/(Loss) from Other Economic Flows	(9,674)	(21,457)

Note:

(a) Revaluation gain/(loss) are due to changes in bond rates.

Net Gain/(Loss) on Non-Financial Assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- **Disposal of Non-Financial Assets**
Any gain or loss on the sale of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at the time.
- **Impairment of Non-Financial Assets**
Refer to Note 5.1 Property, Plant and Equipment.

Net Gain/(Loss) on Disposal of Non-Financial Assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

	(\$ thousand)	
	2020	2019
Proceeds from disposal of plant, equipment and motor vehicles	25,573	20,536
Written down value of assets sold/disposed of	(14,705)	(13,925)
Net Gain/(Loss) on Disposal of Non-Financial Assets	10,868	6,611

9.2 Change In Accounting Policies

9.2.1 Leases

This note explains the impact of the adoption of AASB 16 *Leases* (AASB 16) on the Victoria Police's financial statements.

Victoria Police has applied AASB 16 with a date of initial application of 1 July 2019.

Victoria Police has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 *Leases* (AASB 117) and related interpretations.

Previously, Victoria Police determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 *Determining whether an arrangement contains a Lease*. Under AASB 16, Victoria Police assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 7.2.

9.2 Change In Accounting Policies (Cont'd)

On transition to AASB 16, Victoria Police has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117 Leases (AASB 117)

As a lessee, Victoria Police previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Victoria Police. Under AASB 16, Victoria Police recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, Victoria Police recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the Department of Treasury and Finance's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet as at 30 June 2019.

Victoria Police has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impacts on financial statements

On transition to AASB 16, Victoria Police recognised \$712.7 million of right-of-use assets and \$712.7 million of lease liabilities.

When measuring lease liabilities, Victoria Police discounted lease payments using its incremental borrowing rate at 1 July 2019. The rate applied was between 1.7% and 3.1%.

	(\$ thousand)
	1 Jul 19
Total operating lease commitments disclosed at 30 June 2019 (GST exclusive) ^(a)	2,496,306
Add:	
Lease options/changes in annual rent recognised on transition at 1 July 2019	429,278
Finance lease liabilities as at 30 June 2019	85,710
Less:	
Lease liabilities to be recognised post transition date of 1 July 2019	(1,895,603)
Discounted using the incremental borrowing rate at 1 July 2019	(320,987)
Recognition exemption for:	
Short-term leases	-
Leases of low-value assets	-
Lease Liabilities Recognised at 1 July 2019	794,704

Note:

(a) This balance only includes those lease contracts that meet the recognition criteria under AASB 16 Leases and was disclosed as commitments at 30 June 2019.

9.2 Change In Accounting Policies (Cont'd)

9.2.2 Revenue from Contracts With Customers

In accordance with FRD 121 *Transitional Requirements On the Application of AASB 15 Revenue from Contracts With Customers* requirements, Victoria Police has applied the transitional provisions of AASB 15 *Revenue Contracts from With Customers*, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Victoria Police applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

Note 2.3.1 Sales of goods and services includes details about the transitional application of AASB 15 *Revenue Contracts from With Customers* (AASB 15) and how the standard has been applied to revenue transactions.

The adoption of AASB 15 did not have an impact for the financial year.

9.2.3 Income of Not-for-Profit Entities

In accordance with FRD 122 *Transitional Requirements On the Application of AASB 1058 Income of Not-for-Profit Entities* (FRD 122) requirements, Victoria Police has applied the transitional provision of AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Victoria Police applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. Victoria Police has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 *Leases* and as mandated by FRD 122.

Comparative information has not been restated.

The adoption of AASB 1058 *Income of Not-for-Profit Entities* did not have an impact on Comprehensive Operating Statement and the Statement of Cash flows for the financial year.

9.2.4 Transitional Impact on the Financial Statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers* (AASB 15);
- AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058); and
- AASB 16 *Leases* (AASB 16).

The adoption of AASB 15 and AASB 1058 did not have any impact on the Comprehensive Operating Statement.

Impact on Balance Sheet due to the adoption of AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

(\$ thousand)

	Before new accounting standards Opening 1 July 2019	Impact of new accounting standards – AASB 16	After new accounting standards Opening 1 July 2019
Total current financial assets	520,787	-	520,787
Total non-financial assets	2,023,470	712,678	2,736,148
Total Assets	2,544,257	712,678	3,256,935
Payables and Contract Liabilities	130,153	-	130,153
Borrowings	83,067	712,678	795,745
Other liabilities	650,861	-	650,861
Total Liabilities	864,081	712,678	1,576,759
Accumulated surplus	14,938	-	14,938
Physical revaluation surplus	866,161	-	866,161
Contributed capital	799,077	-	799,077
Total Equity	1,680,176	-	1,680,176

9.3 Responsible Persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in Victoria Police are as follows:

Responsible Ministers		
Minister for Police and Emergency Services	The Hon. Lisa Neville MP	1 July 2019 to 30 June 2020
Acting Minister for Police	The Hon. Ben Carrol MP	20 July 2019
Acting Minister for Police	The Hon. Jill Hennessy MP	21 – 31 July 2019
		29 September – 13 October 2019
		14 – 20 October 2019
Acting Minister for Police	The Hon. Gavin Jennings MP	1 – 3 August 2019
Accountable Officers		
Chief Commissioner of Police	Graham Ashton AM, APM	1 July 2019 to 26 June 2020
	Shane Patton APM	27 – 30 June 2020
Acting Chief Commissioner of Police	Shane Patton APM	1 – 21 July 2019
Acting Chief Commissioner of Police	Wendy Steendam APM	4 – 16 March 2020
Acting Chief Commissioner of Police	Richard Nugent	13 – 23 February 2020

Remuneration

Total remuneration including long service leave payments, redundancy payments and retirement benefits received or receivable by the Accountable Officer in connection with the management of Victoria Police during the reporting period was in the range of \$513,000 and \$523,999 (2019: \$500,000 and \$509,999).

9.4 Remuneration of Executives

Remuneration of Executives

The number of executive officers (other than the Minister, Accountable Officer and Governor-in-Council (GIC) appointees) and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

- a) **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- b) **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- c) **Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.
- d) **Termination benefits** include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of executive officers retired or resigned in the past year. The impact of this is shown in the table below.

<i>Remuneration of executive officers</i> (including Key Management Personnel disclosed in Note 9.5 Related Parties and excluding GIC appointees)	(\$ thousand)	
	2020	2019
Short-term employee benefits	10,942	10,023
Post employment benefits	646	664
Other long-term benefits	247	235
Termination benefits	263	-
Total Remuneration	12,098	10,923
Total Number of Executives ^(a)	57	49
Total Annualised Employee Equivalent ^(b)	47	43

Notes:

a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (refer to Note 9.5 Related Parties). This number includes all executives that have been employed during the year, including those who have left Victoria Police during the course of the year.

b) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

9.5 Related Parties

Victoria Police is a wholly owned and controlled entity of the State of Victoria. Related parties of Victoria Police include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities that they have significant influence over); and
- all Cabinet Ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of Victoria State consolidated financial statements.

Significant transactions with government-related entities

Victoria Police received funding and made payments to the Consolidated Fund of \$3.72 billion and \$50.00 million respectively (2019: \$3.36 billion and \$39.86 million respectively).

During the year, Victoria Police incurred the following material government related entity transactions and balances at year-end 30 June 2020. All related party transactions have been entered into on an arm's-length basis.

2020 (\$ thousand)

Receipts/Receivables Entity	Portfolio Dept	Receipts		Balance Outstanding	
		Nature	Amount	Nature	Amount
Department of Justice and Community Safety	DJCS	Grants	3,718,489	Receivables	581,449
Department of Justice and Community Safety	DJCS	Other Income	939	Receivables	325
Department of Premier and Cabinet	DPC	Grants	2,569	Receivables	-
Transport Accident Commission	DoT	Contributions	233	Receivables	3,071
Transport Accident Commission	DoT	Other Income	3,647		
Transport Accident Commission	DoT	Grants	9,736		
Victorian Managed Insurance Authority	DTF	Other Income	4,659	Receivables	-
VicRoads	DoT	Contributions	233	Receivables	-
Victorian WorkCover Authority	DJCS	Grants	2,000	Receivables	2,000
Victorian WorkCover Authority	DJCS	Other Income	53	Receivables	-

Note:

The amount owing from the Victorian Government as disclosed in Note 6.1 Receivables are amounts due from the Department of Treasury and Finance. This amount relates to all funding commitments incurred and drawdowns through grants from the Consolidated Funds.

(\$ thousand)

Payments/Liabilities Entity	Portfolio Dept	Payments		Balance Outstanding	
		Nature	Amount	Nature	Amount
Ambulance Victoria	DHHS	Medical Services	698	Payables	-
Ballarat Health Services	DHHS	Medical Services	994	Payables	-
Court Services of Victoria	CSV	Court Services	3,818	Payables	28
Department of Transport	DoT	Licensing & Regulation Services	955	Payables	-
Department of Justice and Community Safety	DJCS	Various Expenses	494	Payables	10
Department of Premier and Cabinet	DPC	Various Expenses	1,772	Payables	56
Department of Treasury and Finance	DTF	Various Expenses	14,011	Payables	-
Emergency Services Telecommunication Authority	DJCS	Tele-Communications	78,339	Payables	-
State Revenue Office	DTF	Payroll Tax	117,931	Payables	8,193
Victorian Interpreting and Translating Service	DPC	Interpreting Services	928	Payables	-
VicRoads	DoT	Registration & Records Check	948	Payables	-
VicFleet Lease Management	DTF	Leasing of Motor Vehicles	37,321	Payables	106,766
Victoria Government Solicitors Office	DJCS	Legal Expenses	16,280	Payables	538
Victoria Institute of Forensic Medicine	DJCS	Forensic Medical Services	11,784	Payables	-
Victoria WorkCover Authority	DJCS	Insurance	95,764	Payables	-
Victoria Managed Insurance Authority	DTF	Insurance	2,272	Payables	606

9.5 Related Parties (Cont'd)

Significant transactions with government-related entities (cont'd)

2019

(\$ thousand)

Receipts/Receivables Entity	Portfolio Dept	Receipts		Balance Outstanding	
		Nature	Amount	Nature	Amount
Department of Justice and Community Safety	DJCS	Grants	3,361,313	Receivables	-
Department of Justice and Community Safety	DJCS	Other Income	1,182	Receivables	550
Department of Premier and Cabinet	DPC	Grants	2,916	Receivables	48
Family Safety Victoria	DHHS	Grants	619	Receivables	-
Transport Accident Commission	DoT	Contributions	233	Receivables	983
Transport Accident Commission	DoT	Grants	5,834	Receivables	-

Note:

The amount owing from the Victorian Government as disclosed in Note 6.1 Receivables are amounts due from the Department of Treasury and Finance. This amount relates to all funding commitments incurred and drawdowns through grants from the Consolidated Funds.

(\$ thousand)

Payments/Liabilities Entity	Portfolio Dept	Payments		Balance Outstanding	
		Nature	Amount	Nature	Amount
Ballarat Health Services	DHHS	Medical Services	1,354	Payables	-
Court Services of Victoria	CSV	Court Services	2,356	Payables	36
Department of Premier and Cabinet	DPC	Various Expenses	1,455	Payables	-
Department of Treasury and Finance	DTF	Various Expenses	34,602	Payables	32
Emergency Services Telecommunication Authority	DJCS	Tele-Communications	87,582	Payables	23
State Revenue Office	DTF	Payroll Tax	107,947	Payables	8,458
VicRoads	DoT	Registration & Records Check	2,365	Payables	113
VicFleet Lease Management	DTF	Leasing of Motor Vehicles	43,731	Payables	83,067
Victoria Government Solicitors Office	DJCS	Legal Expenses	11,963	Payables	2
Victoria Institute of Forensic Medicine	DJCS	Forensic Medical Services	11,824	Payables	2,262
Victoria WorkCover Authority	DJCS	Insurance	82,327	Payables	-
Victoria Managed Insurance Authority	DTF	Insurance	1,428	Payables	-

9.5 Related Parties (Cont'd)

Significant transactions with government-related entities (cont'd)

Key Management Personnel

The compensation detailed below only includes salaries and benefits of key management personnel of Victoria Police Executive Command. As at 30 June 2020, the Victoria Police Executive Command is made up of seven members. The members comprise the Chief Commissioner of Victoria Police, Deputy Commissioners, Deputy Secretaries and an Assistant Commissioner (CIO).

It excludes the salaries and benefits received by the Portfolio Minister where the remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Department of Parliamentary Services' Financial Report.

(\$ thousand)

	Total Remuneration	
	2020	2019
Short-term employee benefits	2,728	2,302
Post employment benefits	105	99
Other long-term benefits	66	52
Termination benefits	-	-
Total Remuneration	2,899	2,453

Transactions with key management personnel and other related parties

Given the breadth and depth of State Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Victoria Police, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.6 Subsequent Events

Subsequent to 30 June 2020, the following events have taken place:

New Victoria Police Complex at 311 Spencer Street

In 2015, Australia Post and CBUS Property proposed to fund and develop a new purpose-built Victoria Police Centre (VPC) at 311 Spencer Street which provided Victoria Police with a unique opportunity to co-locate and consolidate their Melbourne CBD operations into one stand-alone precinct.

At the date of this report, no formal lease agreement has been signed between Australian Postal Corporation and Cbus Property (Lessor) and the Assistant Treasurer for and on behalf of the State of Victoria. Based on our discussions with our Shared Service Provider who manages all lease contracts on behalf of Victoria Police and after engaging a consultant to review this lease agreement for the purpose of AASB 16, management is of the opinion that this arrangement meets the definition of 'lease' as per the requirements of AASB 16 *Leases* (AASB 16).

The premises were made available for use by Victoria Police on 9 July 2020 (which is the lease commencement date for the purposes of AASB 16) with a lease term of 30 years. The value of the related right-of-use assets is estimated to be between \$950.0 million and \$1.0 billion. This is excluding the lease incentive, of which the value is yet to be determined at the date of this report, representing transfer of ownership of fit-outs to Victoria Police.

Since Department of Treasury and Finance (DTF) have a mandated revaluation model for subsequent measurement of right-of-use assets, there could potentially be some impairment of the right-of-use asset on the basis that the anticipated fair value of the right-of-use asset could be lower than the cost if Victoria Police is unable to secure the tenants required to sub-lease the six vacant floors at 311 Spencer Street. At the date of this report, Victoria Police has secured four tenants and is actively progressing in identifying and negotiating with interested parties to sub-lease the remaining four vacant floors.

9.6 Subsequent Events (Cont'd)

Land Leased at Avalon Airport

This contract was signed on 16 March 2020 with a Practical Completion date achieved on 31 July 2020 (the lease commencement date for the purpose of AASB 16), which was subsequent to the 30 June 2020 financial year-end. For Practical Completion to be achieved, the Landlord has to complete certain service works on the land in order to ensure that the land is made suitable for its intended purpose. Until the service works is completed, Victoria Police has no right of access to the land.

As such, this lease contract was not accounted for under AASB 16 for the financial year-ended 30 June 2020 but will be for the financial year ending 30 June 2021. The value of this contract will be classified as right-of-use assets under AASB 16 and its value is estimated to be \$5.1 million which excludes the annual lease premium of approximately \$0.8 million that is to be paid over the term of the lease of 10 years.

Aviation Aircraft

Rotary Wing Aircraft

On 18 October 2018, Victoria Police entered into a contract for the Provision of Rotary Wing Aircraft, Aircraft Systems and Aircraft Support Services for three rotary wing aircraft. One of the rotary wing aircraft was delivered on 15 June 2020 and was accounted for under AASB 16. The remaining two aircraft were delivered to Victoria Police on 21 July 2020. Since the second and third rotary wing aircraft were delivered to Victoria Police subsequent to the 30 June 2020 financial year-end, they were not accounted for under AASB 16 at year-end. The value of these two rotary wing aircraft classified as right-of-use assets under AASB 16 is estimated to be approximately \$59.8 million over a lease term of 10 years.

Fixed Wing Aircraft

On 9 October 2018, Victoria Police entered into a contract for the Provision of Fixed Wing Aircraft, Aircraft Systems and Aircraft Support Services. This fixed wing aircraft was delivered to Victoria Police on 5 August 2020, subsequent to the 30 June 2020 financial year-end. Accordingly this lease contract was not accounted for under AASB 16 as at 30 June 2020. The value of this fixed wing aircraft classified as right-of-use assets under AASB 16 is estimated to be \$41.8 million over a lease term of 10 years.

Other than the above, there are no known material subsequent events for the current reporting year.

9.7 COVID-19 Statement

Victoria Police has incurred direct additional costs of approximately \$8.0 million in 2019–20 related to COVID-19 which have been reflected in the financial statements primarily under Employee Expense (Note 3.1.1), IT Related Expenses (Note 3.3) and Other Operating Expenses (Note 3.3). The costs incurred relate primarily to the purchasing additional Personal Protective Equipment (PPE), IT Mobile Device costs, Working from Home allowance payments, Sworn Members overtime and vehicle/station/equipment cleaning.

COVID-19 has not impacted on the carrying amount of land and building assets in 2019–20. In accordance to FRD 103H *Non-Financial Physical Assets*, fair value of Land and Building assets shall be assessed using the Valuer-General Victoria (VGV) indices for period ending 30 June 2020. The assessment performed by Victoria Police on its Land and Building assets resulted in a net increase of less than 10% which is below the threshold for managerial revaluation adjustment in accordance with section 4.7 of FRD 103H. Victoria Police is scheduled to perform the five-yearly revaluation in 2020–21 to be conducted by Valuer-General Victoria (VGV). The upcoming revaluation will be based on physical inspection of VGV of Victoria Police assets and will take into account current market conditions including the impact of COVID-19. (Refer to Note 5.3 Physical Asset Revaluation Surplus.)

In accordance with the guidance provided by the Department of Treasury and Finance (DTF) on COVID-19 impacts and any new funding decisions, Victoria Police will use the new COVID-19 authority to appropriately reflect these impacts on the 2020–21 budget and the forward estimates.

The continued operational requirements for Victoria Police arising from Victoria's state of emergency and disaster may have a significant financial impact in the 2020–21 financial year.

9.8 Other Accounting Policies

Assets and Services Provided Free of Charge or for Nominal Consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at its carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased.

Contributions by Owners

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

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Foreign currency balances/transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the date when the fair value was determined.

Foreign currency translation differences are recognised in other economic flows in the Comprehensive Operating Statement and accumulated in a separate component of equity, in the period in which they arise.

9.9 Australian Accounting Standards Issued That Are Not Yet Effective

Certain new and revised accounting standards have been issued but are not effective for the 2019–20 reporting period. These accounting standards have not been applied to the Model Financial Statements. The Victoria State is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard principally amends AASB 101 *Presentation of Financial Statements* (AASB 101) and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108). It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. Victoria Police has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

Victoria Police is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted, however, the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. Victoria Police will not early adopt the Standard.

Victoria Police is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on Victoria Police's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (Appendix C).
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

9.10 Glossary of Technical Terms

The following is a summary of the major technical terms used in this report.

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- (b) the effects of changes in actuarial assumptions.

Administered item generally refers to Victoria Police lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Amortisation is the expense that 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 refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangements and other interest bearing arrangements. Borrowings also include non-interest bearing advances from government that are acquired for policy purposes.

Cash flow hedge is used to hedge exposures to cash flow risk which results from the variability in cash flows.

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

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of Victoria Police to benefit from that item in pursuit of its objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- (a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

9.10 Glossary of Technical Terms (Cont'd)

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; and
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*.

Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Hedging instruments is a financial instrument whose change in value is expected to offset the changes in fair value of cash flows of the designated hedged item.

Hedged item is a specific item that exposes Victoria Police to risk of changes in fair value or changes in future cash flows.

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession, financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net financial liabilities are calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance or net result from transactions is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

9.10 Glossary of Technical Terms (Cont'd)

Non-financial public sector represents the consolidated transactions and assets and liabilities of the general government and PNFC sectors. In compiling statistics for the non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated to avoid double counting.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Public financial corporations (PFC) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments that own them.

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services. It also includes rental income under leases and on produced assets such as buildings but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of Victoria Police.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Victorian Government.

Trust Accounts are separate accounts within the Trust Fund, which contain moneys held on trust or for specific purposes pursuant to section 19 of the *Financial Management Act 1994* (FMA).

9.11 Style Conventions

Figures in the tables and in the text have been rounded to the nearest thousand dollars, unless otherwise stated. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero or rounded to zero
- (xxx.x) negative numbers
- 200x year period

8. Appendices

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Appendix B: 2019–20 Victoria Police Awards and Honours

Australian Police Medal (APM)

Rank	First Name	Surname
Superintendent	Belinda Lee	Bales
Detective Senior Sergeant	Karen	Bennett
Superintendent	Peter John	Brigham
Inspector	Wayne Frederick	Cheesman
Senior Sergeant	Mark William	Chrystie
Leading Senior Constable	Andrew Neil	Downes
Assistant Commissioner	Michael John	Grainger
Superintendent	David Owen	Jones
Detective Senior Sergeant	Gary Kenneth	Marks
Detective Senior Sergeant	Stephen William	McIntyre
Commander	Elizabeth Anne	Murphy
Leading Senior Constable	Joanne Wendy	Mutsaerts
Detective Leading Senior Constable	Kathleen Anne	Squire
Leading Senior Constable	Patrick Joseph	Storer
Assistant Commissioner	Glenn Charles	Weir
Inspector	Peter Francis	Wheeler
Superintendent	Jenny Lorraine	Wilson

Public Service Medal

Rank	First Name	Surname
Doctor (FO6)	James Richard	Pearson
Director	Dallas John	Reilly

Medal for Courage

Rank	First Name	Surname
Constable	Michael	Beaton
Protective Service Officer	Kieran	Billing
Constable	David	Bojczenko
Constable	Priyanka	Dunlop
Senior Constable	Jessica Kate	Forcey
Senior Sergeant	Matthew	Gleeson
Senior Constable	Lachlan	Hefferman
Senior Constable	Joey Anton	Kurtschenko
Leading Senior Constable	Raymond	Moreland
Senior Constable	Julie	Morris
Constable	Mdniaz	Morshed
Protective Service Officer	Ravneel	Nath
First Constable	Rebecca	Noviello
First Constable	Thomas	Shakespeare
Senior Constable	Jarred Lindsay	Smith
Senior Constable	Mark James	Smith
Constable	Joshua Michael	Steffensen
Constable	Luke Jarred	Taylor
Leading Senior Constable	Andrew	Trace
Senior Constable	Derek	Verity
Sergeant	Christopher	Walsh

Medal for Merit

Rank	First Name	Surname
Senior Constable	Brett William	Eldridge*
Senior Constable	Scott Neil	Tuddenham

Citizen Commendation

First Name	Surname
Darren	Allen
Craig	Butler
Vicki	Butler
Christopher	Couwenberg
Eamon	Davie
Daniel	Filazzola
Vittorio	Padovan
Nicholas	Papadopoulos
Rebecca	Pascoe
Alex	Peters
James	Peters
Jordan	Peters
Rodney	Peters
John	Raygor
Jeferey	Reid-Payne
Michael	Rogers
Kathryn	Stewart
Maria	Tutolmontoya
Lei	Zhang

Australian Bravery Medal

Rank	First Name	Surname
Senior Constable	Ashley	Rawlings

Commendation for Brave Conduct

Rank	First Name	Surname
Senior Constable	Thomas	Dempsey
Leading Senior Constable	Mark	McLean
Sergeant	Craig	Stanton
Sergeant	Daniel	Willsmore

Victoria Police Star

Rank	First Name	Surname
Senior Constable	Paul Alan	Barrow
Leading Senior Constable	Glenn Haydon	Button
Constable	Glen Andrew	Humphris*
Senior Constable	Nicholas	Kabylakis
Senior Constable	Kevin Neil	King*
Senior Constable	Rebecca Kathleen	Ladek
Senior Constable	Sheree Anne	McKenzie
Senior Constable	Naomi	Perkins
Constable	Joshua Andrew	Prestney*
Leading Senior Constable	Victor John	Robb
Sergeant	Mark Robert	Robertson
Sergeant	Brett Peter	Tamblyn
Constable	George Henry	Taylor*
Leading Senior Constable	Lynette Rosemary	Taylor*
	Officer A#	
	Officer B#	

Valour Award

Rank	First Name	Surname
Senior Constable	Samuel	Clarkson
Senior Constable	Lindsay	Forsythe*
Constable	Travis	Jones
Leading Senior Constable	Gregory	Sturge

Medal for Excellence

Rank	First Name	Surname
Chief Commissioner	Graham Leonard	Ashton

Notes:

* Posthumous presentation

A coroner's suppression order was in place and an application made for names to be redacted. Therefore, reference has been made to Officer A and B.

Appendix C: Attestation for financial management compliance with Standing Direction 5.1.4



VICTORIA POLICE

Victoria Police Financial Management Compliance Attestation Statement 2019-20

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

I, Shane Patton, Chief Commissioner on behalf of the Victoria Police, certify that the Victoria Police has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'Shane Patton', is positioned above the printed name.

Shane Patton APM
Chief Commissioner of Victoria Police
15 September 2020

Appendix D: Acronym Glossary

ADF –	Australian Defence Force	HSR –	Health and Safety Representative
AEE –	Annualised Employee Equivalent	IBAC –	Independent Broad-based Anti-corruption Commission
AFMs –	Affected Family Members	LGBTIQ –	Lesbian, Gay, Bisexual, Transgender, Intersex and Queer
AFP –	Australian Federal Police	LIDP –	Local Industry Development Plan
ARC –	Victoria Police Audit & Risk Committee	MHR –	Victoria Police Mental Health Review
BP3 –	Budget Paper No. 3 Service Delivery	MPSG –	Major Project Skills Guarantee Policy
BWC –	Body Worn Camera	NABERS –	National Australian Built Environment Rating System
CALD –	Culturally and Linguistically Diverse	OHS –	Occupational Health and Safety
CAPs –	Continuous Auditing Programs	OLR –	Online Reporting
CHO –	Chief Health Officer	PAL –	Police Assistance Line
CIS –	Child Information Sharing Scheme	PIN –	Provisional Improvement Notice
CSA –	Crime Statistics Agency	PORT –	Public Order Response Team
CSS –	Community Safety Statement	PSO –	Protective Services Officers
CSV –	Cladding Safety Victoria	RCFV –	Royal Commission into Family Violence
DHHS –	Department of Health and Human Services	RoGS –	Report on Government Services
DPRG –	Victoria Police Disability Portfolio Reference Group	RSO –	Registered Sex Offenders
DWG –	Designated workgroups	SAM –	Staff Allocation Model
ESM –	Essential Safety Measures	VEOHRC –	Victorian Equal Opportunity and Human Rights Commission
EYOP –	Embedded Youth Outreach Project	VGRMF –	Victorian Government Risk Management Framework
FPO –	Firearm Prohibition Order	VIPP –	Victorian Industry Participation Policy
FRD –	Financial Reporting Direction	VPC –	Victoria Police Centre
FTAC –	Fixated Threat Assessment Centre	VPS –	Victorian Public Service
FVR –	Victoria Police Family Violence Report		
GEIC –	Gender Equality and Inclusion Command		

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VICTORIA POLICE

Contact Details

Head Office
Victoria Police Centre
311 Spencer Street
Docklands VIC 3008
PH: (03) 8335 6600

Additional departmental information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, certain categories of information not contained in the Annual Report have been retained by Victoria Police and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

Further information may be obtained by writing to:
Victoria Police Centre
GPO Box 913
Melbourne VIC 3000

Compliance with DataVic Access Policy

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.

Further resources

Additional publications released by Victoria Police can be found at www.police.vic.gov.au/publications