

# Victoria Police Annual Report 2020–2021



VICTORIA POLICE



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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 reporting period ending 30 June 2021.



**Shane Patton APM**  
**Chief Commissioner**  
**8 October 2021**

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# Foreword from Chief Commissioner of Police



The Annual Report is a record of our performance against a range of statutory requirements and the Government's Budget performance measures. We have also included a range of our most important programs, initiatives and achievements over the 12 months.

## 2020–21 in Review

The 2020–21 year has been challenging for Victorians as the COVID-19 pandemic response has impacted all of our lives, in a variety of ways. For Victoria Police, supporting the pandemic response has required us to broaden how we think of 'community safety' and what activities we need to undertake in order to address one of the greatest threats to keeping the Victorian community safe. As you will read, we deployed significant resources throughout the year to a large number of enforcement, policy and infection control activities. I am proud of how our workforce has responded to the dynamic demands of the pandemic environment, while still continuing to deliver our core operational and support activities. It has been a remarkable and sustained effort.

The body of this report outlines examples of this collective effort. These examples cover the ways in which Victoria Police significantly changed how we operated at police stations, in our offices and in courts. There are also examples of the research and development we undertook on new models for community engagement and targeted approaches to priority community safety issues such as high-risk driving and illegal firearms. Our work on implementing the findings of significant external reviews, such as the Royal Commission into the Management of Police Informants, and key initiatives like welcoming the final squad of additional 3,135 police, is also covered.

Equally important has been our continued focus on developing the organisation to ensure we meet the needs of the community effectively, efficiently and ethically well into the future. Some of the initiatives we have implemented include creating a Public Safety & Security portfolio to strengthen our specialist response to high-risk and complex incidents, establishing a Service Delivery Transformation Command to progress reforms that build on our modernisation program of recent years, and launching strategies to promote diversity, inclusion and equality so that Victoria Police reflects the community it serves and remains a safe and ethical workplace.

As you will see, Victoria Police has achieved real outcomes in a difficult environment, for which I thank all of our employees, as well as the agencies and members of the community that have worked with us.

I am optimistic about plans and commitments for the year ahead and the real difference they will make to the safety, trust and confidence of the Victorian community.

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

**Shane Patton APM**  
**Chief Commissioner**  
**Victoria Police**

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# 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.

## Our Services

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 visible presence within the community and 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.
- Prosecutions in the Children's Court of Victoria and the Magistrates' Court of Victoria.
- Managing or coordinating with other agencies responses to major emergencies.
- Supporting the community as a result of directions arising from a declared state of emergency.
- Promoting safe road-user behaviour.
- Private security and firearms licensing.
- National police record and fingerprint checks.

For further information on the location of Victoria Police services, including regional maps, please go to our website:

[police.vic.gov.au](http://police.vic.gov.au).

## Victoria Police Regions

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 (NWMR), Southern Metro, (SMR) Eastern (ER) and Western (WR). These regional boundaries correspond with those of other Victorian Government departments, enhancing cross-department service delivery, particularly in emergency management.

NWMR provides policing services to the people of the inner, western and northern areas of Melbourne and its surrounds and has five Divisions in its structure. The ER has the responsibility for the safety of almost two million people spread across six Divisions. The SMR is directly aligned to the Southern Metropolitan government region and comprises four Divisions. The WR is the largest geographically, covering 60% of the State spread across six Divisions. It is home to 145 police stations and work units.

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## Our Operating Environment

Under the *Victoria Police Act 2013* the role of Victoria Police is to serve the Victorian community and uphold the law 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 5 of this report.

## Our Governance

Decisions and activities 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 later in this chapter.

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.

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.

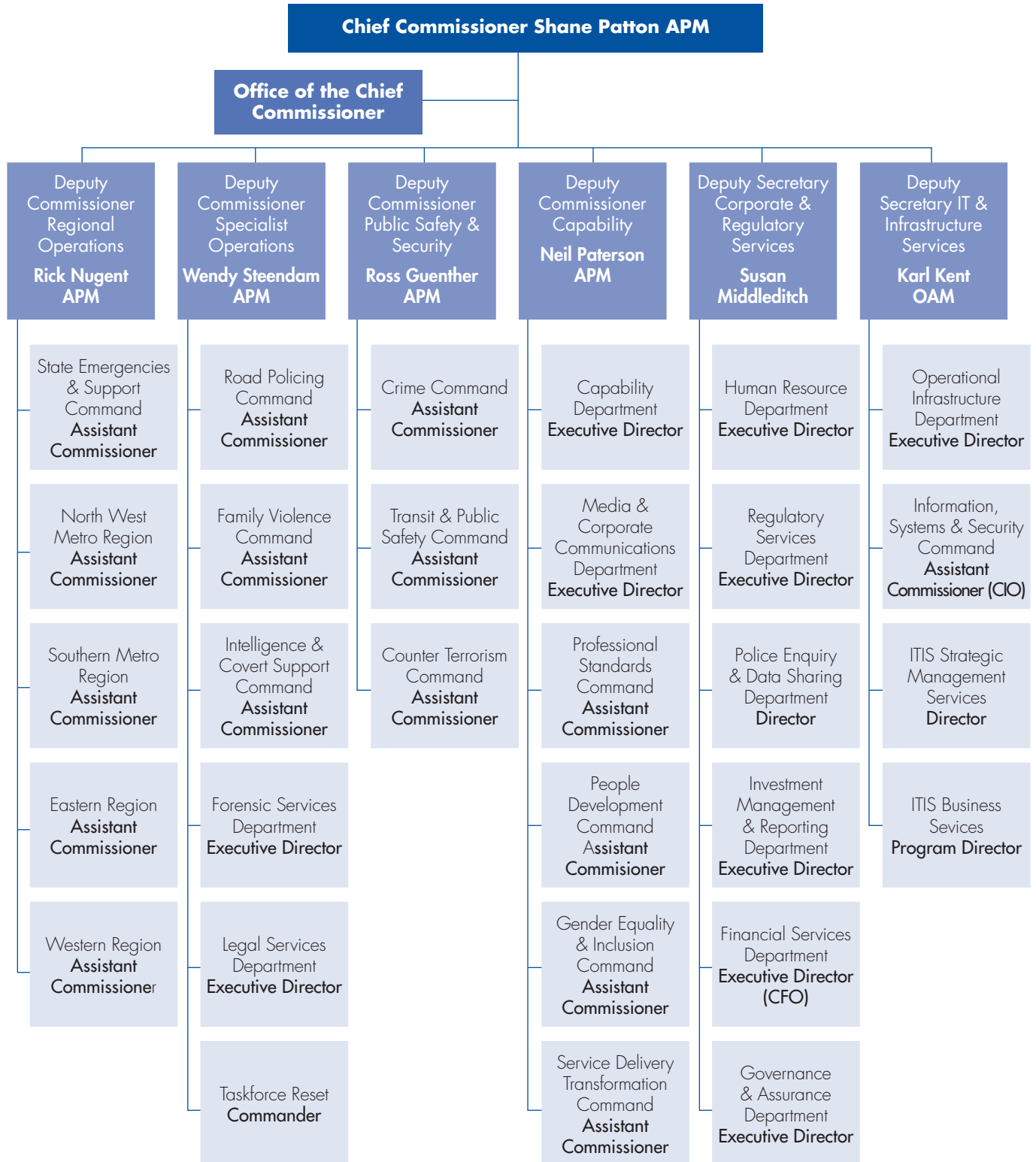
On 20 February 2021 Minister Neville went on leave and the Hon. Danny Pearson MP was appointed Acting Minister for Police and Emergency Services (including oversight of COVID-19 Quarantine Victoria). This arrangement remains in place as at 30 June 2021. The Hon. James Merlino MP, the Hon. Martin Foley MP and the Hon. Jaclyn Symes MP also acted for brief periods during 2020–21.

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

# Organisational Structure

Figure 1.1: Victoria Police Organisational Chart – as at 1 June 2021



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## Victoria Police Senior Leadership Group

### Executive Command

Executive Command is the primary 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.

On 27 June 2020 Shane Patton commenced as the Chief Commissioner of Police.

At this time, a fourth Deputy Commissioner position was created to focus on public safety and security. The Executive Command portfolios were reviewed, and some Commands and Departments were realigned. The new Executive Command portfolios are outlined in the organisational chart as illustrated in figure 1.1.

Executive Command comprises the Chief Commissioner of Police, all Victoria Police Deputy Commissioners and Deputy Secretaries and an independent member. The current Executive Command members are:

- **Shane Patton APM** – Chief Commissioner
- **Rick Nugent APM** – Deputy Commissioner Regional Operations
- **Wendy Steendam APM** – Deputy Commissioner Specialist Operations
- **Ross Guenther APM** – Deputy Commissioner Public Safety and Security
- **Neil Paterson APM** – Deputy Commissioner Capability
- **Susan Middleditch** – Deputy Secretary Corporate and Regulatory Services
- **Karl Kent OAM** – Deputy Secretary IT and Infrastructure Services
- **Sir Angus Houston AK AC AFC (Retired)** – Independent member.

### Command

Victoria Police Command is comprised of the Chief Commissioner of Police and all Deputy Commissioners, Deputy Secretaries, Assistant Commissioners, Executive Directors, Commanders and Directors. Command meets quarterly to discuss significant community and organisational issues.

### Delegations

The Chief Commissioner of Police is the Chief Constable and the Chief Executive Officer of Victoria Police under the *Victoria Police Act 2013* and the *Public Administration Act 2004*. The Chief Commissioner may delegate a range of powers to employees at differing ranks and levels across the organisation. Decision making occurs via delegations and through functional lines across the organisational and governance structures as set out and approved by the Chief Commissioner.

### Victoria Police Committees

Victoria Police is supported by a number of standing executive, corporate and advisory committees ensuring corporate governance focus on strategic objectives, managing relevant risks and improving organisational performance.

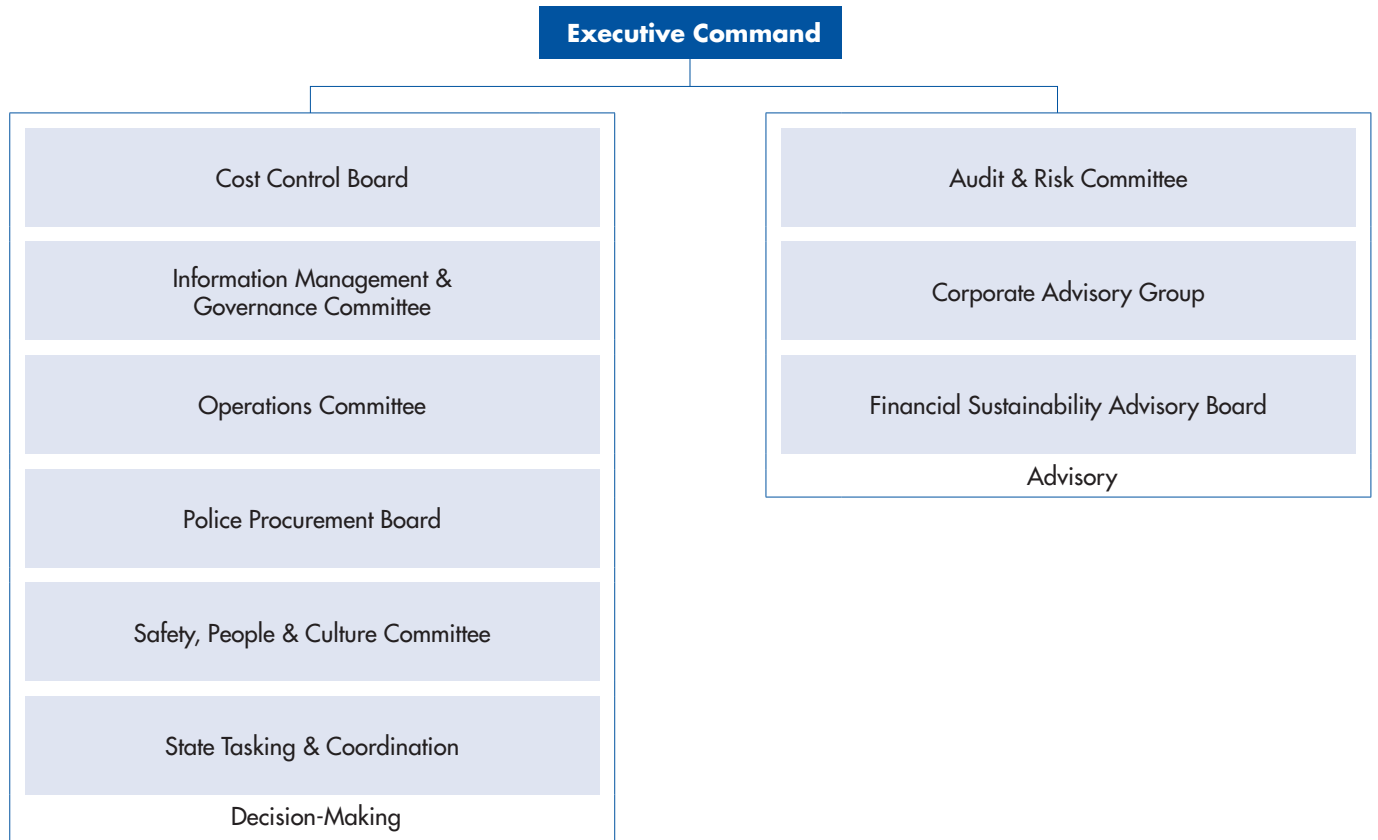
Following the appointment of Chief Commissioner Patton, a review of the governance arrangements for Victoria Police was undertaken with a focus on the corporate committee structure and remit. In late 2020 Executive Command approved the corporate committee structure illustrated in figure 1.2.

The Standing Directions of the Minister for Finance under the *Financial Management Act 1994* require the performance and membership of the Audit and Risk Committee and the Audit and Risk Committee Charter be reviewed every three years. To satisfy this requirement, an independent review was conducted on the Audit and Risk Committee in late 2020. The review resulted in several changes to the Audit and Risk Committee Charter and membership composition.

The independent review also considered the role and responsibilities of the Corporate Advisory Group. Recommendations to update the Corporate Advisory Group Charter to reflect changes in the business and strategic priorities since the Group's inception in 2013, were accepted and implemented in early 2021.



Figure 1.2: Snapshot of Governance Arrangements



## Corporate Committees

Decision-making Committees	Focus
<b>Cost Control Board</b> <i>Meets monthly</i>	<p>Provides an ongoing, strategic focus on financial management. Considers and approves key financial management policies and procedures, business cases and major resource management decisions.</p> <p>The Board is primarily focused on finance and resource management. However, it also has responsibility for project governance matters when risks to budget, scope, or time are identified.</p>
<b>Information Management and Governance Committee</b> <i>Meets bi-monthly</i>	<p>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.</p>
<b>Operations Committee</b> <i>Meets bi-monthly</i>	<p>Provides a risk-based approach to identifying, coordinating and responding to significant community safety issues with a progressive focus on developing policing services. Provides a strategic focus on potential policy changes required to support both the internal and external operating environment.</p>
<b>Police Procurement Board</b> <i>Meets monthly</i>	<p>Ensures Victoria Police's procurement strategy delivers effective outcomes that support organisational requirements; drives value; and ensures that procurement activity is conducted efficiently and in accordance with the commercial policy, processes and practices prescribed by the <i>Financial Management Act 1994</i>, the Victorian Government Purchasing Board policies, and the <i>Project Development and Construction Management Act 1994</i>.</p>
<b>Safety, People and Culture Committee*</b> <i>Meets bi-monthly</i>	<p>Provides strategic direction regarding the development of safety, people and culture-related policies, strategies, plans and frameworks. Shapes organisational responses to emerging safety, people and culture-related issues, risks and trends. Oversees safety, people and culture-related priorities, initiatives and projects.</p>
<b>State Tasking and Coordination</b> <i>Meets monthly</i>	<p>Identifies, monitors, and coordinates the response to community safety issues and emerging risks by focusing on the drivers of harm. Directly assigns Victoria Police resources based on prioritisation of issues and risks and monitors performance of resource deployment.</p>

\*Includes Independent members

## Advisory Committees

Advisory Committees	Focus
<b>Audit and Risk Committee*</b> <i>Meets quarterly</i>	<p>As required under the Standing Directions of the Minister for Finance under the <i>Financial Management Act 1994</i>, the Audit and Risk Committee 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.</p>
<b>Corporate Advisory Group*</b> <i>Meets quarterly</i>	<p>Provides strategic advice to the Chief Commissioner of Police 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.</p>
<b>Financial Sustainability Advisory Board*</b> <i>Meets bi-monthly</i>	<p>Provides ongoing oversight of the Financial Sustainability Program and provides advice to Executive Command.</p>

\*Includes Independent members

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## Oversight and Assurance

### Audit & Risk Committee

The Victoria Police Audit & Risk Committee 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. As at 1 January 2021 all Audit and Risk Committee members are external to, and independent of, the organisation. A list of members for 2020–21 can be found in Chapter 5.

### 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.

Victoria Police's internal audit function continues as a co-sourced arrangement under commercial contract with a specialist auditing firm, KPMG. Victoria Police's internal audit program includes compliance and performance reviews, with results and follow-up actions reported to Executive Command and the Audit and Risk Committee on a regular basis.

### Continuous Auditing

In 2020–21, 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 Audit and Risk Committee 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
- Commissioner for Gender Equality.

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. VGRMF 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.

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Victoria Police has established a Risk Appetite Statement that serves as the foundation for its risk management framework and risk evaluation process. 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 risk management as an integral part of culture, policies, systems and processes, and that it 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.

## Capability Framework

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 *2020–21 Annual Plan Actions* is presented in Chapter 4.

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Victoria Police Executive Command recognises risk management as an integral part of culture, policies, systems and processes, and that it is required to ensure community safety.

# 2. Our People

## General Summary

Victoria Police is dedicated to building and maintaining a safe and inclusive workplace and culture, where our people are healthy, fit, trained and equipped to deliver service excellence. As demonstrated by the agility and resilience shown during the COVID-19 pandemic, we recognise that 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 Service Officers (PSOs) supported in their roles by public service professionals (Table 2.1). Further breakdowns of our workforce can be found in Chapter 5.

Table 2.1: Full Time Equivalent (FTE) Summary

Employees (FTE)	As at 19 June 2021	As at 20 June 2020	As at 19 June 2019
Police	16,284	15,923	15,115
Police recruits	179	63	311
PSOs	1,466	1,475	1,453
Reservists	2	2	2
PCOs	393	402	390
VPS employees	3,451	3,482 <sup>5</sup>	3,477
<b>Total</b>	<b>21,774</b>	<b>21,345</b>	<b>20,748</b>

Source: HRD

- 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 19 June 2021 and 20 June 2020). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police.
- 2 Police Custody Officers (PCOs) are Victorian Public Service (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.
- 5 This figure is one FTE more than the figure stated in the 2019–20 Annual Report. This is the result of rounding against each rank rather than the total figure.

## A Commitment to Equality and Inclusivity – Victoria Police Diversity & Inclusion Framework

### *Equal, Safe and Strong: Victoria Police's Gender Equality Strategy and Action Plan 2020–2030*

Sustainable gender equality within Victoria Police is essential to strengthening the required capability of the workforce to support and protect victims, hold offenders to account and call for community change and action to end gender-based crime.

Released on 8 December 2020 and building on the foundational *Gender Equality Strategy 2017–2020*, the strategy *Equal, Safe and Strong: Victoria Police Gender Equality Strategy 2020–2030* sets out a framework for organisational change which will embed gender equality in our practice and culture, while achieving a safe and respectful workforce for everyone.

The first *Gender Equality Action Plan (2021–2024)*, together with a monitoring, evaluation and learning framework to track progress, will be submitted to the Commissioner for Gender Equality in the Public Sector by March 2022.

An Interim Action Plan released within the strategy focuses on aligning the 2021–2024 action plan to the legislated requirements for organisations to report on, plan and progress gender equality under the *Gender Equality Act 2020*.

*Equal, Safe and Strong: Victoria Police's Gender Equality Strategy and Action Plan 2020–2030* is available at: [police.vic.gov.au/gender-equality](https://police.vic.gov.au/gender-equality)

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## Gender Equality & Inclusion Command (GEIC)

GEIC supports the organisation to achieve gender equality and embrace diversity and inclusion.

On 30 November 2020, the Workplace Diversity and Inclusion Unit moved from the Human Resource Department to the GEIC.

This move brings all Victoria Police diversity and inclusion portfolios under one command and highlights the organisation's commitment to building safe, respectful and inclusive workplaces by improving our culture and practice.

The unit is responsible for the implementation of diversity and inclusion strategies and action plans and programs supporting the following priority areas:

- Lesbian, Gay, Bisexual, Trans and Gender Diverse, Intersex and Queer and Questioning (LGBTIQ)
- Aboriginal and Torres Strait Islander people
- Culturally and Linguistically Diverse (CALD) people
- People with Disability.

The three-year action plans (2018–2021) for LGBTIQ, Aboriginal, CALD and Accessibility concluded on 30 June 2021. An independent evaluation of the action plans followed by comprehensive internal and external stakeholder engagement will inform the next Diversity and Inclusion Strategy that is expected to be released in early 2022.

### Champions of Change Coalition

The Champions of Change Coalition is a globally recognised innovative strategy for achieving gender equality, advancing more and diverse women in leadership, and building respectful and inclusive workplaces. As a member of the coalition, Chief Commissioner Patton has continued his leadership commitments to shifting the systems of gender inequality in the workplace. Chief Commissioner Patton led a gender-focused workshop with executive leaders and undertook 'Listen and Learn' sessions with women across Victoria Police to enhance understanding of current issues.

### International Women's Day

Victoria Police celebrated International Women's Day and partnered with Emergency Services Foundation (ESF) to host three 'Choose to Challenge' forums in regional and metropolitan locations. The sessions provided the attendees with an opportunity to celebrate, share, learn and network. GEIC and the Women in Policing Advisory Group (WIPAG) also supported Women in Policing Local Committees (WIPLC) across the regions, commands and departments to coordinate local workplace events in recognition of the day.

### Place-Based Approach Pilot

The Place-Based Approach Pilot supports members and leadership at station level to address challenges and identify opportunities to build more safe, respectful and inclusive practices and culture.

GEIC is working in partnership with Forest Hill and Mill Park police stations by providing on-site (as far as possible in the current COVID-19 environment) specialist and evidence-based support, mentoring, training and tools to prevent workplace harm and progress gender equality.

### Restorative Engagement and Redress Scheme

The Restorative Engagement and Redress Scheme (the Scheme) is available to former and current Victoria Police employees who have experienced workplace sex discrimination or sexual harassment. The scheme commenced operation in December 2019. The restorative engagement component of the Scheme, which offers people who have experienced workplace sexual harassment and/or sex discrimination the option to engage with a senior representative from Victoria Police, commenced on 1 July 2020. The Department of Justice and Community Safety (DJCS) holds responsibility for the operating model, training and facilitation of the engagement meetings.

### LGBTIQ Inclusion Strategy and Action Plan 2018–2021

Victoria Police has made significant improvements in LGBTIQ workforce inclusion during 2020–21 despite the COVID-19 pandemic. A key highlight was being recognised as a silver employer at the 2021 Australian LGBTIQ Inclusion Awards. The awards are based on results from the Australian Workplace Equality Index (AWEI), a rigorous and evidence-based benchmarking tool that annually assesses workplaces on the progress and impact of LGBTIQ inclusion initiatives. This year 186 organisations participated in the AWEI, with the silver award putting Victoria Police in the top 20 per cent of participating organisations. Victoria Police was the only Australian law enforcement agency to be recognised and one of two Victorian Government agencies to be awarded silver.

Other achievements include:

- Release of paid gender affirmation leave guidelines for employees undergoing a gender reassignment/affirmation process.
- Delivery of LGBTIQ awareness, ally sessions and specialised sessions to over 450 state-wide participants attending virtually or in person.
- A review of training material to ensure LGBTIQ inclusive language and case studies.
- The launch of a rainbow banner symbolic of Victoria Police's commitment to building positive and ongoing relationships with the LGBTIQ community. The Victoria Police Rainbow Banner takes its design from the VP Pride pin and can be used for public displays and events to show support for the LGBTIQ community. The banner is also displayed in stations on significant days in the LGBTIQ calendar.

### **Aboriginal Inclusion Strategy and Action Plan 2018–2021**

As of 30 June 2021, there were 113 Aboriginal employees (0.52 per cent) at Victoria Police who have voluntarily shared their information through our HR Assist system. While an increase from 87 employees in 2018 (0.44 per cent), this remains below the 1 per cent employment target.

An Aboriginal Student Network was established at the Victoria Police Academy designed to support Aboriginal recruits and a state-wide rollout of the Aboriginal Cultural Awareness Training (ACAT) commenced in October 2020, through an online delivery module.

A range of employment pathway programs continued to be progressed including 22 school-based trainees across 21 police stations and an Aboriginal Youth Employment Scheme (YES) trainee within the Counter Terrorism Command. The program runs on a calendar year basis. Current Police stations participating in 2021:

Kerang	Shepparton	Morwell
Bendigo	Frankston	Benalla
Wyndham	Warrnambool	Preston
Werribee	Transit	Knox HQ
Hastings	Mill Park	Williamstown
Footscray	Robinvale	Mornington CIU
Dandenong	Swan Hill	Mildura

### **Victoria Police Aboriginal Cultural Awareness Training (ACAT)**

Victoria Police is committed to the Victorian Aboriginal Affairs Framework (VAAF) 2018–2023 and Burra Lotjpa Dungaludja Aboriginal Justice Agreement Phase Four (AJA4) to advance self-determination and reduce the over-representation of Aboriginal Victorians in the justice system.

Victoria Police reports annually on attendance at cultural awareness training through the Victoria Aboriginal Affairs Reporting Regime. ACAT aims to improve Victoria Police employees' awareness and understanding of Aboriginal Victorian peoples, culture, history and contemporary issues, and how these continue to impact the circumstances of Aboriginal people today. It encourages employees to reflect on and challenge existing beliefs, biases and assumptions about Aboriginal Victorians.

State-wide delivery of ACAT commenced in October 2020, facilitated by Aboriginal employees and an Aboriginal consultant. ACAT has been included on the syllabus for recruit Foundation Training at the Police Academy. Up until February 2021 when the training had to be paused due to the COVID-19 pandemic, approximately 490 employees had attended regional or departmental ACAT sessions. Victoria Police is committed to continuing to develop the ACAT package and is currently working with the Aboriginal Justice Caucus for further guidance and endorsement.

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An Aboriginal Student Network was established at the Victoria Police Academy designed to support Aboriginal recruits

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## **Accessibility Inclusion Strategy and Action Plan 2018–2021**

Victoria Police attained the Disability Confident Recruiter (DCR) accreditation by Australian Network on Disability in November 2020. The primary goal of the DCR accreditation is to ensure that recruitment and selection processes for public service roles are free from discrimination, accessible and inclusive of people with disability. The accreditation comes after changes were made to improve the accessibility of the Victoria Police website and the Victorian Public Service recruitment and selection process. Staff from a variety of recruitment teams across the organisation also engaged in disability confidence training. Thirty-one staff undertook the disability confidence training in 2020–21. Furthermore, 20 employees across Victoria Police were trained at the Access and Inclusion Index Workshop, equating to a total of 51 employees.

Victoria Police participated in employment pathway programs including the 'Stepping Into' Program at the beginning of 2021 which consisted of five internships resulting in successful employment opportunities for two participants. The two participants have continued employment with Victoria Police beyond their initial internship and are still employed with Victoria Police.

Victoria Police led the development of a pilot mentoring program for employees with disability across the Victorian Public Sector. Victoria Police established and chaired the working group responsible for the development and implementation of the pilot. The working group, with representatives from a range of government departments including VPS Enablers and the Autism Success Network, completed an environmental scan of current mentoring programs, developed a mentoring program model using an IT platform, Mentorloop, and secured endorsement and funding by the Deputy Secretary Disability Champion Roundtable. The pilot is due to be launched on International Day of People with Disability on the 3 December 2021.

The number of Victorian Public Service employees who voluntarily shared their disability information increased from 59 in 2018 to 78 in June 2021. Despite this increase Victoria Police is still aiming to meet the whole of government disability employment target of 6 per cent of our VPS workforce (currently 1.87% of VPS employees).

Victoria Police is committed to improving outcomes for employees with disability by participating in the Access and Inclusion Index administered by Australian Network on Disability. Findings from the Index will provide a roadmap on access and inclusion matters across all areas of the organisation and inform future organisational accessibility strategies.

## **CALD Inclusion Strategy and Action Plan 2018–2021**

One of the key deliverables with the CALD Inclusion Strategy and Action Plan was to improve the workforce diversity of Victoria Police by attracting and recruiting more people from CALD backgrounds. A pilot program aimed at increasing Victoria Police applicants with CALD heritage resulted in five applicants (3 Police, 1 Protective Services Officer (PSO) and 1 Police Custody Officer) successfully gaining employment and a further 41 active applicants at various stages of the recruitment process during the reporting period.

In addition, a review of communications to applicants was completed to address bias within the recruitment process.

## **Employment Conditions**

The terms and conditions of employment for Victoria Police employees are governed by legislation, Enterprise Agreements and Victoria Police policy. In addition to the *Fair Work Act 2009* (Cth), and *Fair Work Regulations 2009* (Cth), our police and PSOs are governed by the *Victoria Police Act 2013* and *Victoria Police Regulations 2014*. Similarly, our Victorian Public Service (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*; and the *Victorian Public Service Enterprise Agreement 2020*.

Both agreements deliver industrial reforms and positive outcomes for both sworn and VPS employees, including the continuation of projects and initiatives to enable efficiencies and improve the health and wellbeing of our people.

## **Developing Leadership Capability**

Our commitment to a safe and inclusive workforce underpinned by confident, respectful and visible leadership continues. Several initiatives which support the ongoing development of our leaders were delivered in 2020–21. The Leadership Capability Uplift program 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 the organisation's commitment to more confident, humble, respectful and people-focused leaders.

Despite COVID-19 related restrictions, over 1,150 mid-level managers and supervisors were engaged in the program in 2020–21 with 550 participating via online delivery. Acknowledging the COVID-19 related restrictions on the program, the project has been extended to enable full acquittal.

The reach across the organisation of 'Latitude', the open access online resource hub, expanded in 2020–21, connecting employees and workplaces to recommended and relevant resources in support of ongoing leadership development. The platform had over 4,894 visitors in the 2020–21 financial year.



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## 2020–21 Victoria Police Awards and Honours

Victoria Police recognises and values special service by employees and the community in keeping Victoria 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 2020–21, 92 Victoria Police employees and 9 community members received an award or honour. A full list of individuals who were presented with Victoria Police Awards and Honours in 2020–21 can be found in Appendix B.

## Return to Outdoor Graduations

On 18 March 2021 outdoor graduation ceremonies resumed at the Police Academy, with the graduation ceremony for Police Squad 10 of 2020–21.

A total of 44 squads were unable to participate in a graduation ceremony in 2020 due to COVID-19 restrictions. Victoria Police is planning 'super graduation' events for those squads.

## Launch of Yammer

In line with *Victoria Police's Capability Plan 2016–2025*, the Media and Corporate Communications Department (MCCD) has been working to modernise the way the organisation communicates with the workforce to improve employee connectedness and organisational culture.

In May 2021 Victoria Police launched Yammer, an internal social media network for all employees. Yammer provides the organisation with an internal communications channel, increasing opportunities for connection and collaboration across the state and breaking down barriers between Victoria Police leaders and the frontline.

In the next 12 months, MCCD will increase its focus on realising the operational benefits of Yammer, including improved intelligence-sharing and increased collaboration between work units.

The launch of Yammer is a *2020–21 Annual Plan Action* (see Chapter 3).

## Occupational Health Safety and Wellbeing

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, 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 Harm – Think Safe, Be Safe* we drive the health and safety behaviour and cultural change we desire. We bring safety to the forefront of everything we do.

In 2020–21, Occupational Health and Safety (OHS) capability continued to focus on responding to the impacts of emergencies on employee health and wellbeing. OHS specialists were deployed to the COVID-19 response, support which is ongoing. The COVID-19 pandemic has highlighted the critical role that safety plays in emergency management.

### Incident Management

Reported incidents increased slightly by 0.08% to 3,914 in 2020–21. The increase is largely due to COVID-19 related near-misses and injuries.

Mental health claims and employees seeking help for mental health have increased since the publication of the *Mental Health and Wellbeing Strategy and Action Plan 2017–2020*. Victoria Police anticipated 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.

During 2020–21, Incident Management resourcing has been focused on supporting the broader COVID-19 response.

This has included:

- Infection Prevention Control protocols
- Contact tracing
- Exposure risk assessment capabilities
- Sustained safety support in the State Police Operations Centre

For 2021–22, the health and safety strategy will be reset to focus on prevention including a reduction in Lost Time Injury Frequency Rate (LTIFR).

# 3. Our Performance

## Our Performance

Victoria Police received the published Total Output Cost Budget of \$3.79 billion in 2020–21 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. This chapter presents information on Victoria Police's performance against the Victorian Government Budget Papers and Community Safety Statements. The end of this chapter summarises actions taken in accordance with the Victoria Police 2020–21 Annual Plan.

## Impacts on Performance In 2020–21

Throughout 2020–21 Victoria Police recorded significant variances against several performance measures, initiatives and projects. The main driver of the variances was the ongoing COVID-19 pandemic which saw changes to tasking, working environments and the reprioritisation of roles and responsibilities. Our working environment changed to comply with the Chief Health Officer (CHO) directions and to ensure the health and safety of our members and the wider community in response to the pandemic.

Many of the impacts from changes to our working environment were in response to the COVID-19 pandemic, especially the restriction of movement in the community. These restrictions impacted roadside alcohol testing and saw the booze and drug bus fleet cease operations from July 2020 to November 2020. As a result, the figures for alcohol screening tests are significantly reduced for the 2020–21 reporting period.

Several projects and initiatives were affected by operational prioritisation during the pandemic response. Delays in the procurement of equipment and social distancing requirements have caused some projects to be delayed while appropriate continuity plans are put in place to manage the changing environment.

## Performance Against Objectives

Each year, the Victorian Government outlines priorities for the goods and services it provides to the Victorian community and details its budget decisions within 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.

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

Source: 2020–21 Budget Paper 3 Service Delivery

## Community Safety During the Day and at Night

This indicator reflects Victoria Police's efforts to improve safety and provide a safe and secure environment for the community by measuring the level of safety that survey respondents (as a sample of Victorians) feel during the day and night. The National Survey of Community Satisfaction with Policing 2019–20 results are contained within the Report of Government Services (RoGS) 2021 which was released in January 2021.

Survey respondents were asked to rate their feelings 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.

The 2020–21 results will be reported in the 2022 RoGS, to be published by the Commonwealth Productivity Commission in January 2022.

Table 3.1: Community Safety During the Day

Indicator	2015-16 %	2016-17 %	2017-18 %	2018-19 %	2019-20 %	Change from 2018-19 to 2019-20	Change over 5 years
Walking alone in the neighbourhood	90.0	84.0	87.4	88.1	89.9	+1.8	-0.1
Travelling alone on public transport	59.0	58.5	67.1	68.6	68.4	-0.2	+9.4

Source: 2021 Report on Government Services, Commonwealth Productivity Commission

Table 3.2: Community Safety at Night

Indicator	2015-16 %	2016-17 %	2017-18 %	2018-19 %	2019-20 %	Change from 2018-19 to 2019-20	Change over 5 years
Walking alone in the neighbourhood	48.6	42.8	47.1	48.1	49.1	+1.0	+0.5
Travelling alone on public transport	25.6	23.3	31.3	32.3	32.6	+0.3	+7.0
At home	87.1	79.1	83.0	83.8	85.9	+2.1	-1.2

Source: 2021 Report on Government Services, Commonwealth Productivity Commission

## Crime Statistics

Crime statistics are based on reports from the public and crimes detected by police and demonstrate Victoria Police's progress in ensuring community safety through policing, law enforcement and crime prevention activities. 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 CSA website: [crimestatistics.vic.gov.au](https://crimestatistics.vic.gov.au)

Changes to recorded crime can be due to increased police 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, from March 2020 new COVID-19 offences 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 2020-21 financial year there was a reduction in total recorded crime by 4.0 per cent from 544,107 offences in 2019-20 to 522,486 offences in 2020-21. There were decreases in the offence categories of Property and Deception offences, Drug offences, and Public Order and Security offences. There were increases in the offence categories of Crimes Against the Person, Justice Procedure offences and Other offences.

The overall decrease in total recorded crime was largely driven by decreases in Property and Deception offences, which decreased by 52,108 between 2019-20 and 2020-21. The offence category of 'Other offences' increased by 350.2 per cent, from 7,442 in 2019-20 to 33,504 in 2020-21. This was related to the new public health and safety offences introduced as part of the response to the pandemic. Further information about the CSA offence classification is available at [crimestatistics.vic.gov.au/about-the-data/classifications-and-victorian-map-boundaries/offence-classification](https://crimestatistics.vic.gov.au/about-the-data/classifications-and-victorian-map-boundaries/offence-classification).

Decreases in Property and Deception offences were largely driven by a decrease in theft offences, which dropped from 184,025 in 2019-20, to 144,606 in 2020-21, followed by Burglary / Break and Enter, which dropped from 41,006 in 2019-20 to 30,980 in 2020-21.

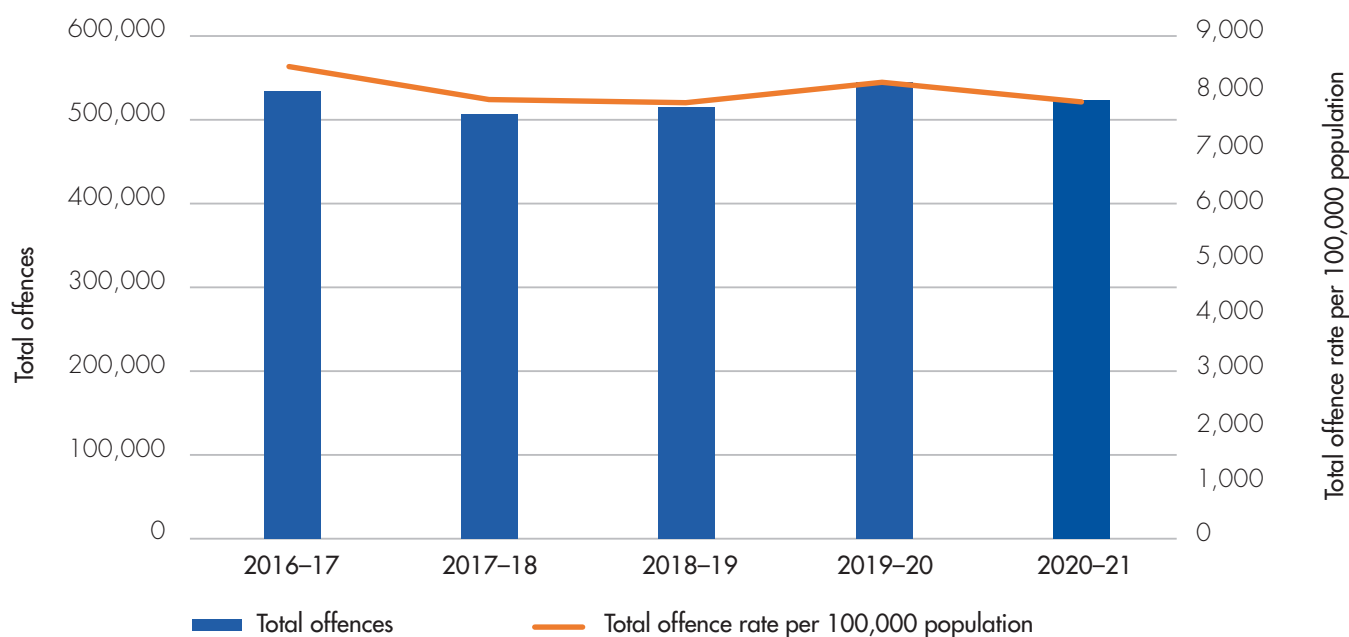
Public Order and Security offences decreased by 2,009 offences in 2020-21, representing a decrease of 6.3 per cent for this category. Drug offences decreased by 229 offences in 2020-21, representing a 0.6 per cent decrease. Justice Procedures offences increased by 4,074 offences, representing a 5 per cent increase in this category. Crimes Against the Person also increased slightly by 2,589 offences, representing a 3.1 per cent increase for this category.

Table 3.3: 5 Year Trends in Offence categories

Indicator	2016–17	2017–18	2018–19	2019–20	2020–21	Change from 2019–20 to 2020–21	Change over 5 Years
Crimes Against the Person offences	79,113	80,035	81,019	82,972	85,561	+3.1%	+8.2%
Property and Deception offences	315,240	288,048	287,083	303,941	251,833	-17.1%	-20.1%
Drug offences	30,350	29,867	32,547	37,013	36,784	-0.6%	+21.2%
Public Order and Security offences	36,049	34,770	34,911	31,666	29,657	-6.3%	-17.7%
Justice Procedure offences	69,886	71,073	76,616	81,073	85,147	+5.0%	+21.8%
Other offences	1,574	2,033	1,334	7,442	33,504	+350%	+2,028.6%
<b>Total offences</b>	<b>532,212</b>	<b>505,826</b>	<b>513,510</b>	<b>544,107</b>	<b>522,486</b>	<b>-4.0%</b>	<b>-1.8%</b>
<b>Total offence rate per 100,000 population</b>	<b>8,419</b>	<b>7,828</b>	<b>7,784</b>	<b>8,125</b>	<b>7,823</b>	<b>-3.7%</b>	<b>-7.1%</b>

Source: Crime Statistics Agency, data extracted from LEAP on 18 July 2021 and is subject to change.

Figure 3.1: Victorian recorded offences and rate per 100,000 population 5-year trend



Source: Crime Statistics Agency, data extracted from LEAP on 18 July 2021 and is subject to change.

## Road Fatalities and Injuries

This indicator reflects Victoria Police's continued efforts to reduce road collisions and related road deaths and hospitalisations through the delivery of the Victorian Government's Towards Zero 2016–20 Road Safety Strategy and Action Plan. Victoria Police play a crucial role in achieving this goal through operations targeting speeding, high-risk drivers, drug and drink driving.

At the completion of the Toward Zero Strategy in 2020, the Victorian Road Safety Strategy 2021–2030 was launched. This Road Safety Strategy aims to halve road deaths and reduce serious injuries by 2030 and put us on the path to eliminating road deaths by 2050. Together with its road safety partners (Department of Transport, Transport Accident Commission, DJCS and the Department of Health) Victoria Police is committed to the important

target of eliminating death and serious injury on our roads.

It should be noted that the below Road Fatality and Injuries data is reported by financial year and may not match other reported figures published elsewhere.

In 2020–21, there was a total of 204 road fatalities in Victoria which is a reduction of 11.69 per cent compared with the number of lives lost on Victorian roads in 2019–20. Since 2016–17 there has been a decrease of 23.6 per cent in the number of reported road fatalities.

The total number of road injuries decreased by 17.13 per cent in 2020–21 compared with the previous financial year. Since 2016–17 the total number of injuries caused by road collisions has reduced by 25.19 per cent.

Table 3.4: Road Fatalities and Injuries

	2016–17	2017–18	2018–19	2019–20	2020–21
Fatalities (lives lost)	267	238	263	231	204
Injuries	20,397	18,015	17,836	18,415	15,260

Source: Data was extracted from the Collision Management Information System on 5 July 2021. 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	2019–20		2020–21	
	Lives Lost	Injuries	Lives Lost	Injuries
Driver	108	9,968	108	8,155
Passenger	37	3,182	23	2,280
Pedestrian	40	1,358	27	1,149
Bicyclist	13	1,365	7	1,258
Motorcyclist	33	2,330	38	2,234
Pillion Passenger	0	73	0	43
Other	0	139	1	141
<b>Total</b>	<b>231</b>	<b>18,415</b>	<b>204</b>	<b>15,260</b>

Note: Collision data by road user cannot be provided therefore has not been included.

Source: Data was extracted from the Victoria Police Collision Management Information System on 5 July 2021. 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

	2019–20			2020–21		
	Lives Lost	Injuries	Collisions	Lives Lost	Injuries	Collisions
Metro	109	12,759	10,302	84	10,202	8,512
Regional	122	5,656	4,353	120	5,058	4,194
<b>State (Total)</b>	<b>231</b>	<b>18,415</b>	<b>14,655</b>	<b>204</b>	<b>15,260</b>	<b>12,706</b>

Source: Data was extracted from the Victoria Police Collision Management Information System on 5 July 2021. Data capture for road fatalities and injuries are subject to variation due to reclassification or data settling.

## 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 in 2020–21 Victoria Police conducted several operations to minimise risks, collectively resulting in over 71,500 road safety offences being detected.

The reduction in road safety offence detection for this financial year in comparison with the previous financial year is attributable to the impact of the COVID-19 pandemic and associated CHO restrictions and periods of lockdown resulting in a decrease of traffic volumes.

Operation and Duration	Outcome
Operation Saturn (18 days)	413 Blood Alcohol Content offences 487 Drug driving offences 15,213 Other road safety offences* 2,529 Crime offences
Operation Compass (21 days)	410 Blood Alcohol Content offences 454 Drug driving offences 15,963 Other road safety offences 1,545 Crime offences
Roadwise Campaign (20 days) Christmas/New Year Period	463 Blood Alcohol Content offences 535 Drug driving offences 13,239 Other road safety offences 1,345 Crime offences
Operation Amity (4 days) Australia Day Long Weekend	130 Blood Alcohol Content offences 136 Drug driving offences 3,599 Other road safety offences 383 Crime offences
Operation Arid (4 days) Labour Day Long Weekend	215 Blood Alcohol Content offences 195 Drug driving offences 6,352 Other road safety offences 516 Crime offences
Operation Nexus (5 days) Easter Long Weekend	297 Blood Alcohol Content offences 273 Drug driving offences 8,452 Other road safety offences 717 Crime offences
Operation Regal (4 days) Queen's Birthday Long Weekend	170 Blood Alcohol Content offences 170 Drug driving offences 4,440 Other road safety offences 431 Crime offences

**Note:** \*The road safety offences category encompasses a wide range of offences including (but not limited to) exceeding the speed limit; unauthorised driving (unlicensed/disqualified/suspended); driving without a seat belt; and unlawful use of a mobile phone.

## 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 output reflects the Government's focus on reducing the overall incidence and fear of crime and enhancing the safety of individuals and families.

The performance measures reported in Table 3.7 compare targets and actual results for 2020–21 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	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Community calls for assistance to which a Victoria Police response is dispatched	number	922,318	900,000	2.5	✓
Contravention of family violence intervention order (FVIO) offences per 100 000 population	number	827.3	670	23.5	✓
<i>The actual is above the target due to Operation Ribbon proactively monitoring high-risk Affected Family Members (AFMs) and perpetrators likely leading to more Intervention Order (IVO) breaches being identified. More IVO contraventions were also encountered due to the increase in community movements after lockdowns (incidental contacts and encounters at family events).</i>					
Crimes against property - excluding family violence related crime (rate per 100 000 population)	number	3,590.8	4,200	-14.5	✓
<i>The actual is below the target due to the restricted mobility of the community due to COVID-19 restrictions.</i>					
Crimes against property - family violence related (rate per 100 000 population)	number	179.9	160	12.4	✓
<i>The actual is above the target due to an increase in reporting with people being contained in the home due to COVID-19 restrictions.</i>					
Crimes against the person - excluding family violence related crime (rate per 100 000 population)	number	684.6	660	3.7	○
Crimes against the person - family violence related crime (rate per 100 000 population)	number	596.5	580	2.8	✓
Number of alcohol screening tests conducted	number	1,147,866	3,000 000	-61.7	■
<i>The 2020–21 actual is lower than the 2020–21 target due to the impacts of the COVID-19 pandemic including altered testing approach (to meet OH&amp;S requirements); operational deployments to CHO compliance; and cessation of mass testing under the booze bus model from July 2020 to November 2020.</i>					
Number of hours of family violence related education provided to police	number	2,714	1,995	36	✓
<i>The actual is above the target due to lifting of COVID-19 restrictions on training. Victoria Police reverted to double-squads once restrictions were lifted, which required increased training hours due to the large backlog of trainees required to complete mandatory programs across the state.</i>					
Number of prohibited drug screening tests conducted by booze and drug buses and highway patrol units	number	150,397	150,000	0.3	✓
Number of youth referrals	number	2,443	2,050	19.2	✓
<i>The actual is above the target due to the easing of CHO restrictions and the increased number of Embedded Youth Outreach Program working shifts further enhanced interaction with the community resulting in more referrals than anticipated.</i>					
Police record checks conducted to contribute to community safety	number	684,518	703,000	-2.6	○
Total reported road fatalities in vehicle collisions	number	204	≤200	2	○
Total persons reported injured in vehicle collisions	number	15,260	15,000	1.7	○

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quality</b>					
Perceptions of safety - walking locally at night	per cent	56.9	53	7.4	✓
<i>The actual is above the target due to more people walking in the local area for exercise and the increase in police presence due to COVID-19 restrictions.</i>					
Proportion of community satisfied with policing services (general satisfaction)	per cent	79.5	80	-0.6	○
Proportion of drivers tested by road safety cameras who comply with posted speed limits	per cent	99.8	99.5	0.3	✓
Proportion of drivers tested who return clear result for prohibited drugs	per cent	93	93	0.1	✓
Proportion of Family Incident Report affected family members receiving referrals	per cent	87	85	2.4	✓
Proportion of successful prosecution outcomes	per cent	93.2	92	1.3	✓
Proportion of the community who have confidence in police (an integrity indicator)	per cent	79.9	87	-8.2	■
<i>The actual is below the target due to community interactions with police in relation to CHO directions</i>					
<b>Timeliness</b>					
Proportion of crimes against the person resolved within 30 days*	per cent	42.4	45	-5.8	■
<i>The actual is below the target due to the low clearance for various types of assaults related to family violence such as serious assaults, common assaults and indecent assaults</i>					
Proportion of property crime resolved within 30 days*	per cent	24.8	25	0.8	○
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>4,107</b>	<b>3,794</b>	<b>8.3%</b>	<b>■</b>

**Notes:**

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

\* the reference period is based on the 'Report Date' field, as recorded by Victoria Police July 2020 – May 2021.

Excluding Department of Justice and Community Safety - Crime Prevention output costs

✓ Performance target achieved or exceeded.

○ Performance target not achieved – within 5 per cent variance.

■ Performance target not achieved – exceeds 5 per cent variance.



## Financial Performance

The Annual Financial Statements 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 2020–21 financial year and comparative information for the preceding four years.

Table 3.8: Five Year Financial Summary

	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
<b>Financial Performance</b>					
<b>Income from government</b>					
Total Income from Transactions	2,785,000	3,073,265	3,380,623	3,746,442	4,110,686
Total Expenses from Transactions	2,782,181	3,065,762	3,399,200	3,738,574	4,107,823
Net Result from Transactions	2,819	7,503	-18,577	7,868	2,863
Net Result	17,138	15,803	-30,336	9,883	24,993
<b>Cash Flows</b>					
Net Cash Flow from Operating Activities	73,650	116,661	190,166	177,241	157,095
Net Cash Flow from Financing Activities	-35,641	4,292	-19,035	-36,729	25,887
<b>Balance Sheet</b>					
Total Assets	2,135,743	2,343,438	2,544,256	3,454,822	4,651,571
Total Liabilities	702,950	764,387	864,081	1,705,067	2,808,968
Net Worth	1,432,793	1,579,051	1,680,175	1,749,755	1,842,603

### Financial Performance

Total Income from transactions grew by nine per cent in 2020–21 to \$4,110.7 million from the previous financial year, primarily in annual government grants to support output service delivery, namely:

- Wage indexation associated with Sworn and Victoria Public Sector (VPS) Enterprise Bargaining Agreements,
- Incremental increases associated with approved government decisions including the Community Safety Statement,
- First-year recognition of the Victoria Police Centre (311 Spencer Street, Docklands) lease under Australian Accounting Standards Board 16 Leases in interest charges and depreciation,
- Aviation expansion with the leasing of two rotary wing aircrafts and one fixed wing aircraft,
- The impact of the COVID-19 pandemic to support border closures, international hotel quarantine and additional operating expenditure for cleaning and personal, protective equipment,
- Victoria Police system enhancements and resources, and
- Additional support for police operations.

Consequently, Victoria Police's total expenditure from transactions also grew by nine per cent to \$4,107.8 million for the year.

The net result for the year was a surplus of \$25.0 million, compared to a surplus of \$9.9 million in 2019–20. This takes into account the net effect of gains on the disposals primarily in motor vehicles and the net gain on the revaluation of the Long Service Leave liability due to an improved discount rate from 0.87% in 2019–20 to 1.49% in 2020–21.

Finally, the Valuer-General Victoria (VGV) prepared its five-year scheduled revaluation of Victoria Police physical assets for land, building and cultural assets, resulting in an \$11.3 million surplus in 2020–21.

### Balance Sheet

Victoria Police's net worth as at 30 June 2021 was \$1,842.6 million, an increase of \$92.8 million or five per cent from the previous year. This comprises total assets increasing \$1,196.7 million from the previous year to \$4,651.6 million and total liabilities increasing \$1,103.9 million from the previous year to \$2,809.0 million.

The increase in the assets and liabilities is primarily due to the recognition of the new Victoria Police Centre (VPC) at 311 Spencer Street, Docklands in the current year. Other significant additions also included aviation aircrafts, two rotary wing aircraft and one fixed wing aircraft.

These leases were the main drivers to the increase in Assets - Property, Plant and Equipment and Liabilities - Borrowings. Further information may be found in the Annual Financial Statements under Note 5.1 (a) Total Right-of-Use Assets, Note 7.1 *Borrowings* and Note 7.2 *Leases*.

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## Cash Flows

The decrease in net cash inflows from operating activities from \$177.2 million in 2019–20 to \$157.1 million in 2020–21 is primarily due to a change in policy for payments made to suppliers within 10 business days in the current year compared to the previous year. In addition, there has been an increase in interest payments by approximately \$33.3 million in relation to new lease liabilities recognised in the current year.

The decrease in net cash flow from financing activities by \$10.8 million compared to the previous financial year is due to the timing of the new lease at 311 Spencer Street, where a greater portion of interest repayment is paid (under operating) compared to principle under financing in the earlier years of the lease.

**Notes:** 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 that works with the community and the media to help police solve crime and keep Victoria safe.
- **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 6 – Financial Performance and Financial Statements. Disclosure 5.28, within Chapter 5, also provides a comparison between the actual and budgeted financial information.

## 2020–21 Annual Plan Actions

The Victoria Police 2020–21 Annual Plan demonstrates how, through structured investment and reform, our services will be more tailored and responsive.

The actions in the 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 2020–21 are highlighted against 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 2020–21 Actions

### Enhanced Firearm Capability Project

The Enhanced Firearm Capability Project (EFCP) was established to uplift Victoria Police's organisational capability and capacity to respond to mass casualty events, active armed offender incidents, the terrorist environment and violent offending more broadly, through the provision of an enhanced firearm capability.

The project has delivered specialised firearm equipment and training to four regional 24-hour police stations and the Public Order Response Team (PORT). Approximately 700 police (325 PORT and 374 regionally based general duties police) have been trained in the safe handling and use of the semi-automatic rifles.

### Design and Deliver Better Mental Health for Emergency Worker Early Intervention and Prevention Initiatives

The Early Intervention and Prevention Fund (EIPF) Project Team and Injury Management Teams are in place, with employees continuing to support the delivery of the interventions.

Programs from the Trauma Recovery and Resilience Group (Trauma Group) continue to be facilitated for employees who are experiencing sub-clinical trauma symptoms, with three group programs completed in 2020–21, and a fourth group concluding in July 2021. Two of the Trauma Groups were held centrally in Melbourne CBD, one regionally in Bendigo (Western Region) and the final group held regionally in Sale (Eastern Region). Planning is underway for two further groups in 2021.

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Twenty Reflective Practice (RP) groups have been scheduled and delivery commenced in multiple work sites across Victoria. Ten RP groups have been completed to date, in both metropolitan and regional areas. Data analysis has commenced with a master file and scoring template developed. Preliminary analysis has been completed. The currently utilised RP 'model' has been reviewed and adapted to adhere to COVID-19 restrictions, allowing for online delivery and individual Professional Supervision. The Professional Supervision pilot has been completed within three areas of work – Taskforce SALUS, the Foundation Welfare Unit (FWU) and the Police Responding in Mental Health Events (PRIME) training program. An evaluation of project uptake by Taskforce SALUS has been undertaken.

### **Continue Implementing Actions in Health & Safety Strategy & Action Plan 2019–22 and Transition The Mental Health and Wellbeing Strategy and Action Plan 2017–2020 to Business as Usual**

Elements of the Health and Safety Strategy and Action Plan were reprioritised to enable focused health, safety and wellbeing support to the organisational response to COVID-19. Positive progress has been made with the review of the Operational Safety Tactics Training suspension review process, the delivery of the suicide awareness campaign, participation in the Provisional Payments Pilot for workers compensation mental health claims and the ongoing delivery of the Early Intervention and Prevention Program. The Mental Health and Wellbeing Strategy and Action Plan has transitioned to business as usual.

## **Leadership 2020–21 Actions**

### **Victoria Police Values Refresh**

Professional Standards Command in partnership with the Media and Corporate Communications Department developed an extensive communications strategy to launch the refreshed Victoria Police Values across the organisation in 2020. A key component of the strategy was the staged rollout of each organisational value, which occurred between May and November 2020. A different value was championed each month with a supporting article in the *Victoria Police Gazette*, links to a dedicated online hub containing videos and information demonstrating our employees 'Living the Values' and the distribution of posters and booklets to every workplace across the State. Through this strategy, the organisation has created visible reminders to all employees and the community of the expectation that our employees live the values through their interactions with each other and the public.

### **Conflict of Interest Policy**

In 2020–21 Professional Standards Command conducted a holistic review of the *Conflict of Interest* policy within the *Victoria Police Manual*. Redevelopment of the policy will result in a practice guide with specific examples and contain a human rights assessment tool specific to conflict of interest, created in consultation with the Priority and Safer Communities Division. Consultations with external stakeholders have commenced.

### **Discipline Transformation Project**

The Discipline Transformation Project (DTP) aims to simplify and streamline the Victoria Police complaints handling and discipline systems to improve accessibility, transparency, accuracy and timeliness, and to better reflect our modern employment conditions and employee conduct requirements.

The project team within Professional Standards Command is undertaking a range of work to:

- Increase accessibility and information for people seeking to make a complaint.
- Streamline complaint classification, assessment, allocation and determination.
- Review and modernise complaint and discipline policies and guidelines and seek legislative amendments.

The DTP team continues to engage with diverse community representative groups and other significant stakeholders with over 40 stakeholder presentations conducted during 2020–21.

The project will draw on parallel policy reform work being undertaken in conjunction with the Police Registration and Services Board, The Police Association Victoria and the Independent Broad-based Anti-corruption Commission and engage with diverse community representative groups and other significant stakeholders.

Enhancements are expected to be completed by the end of 2021 with associated policies progressively developed internally and legislation changes to be progressed through relevant channels for consideration by government.

Victoria Police recognises the significance of this transformation to build and enhance community trust and confidence. These reforms will strengthen obligations on Victoria Police employees involved in the complaint and discipline process and hold employees to account for the discharge of their duty. The proposed changes also support and hold the organisation to account for strengthening and reinforcing a strong ethical culture within Victoria Police.

### **Internal Communications Strategic Framework and Implementation of Yammer**

Victoria Police launched Yammer in May 2021. This communication tool inspires employees to connect with each other, ask questions and exchange ideas on an informal digital platform. The rolling out of Yammer, combined with a refreshed intranet in 2020, finalises the implementation of the Victoria Police Internal Communications Strategic Framework and confirms our ongoing commitment to improving user experience for all employees.

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## Agility 2020–21 Actions

### New Aviation Capability

In June 2020 Victoria Police introduced a fleet of AW139 Leonardo Helicopters and a King Air 350ER Fixed wing aircraft. The new aircraft have globally recognised, cutting edge capabilities and replace three AS365 Dauphin aircraft that, by the time of their retirement on 4 September 2020, had operated for more than 20 years. The new aircraft's increased capability is supporting greater outcomes during incident responses and searches through advanced mapping and object detection technology. The new aircraft allow for greater time on tasks, quicker transits between locations and longer deployments, including those carried out in alpine and maritime environments.

### Vessel Refurbishment

During 2020–21 we refurbished three water vessels that will extend their operational life and ensure the Water Police maintains capability. Two of the three vessels have had refurbishment works completed, with the third vessel due for completion in mid-2021.

### Continue Deployment of Additional Police and Protective Services Officers (PSO) as Part of Year Three Allocations and Mature the Staff Allocation Model (SAM) to Deploy Year Four Allocations

In 2020 enhancements were made to the SAM, its fifth year of development. Generation 5 of the SAM was used to allocate 396 sworn resources across the frontline and specialist fields. In February 2021, the allocations were endorsed by Executive Command, with deployment to be finalised by 30 June 2022.

### Continue Procurement and Refurbishment of Specialised Mobile Command Centres (Mobile Police Units)

The Mobile Police Unit (MPU) project will introduce eight new state of the art mobile platforms to the organisation, equipping our operational members with a more agile and visible presence within the community. The first two prototypes of modern MPUs, being the small MPUs, are currently being built.

In a further enhancement to the modernisation and agility of the mobile policing fleet, the flagship large Mobile Command Trailer (MCT) has been refurbished with upgraded Information Communication Technology to build on its already impressive capabilities.

### Continue to Modernise our Police Facilities Through Our Infrastructure Program of Work

Victoria Police continued to modernise police facilities throughout 2020–21. Upgrade works have been completed at various police stations to provide more efficient and effective policing services to the Victorian community now and into the future.

The following police stations were upgraded and modernised: Ballarat, Bellarine (Ocean Grove), Benalla, Bendigo, Broadmeadows Prosecutions, Camperdown, Caroline Springs, Cranbourne, Crime Command, Croydon, Dandenong, Doncaster, Fawkner, Frankston, Heidelberg, La Trobe Prosecutions, Mildura, Moorabbin, Narre Warren, Lilydale, Pakenham, Portarlington, Portland, Richmond, Shepparton, Somerville, Swan Hill, Waurin Ponds, Werribee and Wodonga.

In addition, a state-of-the-art police hub in Wyndham was significantly progressed during 2020–21. The \$45 million Wyndham Police Complex is designed to be one of the largest Victoria Police facilities outside of the Melbourne Central Business District, with accommodation for police members, support staff and partnering agency staff. It replaces the existing Werribee station, offering greater capacity for frontline and specialist deployments. The police complex is part of the broader development of the Wyndham Justice Precinct as part of the Werribee National Employment & Innovation Cluster. The Wyndham Justice Precinct, once complete, will provide integrated justice services for the Wyndham community, aligning policing, court services, corrections, health and council services.

## Evidence-based 2020–21 Actions

### Streamlining DNA Testing and Analysis

DNA testing and analysis has been streamlined through the introduction of robotics, which automates parts of the DNA analysis process and the recruitment of additional staff to manage the workflow from sample receipt through to reporting. This increased capacity has enabled faster uploading of person samples to the national database.

## Victim-centric 2020–21 Actions

### Drug Strategy 2020–2025

The *Victoria Police Drug Strategy 2020–2025* and the *Victoria Police Drug Strategy Action Plan* were launched in December 2020. The Strategy aims to improve community safety by reducing individual and community harm from illicit drugs. Victoria Police recognises that drug markets, modes of distribution and the types of drugs being dealt are always changing. The strategy is designed to provide an enhanced and adaptive policing response to local drug traffickers, cultivators and manufacturers operating in this evolving environment.

At the same time, Victoria Police will work with its national and international law enforcement partners to prevent the entry of illicit drugs and precursor chemicals into the state and investigate serious and organised crime.

In addition to more traditional law enforcement approaches, the strategy emphasises the need for strong, collaborative relationships between Victoria Police and its partners and community. These connections are vital to divert and refer people who need help into appropriate services and embed prevention approaches specific to local needs and harms.

The Strategy will be supported by the Action Plan. In early 2021, the Action Plan guided planning for establishing an implementation team and governance processes to oversee the extensive program of work that will be needed to implement the plan over the next five years. Proposed initiatives include ensuring adaptive and contemporary responses to drug policing, and strengthened relationships and co-responses with partner agencies and community.

Victoria Police will continue to regularly review and readjust its approach throughout the next five years, ensuring police are equipped to carry out contemporary drug policing best practice.

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## Reducing the Impact of Road Trauma on the Victorian Community

The staged rollout of Mobile Automated Number Plate Recognition (and In-Car Video) technology (ANPR) to the Victoria Police fleet of 221 Highway Patrol (HWP) vehicles continued throughout 2020–21. The system allows for the safe and quick identification of motorists committing specific road safety breaches by using custom-built cameras and software that identify registration number plates and verifies them against relevant databases. As at 30 June 2021, 202 Mobile ANPR fitted vehicles are in operation.

In 2020–21, Victoria Police conducted 150,397 roadside drug tests, exceeding the Annual Plan target of 150,000 and attaining the second highest level ever recorded. Dedicated projects targeting the sustainability and efficiency of the delivery of tests enabled Victoria Police to continue its focus on specific and general deterrence despite COVID-19 impacts. Several successful trials were also completed in 2020–21, allowing for more testing in rural areas, ultimately removing more impaired drivers from Victorian roads and saving lives.

## Embedded Youth Outreach Program (EYOP)

In 2018 Victoria Police launched a pilot aimed at improving the outcomes of young people who come into contact with police. This is a unique Victoria Police-led program where youth workers and police work together in partnership to deliver joint after-hours outreach. The program aims to reduce long-term involvement in the criminal justice system by engaging with the young person and their family, assessing their needs and referring them to youth-specific support services such as mental health, drug and alcohol, education, employment and housing services.

In 2020–21, EYOP interacted with 1,800 young people and from that cohort 1,700 people were seen and assessed by a Youth Support and Advocacy Service worker. During the COVID-19 lockdown periods EYOP continued to deliver uninterrupted services and high volumes of young people were attended by EYOP in the past year, demonstrating the need for afterhours support for at risk young people.

The EYOP evaluation was conducted by the Centre for Forensic Behavioural Science at Swinburne University of Technology between 2018–2020. Evaluation findings are very encouraging as they demonstrate that EYOP has been able to successfully identify at-risk youth and intervene in a manner that has interrupted the offending pathway for many young people.

## Gender, Diversity and Flexibility 2020–21 Actions

### Training Programs to Enhance the Response of All Police to Family Violence

The Centre of Learning for Family Violence continues to provide a wide range of tailored training and education programs across the organisation to all ranks and roles. The programs enable police to provide high quality and consistent operational and investigative responses to family violence reports, so that the Victorian Community can feel safe and have the trust and confidence in police responses to family violence.

The training and education programs support organisational initiatives in response to the Royal Commission into Family Violence recommendations. They aim to lift organisational capability in responding to and investigating family violence, in line with the priorities set out by the Victoria Police Policing Harm Strategy and guided by the Victoria Government's Responding to Family Violence Capability Framework.

The Centre of Learning for Family Violence delivered 2,714 hours of training in 2020–21 via face-to-face and remote classes to police staff, including recruits and those in supervisory and family violence specific roles. During the last three years, over 15,000 participants completed training programs on a wide range of family violence topics, with strong emphasis on family violence risk identification, assessment, and management through victim-centric, culturally responsive and trauma-informed practices to keep victims safe, including children and hold perpetrators to account.

In 2020–21, the Centre of Learning for Family Violence continued to deliver an extensive curriculum to recruits, including a day of immersive learning scenarios at the Family Violence Simulation Centre. Latest programs launched include:

- The 'Family Violence Specialist Operative' training program developed for Family Violence Investigators.
- The 'Responding to Family Violence' program for probationary constables.
- The 'Sharing Information under the Family Violence Information Sharing Scheme and Child Information Sharing Schemes' program for all frontline supervisors.
- An immersive learning program on managing family violence reports that involve Victoria Police staff.
- The rollout of Digitally Recorded Evidence-in-Chief training that allows members to record statements at the scene and use in court.

The Centre of Learning for Family Violence continues to work closely with key stakeholders and internal and external subject matter experts to ensure the curriculum remains evidence-based, up-to-date and relevant.

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## Technology 2020–21 Actions

### Equipment Tracking & Management System

The Equipment Tracking & Management System (ETMS) provides Victoria Police with the ability to address Coronial, WorkSafe and Internal Audit Occupational Health and Safety findings related to member safety and access to Victoria Police firearms. ETMS has uplifted member safety with improved controls around firearm management and replaces paper-based equipment recording systems. Enterprise-level tracking and management of operational safety equipment (OSE) including firearms, provides a robust audit trail of when, where and to whom tracked equipment is issued. The ETMS rollout commenced in February 2021. The system has been implemented across Victoria in all 24-hour and 16-hour police stations and most eight-hour stations.

### Cyber Security Uplift

Victoria Police continues to modernise and increase the maturity of its Cyber Security capabilities. In 2020–21 the organisation invested in several initiatives to improve the effectiveness of existing security controls, introduced new security controls to address new and emerging threats and to actively identify and address security vulnerabilities. In 2020–21, security policies and standards were revised in line with security best practices. Threat Intelligence Service was improved to enable timely detection of external and internal threats and vulnerabilities. Network security protocols and authentication were uplifted on several key systems and further increased cyber security awareness of the organisation's staff, including a 95 per cent completion rate for the Cyber Security Awareness online course.

## Partnerships 2020–21 Actions

### Supporting the Expanded Magistrates' Court and After-hours Bail and Remand Court

The expansion of the Magistrates' Court during 2020–21 included development of the Online Magistrates' Court program to facilitate the court's capacity to continue hearing matters in remote settings while utilising technology to improve access to justice, enhance the court-user experience and create greater productivity. Police prosecution resources have been deployed to support the expansion and are integral to the successful operation of the online platform.

### Fixated Threat Assessment Centre (FTAC)

The FTAC is now into its fourth year of operation. The past 12 months has seen the Centre continue to enhance relationships with other government departments, in particular the judiciary and education facilities to identify and mitigate the risk of fixated individuals engaging in violent acts. The Centre has commissioned Swinburne University to undertake research into the Centre's deidentified client database. This research will inform all FTACs established in other states and territories and in New Zealand (our partners in the Australia New Zealand Counter Terrorism Committee (ANZCTC) framework) in respect to grievance-related trends and patterns. The FTAC has secured government funding for an additional four years which will allow the unit to continue its preventative work to support community safety.

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The Centre of Learning for Family Violence delivered 2,714 hours of training in 2020–21 via face-to-face and remote classes to police staff, including recruits and those in supervisory and family violence specific roles.

## 4. Year in Review

The year 2020–21 was challenging as we continued to play a pivotal role in the government’s response to the COVID-19 pandemic while continuing to demonstrate our agility, support and leadership in keeping the community safe by assisting those in need, preventing offences from occurring and detecting and apprehending offenders.

This chapter highlights our key achievements in 2020–21 related to the following areas of focus:

- Coronavirus (COVID-19) Pandemic
- Community Safety
- Reducing Crime
- Reducing Lives Lost on Victorian Roads
- Delivering Service Excellence
- Royal Commissions.

In 2020–21:

**69,055**

Hours were returned to frontline policing due to PAL/OLR staff completing in-scope crime reports that would have previously been completed by frontline members.



**20,052**

Court submissions were lodged electronically by Victoria Police members via eDocs from 16 November 2020 to 30 June 2021, avoiding the need for in-person court attendance to process these documents.



**1,800/1,700**

Victoria Police had approximately 1,800 Interactions with young people as part of the Embedded Youth Outreach Program (EYOP) and 1,700 young people were seen and assessed by a Youth Support & Advocacy Service worker.



**100%**

As of July 2020, the base building of the new Victoria Police Centre is powered by 100 per cent renewable electricity.



**150,397**

Victoria Police conducted 150,397 Roadside Drug Tests.



**2,714**

Hours of training were delivered to Victoria Police employees by the Centre of Learning for Family violence.



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## Coronavirus (COVID-19) Pandemic

Australia recorded its first 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 the pandemic 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 pandemic demonstrated our agility and adaptiveness, with operations established in response to community needs and changes to operational tasking, cross agency information sharing 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 and operational service delivery plans were also updated to maintain service delivery whilst supporting the Chief Health Officer's (CHO) directions and ensure the safety of our staff and the public. Victoria Police's business support services adopted a raft of measures designed to keep our people safe whilst minimising impact to service delivery throughout the pandemic. Business support services continued to transition to a digitised working environment and working remotely, to minimise the risk of spreading the virus.

### Operation Sentinel

Operation Sentinel commenced on 28 March 2020 and was established to enforce the 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 and then Stage 4 restrictions, with some Protective Services Officers (PSOs) moving to conduct high visibility patrols at designated community locations. As the COVID-19 environment, and the CHO directions, changed, iterations of Operation Sentinel further adapted to enable police to patrol the state's borders where required.

### Operation Shielding

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 Transit PSOs away from public transport was a first for Victoria Police.

### Operation Ribbon

Victoria Police commenced Operation Ribbon in April 2020 and concluded the operation at the end of 2020, with the concept now embedded into our family violence response model. During this time over 34,000 checks of high risk family violence perpetrators and their affected family members were conducted, in order to provide a proactive response to family violence while reassuring victim survivors that policing of this crime theme remained a high priority during the pandemic.

During visits to homes, 8,893 family violence offences were detected, including assaults and breaches of intervention orders. This resulted in 1,117 people being charged and remanded in custody, and a further 887 people being arrested and bailed or summonsed for family violence offending. Importantly Operation Ribbon consolidated and promoted the proactive response model of the 31 Family Violence Investigation Units located across the state that focus on high risk offending. This core responsibility of keeping families safe and perpetrators in view continues today as family violence incidents exceed 93,000 during the previous 12 months.

While Operation Ribbon ceased in December 2020, in line with easing COVID-19 restrictions, we have continued the proactive engagement with affected family members and perpetrators through the Family Violence Investigation Units' specialist members. For comparative data on family violence incidents from July 2016 to June 2021, please see page 79.

### Operation Soteria, Operation Soteria Zone 2 and Operation COVID Accommodation

Operation Soteria was implemented on 28 March 2020 to facilitate persons returning from overseas. Victoria Police assisted by meeting passengers at the airport and helping to transport people to and from mandatory quarantine at hotels.

On 17 July 2020 Operation Soteria Zone 2 commenced seeing Victoria Police establish a footprint at the Grand Chancellor, Lonsdale Street, Melbourne and Brady Hotel, La Trobe Street, Melbourne. Police presence was further expanded under Operation COVID Accommodation to include other locations with members tasked with preventing persons from leaving the accommodation where it would be contrary to the CHO directions.

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Our response to the pandemic demonstrated our agility and adaptiveness, with operations established in response to community needs

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## Operation Tidewatch

In early December 2020, the new COVID-19 Quarantine Victoria (CQV) agency was announced. Victoria Police's role was to supervise and enforce Hotel Quarantine supported by the Australian Defence Force. Victoria Police's activities in relation to CQV efforts have been renamed Operation Tidewatch.

## Operation Prevail

In addition to supporting the COVID-19 response through Operation Sentinel and other operations, the Regions have dealt with related community safety and engagement issues arising from the pandemic.

North West Metro Region (NWMR) led the response and deployed significant resources to approximately 100 demonstrations, protests and rallies in the Melbourne CBD during the 2020–21 financial year. These resources were drawn from specialist commands and local police stations to secure public order and where required, enforce the CHO directions.

NWMR established Operation Prevail from September to November 2020, to manage the risk of the public spread of COVID-19 by deterring and preventing large public gatherings that were planned in response to the CHO Stage 4 directions.

The mobility built into the tactical response as part of Operation Prevail allowed for the movement of large numbers of police personnel to respond to agile protest groups that had the intention to stage mass protest activity. During this critical lockdown period, police made 587 arrests and issued more than 1,000 penalty notices for breaches during 16 significant protests.

## Functional Expansion of the Police Assistance Line and Online Reporting Services

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 pandemic when the community could report breaches of the CHO directions. In 2020–21 our PAL and OLR programs processed more than 95,000 calls, and more than 70,000 online reports 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.

## Supporting Court Services

Audio-Visual link capability at 27 police stations reduced the need for accused persons to attend court for any bail or remand applications. 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 use of the Audio-Visual Link technology has expanded in 2020–21 to enable bail justices to hear remands remotely, give evidence remotely, out of hour warrant applications and to conduct remote mental health assessments.

Victoria Police Legal Services Department provided significant support to the Magistrates' Court to facilitate online hearings to ensure the safety of court participants through collaboration with the Department of Justice and Community Safety to establish the Remote Bail Justice Pilot Program with nine (9) sites across Victoria. The program provided support for the implementation of an online bail justice service to allow late night remand hearings to be conducted safely without the need for bail justices to attend police stations.

The Legal Services Brief Disclosure Service was utilised to provide an electronic copy of the Brief of Evidence on request to defence practitioners, with requests increasing by more than 500% in the past 12 months.

The adaptation of new technology WebEx, allowed for a large proportion of court matters to be dealt with online via WebEx hearings. The prosecutors adapted to the new technology quickly and effectively.

## Establishment of a Homelessness Portfolio

The 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. We worked with existing and new agencies to provide supportive and compassionate services for people experiencing homelessness and rough sleepers. We supported a joint operation with the then Department of Health and Human Services, the Salvation Army and the City of Melbourne to rehouse approximately 1,000 people sleeping rough in the city into hotel accommodation. In the City of Port Phillip, Victoria Police established Operation Argives, working with the council to manage risks for people sleeping rough by creating pathways to service providers and to support transition into permanent housing. Operation Argives helped successfully transition more than 88 persons found sleeping rough in the City to suitable housing during 2020–21.

## Police Academy Training Delivery

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 fast-tracking projects that enhance our flexibility and remote classroom activities. This included our recruitment campaigns, where we adapted our recruit foundation program to single squads only being inducted to accommodate social distancing requirements and where possible, adjusted the face-to-face components of the program.

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## Community Safety

### Creation Of Public Safety & Security Portfolio

The Public Safety and Security Portfolio was established in July 2020, bringing together Counter Terrorism Command, Crime Command and Transit and Public Safety Command under a single governance model. The synergies and expertise across these commands when applied under a single oversight model provide the portfolio with a more focused and agile response to state safety and security.

In 2020–21, the portfolio developed several priorities to enable more nuanced and community-focused service delivery. Crime Command progressed the establishment of a cyber-crime division, operational from July 2021, to build the Victoria Police cyber and technology-enabled crime capability and also implemented a new organisational structure with capacity to implement rapid and dedicated responses. Counter Terrorism Command worked closely with Commonwealth and state and territory security partners to ensure legislation relating to the counter terrorism operating environment is effective in protecting the community, and expanded the suite of countering violent extremism programs and processes with the aim of reducing the individual risk of engagement in acts of terrorism. Transit and Public Safety Command completed the Police Air Wing Capability project and in doing so ensured state-wide and timely access to expert aviation support. Transit and Public Safety Command also continued to support improved community safety outcomes on the public transport network through the recruitment and deployment of additional protective security officers.

### Operation Alliance

In September 2020 Victoria Police launched Operation Alliance, its Regional strategy aimed at disrupting and dismantling active gangs. It focuses on new and emerging groups and gangs to prevent the escalation of offending into more serious or violent crime, while also targeting existing gangs causing most harm to the community. A collaborative approach has been adopted, with the Regions working with specialists across Victoria Police to respond to and disrupt gang activity. Prevention is also a key element of the strategy, focusing on deterring emerging and potential gang members and navigating them away from crime.

### Mobile Rural Safety and Security Trailer

In late 2020 the Farm Crime Coordination Unit and Western Region Community Engagement Unit launched a new, mobile rural safety and security trailer. The trailer is used to promote safety awareness and crime prevention in rural and regional areas. The trailer is equipped with a range of resources specifically developed for rural communities, to focus on farm crimes, such as livestock and equipment theft, and on road safety in rural areas. It has been deployed to rural locations at field days, local fairs and other community events and has been effective at providing targeted community safety messages to rural communities.

### PRIME (Police Responding in Mental Health Events) Training

PRIME is a mandatory two-day course with face-to-face delivery. The training focuses on; how to identify early signs and symptoms of someone experiencing mental health issues; how to effectively communicate with a person experiencing mental health issues; the wider mental health system and what is available; how to make informed decisions when responding to a person experiencing mental health issues, and how to better manage members' personal safety and support.

The participant groups in priority order are: Frontline first responders; PSOs, Police Custody Officers (PCOs) and Sergeants managing first responders; other ranks, specialist roles and Sergeants. Limited delivery of the course re-commenced in October 2020, following a pause due to COVID-19.

### New Victoria Police Manual – Police Response to family violence

In 2020–21 Family Violence Command completed a review and republished policy guidance for police responding to family violence. Following extensive review and in-depth consultations across Victoria Police and with key external stakeholders, Victoria Police published the revised policy in the *Victoria Police Manual* (VPM) on 19 February 2021. It included new changes and policy such as:

- Guidance on responding to reports of family violence made over the phone
- Guidance on the management of intervention orders
- Incorporation of withholding children as a form of family violence
- Recording of property exchanges
- Guidelines around the use of interpreter services
- Confirming alternate accommodation options when seeking an interim order for a respondent under the age of 18
- Activating body worn cameras when serving family violence intervention orders
- Incorporating policy directions from the Code of Practice for the Investigation of Family Violence (CoP) that were not previously represented in the VPM
- New policy directions as a result of coronial and internal audit recommendations.

To further support the operationalisation of the VPM and encourage best practice, in addition to the existing suite of guides, *Taking Reports of Family Violence by Telephone* was developed and published alongside the VPM Family Violence.

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## Reducing Crime

### Operation Summersafe

Melbourne's foreshore areas attract large numbers of people on hot weather days and evenings, which can lead to increases in crime and public order incidents. Operation Summersafe has been established in SMR to maintain public order and minimise antisocial behaviour and criminal activity in these areas through proactive policing, providing a visible police presence and the prompt mobilisation of resources to respond to incidents where required. Operation Summersafe is led by SMR with support from Public Order Management, Water Police, Mounted Branch and Transit units.

During 2020–21, Operation Summersafe was activated on 36 occasions, with members undertaking community reassurance activities at locations including Black Rock, St Kilda, Mordialloc, Chelsea, Seaford and Frankston. In conjunction with Transit & Public Safety Command, early intervention strategies were put in place at transport hubs to reduce the potential for groups to attend beach locations with the intention of causing trouble. Key to the success of the operation was the strong engagement with partners from local councils and Surf Lifesaving Victoria, leading to the development of a multi-agency response that maintained community safety during a period that coincided with changes to the CHO's Directions.

### Police Engagement In Schools

To enhance Victoria Police's active involvement in schools, Chief Commissioner Patton commissioned a contemporary Schools Engagement Model (the Model) to support effective and purposeful engagement between police and schools into the future. The Model provides structured, principles-based guidance for police engagement with schools. The Model features a continuum of engagement, ranging from generalised proactive community engagement activities aimed at strengthening relationships and preventing crime, through to activities specifically targeted to behaviours impacting upon community safety. Local police will map existing and proposed school engagement activities along this continuum to ensure that these are targeted and likely to achieve their aims and objectives.

The Model recognises the unique role that Victoria Police plays within the community, while acknowledging the many other agencies and community organisations supporting the healthy development of young people. For this reason, the Model encourages partnerships with local agencies and service providers to promote better use of police resources and reduce reliance upon police to deliver programs or initiatives more suited to existing service providers.

The development of the Model drew upon consultation with many stakeholders including more than 50 Victoria Police members, the Department of Education and the Catholic Education Office, as well as various youth, Aboriginal and multicultural community service providers. The Model will be launched when schools return later in 2021.

### Police Disruption of Organised Crime and Sporting Integrity

In 2020–21 Victoria Police continued to strengthen relationships with both internal and external stakeholders to disrupt serious organised crime and sporting integrity issues within Victoria. The Intelligence and Covert Support Command (ICSC) began working with the Office of the Racing Integrity Commissioner (ORIC) to better understand the criminal integrity risks within the Victorian racing industry. ICSC also continued to increase engagement and support for Victoria Police Regions and Commands on matters relating to organised crime impacting their respective areas. This support included target identification and the investigation of individuals and groups related to serious organised crime and the development of strategic intelligence products to inform responses regarding drivers, enablers and future disruption opportunities.

## Reducing Lives Lost on Victorian Roads

### Road Policing

Throughout 2020–21 Road Policing Command (RPC) continued to work with its Road Safety Partners and the community to keep Victorian road users safe. A number of operations were conducted throughout the year focusing variously on impaired driving, fatigue, excessive speed, heavy vehicles and motorcycles. RPC has played a critical role in Victoria Police's response to COVID-19, providing vital road safety information to the State Police Operations Centre (SPOC). RPC has also supported the multiple check points across the State, as well as engaging in satellite patrols, to enforce the CHO's Directions.

### Roadside Drug Testing

RPC expansion of a successful roadside drug testing trial has resulted in 16 stations in the Western Region and seven stations in Eastern Region now being able to conduct Roadside Drug Testing (RDT). As part of the expansion, Shepparton Crime Investigation Unit (CIU) became the first CIU authorised to conduct drug testing in Victoria. Motorists travelling through Victoria's regional areas can expect to be drug tested more often, with officers now joining forces across expansive areas to identify drug-affected drivers. Regional areas across Victoria are overrepresented when it comes to high speed fatal and serious injury collisions, with drugs and alcohol often underlying factors.

The trial's expansion will mean more police officers can help in removing drug-affected drivers from our roads, increasing community safety as a result. This is a significant development in road policing capability as in the past roadside drug testing has been led by specialist units such as state and regional Highway Patrol Units, the Heavy Vehicle Unit, Solo Unit and the Road Policing Drug and Alcohol Section.

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## Infringements at the Roadside Trial

RPC in conjunction with and support from its Road Safety Partners, formally commenced the Infringements at the Roadside Trial (the Trial), to issue infringements at the roadside following a positive drug test. The aim of the Trial is to reduce road trauma through reducing the time to enforce the licence suspension of a driver detected and confirmed to have been drug driving. Following early success, this trial has now been expanded to 20 sites across the State.

## Service Delivery Excellence

### Creation of Service Delivery Transformation Command and work program

In September 2020 Victoria Police established the Service Delivery Transformation Command. The Command was established in recognition that there is an opportunity to enhance the current policing model to better meet the growing needs of a modern society. The new and emerging pressures driven by this growth includes changes in offending, heightened threat of terrorism and growing public expectations.

The Command will oversee a program of works over the next five years that will seek to embed the Neighbourhood policing model, invest in the capabilities of employees, modernise administrative processes and improve the delivery of policing services to the public. Whilst Victoria Police will retain a focus on the core policing responsibilities of public safety, responding to calls for assistance and offender accountability, the new model will have a focus on improving organisational capability in the prevention of offending. Consultation with the community, partner agencies and the workforce has already commenced to understand strengths, opportunities and future needs across a range of policing services. At its cornerstone the future model will increase visibility and accessibility to all Victorians, strengthen the valued relationship with local communities, deliver evidence-based crime prevention approaches and continue to develop digital solutions to support policing operations.

### Police Assistance Line (PAL) and Online Reporting (OLR)

The Police Assistance Line (PAL) and Online Reporting (OLR) service continues to provide additional channels for the community to report property-related crime and events anytime, anywhere. The service was designed to strengthen Victoria Police's connection with the community and to provide support to frontline police members, freeing them for other policing priorities. Returning hours of resource availability to the Victoria Police frontline enables the four regions to provide a stronger service and resource commitment to high impact public safety issues within the community. Further to this, members of the community no longer have to stand in a queue at police stations as PAL/OLR are absorbing crime reports.

A total of 69,055 hours has been returned to frontline policing. The PAL/OLR returns hours to frontline policing by completing in-scope crime reports that would have previously been completed by frontline members.

## Workplace Modernisation

The significant investment in the Modern Workplace program was instrumental in facilitating Victoria Police's ability to continue to operate with minimal impact both internally and in the provision of services to the Victorian community. The roll out of the capability was accelerated, providing "work from anywhere" functionality which enabled approximately 14,000 staff to work remotely during the COVID-19 lockdowns and restrictions.

## Digital Mobility

In 2020–21, the Blue Connect investment continued to deliver benefits to Victorians. In addition to modernising Victoria Police's foundational technology infrastructure, the investment in technology continues to contribute to meaningful outcomes for community and member safety.

New functionality is being added to mobile, hand-held devices used by frontline police officers, including the Sentinel Application. Police members can 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.

Body Worn Cameras are delivering benefits to the community by enabling increased visibility of police interactions with the public. This is supporting increased public and police safety through oversight of police conduct, enhanced evidence gathering capabilities for police and reducing victim trauma through the prompt resolution of court cases.

ICT enhancements are reducing the time taken to complete tasks and find information. The combined effect is a reduced risk to the community as offenders are identified sooner before they commit further offences.

## eDocs

On 17 November 2020 Court Services Victoria, in partnership with Victoria Police, implemented an electronic document lodgement portal known as eDocs. eDocs enables Victoria Police to electronically lodge and track over 160 different court forms to the Magistrates' and Children's Courts of Victoria, removing the need to attend the court in person. There were 20,052 submissions lodged electronically by Victoria Police members via eDocs from 16 November 2020 to 30 June 2021.

## Victoria Police Forensic Services Department (VPFSD)

On 1 July 2020 Victoria Police launched a new Strategic Plan for the VPFSD. This multi-year plan sets out a strategy for optimising forensics service delivery to support community safety, whilst continuing to build on the strong reputation of the VPFSD and its people. The strategy will focus on empowering and supporting staff, streamlining customer aligned service delivery, driving scientific excellence and building stakeholder engagement.

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## Annexures

A key achievement in year one of the VPFSD Strategic Plan has been the development of a comprehensive set of annexures. This work is an international first that promotes transparency and enables forensic opinions to be communicated in a way that accurately conveys their strength and probative value. This work has been met with significant positive feedback from the Office of Public Prosecutions (OPP), Legal Aid, Judiciary, and academics with our key customers and stakeholders now better than ever able to understand and appropriately engage with our evidence.

## Ceremony flags the end of Flinders Street era

On 20 October 2020, Victoria Police officially vacated the site of its Flinders Street headquarters as part of the relocation process to the new Victoria Police Centre (VPC).

The Australian, Australian Aboriginal and Victoria Police flags that flew near the Tower 1 entrance of the centre were the final items to make the move, with a small ceremony conducted for their lowering and relocation.

The Victoria Police flag is retained by the Office of the Chief Commissioner while the Australian and Australian Aboriginal flags were donated to the Victoria Police Museum.

## New VPC At 311 Spencer Street

The new Victoria Police Centre (VPC), incorporating 311 and 313 Spencer St Docklands, now accommodates the majority of Victoria Police commands and departments, along with the Victoria Police Museum, and Melbourne West Police Station. The VPC provides a home for policing operations over the next 30 years and is designed to enhance Victoria Police's ability to deliver policing services efficiently and effectively, to foster a culture of collaboration and excellence through improved integration of commands and departments and with more effective use of shared support facilities.

The new media centre with state-of-the-art technology ensures prompt messaging with the community and media outlets, and a new Victoria Police museum. Street entry will provide easy community access.

## Protective Services Officer Reform

The PSO Reform Project, managed by Transit and Public Safety Command, is responsible for implementing the PSO-related changes as part of the Victoria Police Enterprise Bargaining Agreement in 2019 and as part of the Best Practice Employment Commitment (BPEC) 2020. The project team has worked closely with The Police Association Victoria to progress the changes. These changes include creating 140 PSO sergeant positions at the Transit Safety Division (128 positions) and the Protective Services Unit (12 positions) through the re-classification of existing positions and changes to the *Victoria Police Regulations 2014*. Many of the positions have been filled with further recruitment planned for the remainder of 2021. The PSO sergeant role is a first for Transit Safety Division, providing an enhanced career path and supervisory structure for over 1,200 PSOs at the Division.

In October 2020 the *Police and Emergency Legislation Amendment Act 2020* was passed by Parliament which enables PSOs to be deployed to a designated place or area under a state of emergency or state of disaster.

## Royal Commissions

Victoria Police responded to several royal commissions, parliamentary inquiries and reviews this year, continuing our commitment to supporting government priorities and transparent governance including the activities of Victoria Police, to ensure alignment of behaviours and values with community expectations.

### The Royal Commission into the Management of Police Informants

The Royal Commission into the Management of Police Informants handed down its final report on 30 November 2020. The final report contained 111 recommendations. Thirty-nine recommendations were directed to Victoria Police and an additional two recommendations require a joint agency response involving Victoria Police. The recommendations relate to issues including the disclosure of information, the human source framework, police training, policy and procedure and legislative change. By the end of June 2021, Victoria Police had acquitted all recommendations with three and six-month timeframes and is continuing to work on the implementation of all other recommendations. To do this, Victoria Police has established Taskforce Reset with an initial operating period of two years. Taskforce Reset is coordinating the implementation of the recommendations, facilitating disclosure to affected persons and also supporting the formal governance arrangements to oversight this work, which consists of an Implementation Taskforce (with associated working groups) and an Implementation Monitor.

The establishment of Taskforce Reset complements the work carried out by Taskforce Landow previously established to coordinate responses to the Commission's enquiries. By the time of the Commission's final report, Taskforce Landow had checked 50 million police records, individually inspected 600,000 documents, and provided 75,000 documents to the Royal Commission.

### The Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety (Commonwealth) delivered its final report on 26 February 2021. The report made 148 recommendations, across 22 themes, to be implemented over five years. There are no recommendations directly relevant to the criminal justice system, however, the report raises concerns with the high number and serious nature of incidents such as violence and elder abuse. To address these concerns, the report recommends a new serious incident scheme to give greater investigative and prosecutorial power to the Quality Regulator (Recommendation 100). The scheme came into effect on 1 July 2021.

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Aligned to the concerns expressed about elder abuse, Family Violence Command continued their work into the Financial Elder Abuse Trial. The trial aims to improve understanding of the different types of abuse, strengthen reporting channels for victims and improve police response to, and investigation of financial elder abuse.

## The Royal Commission into Victoria's Mental Health System

The Royal Commission into Victoria's Mental Health System delivered its final report on 2 March 2021. The report recommended a complete transformation of the mental health system, including that the system no longer relies on police as default first responders and instead focuses on a health-based response for people experiencing mental health issues or acute mental health crises. Of the 65 recommendations in the final report, four recommendations have direct relevance for Victoria Police. These are: supporting responses from emergency services to mental health crises; facilitating suicide prevention and response initiatives; supporting the mental health and wellbeing of people coming into contact with the criminal and youth justice systems; a new Mental Health and Wellbeing Act.

Victoria Police was successful in obtaining funding through a whole of Victorian Government budget bid for funding over two years for a project team to support the Victoria Police implementation of the Commission's recommendations.

## Other Commissions, Inquiries and Reviews

In 2020–21, Victoria Police contributed to Victorian and Commonwealth royal commissions, parliamentary inquiries and other reviews on topics including the use of cannabis, the Victorian bushfires, sexual offences, national security, terrorism, anti-vilification, homelessness, transport and deaths on Victoria's roads, child exploitation, Victoria's criminal justice system, and children in residential care:

- Disability Royal Commission (Commonwealth)
- Natural Disaster Royal Commission (Commonwealth)
- The Royal Commission into the Casino Operator and Licence (Victorian)

- Inquiry into the use of Cannabis
- Victorian Bushfires Debrief 2019–20
- National Security Legislation Monitor Review of the Commonwealth High Risk Terrorism Offender Legislative Scheme
- Victorian Law Reform Commission Review of Sexual Offences
- Law Enforcement Capabilities in relation to Child Exploitation (Victoria Police submission)
- Inquiry into the Management of Child Sex Offender Information (Victoria Police submission and contributed to Whole of Victorian Government response to final report)
- Joint Committee on Intelligence & Security – Inquiry into extremist movements and radicalism in Australia (Victoria Police submission and contributed to Whole of Victorian Government response to final report)
- Joint Committee on Intelligence and Security – Operation of the *Australian Crime Commission Amendment (Summary Offence and Serious Indictable) Act 2019* (Joint submission with Australian Criminal Intelligence Commission)
- Inquiry into the Increase in Victoria's Road Toll (Contributed to Whole of Victorian Government submission and provided response to final report)
- Inquiry into Anti-Vilification Protection in Victoria (Contributed to Whole of Victorian Government submission and provided response to final report)
- Inquiry into Victoria's Criminal Justice System (Contributed to Whole of Victorian Government submission led by Department of Justice and Community Safety)
- Commission for Children and Young People – Children and young people missing from residential care (Victoria Police submission and contributed to Whole of Victorian Government response to the recommendations)
- National Transport Commission's Heavy Vehicle National Law Review
- COVID-19 Hotel Quarantine Inquiry
- Inquiry into Homelessness in Victoria.

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The Royal Commission into Victoria's Mental Health System delivered its final report on 2 March 2021. The report recommended a complete transformation of the mental health system.

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# 5. Other Disclosures

## 5.1 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 2020–21, Victoria Police commenced five Local Jobs First Standard projects totalling \$40.54 million in total commercial value. Of those projects, five were in metropolitan Melbourne, with an average commitment of 71.1 per cent local content.

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

- An average of 71 per cent of local content commitment.
- A total of 12 annualised employee equivalent (AEE) jobs were committed, including the creation of five new AEE jobs and the retention of 4 existing AEE jobs.
- The MPSG was applied to one project which commenced in the year. One apprenticeship was created for this project.

### Projects Completed

During 2020–21, five Local Jobs First Standard projects were completed, totalling \$450.07 million in commercial value. Metropolitan Melbourne declared an average commitment of 82 per cent local content and regional Victoria with an average commitment of 67 per cent local content.

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

- An average of 56.6 per cent of local content was achieved.
- A total of one hundred and twenty-two positions were created and three positions were retained.
- Fifty-four apprenticeship and two traineeship positions were created.

### Local Jobs First Strategic Projects

Nil

### All Projects

During 2020–21, there were 10 businesses that applied to the Industry Capability Network for a LIDP to accompany a contract. Across all projects commenced or completed in 2020–21, 548 small and medium sized businesses were engaged as either the principal contractor or as part of the supply chain.

### Grants

Nil.

**Note:** Victoria Police is unable to report on the total number of hours completed or to be completed by apprentices, trainees or cadets on Major Projects Skills Guarantee Projects (MPSG), as required by Financial Reporting Direction 25D 5.3(b). The Victorian Management Centre (VMC) Team at Industry Capability Network (ICN) has advised that data migration for MPSG has commenced and that the data to download for labour hire from their portal should be available for the next financial year.

## 5.2 Government Advertising Expenditure

In accordance with Financial Reporting Direction (FRD) 221, Victoria Police undertook the following government advertising campaigns for 2020–21 with a media spend of \$100,000 or greater.

Table 5.1: Police Recruitment Campaign

Campaign Summary	Start/End Date	Advertising (Media) Expenditure 2020–21 (excl. GST)	Creative and Campaign Development Expenditure 2020–21 (excl. GST)	Research and Evaluation Expenditure 2020–21 (excl. GST)	Print and Collateral Expenditure 2020–21 (excl. GST)	Other Campaign Expenditure 2020–21 (excl. GST)
Advertising, communication and marketing activities for the recruitment of police.	1 July 2020 – 30 June 2021	\$2,915,000	\$151,000	\$118,000	\$0	\$114,000
Total campaign						\$3,298,000

## 5.3 Consultancy Expenditure

In accordance with FRD 221, information below pertains to consultancy expenditure in 2020–21.

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

In 2020–21, there were 59 consultancies where the total fees payable to the consultancies was \$10,000 or greater.

The total expenditure incurred during 2020–21 in relation to these consultancies was \$6.54 million (excluding GST).

As required by FRD 221, details of individual consultancies valued at \$10,000 or greater will be made publicly available.

### Details of consultancies under \$10,000

In 2020–21, there were 13 consultancies where the local fees payable to the individual consultancies was less than \$10,000.

The total expenditure during 2020–21 in relation to these consultancies was \$0.9 million (excluding GST).

## 5.4 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 2021.

Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at the [procurement.vic.gov.au](http://procurement.vic.gov.au) website.

## 5.5 Information and Communication Technology Expenditure

### Details of information and communication technology (ICT) expenditure (FRD 221)

For the 2020–21 reporting period, the Department had a total ICT expenditure of \$375.74 million, with the details shown below.

(\$ thousands)

All operational ICT expenditure	ICT expenditure related to projects		
	Business as Usual (non-BAU) ICT expenditure (Total = Operational expenditure and capital expenditure)	Operational Expenditure	Capital Expenditure
Business as Usual ICT Expenditure (Total)			
<b>312,039</b>	<b>63,704</b>	<b>32,670</b>	<b>31,034</b>

ICT expenditure refers to the Victoria Police cost 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 ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.



## 5.6 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 2020–21, Victoria Police received 4,182 requests for access to documents under the Act, including requests from applicants to amend personal information. Of those applications, 3,566 related to personal requests and 616 were non-personal requests. Six applications were received from Members of Parliament, 35 were received from the media and the remaining 4,141 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.

Thirty-one appeals were lodged with the Victorian Civil and Administrative Tribunal (VCAT) for final determination, with 14 cases withdrawn in 2020–21, including cases from previous years. Three cases were finalised from the previous year.

Table 5.2: Request for Access to Documents

Type of Request	Number
Personal	3,566
Non-Personal	616
<b>Total</b>	<b>4,182</b>
2020/21 Appeals to VCAT	31
2020/21 Appeals actually determined	9 withdrawn

### Compliance

For the 12 months ending 30 June 2021, Victoria Police processed 32 per cent of requests within the statutory time period, 17 per cent within one to 45 days after the statutory time period, and 51 per cent 46 or more days after the statutory time period. The average processing time taken to finalise requests was 91.6 days. Compliance performance was impacted by factors related to the COVID-19 pandemic.

### Application Procedure

Since 27 June 2020, the Principal Officer for the purpose of administering the requirements of the *Freedom of Information Act 1982* 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 applications received by Victoria Police.

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

Freedom of Information Division  
GPO Box 913  
MELBOURNE VIC 3001

Alternatively, applications may be made online at the Victorian Information Commissioner website at: [ovic.vic.gov.au](http://ovic.vic.gov.au)

### Categories of Documents

The general types of documents that 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 our website located at: [police.vic.gov.au](http://police.vic.gov.au)

### Publication Requirements

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

Media and Corporate Communications Department, Community and Employee Communications Division:

GPO Box 913  
MELBOURNE VIC 3001  
PH: (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: [police.vic.gov.au](http://police.vic.gov.au).

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

### Documents Available for Public Inspection

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

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## 5.7 Privacy Policy Statement

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

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

Privacy Unit  
Victoria Police Centre GPO Box 913  
MELBOURNE VIC 3001

PH: (03) 8335 8782 or (03) 8335 8783

## 5.8 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.

## 5.9 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.
- Providing additional support for carers during the pandemic, such as greater opportunities to work remotely and temporary adjustments to working hours.
- Promoting carers' 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.

## 5.10 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 from across the government sector and within the community. The *Victoria Police Accessibility Action Plan 2021–2023* (the Action Plan), launched in February 2021, outlines our ongoing commitment to becoming a more inclusive and accessible organisation for people with disability and their families and carers, both in service delivery and as an employer.

This Action Plan builds on the achievements of the first *Accessibility Action Plan* and recognises that we can continue to improve our service delivery to, 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 2021–2023* is influenced by and meets the requirements of the *Disability Act 2006*, which identifies four outcomes to be addressed:

### 1. Reducing barriers to accessing goods, services and facilities

In most cases, police are the first contact with the justice system for people with disability. The quality of this interaction between police and people with disability is fundamental to ensure that people with disability receive equal access to the justice system. 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 information about our policies and processes in alternative formats such as Easy English and online accessible forms.

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, following universal design and design for dignity principles.

Police stationed at Box Hill and Geelong have completed communication access training and those police stations have been awarded Communications Access Accreditation by Scope Australia. Preston police station in North West Metro Region is currently undergoing this training with the view to receiving the accreditation.

Victoria Police is increasing the capability of its complaint process to include the identification of trends in complaints about police services to people with disability. The increased capability of this new complaint process will support evidence-based future policy in police service delivery and will provide greater accessibility to people with disability.

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## 2. Reducing barriers to persons with a disability obtaining and maintaining employment

During the financial year 2020–2021, Victoria Police has implemented targeted programs to reduce barriers for employees with disability in maintaining employment. Key initiatives include a comprehensive audit of the accessibility standards of the internet and intranet, and implementation of Victoria Police's first Workplace Adjustment Passport allowing employees with disability to share information about their needs with their managers. Employees with disability have been encouraged to share disability information through the 'Stand Up. Be Counted' campaign, developed in partnership with the Victoria Police Enablers employee network. Opportunities have been created for employees with disability to participate in fully accessible development programs, such as the full-day disability inclusion conference organised by the Australian Network on Disability (AND). In addition, Victoria Police led the development of a pilot mentoring program for employees with disability across the Victorian Public Service with a planned launch on International Day of People with Disability on 3 December 2021.

Victoria Police is committed to improving outcomes for employees with disability by participating in the Access and Inclusion Index administered by AND. The Index findings have provided a roadmap on access and inclusion matters across all areas of the organisation and will inform future organisational accessibility strategies. To improve the disability confidence capability of the organisation, Victoria Police has delivered disability confidence training to all employees within the VPS and PCO Recruitment and Applicant Attraction teams as part of the Disability Confidence Recruiter accreditation. Training was also provided to an additional 20 employees across Victoria Police as part of the Access and Inclusion Index Workshop.

The Recruiting Portfolio, Human Resource Department has introduced and maintained several initiatives to reduce barriers to persons with a disability obtaining employment. This has included significant work by our VPS and PCO recruitment teams to gain Disability Confident Recruiter accreditation through the Australian Network on Disability (AND). This has been achieved by ensuring our recruitment and selection practices are inclusive and accessible to persons with disability and ensuring our recruiters are appropriately trained. In addition, the VPS recruitment team continue to partner with Job Access to share all VPS job advertisements through Job Access networks.

The VPS Recruitment team continue to support workplaces in making reasonable adjustments for employees depending on individual circumstances and specific requirements both through the recruitment and selection process, including onboarding. Victoria Police administers a number of Employment Programs which support and encourage the participation of people with disabilities, such as 'Stepping Into' which is facilitated in partnership with AND. Victoria Police is also exploring greater use of special measures to encourage more diversity in all employment categories, including people with disabilities.

## 3. Promoting inclusion and participation in the community

The outcomes of the Action Plan strengthen support for people with disability and their families and carers when interacting with police. Victoria Police has developed an Accessible Events Guideline and Checklist to ensure that all police events are accessible to people with disability. It is also committed to the rollout of the Disability Liaison Officer role in regions to strengthen support for people with disability in their engagement with police.

For the past seven 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 and their families and carers. 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, and is informed by the experiences of people living with disability and their support networks. The DPRG brings a stakeholder and community perspective to the development of Victoria Police's policies, processes and initiatives.

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

Victoria Police acknowledges the importance of delivering non-discriminatory services that respect the dignity of the person. The Action Plan aims to increase police members' understanding of disability to ensure prompt and appropriate support. Co-designed resources have been made available to police to improve their ability to make reasonable adjustments and make use of disability referral pathways.

Victoria Police has developed a disability good practice guide to enable respectful and appropriate service delivery to people with disability, as well as a language guide to ensure that police language is always respectful with a focus on the dignity of the person.

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## 5.11 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 of police stations, police residences, educational, administrative and training complexes, forensic laboratories and other special purpose facilities.

### New Buildings Conforming to Standards

Capital commitments completed during the year were:

- Replacement police station at Wyndham.
- Major refurbishments including Ballarat, Bendigo, Broadmeadows, Camperdown, Cranbourne, Dandenong, Doncaster, Fawkner, Frankston, Heidelberg, Narre Warren, Portarlington, Richmond and Wodonga.
- New Specialist Training Facility.

### 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.

In 2020–21, Victoria Police completed remedial works to rectify eight sites found to contain non-compliant cladding. The sites identified as containing non-compliant cladding were North Melbourne, Footscray, Mordialloc, Ringwood, Cranbourne, Yarrowonga, Sale and Mooropna.

### 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.

## 5.12 Office-Based Environmental Impacts

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

In line with this commitment, Victoria Police monitors and reports against a range of indicators for energy and water consumption, transportation, waste generation, paper purchasing and greenhouse gas emissions.

Victoria Police also participates in activities to work towards the Victorian Government target of net zero greenhouse gas emissions by 2050.

For the purposes of reporting environmental impacts for the 2020–21 reporting period, Victoria Police sites included:

- 336 police stations varying in size depending on the functions and services delivered
- 47 other support facilities including those for training, forensics, central property and documents storage and transport operations.

The following should be considered when reading these results:

- Results are based on the year from 1 April to 31 March.
- Data sources include data provided by other public sector agencies and external service providers. Reliability and validity of data is assumed.
- Complete data was not always available. Unless otherwise specified, some data has been extrapolated for some sites on the basis of prior year or daily average use.
- Results for 2018–19 and 2019–20 have been recalculated for electricity, natural gas and water consumption as more complete data was made available.
- The Australian National Greenhouse Accounts Factors were used to calculate greenhouse gas emissions. The July 2018 factors were used to calculate 2018–19 results, the August 2019 factors were used to calculate 2019–20 results and the October 2020 factors were used to calculate 2020–21 results.
- Totals may not tally due to rounding.

## Energy Use

Victoria Police sites include police stations, administrative offices, training facilities, transport complexes and storage warehouses. The majority of energy consumption falls within three key areas – lighting, thermal comfort (heating, ventilation and air-conditioning) and information and communication technology.

For electricity, the data for the 2020–21 period accounts for 98.4 per cent of sites and 99.6 per cent of Victoria Police FTE. For natural gas, data accounts for 100 per cent of sites that are utilising gas.

Indicator	2020–21	2019–20	2018–19
<b>E1. Total energy usage segmented by primary source (MJ)</b>			
Electricity (MJ) – excluding Green Power	400,841,487	372,033,220	351,148,225
Natural gas (MJ)	263,530,323	265,549,922	243,555,053
Green power (MJ)	122,847,560	106,181,841	107,288,035
LPG (MJ)	14,224,021	0	0
	239,583	301,458	305,137
<b>E2. Total gas emissions from energy consumption (tonnes CO<sub>2</sub>-e)</b>			
Electricity (tonnes CO <sub>2</sub> -e) – excluding Green Power	78,068	80,715	77,923
Natural gas (tonnes CO <sub>2</sub> -e)	71,739	75,239	72,390
LPG (tonnes CO <sub>2</sub> -e)	6,314	5,458	5,515
	14	18	18
<b>E3. Percentage of electricity purchased as Green Power (%)</b>	5	0	0
<b>E4. Units of office energy used per FTE (MJ/FTE)</b>	18,406	17,470	16,925
<b>E5. Units of office energy used per office area (MJ/m<sup>2</sup>)</b>	647	708	668

The increase in natural gas was partly driven by the rectification of an issue with a co-generation plant at the 313 Spencer Street complex and an increase in data coverage.

The consumption of electricity increased and natural gas decreased at the 313 Spencer Street in 2019–20. The co-generation plant is back in service and the complex's energy consumption has returned to efficient levels.

Data coverage has increased, in previous years data for gas consumption at the former Victoria Police Centre on Flinders Street was unavailable and an extrapolated result was not reported. Data is available for the new Victoria Police Centre on Spencer Street. The new Victoria Police Centre represents approximately 12 per cent of natural gas consumption in 2020–21.

A direct comparison of consumption across years should not be made due to these changes in coverage.

### Actions Undertaken During 2020–21

- Green Star certificates were finalised for the new Victoria Police Centre on Spencer Street. A 6 Star Green Star rating was achieved for the base building construction, exceeding the original design target of 5 stars. In line with the original design, a 5 Star Green Star rating was achieved for the fit out.
- From July 2020, the base building of the new Victoria Police Centre is powered by 100 per cent renewable electricity.
- Victoria Police commenced an energy audits and lighting upgrades project. The project will improve the energy efficiency of existing buildings, reduce operating costs and greenhouse gas emissions associated with electricity, gas and water consumption. Energy will be saved through a combination of lighting upgrades, heating, ventilation and cooling upgrades, solar panels, and building automation and controls.

### Targets for 2021–22

- Victoria Police will continue to review and update its property design guidelines, including requirements to reduce adverse environmental impacts during construction and ongoing operations.
- It is anticipated that the continued adoption of sustainability requirements will reduce energy consumption.

## Waste and Recycling

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.

Data for the 2020–21 period accounts for 69.5 per cent of sites and 95.8 per cent of Victoria Police FTE. Missing data has not been extrapolated.

Indicator	2020–21	2019–20	2018–19
<b>Ws1. Total units of waste disposed of by destination (kg/yr)</b>	1,865,234	2,759,418	3,225,836
Landfill (kg)	1,584,255	2,269,139	2,640,122
Comingled recycling (kg)	280,979	490,279	585,714
<b>Ws2. Total units of waste disposed of per FTE by destination (kg/FTE)</b>	89	138	166
Landfill (kg/FTE)	76	113	136
Comingled recycling (kg/FTE)	13	24	30
<b>Ws3. Recycling rate (%)</b>	15	18	18
<b>Ws4. Greenhouse gas emissions associated with waste (tonnes CO<sub>2</sub>-e)</b>	2,535	3,177	3,696

A direct comparison between 2018–19 and 2019–20 should not be made as new service providers were used and data coverage has changed.

### Actions Undertaken During 2020–21

- The Simply Cups Australia program was implemented at the new Victoria Police Centre on Spencer Street. Under the program, takeaway cups are upcycled to produce other items such as re-usable cups, car park stops and roadside kerbing, outdoor furniture, air-conditioning mounting blocks and road surfacing.
- The Simply Cups Australia program saw 35,146 coffee cups diverted from landfill between 1 April 2020 and 31 March 2021.
- The need to work from home during COVID restrictions contributed to the significant reduction in waste.
- Securely destroyed paper was recycled.

### Targets for 2021–22

- Victoria Police will continue to identify and adopt activities to reduce environmental impacts associated with waste.

## Paper Use

Victoria Police is becoming more efficient in usage of paper. Data for the 2020–21 period accounts for 70.8 per cent of sites and 99.2 per cent of Victoria Police FTE. Missing data has not been extrapolated.

Indicator	2020–21	2019–20	2018–19
P1. Total units of A4 equivalent copy paper used (reams)	176,493	213,544	207,388
P2. Units of A4 equivalent copy paper used per FTE (reams/FTE)	8.2	10.0	10.0
P3. 75-100% recycled content (%)	97.7	98.6	98.4
P4. 50-74% recycled content (%)	0.0	0.0	0.0
P5. Percentage of 0-49% recycled content (%)	2.3	1.4	1.6

### Actions Undertaken During 2020–21

- Microsoft Teams for collaborating and electronic file sharing was implemented. The need for some staff to work from home in line with COVID-19 restrictions also reduced the need to use paper.
- Follow You Printing was implemented, requiring staff to print documents using their employee identification cards from enabled print devices. This helps to ensure staff print only what they need.
- An additional 5,500 laptops were deployed between 1 July 2020 and 30 June 2021. Being portable, devices reduce the need to print documents for meetings and when staff are otherwise away from their workstations.
- Digital faxing technology was implemented, this allows staff to send and receive faxes using an email interface that removes the need to print and manage paper faxing.

### Targets for 2021–22

- Victoria Police will continue to identify, develop and implement initiatives to reduce paper usage.

## Water Consumption

Victoria Police is committed to increasing its water efficiency.

Data for the 2020–21 period accounts for 81.7 per cent of sites and 92.0 per cent of Victoria Police FTE.

Indicator	2020–21	2019–20	2018–19
W1. Total water consumption (kilolitres)	269,929	264,729	264,800
W2. Units of office water used per FTE (kilolitres/FTE)	12.4	12.4	12.8
W3. Units of office water used per office area (kilolitres/m <sup>2</sup> )	0.44	0.50	0.50

### Actions Undertaken During 2020–21

- A 140-kilolitre rainwater tank was commissioned as part of the construction of the new Victoria Police Centre on Spencer Street.
- Victoria Police continued to work with Victoria's water corporation boards to increase data coverage.

### Targets for 2021–22

- Victoria Police will continue to look for opportunities to reduce the use of potable water.

## Travel and Transport

The Victoria Police fleet comprised 4,128 vehicles. Fifty-one per cent are unleaded fuelled, 47 per cent are diesel fuelled, three per cent are hybrid and one is an electric vehicle.

Indicator	2020–21	2019–20	2018–19
<b>T1. Total energy consumption by fleet vehicles (MJ)</b>	342,147,805	367,434,368	368,353,053
Diesel	194,810,533	142,552,928	108,326,641
LPG	-	694,089	3,036,538
Unleaded	144,599,242	218,901,555	249,852,084
Hybrid	2,729,830	5,282,872	7,135,046
Electricity	8,201	2,924	2,743
<b>T2. Total distance travelled by fleet vehicles (km)</b>	87,262,851	95,473,536	94,702,602
Diesel	48,509,217	36,185,769	28,408,430
LPG	-	171,310	786,525
Unleaded	37,587,631	56,702,303	62,224,255
Hybrid	1,156,605	2,410,803	3,280,248
Electricity	9,398	3,351	3,144
<b>T3. Total greenhouse gas emissions from fleet vehicles (tonnes CO<sub>2</sub>-e)</b>	24,781	26,440	26,403
Diesel	14,319	10,478	7,962
LPG	-	44	194
Unleaded	10,267	15,542	17,739
Hybrid	194	375	507
Electricity	2	1	1
<b>T3. Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO<sub>2</sub>-e)</b>	0.28	0.28	0.28
Diesel	0.30	0.29	0.28
LPG	-	0.26	0.25
Unleaded	0.27	0.27	0.29
Hybrid	0.17	0.16	0.15
Electricity	0.25	0.25	0.26
<b>T4. Total distance travelled by air (km)</b>	810,968	6,822,359	9,196,703
<b>T5. Percentage using sustainable transport to get to and from work by locality</b>	Not reported for all columns in T5	Not reported for all columns in T5	Not reported for all columns in T5
CBD (%)	-	-	-
Metro (%)	-	-	-
Regional (%)	-	-	-

**Note:** Victoria Police does not capture data relating to percentage using sustainable transport to get to and from work by locality and cannot report on this in T5.



### Actions Undertaken During 2020–21

- Victoria Police minimised travel by using telephone and video conferencing facilities and staff were encouraged to use public transport and cycle to work. Air travel reduced in line with COVID-19 restrictions.
- Environmental impacts were considered when making changes to the fleet composition. LPG vehicles were phased out as they are no longer supplied in Australia.
- Cycling clubs continue to be promoted to help increase the profile of cycling across the organisation.

### Targets for 2021–22

- Environmental impacts will continue to be considered when making changes to fleet composition.

## Greenhouse Gas Emissions

The emissions disclosed in the section below are taken from the previous sections and brought together here to show Victoria Police's greenhouse footprint.

Indicator	2020–21	2019–20	2018–19
G1. Total greenhouse gas emissions associated with energy use (tonnes CO <sub>2</sub> -e)	78,068	80,715	77,923
G2. Total greenhouse gas emissions associated with vehicle fleet (tonnes CO <sub>2</sub> -e)	24,781	26,440	26,403
G3. Total greenhouse gas emissions associated with air travel (tonnes CO <sub>2</sub> -e)	129	787	1,791
G4. Total greenhouse gas emissions associated with waste disposal (tonnes CO <sub>2</sub> -e)	2,535	3,177	3,696
G5. Greenhouse gas emissions offsets purchased (tonnes CO <sub>2</sub> -e)	0	0	0

### Actions Undertaken During 2020–21

- Victoria Police is taking action to reduce emissions from its operations as part of the Whole of Government Pledge under the *Climate Change Act 2017*, and in line with the state-wide transition to net zero emissions by 2050.
- Victoria Police sites are beginning to be powered by Green Power.

### Targets for 2021–22

- Victoria Police will continue to identify opportunities to reduce emissions.

## 5.13 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 procurements seek responses to objectives under the Buying for Victoria – Social Procurement Framework from suppliers. This means suppliers are asked to indicate 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 2020–21. 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
Rental of berths at Royal Yacht Club Marina, Williamstown	This procurement would support local industry to help berth Victoria Police assets (Water Vessels).
Tamper Evident Audit Bags (TEAB) Paper and Plastic Bags	The RFT explored options to recycle and or reduce the environmental impact of packaging and minimise the amount of waste that goes to landfill.
The Provision of High Lumen Torches	Material minimisation, use of recycled materials and material re-use. The project is still evaluating responses.
Online and Ancillary Legal Reference Material	By sourcing online legal reference materials, there will be a reduction in waste and less environmental impact due to the reduced need to print paper records.
Purchase of Scientific Equipment	Instruments operating within their serviceable life require fewer repairs. This reduces travel by service people, reduces breakdowns that lead to the need to repeat analyses. This reduces the use of power, water, chemicals and gases as well as other consumables.
Oleoresin Capsicum (OC) Products	Ensuring OC product supplied complies with relevant Regulations and Codes of Practice of both State and Federal departments. Testing throughout the tendering process was carried out to validate that products comply with the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995. OC product handling and importation complied with Victoria Police licence to import Ozone Depleting Substance (ODS) and Synthetic Greenhouse Gas (SGG).
<ul style="list-style-type: none"> <li>• Support and Enhancement of Interpose and Condor</li> <li>• Provision of Aircraft Fuel (Jet A1)</li> <li>• External Facilitation: Respect and Equality at Work Training Program</li> <li>• Supply of Goods – Medication and Opioid Replacement Therapy supply to prisoners in police custody at Victoria Police Detention Facilities</li> <li>• Supply and fitting of replacement tyres to all Victoria Police Vehicles</li> <li>• Two (2) Medium Mobile Policing Units (MPU)</li> <li>• Provision of Respirator / P 2 masks (Out of scope of CIPR)</li> <li>• Prescription Safety Goggles</li> <li>• Property and Laboratory Management (PALM) Development and level 3 support</li> <li>• Provision of Fire Kits</li> <li>• Adobe Enterprise Term Licence Agreement 2020</li> <li>• Confluent Kafka Software Licences and Support</li> <li>• Digital Evidence Capture (DEC) Custom DVDs</li> <li>• Legal document management and e-discovery software (Ringtail)</li> <li>• VP MAC Social Media Scraping Variation</li> <li>• Enhanced Firearm Capability Project Benefits Realisation Evaluation</li> <li>• Speed Detector Devices Standing Officer</li> <li>• Light Cartage (Parcel Delivery) Services</li> <li>• SSD Purchasing Panel of Suppliers</li> <li>• ISSC IT Service Transformation</li> <li>• Handcuffs</li> <li>• Procurement of Preliminary Oral Fluid Test (POFT) Kits for Roadside Drug Testing (RDT)</li> <li>• Livery application to Alcohol and Drug Testing (ADT) Vehicles</li> <li>• eGIS migration to Azure Cloud</li> <li>• SAP Fieldglass</li> </ul>	The listed contracts committed only to the mandatory Supplier Code of Conduct that stipulates the minimum standards of ethical, sustainable and socially responsible practices.

Procurement contract	Additional sustainable and environmental considerations applied during the procurement process
<ul style="list-style-type: none"> <li>• Service Management Tool (ESM)</li> <li>• Supply of Nitrile Gloves</li> <li>• In Vehicle routers for One Member Station (OMS) In-Car Video (ICV) Project</li> <li>• Land Title Checks and Real Estate Data</li> <li>• Australian Multicultural Foundation (AMF) CVE project delivery</li> <li>• Procurement of Blood Specimen Collection Kits</li> <li>• Extendable batons</li> <li>• Invoice Automation Solution</li> <li>• Electrical Remediation Works on the Alcohol and Drug Testing (ADT) Vehicle Fleet</li> </ul>	<p>The listed contracts committed only to the mandatory Supplier Code of Conduct that stipulates the minimum standards of ethical, sustainable and socially responsible practices.</p>
<ul style="list-style-type: none"> <li>• Eastern region – Microsoft Surface HUBs</li> <li>• Oracle Financials 11i Maintenance and Support</li> <li>• Consultant to deliver Mobile Automatic Number Plate Recognition (ANPR) and Mobile Tech Integrated Solution</li> <li>• MediaCom media buy – 2020–21</li> <li>• Consultancy Services for the VIFM Contract Review</li> <li>• VPC 311 Restricted Flight path and overlay</li> <li>• Design of the Service Delivery Transformation Program</li> <li>• Microsoft Enterprise Licence Agreement</li> <li>• Engagement of ISG Information Services Group for IT Contract requirements</li> <li>• Equipment Tracking Management System (ETMS) End User Computing</li> <li>• Dell Laptops Tidewatch</li> <li>• Develop Cyber Crime Strategy</li> <li>• E-Crime Squad Storage upgrade</li> <li>• Media buy – 2020/21 Police Recruitment Campaign (OMD)</li> <li>• iPad replacement for the State Surveillance Unit (SSU)</li> <li>• Media buy (OMD) – 2020/21 PSO Community Assurance campaign</li> <li>• Lifecycle Management Project (LMP) – Station Uplift program of works 313 Spencer Street Melbourne and Forensic Services Macleod</li> <li>• Werribee Police Station – Cisco Order</li> </ul>	<p>The listed activities have been leveraged from Mandated State Purchase Contracts where Corporate Social and Environmental requirements already apply.</p>
<ul style="list-style-type: none"> <li>• Contractor Non-Compliant Cladding Program</li> <li>• Cladding Replacement Program at Sale Police Station</li> </ul>	<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"> <li>• the building fabric including external glazing and shading</li> <li>• sealing of the building</li> <li>• performance of heating, ventilation and air conditioning systems</li> <li>• artificial lighting and power</li> <li>• heated water supply systems</li> <li>• facilities to monitor energy use.</li> </ul>

### 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	2020–21 Estimate	2019–20 Estimate
Myki	90	285
V/Line	7	22

## 5.14 Compliance with the *Public Interest Disclosures Act 2012*

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

Requirement	Number	Types
For the financial year –		
the number and types of disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) under s.21(2) or s.22	104	Includes allegations of: <ul style="list-style-type: none"> <li>• Misconduct</li> <li>• Assault</li> <li>• Predatory behaviour</li> <li>• Inappropriate behaviour</li> <li>• Workplace conflict</li> <li>• Duty Failure</li> <li>• Excessive Use of Force</li> <li>• Information Disclosure</li> </ul>
the number and types of public interest complaints referred to the investigating entity by the IBAC	119	Includes allegations of: <ul style="list-style-type: none"> <li>• Theft</li> <li>• Deception</li> <li>• Sexual assault</li> <li>• Drug offences</li> <li>• Assault</li> <li>• Predatory Behaviour</li> <li>• Inappropriate Behaviour</li> <li>• Workplace Conflict</li> <li>• Duty Failure</li> <li>• Excessive Use of Force</li> <li>• Information Disclosure</li> </ul>
the number and types of public interest complaints investigated by the investigating entity	119	Includes allegations of: <ul style="list-style-type: none"> <li>• Theft</li> <li>• Deception</li> <li>• Sexual assault</li> <li>• Drug offences</li> <li>• Assault</li> <li>• Predatory Behaviour</li> <li>• Inappropriate Behaviour</li> <li>• Workplace Conflict</li> <li>• Duty Failure</li> <li>• Excessive Use of Force</li> <li>• Information Disclosure</li> </ul>
the number and types of public interest complaints dismissed by the investigating entity	Nil	Victoria Police is not an investigating entity that can dismiss a public interest disclosure.
the number of applications for an injunction made by the investigating entity under s.50 during the financial year	Nil	

**Note:** one disclosure may contain multiple allegations.

## 5.15 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 action was taken by the Chief Commissioner of Police under section 12(1)(a) of the Act in 2020–21.

### Section 12(1) (b)

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

#### Results of Discipline Charges Determined by Inquiry Officers Part 1: 2020–21

Victoria Police Officers/PSO charges and results of inquiries	Discipline Inquiries Victoria Police Act 2013 (section 125)	Inquiries into matters found proven Victoria Police Act 2013 (section 136)
Total discipline charges laid against Victoria Police Officers/PSOs (Date Charge was Authorised)	100	9
Total Victoria Police Officers/PSOs charged (Date Charge was Authorised)	76	9
Victoria Police Officers/PSOs appearing before an inquiry officer (Last Hearing Date)	75	8
Victoria Police Officers/PSOs dismissed from force (Date Dismissed)	6	2
Victoria Police Officers/PSOs All charges dismissed after a discipline inquiry (Last Inquiry Date)	8	Nil

#### Notes:

- This data only includes discipline outcomes under the Victoria Police Act 2013 Part 7 that occurred during 2020–21. A Victoria Police officer can be charged with one or more discipline charges.
- The data can include a Victoria Police officer who has charges/outcomes from both section 125 and section 136 proceeding, i.e. they may appear in both columns. The initial charges related to these outcomes may have been laid in 2020–21, or previous reporting period(s).
- The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 23 July 2021.

#### Results of Discipline Charge Notices and Inquiries

	Total	% Total
Discipline charges found proven section 125 only (Last Inquiry Date)	72	59
Charge dismissed section 125 only (Last Inquiry Date)	8	7
Charge section 125 or inquiry section 136 not heard (Resigned/Retired Prior to Discipline Inquiry) – (Count of Charges)	41	34
<b>Total Charges</b>	<b>121</b>	<b>100</b>

#### Notes:

- This table includes discipline proceedings arising from public complaints and internally initiated investigations.
- Discipline charges found proven and discipline charges dismissed only refer to section 125. Section 136 criminal charges have been proven in the criminal court and cannot be dismissed at inquiry. Also, the initial charges related to these outcomes may have been laid in 2020–21, or the previous reporting period(s).
- Where the police officer resigned or retired prior to the inquiry relates to both section 125 and section 136. All sections are charge centric and not person centric.
- The data relates to outcomes during the reporting period notwithstanding the year in which the public complaint/internal investigation was commenced. The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 23 July 2021.

## Results Of Discipline Charges Determined By Inquiry Officers Review Of Sanctions Part 2: 2020–2021

	PRSB Review Result			
	Number of Sanctions Reviewed	Sanction Affirmed	Sanction (charge) Dismissed/ Officer withdrew appeal	Sanction Varied
Discipline Sanctions section 125 (section 132 Victoria Police Act 2013) (Last Review Date)	10	2	4	4
Inquiry into important Matters section 136 (section 136 Victoria Police Act 2013) (Last Review Date)	2	1	1	Nil

### Notes:

- Section 146 of the Victoria Police Act 2013 only permits the PRSB to review specific sanctions (i.e. a fine in excess of five times a penalty unit, reduction in rank, seniority, remuneration; transfer to other duties, or dismissal from Victoria Police).
- Data is from each discipline charge or criminal charge that received a sanction and was appealed (it is not person centric but charge centric).
- Data relates to reviews completed during the reporting period. The initial sanctions in relation to these reviews may have been handed down in 2020–21, or previous reporting period(s).
- Discipline sanctions (section 132 Victoria Police Act 2013) relate to sanctions imposed if a Victoria Police officer/Protective Services Officer (PSO) is charged with a breach of discipline under section 125 Victoria Police Act 2013, whereas inquiry into imprisonment matter (section 136 Victoria Police Act 2013) relates to sanctions imposed if a Victoria Police officer/PSO has been charged under the criminal law with an offence punishable by imprisonment (whether in Victoria or elsewhere) and the offence has been found proven.
- The data for this report was taken from the Register of Complaints Serious Incidents and Discipline System (ROCSID) on 23 July 2021.

### Section 12 (1) (c)

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

No action was undertaken in accordance with this section of the Act in 2020–21.

### Section 12(1) (d)

The prescribed information in relation to Part 5 is shown below.

#### Drug and Alcohol Testing

Prescribed information in relation to Part 5	2020–21 Result
The number of tests involved taking of samples conducted during the relevant year	278*
The number of persons tested	138*
The number of those tests that indicated the presence of a drug of dependence or alcohol in a person's body	13

### Notes:

\*Some staff may have provided both breath and urine samples when tested once.

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## 5.16 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 2020–21 are outlined below.

### 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 (CNJC). Victoria Police work collaboratively with G4S to ensure compliance with the *Charter of Human Rights and Responsibilities Act 2006*. Victoria Police exercised its right to extend its Custody Contract with G4S to operate for a further two consecutive years until 28 March 2024. Additionally, G4S were notified to continue to operate at CNJC beyond 30 June 2021 in line with the current Service Agreement until the remainder of the Contract term.

Allied Universal, a leading security and facility services company based in North America acquired G4S Custodial Service Pty Ltd on 6 April 2021. Victoria Police was notified that Allied Universal are not planning to implement any changes in Australian and New Zealand markets, thus G4S will continue to operate as an ongoing entity.

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

Since the beginning of the State of Emergency in March 2020 monthly prisoner admission rates have significantly decreased in comparison to previous years. This was due to a reduction in Corrections Victoria prisoners' transfers and utilisation of audio-visual links in most police locations across the state to support the courts.

The Melbourne Custody Centre (MCC) was closed for three days from 31 July 2020, and an additional 10 days from 6 August 2021 due to positive COVID-19 exposures within the facility. Lessons from this closure saw revised health and hygiene practices implemented across all custody environments.

In January 2021 St Vincent de Paul (SvDP) were engaged to provide welfare support for persons in custody at MCC. This initiative has been incredibly successful in offering support and compassion, and with linking persons in custody with services provided by SvDP.

Victoria Police has committed full time resources of one inspector, one senior sergeant, and two sergeants to ensure effective management, oversight and support of services delivered by G4S, aligned to contractual obligations and the organisational expectations of Victoria Police. This has been exceptionally positive in managing strong stakeholder relationships to foster positive outcomes in managing persons in custody in our contracted custody facilities.

There are 46 Clinical Health Service VPS staff working from the MCC. Led by the Chief Custodial Health Officer and Clinical Services Manager, they oversee the VPS team of Doctors, Nurses, Pharmacy and the Clinical Health Services administrative team.

During 2020–21 G4S provided the following contract services:

#### Melbourne Custody Centre

- Managed 10,018 prisoner movements (counted in and out). In addition, 247 intoxicated persons were lodged.
- Managed 3,338 court movements between the MCC and Melbourne Magistrates' Court. This includes 748 court movements between the MCC and Melbourne Magistrates' Court Night Court.
- Facilitated a total of 5,069 visits to prisoners, including 13 visits by relatives and friends, 4,929 legal visits to prisoner clients and 127 police visits to prisoners.
- Escorted 26 prisoners to hospital and provided 290.15 hours of guard duties while prisoners received medical treatment.

#### Moorabbin Justice Centre

- Managed 91 prisoner admissions.
- Managed 107 court movements.
- Facilitated 149 legal visits to prisoner clients.

#### Ringwood Magistrates' Court Cells

- Managed 191 prisoner admissions.
- Managed 218 court movements.
- Facilitated 379 legal visits to prisoner clients.

#### Collingwood Neighbourhood Justice Centre

- Managed 3 prisoner admissions.
- Managed 3 court movements.
- Facilitated 3 legal visits to prisoner clients.

## Compliance With Other Legislation

### 5.17 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 s.10A or 10AA and the number of strip searches under section 10G:

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

	2020–21	2019–20
Number of searches	946	1,170

Section 10G Power to search persons in designated areas

	2020–21	2019–20
The number of strip searches conducted under 10G.	6	13
The number of strip searches conducted under section 10G where a declaration of a designated area (10D) was in effect*.	6	13
The number of strip searches conducted under section 10G where a declaration of an unplanned (10E) designated area was in effect.	Not reported**	Not reported

#### Notes:

\* This data includes all searches conducted in planned designated areas and may also include some searches conducted in unplanned designated areas.

\*\* It is not possible to separate data on searches conducted in unplanned designated areas from searches conducted in planned designated areas.

Prohibited, Dangerous and Controlled weapons found as result of *Control of Weapons Act 1990* search referred to in section 10B(a)

Weapon Type	2020–21	2019–20
<b>Prohibited Weapons</b>		
Slingshot	6	6
Capsicum Spray	3	7
Offensive/Noxious Liquid/Gas	0	0
Electric Current Emit Article	17	11
Laser Pointer	1	3
Mace Or Similar	1	1
Baton/Bo-Chucks	3	3
Nunchaku	1	2
Throwing Star	1	2
Butterfly sword	2	0
Flick Knife	15	13

Weapon Type	2020–21	2019–20
<b>Prohibited Weapons (Cont'd)</b>		
Dagger	8	5
Knuckle Knife	0	1
Bowen Knife Belt	0	0
Swordstick	1	0
Butterfly Knife	3	2
Double-End Knife	3	2
Push Knife	2	4
Dart from blow gun or similar	1	0
Dart projector	1	0
Ballistic Knife	0	0
Shark Dart	0	0
Extendable Baton	12	6
Knuckle Duster	22	18
Imitation Handgun	6	6
Imitation Longarm	0	0
Crossbow	0	1
Sword	6	1
<b>Dangerous articles</b>		
Bottle/Glass	0	2
Axe/Tomahawk	3	11
Bat/Bar/Club	19	35
Syringe	15	13
Other weapon	27	39
<b>Controlled weapons</b>		
Knife	213	258
Baton Or Cudgel	1	4
Bayonet	3	2
Cattle Prod	0	1
<b>Total</b>	<b>396</b>	<b>459</b>

Notes: Data was extracted from LEAP on 18 July 2021 and is based on Field Contact data. Due to limited coding on field contact data, weapon seizure data are only partially available.



The number and type of weapons and dangerous articles found during the course of strip searches referred to in 10B(ab)

Weapon Type	2020–21	2019–20
Electric current emit	0	0
Flick Knife	0	1
Extendable baton	0	0
Knuckle duster	1	1
Weighted Glove	0	1
Imitation handgun	0	0
Bat/Bar/Club	0	1
Syringe	0	2
Other weapon	1	0
Knife	3	3
Baton or Cudgel	0	1
<b>Total</b>	<b>5</b>	<b>10</b>

*Notes: Data was extracted from LEAP on 18 July 2021 and is based on Field Contact data and where Modus Operandi (MO) types selected are 'Prohibited Weapons', 'Dangerous Articles' and 'Controlled Weapons'.*

	2020–21	2019–20
<b>The number of persons who were –</b>		
(i) the subject of a strip search referred to in paragraph (ab); and	6	13
(ii) charged with offences against this Act in relation to a weapon or dangerous article found during the course of that search	Not reported*	Not reported
<b>The number of persons who were –</b>		
(i) the subject of a strip search referred to in paragraph (ac); and	6	13
(ii) charged with offences against this Act in relation to a weapon or dangerous article found during the course of that search	Not reported*	Not reported
<b>The number of persons who were –</b>		
(i) the subject of a strip search referred to in paragraph (ad)	Not reported**	Not reported
(ii) charged with offences against this Act in relation to a weapon or dangerous article found during the course of that search	Not reported*	Not reported

**Notes:**

\* Victoria Police records the number of persons charged with offences under the Act and the number of searches conducted but is unable to link the two datasets to provide the number of persons charged during the course of a search.

\*\* It is not possible to separate data on searches conducted in unplanned designated areas from searches conducted in planned designated areas.

	2020–21	2019–20
<b>The number of persons who were –</b>		
(i) the subject of a search conducted under section 10G	Not reported*	Not reported
(ii) charged with offences against this Act in relation to a weapon or dangerous article found during the course of that search	Not reported**	Not reported
<b>any other information requested by the Minister</b>	Nil requested	Nil requested

**Notes:**

\* Victoria Police search data includes strip searches and other searches of persons, things or vehicles. It is not possible to report on strip searches alone.

\*\* Victoria Police records the number of persons charged with offences under the Act and the number of dangerous articles found but is unable to link the two datasets to provide the number of persons charged in relation to a weapon or dangerous article found.

**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 (section 10D)	17
Number of declarations made regarding unplanned designation of search area (section 10E)	Nil

(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

Section	Power exercised under section 10KA	Number
Section 10D (Planned designation of an area)	Direction to leave area issued in accordance with section 10KA	62
Section 10E (Unplanned designation of an area)		Nil

**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.

## 5.18 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.

	2020–21	2019–20
<b>Total</b>	<b>169</b>	<b>167</b>

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

Firearms found	2020–21	2019–20
Rifle	3	5
Air rifle/gun	0	1
Shotgun	0	3
Handgun	1	11
Sawn-off firearm	3	2
Imitation firearm	5	7
Cartridge ammunition	12	22
Other firearm	0	0
Shotgun shell	0	0
Bullet	0	5
Revolver	0	0
Shotgun rounds	0	0
Firearm	3	4
Pistol	0	0
Handgun magazine	0	0
Magazine	0	0
Pen gun	0	0
Air rifle barrel	1	0
Longarm	1	0
<b>Total</b>	<b>29</b>	<b>60</b>

**Notes:** Gel blast firearms have been reclassified as imitation firearms

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

No information requested.

**Notes:** Data was extracted from LEAP on 18 July 2021 and is based on Field Contact data. Firearms found are firearms recorded in the narratives and/or recorded as a Modus Operandi (MO) code therefore subject to variation.

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:

Provision	Number
the number of firearm prohibition orders issued	699
the number of firearm prohibition orders in operation	1008
the number of people under 18 years of age who are subject to firearm prohibition orders	11
the number of firearms and firearm-related items seized during any exercise of powers under Part 4A	67 Firearms* *This number does not include imitation firearms, however there were 35 Imitation firearms seized. 436 Firearm-related items (including ammunition etc) Overall total = 503 Overall total including Imitation firearms = 538
the number of charges laid for offences under this Act connected with searches under Part 4A	296 charges laid under the <i>Firearms Act 1996</i> 152 of the above charges were laid against specific Firearms Prohibition Order (FPO) charges under the <i>Firearms Act 1996</i> .
the number of charges laid for other offences connected with searches under Part 4A	599 charges laid for other offences connected with searches under Part4A 109 of the above charges were laid against the <i>Control of Weapons Act 1990</i> , with 7 of these charges relating to specific FPO charges under the <i>Control of Weapons Act 1990</i>

**Notes:**

Data against items (b) and (c) was at 30 June 2021.

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.

Data provided against (e) and (f) – this information has been obtained via SAS EG using specific offence codes for FPO- related charges) and manual interrogation of LEAP by the FPO Registry given members are only required to provide Field contact data and not incident data, which is where charges are commonly associated. As such, the actual number of charges laid may be greater than what is being reported.

### 5.19 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	2020–21	2019–20
14–17	61	115
18–23	55	54
24+	27	32
Unspecified	12	9
<b>Total persons contacted</b>	<b>155</b>	<b>210</b>
<b>Total reports</b>	<b>113</b>	<b>154</b>

#### Graffiti implements found during graffiti-related search without warrant

Implement type	2020–21	2019–20
Aerosol paint container	51	81
Texta/marker	47	67
Other graffiti implement	13	7
<b>Total implements</b>	<b>111</b>	<b>155</b>

*Notes: Data was extracted from LEAP on 18 July 2021 and is based on field contact data. A field contact report may have multiple persons recorded.*

### 5.20 Sentencing Act 1991 (Section 89dh)

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

Reporting Requirement	Results for 2020–21	Results for 2019–20
(a) the number of applications made for alcohol exclusion orders during that financial year.	Not reported	Not reported
(b) the number of applications for alcohol exclusion orders that were withdrawn during that year.	Not reported	Not reported
(c) the number of applications for alcohol exclusion orders that were dismissed during that year.	Not reported	Not reported
(d) the number of alcohol exclusion orders made during that year.	10 Orders have been made by the courts	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)	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)	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	Not reported
(h) a comparison with the immediately preceding three financial years of the information required under this subsection.	Not reported	Not reported

**Notes:**

*Data for (d) was extracted from LEAP on 18 July 2021 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' – This data is external data not owned by Victoria Police and is therefore not reported on*

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

## 5.21 Sex Offenders Registration Act 2004 (Section 70P)

Section 70P(1) of the *Sex Offenders Registration Act 2004* states that the Chief Commissioner of Police must report to the Minister, before 30 September in each year, on the following matters:

Provision	Number
the total number of registrable offenders as at the immediately preceding 30 June [30 June 2021]	9,170
the number of offenders added to the Register in the financial year ending on the immediately preceding 30 June; [2020–21]	351
the number of prohibition orders made in the financial year ending on the immediately preceding 30 June; [2020–21]	16
any other prescribed information [complete table below]	

### Prescribed Information as per the *Sex Offenders Registration Regulations 2014*:

Offenders on the Register as at 30 June 2021	Number	
with respect to the total number of registrable offenders included in the Register as at the immediately preceding 30 June; [30 June 2021]		
	<b>Male</b> <b>Female</b> <b>Self-identified</b>	
the number of registrable offenders by gender	8,976   193   1	
the number of registrable offenders aged under 18	1	
	<b>Reporting Period</b> <b>Count</b>	
the reporting periods (RP) applying to registrable offenders * Other refers to periods outside those defined in S.34 of the SORA including no RP <sup>1</sup> , RPs set by other jurisdictions prior to being transferred to Victoria, RPs for juvenile offenders (S.35)	4 Years	19
	7.5 Years	92
	8 Years	2,602
	15 Years	2,730
	Life	2,691
	Other*	1,036
<b>TOTAL</b>	<b>9,170</b>	
the number of registrable offenders living in Victoria and subject to reporting obligations	4,467	
the number of registrable offenders in government custody	970	

Offenders on the Register as at 30 June 2021	Number		
	<b>Owning Jurisdiction</b> <b>Status</b> <b>Count</b>		
the number of registrable offenders outside Victoria (excluding registrable offenders to whom Division 9 of Part 3 of the Act applies)	Victoria	Residing overseas	228
	Other*	Interstate	784
		<b>TOTAL</b>	<b>1,012**</b>
	* Other refers to cases initially registered in Victoria but have since moved to another jurisdiction.		
	**The number of registrable offenders outside Victoria does not include registrable offenders whose reporting period has ended or who are deceased.		

the number of registrable offenders who are the subject of an order under Division 6 of Part 3 of the Act (or an equivalent order made under the laws of a foreign jurisdiction)	0
the number of registrable offenders who are the subject of a notice under section 45A of the Act	15
the number of registrable offenders whose reporting period has ended	2,081 <sup>2</sup>
the number of deceased registrable offenders	680 <sup>3</sup>

Offenders added to the Register in 2020–21	Number
with respect to the number of offenders added to the Register in the financial year ending on the immediately preceding 30 June; [2020–21]	
the number of offenders under the age of 18	1
the number of offenders added to the Register following the making of an order under section 11 of the Act	18
the number of offenders added to the Register because they are corresponding registrable offenders	62

<sup>1</sup> Some Registered Sex Offenders (RSO) do not have a reporting period recorded due to legislative and procedural requirements (for example, RSOs who have entered custody after conviction for their registrable offence do not have a reporting period recorded on the National Child Offender System until their release from custody as this is the point at which their reporting period commences; offenders who have been deregistered due to a successful appeal have no reporting period recorded)

<sup>2</sup> The total number of registrable offenders whose reporting period ended has increased more significantly in this financial year, in comparison to previous financial years, this may be due to the Sex Offenders Registration Act (2004) now being in existence for over 15 years, and the legislated 15-year reporting period.

<sup>3</sup> The total number of deceased registrable offenders has increased more significantly in this financial year, in comparison to previous financial years, due to the aging nature of the cohort.

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## 5.22 Licensing and Regulation

### Regulatory Services Department (RSD)

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 by the Licensing and Regulation Division (LRD) within RSD. 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.

### Progress against Statement of Expectations

#### 2020–22 Statement

On 26 July 2020 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:

- Review and identify opportunities for improvement of current licence application processing practices.
- Explore the feasibility of integrating LRD service delivery with Service Victoria.
- Review and evaluate the current LRD Risk Based Regulation framework.
- Review the LRD online information and make recommendations for increasing compliance with Victorian Government accessibility standards.

#### Progress against the Statement of Expectations

An extensive review of the Firearms, Security and Weapons section on the Victoria Police website was conducted. This resulted in:-

- The introduction of website landing pages that provide updates on application processing times and current issues.
- The development of 'Industry News' pages for each area of regulation have been implemented. These have been particularly useful for publishing COVID-19-related updates, changes or impacts as well as updates on legislation or regulation.

Further progress items included:

- The deceased estate guide was disseminated to approximately 420 funeral homes listed on the Victorian public register and will be included on the State Trustees Limited checklist. The LRD wanted to increase awareness and clarify the process for executors or administrators responsible for the disposal of firearms attached to a deceased estate. This initiative aims to increase compliance in the disposal of firearms registered to a deceased firearm licence holder.
- A review of the 'The Role of the health professional in the firearm licensing process' information guide has commenced. The review aims to better support the public and health professionals in providing appropriate information to support the 'fit and proper' process within the firearm licence application.
- A review of the firearm licence 'genuine reason' activities applicable under the *Firearms Act 1996*. This was conducted across all firearm licence categories and extended into evidence requirements for providing proof of your genuine reason. The review evaluating the current genuine reasons activities, removing redundant, duplicated, or invalid genuine reasons.

The objective of the project was to streamline the licensing process for applicants, ensuring the genuine reason applied for was accurate and appropriately reflects the need for the licence. The documentary evidence in support of each genuine reason is also currently being reviewed to support this project.

- A subsequent review of the firearm licence conditions that correspond to the appropriate genuine reason and licence category was also conducted. In the review 321 conditions were assessed to ensure they were compliant with legislation, current and appropriate for each genuine reason and licence category. Both projects complement each other and aim to streamline the application process for the applicant and the regulator. The outcomes of the review will inform future improvements.
- The Licensed Firearms Dealer renewal process is currently being reviewed, with updates to the covering letter, instruction pages, application form and supporting documents all aimed at improving the processes for the applicant.
- The special conditions process is being updated to ensure greater visibility and clarity of individual firearm licence holders who are subject to special conditions. This change is intended to improve the usability of the Licensing and Registration System (LARS) to better support the LRD with compliance and the enforcement of special conditions.
- Authentication-as-a-Service was scoped, and a roadmap developed for implementation. The RSD is currently working with software vendors to upgrade back-end IT systems to be compatible with Service Victoria authentication Software. Document verification services are dependent on the implementation of Authentication-as-a-Service. Integration work has been scoped for digital firearm and security licences.
- A review of the Firearms Safety Course is underway. The project aims to convert the course to an online self-paced format. The delivery of the course online is intended to free up the Divisional Firearm Officers to carry out their enforcement and regulatory duties, with a focus on increasing firearm storage inspections.
- The LRD is working with the Department of Justice and Community Safety regarding amendments to the *Firearms Act 1996* which are aimed at enhancing public safety, reducing the administrative burden for applicants and license holders, and enhancing LRD's capability to focus on its core services and regulatory activities.
- Significant improvements have been made following a review of all the RSD's webpage content and design. Changes to the navigation, layout and content have been completed but are subject to ongoing review. Removal of pages such as FAQs aligns with Victoria Police standards. The RSD continue to work on ensuring its services pages are accessible, relevant, and current.

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## Regulating the Firearms, Weapons and Private Security Industries

Like many other regulatory bodies across Australia, the LRD 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 2020–21, the LRD processed 138,625 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 5.9 per cent decrease on applications processed in 2019–20.

Of the applications processed in 2020–21, 124,212 or 89 per cent were approved.

As at 30 June 2021, there were:

- 226,946 current Victorian firearm licences
- 879,830 registered firearms attached to 221,415 current firearm licences
- 38,531 private security licences and registrations
- 707 Chief Commissioner of Police Weapon approvals.

The focus for Victoria Police continues to be on compliance and ensuring that only fit and proper people are licensed. Across the state 1,167 private security licences and registrations, and firearms licences were cancelled in 2020–21. Between 1 July 2020 and 30 June 2021, a significant number of regulatory transactions were undertaken by the LRD, which are listed below:

### Firearm licence and permit to acquire applications

- 44,098 new and renewal firearm licence applications were approved
- 493 new and renewal firearm licence applications were refused
- 1,457 firearm licences were suspended
- 1,011 firearm licences were cancelled
- 64,400 firearm permit applications were approved
- 599 firearm permit applications were refused.

### Private security licence applications

- 15,480 new and renewal private security licence and registration applications were approved
- 66 new and renewal private security licence and registration applications were refused
- 240 private security licence and registrations were suspended
- 156 private security licence and registrations were cancelled.

### Weapons applications

- 310 Chief Commissioner of Police weapon approval applications were completed.

## COVID-19 Impacts Upon Handgun Target Shooting

In response to the ongoing health risks of the COVID-19 pandemic, the Victorian Government has continued to issue restrictions for travel and movement. Due to these restrictions, the LRD were aware that general category handgun licence holders have had limited opportunities to attend and participate at shooting clubs and were unlikely to meet target shooting participation requirements in the 2020 and 2021 calendar years. As a result, the Chief Commissioner of Victoria Police issued a variation of conditions for all general category handgun licence holders who own handguns for target shooting by waiving 100 per cent of participation requirements in both calendar years. Licence holders were reminded that they must continue to be a member of an approved handgun target shooting club and store their handguns safely as per the *Firearms Act 1996*.

Shooting clubs were also reminded that they were still required to keep accurate records of any shoots conducted and applications for club membership; submit annual reports to the LRD in accordance with the *Firearms Act 1996*; and notify the Chief Commissioner of the acceptance of new members, refusal of applications for memberships and if a membership has been canceled or suspended.

## 5.23 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	2020–21	2019–20	2018–19
Management Intervention Model (MIM) and Local Management Resolution (LMR)	Allegations of minor nature regarding service delivery, performance management or professional conduct.	846	976	1,049
Misconducts – Minor/Serious/Corruption	Misconduct as per the <i>Victoria Police Act 2013</i> section 166 and the <i>Public Administration Act 2004</i> , section 4.	835	807	796
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.	440	640	637
<b>Total</b>		<b>2,121</b>	<b>2,423</b>	<b>2,482</b>

*Note: Data includes all complaints received by Victoria Police*

### Allegation Determination – Complaint allegations finalised by Financial Year

Category	Determination	2020–21		2019–20		2018–19	
		Count	%	Count	%	Count	%
Case to Answer	Lesser Deficiency Found	13	0.41	2	0.1	15	0.55
	Substantiated	534	16.90	491	15.5	480	14.8
	Sub total	547	17.32	493	15.5	495	15.2
No Case to Answer	False Report	4	0.13	7	0.2	1	0.00
	For Intelligence Purposes Only	13	0.41	37	1.2	43	1.33
	Member Exonerated	80	2.53	53	1.7	54	1.7
	No Complaint	616	19.50	555	17.3	532	16.3
	Not Substantiated	379	12.00	432	13.6	516	15.9
	Unable to Determine	172	5.44	153	4.8	186	5.57
	Unfounded	397	12.57	364	11.5	383	11.8
	Withdrawn	38	1.20	39	1.2	32	1.0
	Sub total	1,699	53.78	1,640	51.7	1,747	53.7
Other	Conciliated	9	0.28	2	0.1	6	0.20
	Not Finalised	3	0.09	3	0.1	7	0.24
	Not Proceeded With	105	3.32	135	4.3	109	3.4
	Sub total	117	3.70	140	4.4	122	3.8
Other (Local Management Actions)	Not Resolved	252	7.98	288	9.1	194	6.0
	Resolved	533	16.87	611	19.3	665	20.4
	Sub total	785	24.85	899	28.3	859	26.4
Other (Oversight Matters)	No complaint (Oversight)	11	0.35	2	0.1	32	1.0
	Sub total	11	0.35	2	0.1	32	1.0
<b>Total</b>		<b>3,159</b>	<b>100</b>	<b>3,174</b>	<b>100</b>	<b>3,255</b>	<b>100</b>

*Notes: Data extracted 13 July 2021.*

- 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	2020–21		2019–20		2018–19	
	Count	%	Count	%	Count	%
Admonishment	113	3.58	155	4.9	158	4.9
Criminal charges	31	0.98	66	2.1	64	2.0
Discipline charges	53	1.68	64	2.0	37	1.1
Management actions	567	17.95	559	17.6	606	18.6
No Data Recorded	38	1.20	41	1.3	10	0.3
No action	2,281	72.21	2,180	68.7	2,299	70.6
Resigned/Retired	56	1.77	102	3.2	75	2.3
Terminated	20	0.63	7	0.2	6	0.2
<b>Total (ALL)</b>	<b>3,159</b>	<b>100</b>	<b>3,174</b>	<b>100</b>	<b>3,255</b>	<b>100</b>

Notes: Data extracted 13 July 2021.

- 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.

## 5.24 Drink Driving Detections

### Drink driving detections of Victoria Police officers during 2020–21

BAC reading	Collision [ Y/N]	Determination
0.181%	N	Investigation in progress
0.137%	N	Investigation in progress
0.114%	N	Investigation in progress

**Notes:**

BAC is Blood Alcohol Concentration.

Data extracted from the Register of Complaints Serious Incidents and Discipline System on 16 July 2021 and is subject to variation.

## 5.25 Audit and Risk Committee List

Independent Members	Chair
Ms Jane Brockington (membership ended 3 Dec 2020)	Ms Jane Brockington
Mr Stewart Leslie	
Ms Elizabeth Grainger (membership ended 3 Dec 2020)	
Ms Gail Moody (membership ended 3 Dec 2020)	
Ms Sandra (Sam) Andersen (membership commenced 25/03/2021)	
Ms Leanne Close (membership commenced 25/03/2021)	
Ms Janice van Reyk (membership commenced 25/03/2021)	
Mr Roger Chao (membership commenced 25/03/2021)	
Management Representatives	
Deputy Secretary, Corporate & Regulatory Services (membership concluded 3 Dec 2020)	
Assistant Commissioner, Professional Standards Command (membership concluded 3 Dec 2020)	
Executive Director, Capability Department (membership concluded 3 Dec 2020)	



## 5.26 Comparative Workforce Data

As at 19 June 2021 – Classification Data (In Accordance with FRD 29C)

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

June 2021							
	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
<b>Police</b>	<b>16,582</b>	<b>16,284</b>	<b>15,535</b>	<b>1,026</b>	<b>16,263</b>	<b>21</b>	<b>21</b>
Chief Commissioner	1	1	0	0	0	1	1
Deputy Commissioner	4	4	0	0	0	4	4
Assistant Commissioner	16	16	0	0	0	16	16
Commander	13	13	13	0	13	0	0
Superintendent	92	92	92	0	92	0	0
Chief Inspector	0	0	0	0	0	0	0
Inspector	354	354	353	1	354	0	0
Senior Sergeant	862	858	840	22	858	0	0
Sergeant	2,896	2,861	2,764	132	2,861	0	0
Senior Constable	8,083	7,831	7,234	849	7,831	0	0
Constable	4,261	4,254	4,239	22	4,254	0	0
<b>Protective Services Officers (PSO)</b>	<b>1,483</b>	<b>1,466</b>	<b>1,419</b>	<b>64</b>	<b>1,466</b>	<b>0</b>	<b>0</b>
PSO Senior Super <sup>(a)</sup>	4	4	4	0	4	0	0
PSO Supervisor <sup>(b)</sup>	71	71	71	0	71	0	0
PSO Senior	620	612	587	33	612	0	0
PSO First Class	205	200	189	16	200	0	0
PSO	583	579	568	15	579	0	0
<b>Other Sworn Employees</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>0</b>	<b>181</b>	<b>0</b>	<b>0</b>
Recruits	179	179	179	0	179	0	0
Reservists	2	2	2	0	2	0	0
<b>Police Custody Officers (PCO)</b>	<b>396</b>	<b>393</b>	<b>383</b>	<b>13</b>	<b>393</b>	<b>0</b>	<b>0</b>
PCO-1	0	0	0	0	0	0	0
PCO-2	338	335	327	11	335	0	0
PCO-3	58	58	56	2	58	0	0
<b>VPS 1-6 Grades</b>	<b>3,308</b>	<b>3,113</b>	<b>2,543</b>	<b>531</b>	<b>2,895</b>	<b>234</b>	<b>218</b>
VPS-1	2	2	0	0	0	2	2
VPS-2	1,220	1,122	889	251	1,052	80	71

**Notes to table:**

Clause 10 of the Victoria Police

Regulations 2014 was amended to reflect the new rank structure and titles for PSOs as agreed under the Police EBA 2019, commencing from 8 June 2021.

(a) This position changed to PSO Senior Sergeant on 8 June 2021.

(b) This position changed to PSO Sergeant on 8 June 2021.

## Victoria Police Headcount and Full Time Equivalent (FTE) Numbers of Employees (Cont'd)

June 2021							
	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
VPS-3	833	791	665	114	739	54	52
VPS-4	677	638	505	110	580	62	58
VPS-5	330	318	268	39	295	23	23
VPS-6	246	242	216	17	229	13	13
<b>Forensic Officers (FO)</b>	<b>303</b>	<b>282</b>	<b>235</b>	<b>64</b>	<b>278</b>	<b>4</b>	<b>4</b>
FO-1	0	0	0	0	0	0	0
FO-2	69	65	55	10	61	4	4
FO-3	85	80	68	17	80	0	0
FO-4	104	94	74	30	94	0	0
FO-5	32	30	25	7	30	0	0
FO-6	13	13	13	0	13	0	0
<b>Senior VPS Employees</b>	<b>57</b>	<b>55</b>	<b>21</b>	<b>5</b>	<b>24</b>	<b>31</b>	<b>31</b>
Senior Technical Specialist (STS)	14	14	14	0	14	0	0
FO-7	3	3	3	0	3	0	0
Senior Medical Advisor (SMA)	9	7	4	5	7	0	0
Executives	31	31	-	-	-	-	-
<b>Total employees</b>	<b>22,310</b>	<b>21,774</b>	<b>20,317</b>	<b>1,703</b>	<b>21,500</b>	<b>290</b>	<b>274</b>

1. 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 (19 June 2021). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police.
2. FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.
3. Police Custody Officers are VPS employees but are listed separately.
4. Police Medical Officers are included with VPS but are employed as Senior Medical Advisors.

### Employment and conduct principles

Victoria Police is committed to applying merit and equity principles when appointing staff. All selection processes ensure applicants are evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

## Victoria Police Headcount and FTE Numbers of Employees as at 19 June 2021 and 20 June 2020 – Demographic Data

### Victoria Police Headcount and FTE Numbers of Employees as at 19 June 2021– Demographic Data

June 2021							
Demographic Data	All employees		Ongoing			Fixed term and casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
<b>Gender</b>	<b>22,310</b>	<b>21,775</b>	<b>20,317</b>	<b>1,703</b>	<b>21,500</b>	<b>290</b>	<b>274</b>
Women	7,652	7,202	6,091	1,394	7,046	167	155
Men	14,639	14,554	14,211	308	14,438	120	116
Self-Described	19	19	15	1	16	3	3
<b>Age</b>	<b>22,310</b>	<b>21,774</b>	<b>20,317</b>	<b>1,703</b>	<b>21,500</b>	<b>290</b>	<b>275</b>
15–24	878	873	835	13	844	30	29
25–34	6,872	6,773	6,476	309	6,688	87	85
35–44	5,924	5,697	5,164	702	5,643	58	54
45–54	5,602	5,475	5,111	421	5,410	70	65
55–64	2,780	2,718	2,523	219	2,681	38	37
65+	254	238	208	39	234	7	5

#### Notes:

1. 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 19 June 2021). It also excludes staff who are employed within statutory and nationally funded bodies administered by Victoria Police.
2. FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.
3. Police Custody Officers are VPS employees but are listed separately.
4. Police Medical Officers are included with VPS but are employed as Senior Medical Advisors.

## Victoria Police Employees by Type and Gender as at 19 June 2021 and 20 June 2020 – Headcount

Employee Type	Man		Woman		Self-Described		Total		% Man		% Woman		% Self-Described	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
	Police Member	11,774	11,616	4,797	4,612	11	1	<b>16,582</b>	<b>16,229</b>	71.00%	71.58%	28.90%	28.42%	0.07%
Recruits	127	38	52	25	-	-	<b>179</b>	<b>63</b>	70.90%	71.00%	29.10%	39.68%	-	-
PSO Deployed	1,297	1,310	164	158	-	-	<b>1,461</b>	<b>1,468</b>	88.80%	89.24%	11.20%	10.76%	-	-
PSO in Training	18	12	4	9	-	-	<b>22</b>	<b>21</b>	81.80%	57.14%	18.20%	42.86%	-	-
Reservists	1	1	1	1	-	-	<b>2</b>	<b>2</b>	50.00%	50.00%	50.00%	50.00%	-	-
Sworn	13,217	12,977	5,018	4,805	11	1	<b>18,246</b>	<b>17,783</b>	72.40%	72.97%	27.50%	27.02%	0.06%	0.01%
Public Servants	1,149	1,175	2,511	2,523	8	3	<b>3,668</b>	<b>3,701</b>	31.30%	31.75%	68.50%	68.17%	0.22%	0.08%
PCO	273	275	123	127	-	-	<b>396</b>	<b>402</b>	68.90%	68.41%	31.10%	31.59%	-	-
PCO in Training	-	2	-	1	-	-	<b>-</b>	<b>3</b>	-	66.67%	-	33.33%	-	-
Public Servants Total	1,422	1,452	2,634	2,651	8	3	<b>4,064</b>	<b>4,106</b>	35.00%	35.36%	64.80%	64.56%	0.20%	0.07%
<b>Total Workforce</b>	<b>14,639</b>	<b>14,429</b>	<b>7,652</b>	<b>7,456</b>	<b>19</b>	<b>4</b>	<b>22,310</b>	<b>21,889</b>	<b>65.60%</b>	<b>65.92%</b>	<b>34.30%</b>	<b>34.06%</b>	<b>0.09%</b>	<b>0.02%</b>

### 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 19 June 2021) and 20 June 2020 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).

## Statutory and Nationally Funded Bodies Administered by Victoria Police

Public Servant classification	Headcount		FTE	
	June 2021	June 2020	June 2021	June 2020
Governor in Council	3	3	2.8	3
SES 3	-	-	-	-
SES 2	1	1	1	1
SES 1	2	2	2	2
SMA	-	-	-	-
FO-7 (includes STS)	1	1	1	1
Total Senior Public Servants	7	7	6.8	7
FO-6	-	-	-	-
FO-5	-	-	-	-
FO-4	-	-	-	-
FO-3	-	-	-	-
FO-2	-	-	-	-
FO-1	-	-	-	-
VPS-6	4	4	3.6	4
VPS-5	12	12	8.1	8
VPS-4	11	11	10.2	10
VPS-3	7	7	6.4	6
VPS-2	1	1	1	1
VPS-1	-	-	-	-
PCO-2	-	-	-	-
PCO-1	-	-	-	-
<b>Total Other Public Servants</b>	<b>35</b>	<b>35</b>	<b>29.3</b>	<b>29</b>
<b>Total Workforce</b>	<b>42</b>	<b>42</b>	<b>36.1</b>	<b>36</b>

### Notes:

1. 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 19 June 2021 and 20 June 2020 respectively).
2. 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.
3. Police Custody Officers are VPS employees but are listed separately (PCOs).
4. Police Medical Officers are included with VPS but are employed as Senior Medical Advisors (SMAs).
5. Senior Technical Specialists (STS) are otherwise referred to as FO-7 and captured as such in the above table.
6. FTE total may not tally due to rounding as the figures have been rounded to the nearest whole number as per FRD 29C.

## Number of Executive Officers Broken Down by Gender

Classification	All		Man		Woman		Self-Described	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
SES-3	2	2	1	1	1	1	-	-
SES-2	10	10	7	5	3	5	-	-
SES-1	19	17	10	8	9	9	-	-
Assistant Commissioner	16	15	12	12	4	3	-	-
<b>Total</b>	<b>47</b>	<b>44</b>	<b>30</b>	<b>26</b>	<b>17</b>	<b>18</b>	<b>-</b>	<b>-</b>

## Reconciliation of Executive Officer Numbers to Note 9.3 to the Financial Statements

		June 2021	June 2020
Executives (Financial Statements Note 9.3)		54	57
Less	Employees acting for 3+ months	1	4
	Separations	5	9
<b>Total Executive Numbers</b>		<b>48</b>	<b>44</b>

### Notes:

1. The above tables are prepared in accordance with FRD 15E Executive officer disclosures and 29C Workforce Data disclosure requirements.
2. The tables include Victoria Police Executive Officers and Police Commissioners only. ANZPAA, Statutory Appointments and other external agencies are not included.
3. The list above details total executive numbers (other than the accountable officer) as at the end of the last full pay period in 19 June 2021 and 20 June 2020.
4. The tables are reflective of headcount, not FTE and may include part-time staff.
5. The above information is prepared in accordance with FRD 15E Executive officer disclosures and, in accordance with FRD 22I can be made available on request to the relevant Minister, Members of Parliament or the public where appropriate.

## Annualised Total Salary for Senior Public Servants as at 19 June 2021 and 20 June 2020

Income band (salary)	Executive Officers and Assistant Commissioners		STS		SMA	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
< \$160,000	-	-	3	1	4	4
\$160,000 – \$179,999	-	-	3	4	-	-
\$180,000 – \$199,999	9	7	2	4	-	1
\$200,000 – \$219,999	10	10	4	6	1	-
\$220,000 – \$239,999	2	2	5	2	-	-
\$240,000 – \$259,999	7	6	-	-	1	2
\$260,000 – \$279,999	3	5	-	-	3	2
\$280,000 – \$299,999	12	10	-	-	-	-
\$300,000 – \$319,999	2	2	-	-	-	-
\$320,000 – \$339,999	-	-	-	-	-	-
\$340,000 – \$359,999	-	1	-	-	-	-
\$360,000 – \$379,999	2	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	-	-	-	-	-	-
<b>Total</b>	<b>47</b>	<b>44</b>	<b>17</b>	<b>17</b>	<b>9</b>	<b>9</b>

### Notes:

1. 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 19 June 2021 and 20 June 2020).
2. The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.
3. SMA is a Senior Medical Advisor. Police Medical Officers are included with VPS but are employed as Senior Medical Advisors.
4. STS refers to Senior Technical Specialist. Please note FO-7s are also included in STS category in this table.
5. Five SMAs were working part time capacity (average 0.6 FTE) during 2020–21.
6. One employee was acting in long-term acting arrangement executive roles during 2020–21.
7. Long-term acting arrangement means instances where: a person has been acting in a role for more than three months at the last pay period in June; and where the role is either substantively vacant or the substantive occupant is not 'active'.

## 5.27 OH&S Key Performance Indicators

		2020-21	2019-20	2018-19
1	Compensated Fatalities	-	4	-
2	Lost Time Injury Frequency Rate (All Lost Time Injuries)	14.5	14.09	14.33
	Serious Lost Time Injury Frequency Rate (Lost Time Injuries > 5 Days)	12.22	10.93	11.52
3	Shifts Lost All Claims	101,054	103,205	97,054
	<i>Rate Per 100 FTE</i>	464.10	483.5	467.8
4	Number of Claims Lodged this Year that Exceeded 13 Weeks Where a Compensation Payment was Made	236	210	170
	Number of Claims that were Active this Year that Exceeded 13 Weeks of Compensation Payments	601	506	446
5	All Claims	1,205	1,191	1,085
	<i>Rate Per 100 FTE</i>	5.53	5.6	5.2
	Time Lost Claims	635	594	566
	<i>Rate Per 100 FTE</i>	2.92	2.8	2.7
	Standard Claims	909	863	829
	<i>Rate Per 100 FTE</i>	4.17	4	4
6	Average Cost per Claim	\$15,767	\$17,427	\$13,179
	Average Cost per Claim Plus Estimates	\$179,922	\$132,374	\$110,777
7	Reported Incidents	3,914	3,911	3,550
	<i>Rate Per 100 FTE</i>	17.98	18.32	17.11



		2020-21	2019-20	2018-19
8	<p>Management Commitment</p> <ul style="list-style-type: none"> <li>Evidence of OHS Policy statement</li> <li>OHS objectives</li> <li>Regular reporting to Senior Management of OHS and OHS plans (signed by Chief Executive Officer or equivalent)</li> </ul>	<p>The <i>Health and Safety Strategy and Action Plan 2019-2022</i> was endorsed by the Chief Commissioner on 29 April 2019.</p> <p>The strategy is accessible to all employees. Reporting against the plan is governed by the Safety, People and Culture Committee.</p> <p>Executive Command approved a target to reduce the Lost Time Injury Frequency Rate (LTIFR) across the organisation by 10%.</p> <p>A review of the OHS Policy Statement commenced, and the updated Statement will be launched in 2021-22.</p> <p>There continued to be regular reports to Senior Management on OHS policies and issues including significant briefings on new workplace manslaughter provisions.</p> <p>Positive progress has been made with the review of the Operational Safety Tactics Training Suspension Review Panel process, delivery of the suicide awareness campaign, participation in the Provisional Payments Pilot for workers compensation mental health claims and ongoing delivery of the Early Intervention and Prevention Program.</p>		
9	<p>Management Commitment</p> <p>Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)</p>	<p>OHS resources were heavily engaged in the ongoing procurement of Personal Protective Equipment (PPE) including during times of global shortages due to COVID-19.</p> <p>OHS resources were also engaged in a range of issues due to the accommodation move to the new Victoria Police Centre in Spencer St. This work included advice and support in the establishment of safety protocols for key infrastructure including the VPC Heliport.</p>		
10(a)	<p>Consultation</p> <p>Evidence of agreed structure of designated workgroups (DWG), health and safety representatives (HSRs) and Issue Resolution Procedures (IRPs)</p>	<p>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 Provisional Improvement Notice (PIN) for 2 issues during 2020-21. The lack of PINs issued by HSRs in 2020-21 indicates the effective use of the Issue Resolution Process.</p>		
10(b)	<p>Compliance with agreed structure DWG, HSRs and IRPs</p>	<p>Victoria Police has active consultation practices at all levels of the organisation.</p> <p>OHS Committees are established for managers and HSRs to meet 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.</p> <p>Key stakeholder engagement with external agencies such as WorkSafe, the Police Association Victoria and the Community and Public Sector Union occur regularly, including as safety issues arise.</p>		
11	<p>Risk Management</p> <p>Regular internal audits/inspections conducted</p>	<p>A refreshed approach has been implemented to the Safe-T-Works Audit program with a risk based and focused suite of audits including Safety in Property Stores, COVID Safe Planning and Functionality, Site Health, Safety and Wellbeing Induction Processes and the monitoring of communication effectiveness surrounding key changes to WorkCover and injury management procedures for managers. The audit function has also provided support to Operation Tidewatch to offer a degree of safety assurance via inspections conducted both onsite and remotely to hotel sites and the staging and command areas for the program.</p> <p>An Exposure Risk Assessment Management (ERAM) team was established to provide guidance on and support for COVID-19 exposure risk assessments, outbreak management and contract tracing within Victoria Police.</p>		

12	Risk Management Issues identified and actioned Internal audits WorkSafe notices	Entry Reports = 27 (a decrease of 54 from the previous year). Improvement Notices = 1 (a decrease of 51 from the previous year). Notifiable Incidents = 97 (an increase of 62 from the previous year). Work commenced on the establishment of a Health Safety and Wellbeing critical risk register. This work included consultation with Command members to identify critical risks, which will lead to improved monitoring and reporting against risks as well as the establishment of KPIs.
13	Staff and Managers with OHS Training	There were a number of OHS-related training topics rolled out and accessed by employees during 2020–21. These included: The continuation of compulsory <ul style="list-style-type: none"> <li>Wellbeing Conversations for Managers training</li> <li>Workplace Behaviour training</li> <li>Compulsory Semi-automatic rifle training.</li> </ul> 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. Other training such as Hazardous Manual Handling Training and Hazardous Substances is conducted online. 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.
14	Health and Safety Representative Training	82 HSRs attended a WorkSafe approved initial five-day OHS training course and 19 attended an OHS refresher training course in 2020–21.
15	OHS Survey	Victoria Police participated in the Whole of Victorian Government People Matter Survey during May and June of 2021. A fifth Health Safety and Wellbeing 'Snapshot' Survey was conducted in August/September 2020 with 1,490 participants. It revealed an increase in employee confidence in raising mental health concerns with their colleagues, and management in addition to perceptions of reduced mental health stigma within the organisation.

## 5.28 Budget Portfolio Outcomes

### Comprehensive Operating Statement for the financial year ending 30 June 2021

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
<b>Income From Transactions</b>				
Output appropriations <sup>(a)</sup>	4,088,960	3,787,302	301,658	8%
Interest	2	50	(48)	-97%
Sale of Goods and Services	1,336	-	1,336	100%
Grants	15,393	7,875	7,518	95%
Fair value of assets and services received free of charge or for nominal consideration	183	-	183	100%
Other Income	3,986	1,514	2,472	163%
<b>Total Income From Transactions</b>	<b>4,109,860</b>	<b>3,796,741</b>	<b>313,117</b>	<b>8%</b>
<b>Expenses From Transactions</b>				
Employee expenses <sup>(b)</sup>	3,028,625	2,685,489	343,136	13%
Depreciation and amortisation	241,357	246,241	(4,885)	-2%
Interest expense	63,237	65,831	(2,593)	-4%
Grants and other transfers	2,963	3,786	(823)	-22%
Capital asset charge	125,847	125,847	0	0%
Purchase of supplies and services	644,968	666,667	(21,699)	-3%
<b>Total Expenses From Transactions</b>	<b>4,106,997</b>	<b>3,793,861</b>	<b>313,136</b>	<b>8%</b>
<b>Net Result From Transactions (Net Operating Balance)</b>	<b>2,863</b>	<b>2,880</b>	<b>(17)</b>	<b>-1%</b>
<b>Other Economic Flows Included in Net Result</b>				
Net gain/(loss) on non-financial assets	15,697	10,700	4,997	47%
Net gain/(loss) from other economic flows	6,433	-	6,433	100%
<b>Total Other Economic Flows Included in Net Result</b>	<b>22,130</b>	<b>10,700</b>	<b>11,430</b>	<b>107%</b>
<b>Net Result</b>	<b>24,993</b>	<b>13,580</b>	<b>11,413</b>	<b>84%</b>
<b>Other Economic Flows - Other Comprehensive Income</b>				
<b>Items that may be reclassified to net result</b>				
Fair value gain/(loss) arising from cash flow hedging instruments during the year	(7,587)	-	(7,587)	100%
<b>Items that will not be reclassified to net result</b>				
Changes in physical asset revaluation surplus <sup>(c)</sup>	11,318	-	11,318	100%
<b>Total Other Economic Flows - Other Comprehensive Income</b>	<b>3,731</b>	<b>-</b>	<b>3,731</b>	<b>100%</b>
<b>Comprehensive Result</b>	<b>28,724</b>	<b>13,580</b>	<b>15,144</b>	<b>112%</b>

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

(a) Actual Output Appropriation is greater than budget primarily due to support provided for Victoria Police operations, supplementation for costs associated with the COVID-19 response, and Victoria Police system enhancements and resources.

(b) Actual employee expenditure is greater than budget due to support for the Community Safety Statement programs, increments in the Enterprise Bargaining Agreement (EBA), WorkCover costs and the additional expenditure incurred in responding to the COVID-19 pandemic.

(c) The scheduled 5-year asset revaluation prepared by the Valuer-General Victoria (VGV) on Land, building and cultural assets resulted in a revaluation increment which was not budgeted for.

## Balance Sheet as at 30 June 2021

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
<b>Assets</b>				
Financial Assets				
Cash and deposits	53,852	63,350	(9,498)	-15%
Receivables	724,326	813,675	(89,349)	-11%
Other financial assets	304	1,136	(832)	-73%
<b>Total Financial assets</b>	<b>778,482</b>	<b>878,161</b>	<b>(99,679)</b>	<b>-11%</b>
<b>Non Financial Assets</b>				
Inventories	7,333	6,057	1,277	21%
Non-financial assets classified as held for sale, including disposal group assets	1,242	2,482	(1,239)	-50%
Property, plant and equipment	3,735,127	3,704,752	30,375	1%
Intangible assets	109,611	119,862	(10,250)	-9%
Other	27,693	27,612	81	0%
<b>Total Non Financial Assets</b>	<b>3,881,006</b>	<b>3,860,764</b>	<b>20,243</b>	<b>1%</b>
<b>Total Assets</b>	<b>4,659,488</b>	<b>4,738,926</b>	<b>(79,436)</b>	<b>-2%</b>
<b>Liabilities</b>				
Payables	99,462	172,189	(72,727)	-42%
Borrowings	1,902,605	1,882,093	20,512	1%
Provisions	814,818	760,757	54,060	7%
<b>Total Liabilities</b>	<b>2,816,885</b>	<b>2,815,039</b>	<b>1,846</b>	<b>0%</b>
<b>Net Assets</b>	<b>1,842,603</b>	<b>1,923,886</b>	<b>(81,282)</b>	<b>-4%</b>
<b>Equity</b>				
Accumulated Surplus/(deficit)	49,814	38,400	11,414	30%
Reserves	862,801	859,072	3,729	0%
Contributed Capital	929,988	1,026,415	(96,427)	-9%
<b>Net Worth</b>	<b>1,842,603</b>	<b>1,923,886</b>	<b>(81,284)</b>	<b>-4%</b>

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

## Cash Flow for the financial year ended 30 June 2021

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Receipts from Government	3,989,228	3,598,668	390,560	11%
Other receipts	17,834	6,875	10,959	159%
Interest received	2	50	(48)	-96%
GST paid to or received from ATO <sup>(a)</sup>	2,821	-	2,821	100%
<b>Payments</b>				
Payments of grants and other transfers	(3,497)	(4,772)	1,275	-27%
Payments to suppliers and employees	(3,649,749)	(3,326,431)	(323,317)	10%
Capital asset charge payments	(125,847)	(125,847)	-	0%
Interest and other costs of finance paid	(63,237)	(65,831)	2,593	-4%
<b>Net Cash Flows From/(Used In) Operating Activities</b>	<b>167,556</b>	<b>82,713</b>	<b>84,843</b>	<b>103%</b>
<b>Cash Flows From Investing Activities</b>				
Proceeds from sale of non-financial assets	26,660	34,000	(7,340)	-22%
Net investment	(7,588)	-	(7,588)	100%
Payments for non-financial assets	(183,109)	(202,098)	18,989	-9%
Net loans from other parties	(6,444)	-	(6,444)	100%
<b>Net Cash Flows (Used In) Investing Activities</b>	<b>(170,481)</b>	<b>(168,098)</b>	<b>(2,384)</b>	<b>1%</b>
<b>Cash flows from Financing Activities</b>				
Proceeds from capital contribution by Victorian Government	64,128	160,554	(96,426)	-60%
Repayment of borrowings and principal portion of lease liabilities	(56,623)	(61,092)	4,468	-7%
<b>Net Cash Flows From Financing Activities</b>	<b>7,504</b>	<b>99,462</b>	<b>(91,958)</b>	<b>-92%</b>
<b>Net Increase In Cash And Cash Equivalents</b>	<b>4,579</b>	<b>14,077</b>	<b>(9,498)</b>	<b>-67%</b>
Cash and cash equivalents at the beginning of the financial year	49,273	49,273	-	0%
<b>Cash and Cash Equivalents At The End Of The Financial Year</b>	<b>53,852</b>	<b>63,350</b>	<b>(9,498)</b>	<b>-15%</b>

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

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

## Statement of Changes in Equity for the financial year ending 30 June 2021

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
<b>Accumulated surplus/(deficit)</b>				
<b>Opening Balance*</b>	<b>24,821</b>	<b>24,820</b>	<b>1</b>	<b>0%</b>
Comprehensive result	24,993	13,580	11,413	84%
Transactions with owners in their capacity as owners	-	-	-	0%
<b>Closing Balance</b>	<b>49,814</b>	<b>38,400</b>	<b>11,414</b>	<b>30%</b>
<b>Contributed capital</b>				
<b>Opening balance *</b>	<b>865,864</b>	<b>865,862</b>	<b>2</b>	<b>0%</b>
Capital contributions received from Government and/or contributions made to other State departments or entities	64,124	134,645	(70,521)	-52%
<b>Closing Balance</b>	<b>929,988</b>	<b>1,000,507</b>	<b>(70,519)</b>	<b>-7%</b>
<b>Asset revaluation reserve</b>				
<b>Opening balance*</b>	<b>866,874</b>	<b>866,875</b>	<b>(1)</b>	<b>0%</b>
Revaluation surplus adjustment	11,318	-	11,318	100%
<b>Closing Balance</b>	<b>878,192</b>	<b>866,875</b>	<b>11,317</b>	<b>1%</b>
<b>Hedging reserve</b>				
<b>Opening balance*</b>	<b>(7,804)</b>	<b>(7,803)</b>	<b>(1)</b>	<b>0%</b>
Fair value gain/(loss) arising from cash flow hedging instruments during the year	(7,587)	-	(7,587)	100%
<b>Closing Balance</b>	<b>(15,391)</b>	<b>(7,803)</b>	<b>(7,588)</b>	<b>97%</b>
<b>TOTAL EQUITY</b>	<b>1,842,603</b>	<b>1,897,979</b>	<b>(55,376)</b>	<b>-3%</b>

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

\* 1 July 2020

## Administered Items for the financial year ended 30 June 2021

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
<b>Administered Income</b>				
Interest	2	17	(15)	-89%
Sales of goods and services	46,298	24,788	21,510	87%
Grants	4,507	3,662	845	23%
Other Income	12,166	3,243	8,923	275%
<b>Total Administered Income</b>	<b>62,973</b>	<b>31,710</b>	<b>31,263</b>	<b>99%</b>
<b>Administered Expenses</b>				
Employee expenses	3,690	3,375	315	9%
Depreciation	-	4	(4)	-100%
Payments into the consolidated fund	59,327	26,517	32,810	124%
Other operating expenses	9,701	1,023	8,678	848%
<b>Total Administered Expenses</b>	<b>72,718</b>	<b>30,919</b>	<b>41,799</b>	<b>135%</b>
<b>Income Less Expenses</b>	<b>(9,745)</b>	<b>791</b>	<b>(10,536)</b>	<b>-1,332%</b>
<b>Other Economic Flows Included In Net Result</b>				
Net gain /Loss on non-financial assets	147	700	(553)	-79%
Net gain/(loss) on financial instruments and statutory receivables/payables	(45)	-	(45)	100%
Other gains/(losses) from other economic flows	1	-	1	100%
<b>Total Other Economic Flows</b>	<b>103</b>	<b>700</b>	<b>(597)</b>	<b>-85%</b>
<b>Administered Net Result</b>	<b>(9,642)</b>	<b>1,491</b>	<b>(11,133)</b>	<b>-747%</b>

## Administered Balance Sheet

	Actual \$'000	Original Budget \$'000	Variance \$'000	Variance %
<b>Administered Assets</b>				
Cash and deposits	75,683	46,219	29,464	64%
Receivables	1,914	12,299	(10,385)	-84%
Other financial assets	-	2,000	(2,000)	-100%
<b>Total Administered Assets</b>	<b>77,597</b>	<b>60,518</b>	<b>17,079</b>	<b>28%</b>
<b>Administered Liabilities</b>				
Payables	73,344	44,592	28,752	64%
Provisions	790	919	(129)	-14%
Other liabilities - Trusts	13,105	-	13,105	100%
<b>Total Administered Liabilities</b>	<b>87,239</b>	<b>45,511</b>	<b>41,728</b>	<b>92%</b>
<b>Total Administered Net Assets</b>	<b>(9,642)</b>	<b>15,007</b>	<b>(24,649)</b>	<b>-164%</b>

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



## 5.29 Public Account and Estimates Committee’s Inquiry into the Victorian Government’s response to the COVID-19 Pandemic – Recommendation 15 Family Violence Incidents comparative data.

The Victorian Government has responded to the pandemic with unprecedented funding initiatives, new public safety and health orders and changes to government functions. The Public Accounts and Estimates Committee’s role is to hold the government accountable for the actions it takes and the outcomes it delivers for Victorians during this crisis. The committee held public hearings to question government ministers and to hear from stakeholders and a range of industries. The committee tabled the final report in Parliament on 2 February 2021. The report gave Parliament and the Victorian community an account of how the government has approached the pandemic and offered a number of recommendations.

Victoria Police was allocated Recommendation 15 to prepare “comparative data on family violence incidences—including number of people remanded, bailed and charged on summons due to family violence incidences by month be published in Victoria Police’s Annual Report to gauge the achievements of Operation Ribbon during the pandemic”. To acquit this recommendation Victoria Police presents the below table.

### Family incidents recorded by month – July 2016 to June 2021

Month	Jul 2016 – Jun 2017	Jul 2017 – Jun 2018	Jul 2018 – Jun 2019	Jul 2019 – Jun 2020	Jul 2020 – Jun 2021
July	6,092	5,687	6,186	6,810	7,145
August	6,608	6,073	6,754	6,930	7,881
September	6,025	5,835	6,547	6,870	7,430
October	6,485	6,454	6,767	7,095	8,236
November	6,713	6,592	6,887	7,137	8,120
December	7,230	7,063	7,807	7,999	8,337
January	7,174	7,125	7,849	8,005	8,087
February	6,109	6,354	6,964	7,462	7,722
March	6,690	6,698	7,264	7,983	8,122
April	5,743	5,892	6,628	7,051	7,186
May	5,937	6,161	6,484	7,355	7,805
June	5,671	6,159	6,512	7,508	7,369
<b>Grand Total</b>	<b>76,477</b>	<b>76,093</b>	<b>82,649</b>	<b>88,205</b>	<b>93,440</b>

Source: Crime Statistics Agency, data extracted from LEAP on 18 July 2021 and is subject to change

Note: The number of people remanded and bailed is not available and cannot be provided to Victoria Police for publishing. This information has been prepared in response to Recommendation 15 of the Public Account and Estimates Committees Inquiry into the Victorian Government’s response to the COVID-19 pandemic, February 2021.

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## 5.30 Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise Victoria Police's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

Victoria Police's target maturity rating is 'competence', meaning asset management systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

For requirements rated as 'competence', assurance and continuous improvement processes are in place to ensure asset management activities continue to meet current and future service delivery requirements.

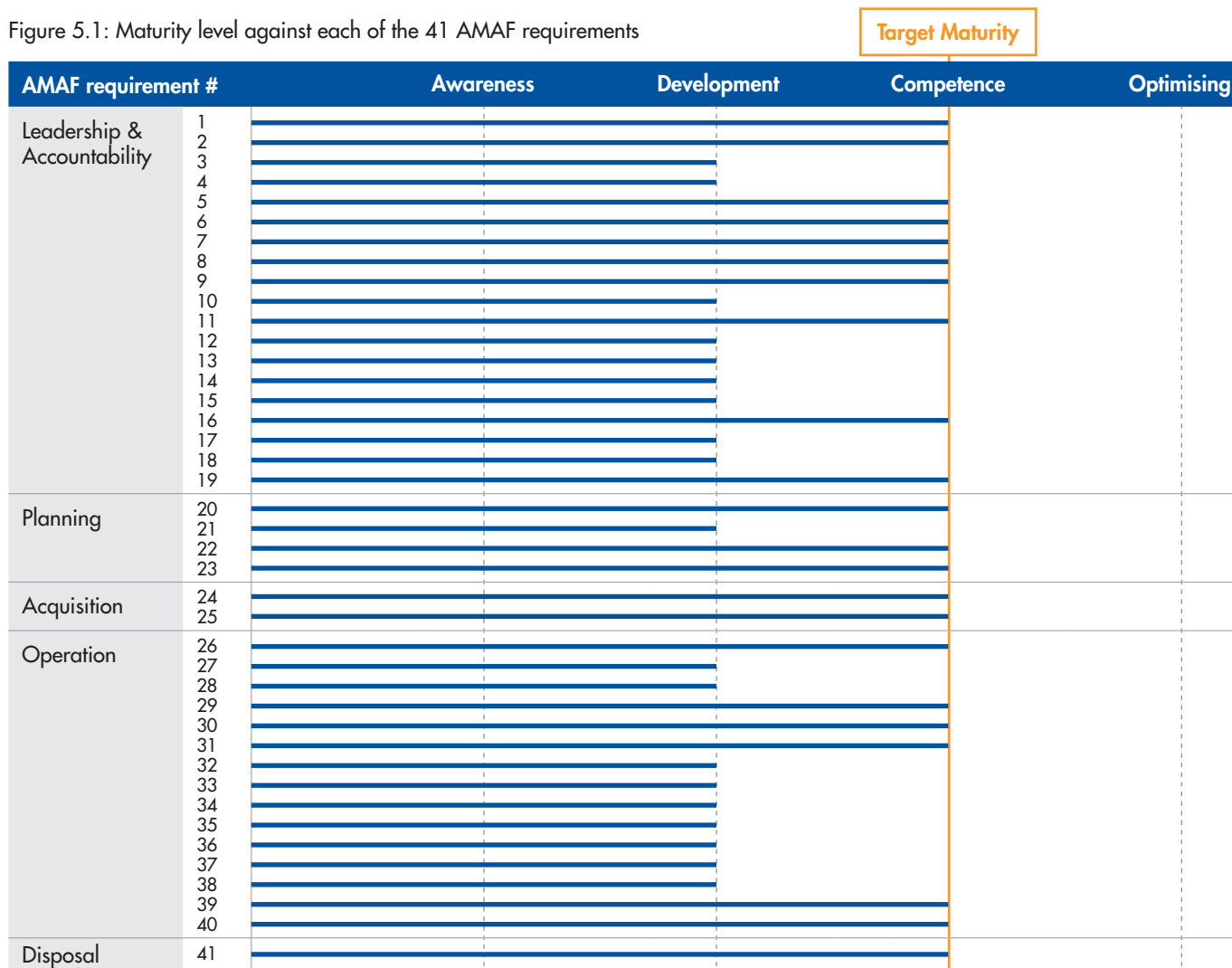
For requirements rated as 'developing', Victoria Police will continue to implement the Victoria Police Asset Strategy 2020–29 and improve current asset management practices, systems and processes. The assurance and continuous improvement processes in place will ensure Victoria Police can identify and act on opportunities to improve its maturity.

In addition to internal continuous improvement programs, Victoria Police will improve its asset planning and management through participation in the Justice Asset and Infrastructure Plan and by working with Digital Victoria. The Justice Asset and Infrastructure Plan will provide a 10-year framework that aligns sector specific strategic investment with current and future demand pressures. Digital Victoria is a newly established entity that delivers a modern, centralised and sustainable approach to make it easier for the community to connect with government through digital transformation. This will be achieved through the improved coordination of digital programs and investments, digital strategy (including digital identity), transformation, design and innovation, and cyber security.

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Victoria Police will continue to implement the Victoria Police Asset Strategy 2020–29 and improve current asset management practices, systems and processes.

Figure 5.1: Maturity level against each of the 41 AMAF requirements



**Legend:**

Status	Definition
Awareness	Systems and processes are being developed, effectiveness of application is not consistent, some knowledge of AMAF requirements.
Developing	Systems and processes are being embedded, often applied effectively, with clear links to AMAF requirements.
Competence	Systems and processes fully in place, consistently applied and systematically meeting AMAF requirements, includes a continuous improvement process to expand system performance above AMAF minimum requirements.
Optimising	Systems and processes are now leading practice, exceeding AMAF requirements, and constantly being improved to align with support and drive organisations objectives.

**Leadership and Accountability (requirements 1–19)**

Victoria Police has met its target maturity level of competence for 10 of the 19 requirements within this category. Areas for improvement focus relate to devolved asset management, performance management processes and information management.

**Planning (requirements 20–23)**

Victoria Police has met its target maturity level for 3 of the 4 requirements within this category. Areas for improvement focus relate to asset lifecycle planning and review.

**Acquisition (requirements 24 and 25)**

Victoria Police has met its target maturity level for both mandatory requirements within this category.

**Operation (requirements 26–40)**

Victoria Police has met its target maturity level for 6 of the 15 requirements within this category. Areas for maturity improvement focus relate to asset information systems, monitoring and preventative action, and maintenance strategies.

**Disposal (requirement 41)**

Victoria Police has met its target maturity level for the mandatory requirement in this category.

# 6. Financial Performance and 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 2021. 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 Officer's Declaration

The attached financial statements for Victoria Police have been prepared in accordance with 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 2021 and financial position of Victoria Police as at 30 June 2021.

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 2021.

Shane Patton APM  
Chief Commissioner  
Victoria Police

Melbourne  
15 September 2021

Byron Crawford  
Chief Finance Officer  
Victoria Police

Melbourne  
15 September 2021

# Independent Auditor's Report

## To the Chief Commissioner of Victoria Police

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<b>Opinion</b>	<p>I have audited the financial report of Victoria Police which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2021</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• accountable officer's and chief finance officer's declaration.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Victoria Police as at 30 June 2021 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>
<b>Basis for opinion</b>	<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>
<b>Key audit matters</b>	<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>

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**Key audit matter****How I addressed the matter****Fair valuation of right-of-use assets**

Refer to Note 5.1(a) Total right-of-use assets: buildings, plant, equipment, and vehicles

**Right-of-use (RoU) assets – \$1,816.81 million (2020: \$780.84 million).**

Victoria Police's portfolio of leased assets includes two leased buildings which represent 76% of the value of RoU assets. One of these leases existed at 30 June 2020, the other lease was executed during the 2020-21 reporting period.

FRD 103I *Non-financial physical assets*, issued by the Assistant Treasurer, requires RoU assets to be measured at fair value at the end of each reporting period. Fair value determination of RoU assets involves management assessing whether the contracted lease payments used in the carrying value of the RoU assets is consistent with market rentals of similar lease arrangements at 30 June 2021. Where significant variation exists, an adjustment is made to the RoU asset, to reflect its fair value.

I consider this to be a key audit matter because:

- right-of-use assets referred above are financially significant
- management engaged an expert to assist in their fair value determination, in particular looking at whether the contracted lease payments accord with similar market rentals
- the fair value determination involves a high degree of subjectivity and judgement applied by management, particularly in the current commercial rental market impacted by the COVID-19 pandemic; this increases the risk of valuation uncertainty
- a small adjustment to some assumptions may have a significant effect on the determination of market rentals applied
- extensive disclosures are required by the Australian Accounting Standards AASB 16 *Leases* and AASB 13 *Fair Value Measurement* which are critical to the users understanding of the fair valuation of the right-of-use assets.

In responding to the identified key audit matter for 30 June 2021, my key audit procedures included:

- reviewing lease arrangements to understand their terms and conditions
- assessing management's calculation of the carrying values of right-of-use assets
- assessing the experience and skills of management's valuation expert
- assessing management's valuation expert's work to understand the methodology, assumptions and inputs used to determine the market rents
- engaging an appropriately qualified independent valuation expert to assess the:
  - appropriateness of management's valuation expert's methodology
  - reasonableness of key assumptions and inputs used within the valuation approach, as referred to in the note disclosure
- assessing the findings and conclusion of our independent valuation expert
- assessing the adequacy of financial report disclosures against the requirements of the Australian accounting standards.



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**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.

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**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.

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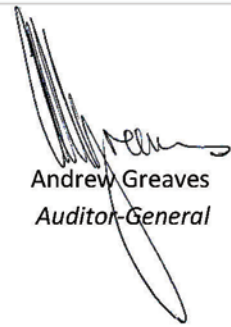
**Auditor's responsibilities for the audit of the financial report (continued)**

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.

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MELBOURNE  
21 September 2021



Andrew Greaves  
*Auditor-General*

## Comprehensive Operating Statement

For the financial year ended 30 June 2021

(\$ thousand)

	Notes	2021	2020
<b>Income From Transactions</b>			
Grants from Victorian Government	2.2	4,088,960	3,718,489
Sale of goods and services	2.3.1	1,336	1,897
Grants	2.3.2	18,012	18,365
Fair value of assets received free of charge or for nominal consideration		183	580
Other income	2.4	2,195	7,111
<b>Total Income From Transactions</b>		<b>4,110,686</b>	<b>3,746,442</b>
<b>Expenses From Transactions</b>			
Employee expenses	3.1.1	3,028,633	2,777,399
Depreciation and amortisation	5.1.1	241,357	198,970
Interest expense	7.1	63,237	25,348
Capital asset charge	3.2	125,847	107,357
Operating expenses	3.3	648,749	629,500
<b>Total Expenses From Transactions</b>		<b>4,107,823</b>	<b>3,738,574</b>
<b>Net Result From Transactions (Net Operating Balance)</b>		<b>2,863</b>	<b>7,868</b>
<b>Other Economic Flows Included in Net Result</b>			
Net gain/(loss) on non-financial assets	9.1	15,697	11,689
Net gain/(loss) from other economic flows	9.1	6,433	(9,674)
<b>Total Other Economic Flows Included in Net Result</b>		<b>22,130</b>	<b>2,015</b>
<b>Net Result</b>		<b>24,993</b>	<b>9,883</b>
<b>Other Economic Flows – Other Comprehensive Income</b>			
<b>Items that may be reclassified subsequently to net result</b>			
Fair value gain/(loss) arising from cash flow hedging instruments during the year		(7,587)	(7,804)
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	5.3	11,318	713
<b>Total Other Economic Flows – Other Comprehensive Income</b>		<b>3,731</b>	<b>(7,091)</b>
<b>Comprehensive Result</b>		<b>28,724</b>	<b>2,792</b>

**Note:**

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

## Balance Sheet

As at 30 June 2021

(\$ thousand)

	Notes	2021	2020
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and deposits	7.3	53,852	49,273
Receivables	6.1	702,118	604,333
<b>Total Financial Assets</b>		<b>755,970</b>	<b>653,606</b>
<b>Non-Financial Assets</b>			
Inventories		7,333	6,058
Non-financial physical assets classified as held-for-sale		1,242	2,483
Property, plant and equipment	5.1	3,735,127	2,634,851
Intangible assets	5.2	109,611	122,061
Other non-financial assets	6.4	42,288	35,763
<b>Total Non-Financial Assets</b>		<b>3,895,601</b>	<b>2,801,216</b>
<b>Total Assets</b>		<b>4,651,571</b>	<b>3,454,822</b>
<b>Liabilities</b>			
Payables	6.3	104,936	162,835
Borrowings	7.1	1,888,860	801,234
Employee related provisions	3.1.2	801,660	729,467
Other provisions	6.5	13,512	11,531
<b>Total Liabilities</b>		<b>2,808,968</b>	<b>1,705,067</b>
<b>Net Assets</b>		<b>1,842,603</b>	<b>1,749,755</b>
<b>Equity</b>			
Accumulated surplus		49,814	24,821
Hedging reserves	8.1.3	(15,391)	(7,804)
Physical asset revaluation reserves	5.3	878,192	866,874
Contributed capital		929,988	865,864
<b>Net worth</b>		<b>1,842,603</b>	<b>1,749,755</b>

**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 2021

(\$ thousand)

	Notes	Physical Asset Revaluation Reserve	Hedging Reserves	Accumulated Surplus/ (Deficit)	Contributed Capital	Total
<b>Balance at 1 July 2019</b>		<b>866,161</b>	-	<b>14,938</b>	<b>799,077</b>	<b>1,680,176</b>
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
Cost of hedging	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
<b>Balance at 30 June 2020</b>		<b>866,874</b>	<b>(7,804)</b>	<b>24,821</b>	<b>865,864</b>	<b>1,749,755</b>
Net result for the year		-	-	24,993	-	24,993
Capital contribution (to) other state departments/entities		-	-	-	-	-
Capital contribution by Victorian Government as part of annual grants		-	-	-	64,124	64,124
Cost of hedging	8.1.3	-	(1,256)	-	-	(1,256)
Fair value gain/(loss) arising from cash flow hedging instruments during the year	8.1.3	-	(6,331)	-	-	(6,331)
Revaluation surplus adjustment	5.3	11,318	-	-	-	11,318
<b>Balance at 30 June 2021</b>		<b>878,192</b>	<b>(15,391)</b>	<b>49,814</b>	<b>929,988</b>	<b>1,842,603</b>

**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 2021

(\$ thousand)

	Notes	2021	2020
<b>Cash Flows From Operating Activities</b>			
Receipts			
Receipts from Victorian Government		3,985,563	3,597,428
Grants and other income		18,547	21,584
Sales of goods and services		1,341	1,879
Interest received	2.4	60	25
GST received from ATO <sup>(a)</sup>		99,044	94,105
<b>Total Receipts</b>		<b>4,104,555</b>	<b>3,715,021</b>
<b>Payments</b>			
Payments to suppliers and employees		(3,758,376)	(3,405,075)
Capital asset charge payments	3.2	(125,847)	(107,357)
Interest and other costs of finance paid		(63,237)	(25,348)
<b>Total Payments</b>		<b>(3,947,460)</b>	<b>(3,537,780)</b>
<b>Net Cash Flows From Operating Activities</b>	7.3.1	<b>157,095</b>	<b>177,241</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sale of property, motor vehicles, plant and equipment		26,822	26,182
Payments for property, plant and equipment		(153,451)	(163,373)
<b>Net Cash Flows (Used In) Investing Activities</b>		<b>(126,629)</b>	<b>(137,191)</b>
<b>Cash flows from Financing Activities</b>			
Proceeds from capital contributed by Victorian Government		64,128	66,785
Repayment of borrowings and principal portion of lease liabilities		(90,015)	(103,514)
<b>Net Cash Flows From Financing Activities</b>		<b>(25,887)</b>	<b>(36,729)</b>
<b>Net Increase In Cash And Cash Equivalents</b>		<b>4,579</b>	<b>3,321</b>
Cash and cash equivalents at the beginning of the financial year		49,273	45,952
<b>Cash and Cash Equivalents At The End Of The Financial Year</b>	7.3	<b>53,852</b>	<b>49,273</b>

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.

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## 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  
311 Spencer Street  
Docklands VIC 3008

The annual financial statements represent the audited general purpose financial statements of Victoria Police for the year ended 30 June 2021. The purpose of the report is to provide users with information about Victoria Police's stewardship of resources entrusted to it.

### Basis of Preparation

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 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.

Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

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*.

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

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

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

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## 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 2021.

## 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 cash flow from operating activities.

Commitments and contingent liabilities are also stated inclusive of GST.



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## 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	96
2.2	Grants from Victorian Government	96
2.3	Income from Transactions	96–97
2.4	Other Income	98
2.5	Annotated Income Agreements	98

## 2.1 Summary of Income that Funds the Delivery of Our Services

(\$ thousand)

	Notes	2021	2020
Grants from Victorian Government	2.2	4,088,960	3,718,489
Sale of goods and services	2.3.1	1,336	1,897
Grants	2.3.2	18,012	18,365
Fair value of assets received free of charge or for nominal consideration		183	580
Other income	2.4	2,195	7,111
<b>Total Income From Transactions</b>		<b>4,110,686</b>	<b>3,746,442</b>

### Income Recognition and Measurement

Revenue and income that fund the delivery of Victoria Police's services are consistently accounted for 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 Note 4.1 Administered Items.

## 2.2 Grants from Victorian Government

(\$ thousand)

	2021	2020
Grants from Victorian Government with specific performance obligations	4,088,960	3,718,489
<b>Total Grants from Victorian Government</b>	<b>4,088,960</b>	<b>3,718,489</b>

### Grants Received from Victorian Government

Income from grants received is based on the output Victoria Police provides to government and is recognised when the output has been delivered and the relevant Minister has certified delivery of the output in accordance with specified performance criteria. Please refer to accounting policy in Note 2.3.2 Grants Recognised Under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058).

## 2.3 Income from Transactions

### 2.3.1 Sale of Goods and Services

(\$ thousand)

	2021	2020
Sale of goods	1,333	1,891
Rendering of services	3	6
<b>Total Sale of Goods and Services</b>	<b>1,336</b>	<b>1,897</b>

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.

### 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, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises.
- Revenue 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.

## 2.3 Income from Transactions (Cont'd)

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. In rare circumstances where there may be a change in the scope of services provided, the customer will be provided with a new contract for the additional services to be rendered and revenue is recognised consistent with accounting policy above.

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 the 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 Inventories. 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.

Consideration received in advance of recognising the associated revenue from the customer will be recorded as unearned revenue (contract liability) in Note 6.3 Payables. Where the performance obligations are satisfied but not yet billed, an 'Other receivable' (contract asset) is recorded in Note 6.1 Receivables.

### 2.3.2 Grants

	(\$ thousand)	
	2021	2020
Donations	26	83
Other specific purpose grants without any sufficiently specific performance obligations	221	203
Other specific purpose grants with sufficiently specific performance obligations	17,765	18,079
<b>Total Grants</b>	<b>18,012</b>	<b>18,365</b>

#### Grants Recognised Under AASB 1058 *Income of Not-for-Profit Entities (AASB 1058)*

Victoria Police has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

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 on passed to the relevant recipient entities on behalf of the Commonwealth Government.

#### Grants Recognised Under AASB 15 *Revenue from Contracts with Customers (AASB 15)*

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. These grants relate to the funding of various programs/projects. Revenue is recognised when Victoria Police satisfies its performance obligation. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

## 2.4 Other Income

(\$ thousand)

	2021	2020
Interest income	60	25
Miscellaneous income	2,135	7,086
<b>Total Other Income</b>	<b>2,195</b>	<b>7,111</b>

**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.

**Miscellaneous income** relates primarily to boarding fees paid by recruits at the Police Academy and other miscellaneous income earned during the year. Victoria Police recognises the income when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

## 2.5 Annotated Income Agreements

Victoria Police is permitted under Section 29 of the Financial Management Act (FMA) to have certain income annotated to the annual appropriation. The income, which forms part of a Section 29 agreement, is recognised by Victoria Police and the receipts are paid into the Consolidated Fund. 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)

	2021	2020
<b>User Charges Or Sales of Goods and Services</b>		
Information services	2,708	3,395
Event management	2,218	4,539
Training services	-	53
Insurance <sup>(a)</sup>	15,271	11,576
Other income <sup>(b)</sup>	1,141	5,529
<b>Total User Charges Or Sales of Goods and Services</b>	<b>21,338</b>	<b>25,092</b>
<b>Asset Sales</b>		
Motor vehicles	27	32
Land and buildings	-	142
Plant and equipment	60	25
<b>Total Proceeds From Asset Sales</b>	<b>87</b>	<b>199</b>
<b>Commonwealth specific purpose payments</b>		
Commonwealth special purpose grants	825	386
<b>Total Commonwealth specific purpose payments</b>	<b>825</b>	<b>386</b>
<b>Total Annotated Income Agreements <sup>(c)</sup></b>	<b>22,250</b>	<b>25,677</b>

**Notes:**

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

(b) Included in this balance are sub-tenancy leases receivable balance of \$0.7 million (2020: Nil). These sub-tenancy leases have been classified as operating leases as it does not transfer substantially all the risk and rewards incidental to ownership of the assets to the lessee.

(c) The annotated income of \$22.2 million (2020: \$25.7 million) forms part of the Grants from the Victorian Government in Note 2.2 Grants from Victorian Government.

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## 3. The Cost of Delivering Services

### Introduction

This section provides an account of the operating expenses incurred by Victoria Police in providing effective policing 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	100–102
3.2	Capital Asset Charge	102
3.3	Operating Expenses (Including Ex-Gratia Payments)	103–104

## 3.1 Expenses Incurred in Delivery of Services

### 3.1.1 Employee Expenses

(\$ thousand)

	Notes	2021	2020
Defined contribution superannuation expense	3.1.3	36,812	34,233
Defined benefit superannuation expense	3.1.3	240,212	228,305
Salaries, wages, annual leave and others		2,405,562	2,203,284
Long service leave		93,870	93,784
Other on-costs (Fringe Benefits Tax, Payroll Tax and WorkCover Levy)		252,177	217,793
<b>Total Employee Expenses</b>		<b>3,028,633</b>	<b>2,777,399</b>

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

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

### 3.1.2 Employee Related Provisions

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

(\$ thousand)

	Notes	2021	2020
<b>Current Provisions:</b> <sup>(a)</sup>			
<b>Annual leave</b>			
Unconditional and expected to be settled within 12 months <sup>(b)</sup>		83,082	71,189
<b>Long service leave</b>			
Unconditional and expected to be settled within 12 months <sup>(b)</sup>		29,006	30,194
Unconditional and expected to be settled after 12 months <sup>(c)</sup>		454,387	401,143
<b>Provisions for on-costs:</b>			
Unconditional and expected to be settled within 12 months <sup>(b)</sup>		26,914	22,477
Unconditional and expected to be settled after 12 months <sup>(c)</sup>		111,076	93,024
<b>Commuted overtime</b> <sup>(d)</sup>			
Commuted overtime allowance		1,921	2,279
<b>Total Current Provisions for Employee Benefits</b>		<b>706,386</b>	<b>620,306</b>
<b>Non-Current provisions:</b> <sup>(a)</sup>			
Employee benefits – conditional long service leave <sup>(c)</sup>		72,005	84,156
On-costs <sup>(c)</sup>		18,518	21,204
Deferred salary scheme <sup>(e)</sup>		4,751	3,801
<b>Total Non-Current Provisions for Employee Benefits</b>		<b>95,274</b>	<b>109,161</b>
<b>Total Provisions for Employee Benefits</b>		<b>801,660</b>	<b>729,467</b>

**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.

(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 2021
<b>Opening balance 1 July 2020</b>	<b>136,705</b>	<b>2,279</b>	<b>138,984</b>
Additional provisions recognised	42,279	297	42,577
Reductions arising from payments/other sacrifices of future economic benefits	(22,477)	(655)	(23,132)
<b>Closing balance 30 June 2021</b>	<b>156,507</b>	<b>1,921</b>	<b>158,428</b>
Current	137,989	1,921	139,910
Non-current	18,518	-	18,518
<b>Closing balance 30 June 2021</b>	<b>156,507</b>	<b>1,921</b>	<b>158,428</b>

#### 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 as an Other Economic Flow in the net result – 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 2.9%.

#### Deferred Salary Scheme (Scheme)

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

## 3.1 Expenses Incurred in Delivery of Services (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 (in Note 3.1.1), 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	
	2021	2020	2021	2020
<b>Defined benefit plans</b> <sup>(a)</sup>				
Emergency Services and State Super	237,102	220,683	3,110	7,622
<b>Subtotal</b>	<b>237,102</b>	<b>220,683</b>	<b>3,110</b>	<b>7,622</b>
<b>Defined contribution plans:</b>				
VicSuper	19,965	19,030	254	602
Other	16,380	14,171	213	430
<b>Subtotal</b>	<b>36,345</b>	<b>33,201</b>	<b>467</b>	<b>1,032</b>
<b>Total</b>	<b>273,447</b>	<b>253,884</b>	<b>3,577</b>	<b>8,654</b>

**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)

	2021	2020
Capital asset charge	125,847	107,357
<b>Total Capital Asset Charge</b>	<b>125,847</b>	<b>107,357</b>

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)

	2021	2020
<b>Supplies and Services</b>		
Motor vehicle expenses	<b>49,449</b>	<b>48,558</b>
Travel and accommodation	<b>36,444</b>	<b>19,051</b>
Contributions	<b>6,367</b>	<b>7,292</b>
Property rental and maintenance	<b>87,462</b>	<b>82,242</b>
– Utilities	14,378	16,554
– Property maintenance	36,661	42,152
– Lease rental	3,473	839
– Rental outgoings and related expenses	32,950	22,697
Computer expenses	<b>137,517</b>	<b>108,119</b>
– IT maintenance	78,034	54,679
– Software licences	34,425	33,318
– Computer equipment and accessories	6,804	4,804
– Other IT services	18,254	15,318
Legal	<b>43,615</b>	<b>60,074</b>
Operational support	<b>183,624</b>	<b>199,780</b>
– Communications <sup>(a)</sup>	57,175	57,648
– Aviation expenses	36,291	12,757
– Professional services	28,065	57,006
– Agency services	3,002	6,495
– Mobile Data Network/Radio	30,308	37,345
– Transcription costs	2,318	2,671
– Inquiry Fees	5,612	4,623
– Others	20,853	21,235
Other operating expenses	<b>104,019</b>	<b>103,777</b>
– Equipment and office expenses	23,533	21,390
– Uniforms and personal equipment	16,238	27,768
– Incidentals <sup>(b)</sup>	52,744	42,825
– Option premium	184	-
– Prisoner supplies	1,771	2,426
– Custody centres	9,549	9,368

### 3.3 Operating Expenses (Cont'd)

(\$ thousand)

	2021	2020
<b>Subtotal for Supplies and Services</b>	<b>648,497</b>	<b>628,893</b>
Bad debts from transactions	(5)	51
Ex-gratia expenses <sup>(c)</sup>	257	556
<b>Total Operating Expenses</b>	<b>648,749</b>	<b>629,500</b>

**Note:**

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

(b) Included in the Incidental Expenses is the agreed audit fee of \$379,300 (2020: \$379,300) for the year-ended 30 June 2021, of which \$218,000 (2020: \$369,300) was recognised in the current year.

(c) 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.

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 have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

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## 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 the 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 the state. Accordingly, the amounts are disclosed as income in the schedule of Administered Items. Both controlled and administered items of Victoria Police are consolidated into the financial statements of the state.

Victoria Police administers or manages activities and resources on behalf of the state and other entities such as Australia 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	106–107

## 4.1 Administered Items

Administered income includes fees, seized monies, fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses include payments made on behalf of an entity and payments into the Consolidated Fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the Victoria Police items in the financial statements. Both controlled and administered items of Victoria Police are consolidated into the financial statements of the state.

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

### Administered (Non-Controlled) Income and Expenses

For the financial year ended 30 June 2021

(\$ thousand)

	2021	2020
<b>Administered Income From Transactions</b>		
Regulatory fees and fines	27,506	30,417
Sale of goods and services	2,957	4,592
Seized and unclaimed monies	11,964	9,135
Grants	825	382
Other agency contributions	3,826	4,584
Interest income	2	24
Other income	16,859	18,168
<b>Total Administered Income From Transactions</b>	<b>63,939</b>	<b>67,302</b>
<b>Administered Expenses From Transactions</b>		
Payments into the Consolidated Fund	59,327	49,868
Payment of seized and unclaimed monies	10,009	7,970
Employee expenses	3,690	4,100
Depreciation	-	1
Other expenses	658	1,307
<b>Total Administered Expenses From Transactions</b>	<b>73,684</b>	<b>63,246</b>
<b>Total Administered Net Result From Transactions (Net Operating Balance)</b>	<b>(9,745)</b>	<b>4,056</b>
<b>Administered Other Economic Flows Included In Administered Net Result</b>		
Net gain/(loss) on non-financial assets	102	(178)
Other gains/(losses) from other economic flows	1	(6)
<b>Administered Net Result</b>	<b>(9,642)</b>	<b>3,872</b>

## 4.1 Administered Items (Cont'd)

### Administered (Non-Controlled) Assets and Liabilities

As at 30 June 2021

(\$ thousand)

	Notes	2021	2020
<b>Administered Financial Assets</b>			
Cash held at Treasury <sup>(a)</sup>	7.4	75,683	46,818
Receivables		1,914	12,542
<b>Total Administered Financial Assets</b>		<b>77,597</b>	<b>59,360</b>
<b>Administered Non-Financial Assets</b>			
Non-current physical assets		-	1
<b>Total Administered Non-Financial Assets</b>		<b>-</b>	<b>1</b>
<b>Total Administered Assets</b>		<b>77,597</b>	<b>59,361</b>
<b>Administered Liabilities</b>			
Trade creditors and accruals		100	404
Seized and Unclaimed Funds		73,073	44,937
Unearned revenue		171	170
Employee provisions		790	911
Other liabilities – Trusts		13,105	9,067
<b>Total Administered Liabilities</b>		<b>87,239</b>	<b>55,489</b>
<b>Total Administered Net Assets</b> <sup>(b)</sup>		<b>(9,642)</b>	<b>3,872</b>

**Note:**

(a) This balance is made up of the Administered Trusts and Australia and New Zealand Policing Advisory Agency (ANZPAA) balances of \$73.4 million and \$2.2 million (2020: \$45.0 million and \$1.8 million) respectively.

(b) 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.

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## 5. Key Assets Available to Support Output Delivery

### Introduction

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

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

Structure		Pages
5.1	Property, Plant and Equipment	109–115
5.2	Intangible Assets	116
5.3	Physical Asset Revaluation Surplus	117–118

## 5.1 Property, Plant and Equipment

(\$ thousand)

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2021	2020	2021	2020	2021	2020
Crown land at fair value	636,914	507,026	-	-	636,914	507,026
Land (right-of-use assets) at fair value	14,958	-	590	-	14,368	-
Buildings at fair value (excluding heritage buildings) <sup>(a)</sup>	2,795,951	1,906,669	245,401	290,113	2,550,550	1,616,556
Heritage buildings at fair value <sup>(b)</sup>	67,126	83,418	-	11,300	67,126	72,118
Plant and equipment at fair value	654,484	507,830	280,192	226,658	374,292	281,172
Assets under construction at cost	86,638	153,100	-	-	86,638	153,100
Cultural artworks at fair value	5,239	4,879	-	-	5,239	4,879
<b>Net carrying amount</b>	<b>4,261,310</b>	<b>3,162,922</b>	<b>526,183</b>	<b>528,071</b>	<b>3,735,127</b>	<b>2,634,851</b>

**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)

	2021			2020		
	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
Land	14,958	590	14,368	-	-	-
Buildings	1,714,168	137,903	1,576,265	697,454	58,481	638,973
Aviation	140,313	27,382	112,931	49,641	12,487	37,154
Motor vehicles	172,392	59,149	113,243	153,702	48,994	104,708
<b>Closing balance – 30 June 2021</b>	<b>2,041,831</b>	<b>225,024</b>	<b>1,816,807</b>	<b>900,797</b>	<b>119,962</b>	<b>780,835</b>

## 5.1 Property, Plant and Equipment (Cont'd)

(\$ thousand)

	Land	Buildings	Aviation	Motor Vehicles	Total
Opening balance – 1 July 2020	-	638,973	37,154	104,708	780,835
Additions <sup>(a)</sup>	14,958	962,091	93,310	55,298	1,125,657
Disposals	-	-	(3,987)	(10,837)	(14,824)
Adjustment to carrying value of right-of-use assets	-	54,623	1,350	-	55,973
Transfers (to)/from assets classified as held for sale	-	-	-	1,238	1,238
Depreciation	(590)	(79,422)	(14,895)	(37,165)	(132,072)
<b>Closing balance – 30 June 2021</b>	<b>14,368</b>	<b>1,576,265</b>	<b>112,932</b>	<b>113,242</b>	<b>1,816,807</b>
Opening balance – 1 July 2019 <sup>(b)</sup>	-	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)
<b>Closing balance – 30 June 2020</b>	<b>-</b>	<b>638,973</b>	<b>37,154</b>	<b>104,708</b>	<b>780,835</b>

### Note:

(a) The additions to buildings relate primarily to the new Victoria Police Centre (VPC) at 311 Spencer Street with a carrying value of approximately \$958.1 million. The additions to Aviation relates to 1 Fixed Wing and 2 Rotary Wing aircraft.

(b) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019, which includes the of 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.

**Initial recognition:** Items of property, plant and equipment, are measured initially at cost. 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.

### Subsequent Measurements

Items of property, plant and equipment, are subsequently revalued at fair value less accumulated depreciation and impairment. As required by Financial Reporting Direction FRD 1031 – *Non-financial physical assets*, Victoria Police performed its 5 year scheduled revaluation on land and buildings carried out by Valuer-General Victoria in the current financial year.

The market that the properties are valued at 30 June 2021 is significantly impacted by the uncertainty that COVID-19 has caused. The market conditions are changing daily at present. At the date of the valuation, valuers and management considered that there is a market uncertainty resulting in significant valuation uncertainty.

### Right-of-Use Assets Acquired by Lessees – Initial Measurement

Victoria Police recognises a right-of-use (RoU) asset and a lease liability at the lease commencement date. The RoU 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.



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## 5.1 Property, Plant and Equipment (Cont'd)

### Right-of-Use Assets Acquired by Lessees – Subsequent Measurement

Victoria Police depreciates the RoU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term. The RoU assets are also subject to revaluation.

In addition, the RoU asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

### Right-of-Use Assets – Fair Value Measurement

As at 30 June 2021, Victoria Police has assessed the fair value of all its non-financial physical assets including RoU assets using the revaluation model.

This is in accordance with the updated FRD 1031 *Non-Financial Physical Assets* issued in June 2021 which states that all non-financial physical assets including RoU assets will need to be measured using the revaluation model at the end of each annual reporting period.

In Victoria Police, the RoU assets comprise of the following categories:

- **Buildings** – \$1.5 billion (87%)
- **Motor vehicles** – \$113.2 million (6%)
- **Aviation** – \$113.0 million (6%)
- **Land** – \$14.4 million (1%)

### Buildings

In determining the fair value of Victoria Police's two significant RoU assets, namely Victoria Police Centre 1 (located at 311 Spencer Street) and Victoria Police Centre 2 (located at 313 Spencer Street) in the metropolitan central business district, Victoria Police engaged a valuation expert to assess if the contracted lease payments are within the current market rentals of equivalent properties and whether fair value adjustments to the carrying value of RoU assets is required. The carrying value of these two buildings as at 30 June 2021 are \$930.0 million and \$445.0 million respectively. These two RoU assets represent approximately 85% of the RoU assets buildings.

In assessing the fair value, the following assumptions were made by management for 311 Spencer Street:

- exercising of options within the lease contracts where management assumed that three 5 years lease options will be exercised for 313 and no lease options will be exercised for 311 due to the degree of uncertainty associated with a 30 years lease;
- range of rental incentives offered in the current rental market;
- current market rental attributable to special features of these specialised buildings such as blast protection, slab strengthening, additional security features etc;
- useful life of lease incentive fit-outs received by Victoria Police;
- adjustments required for location of the properties, quality of the properties, quality of the tenant and the tenure of the leases.

The remaining 15% comprises primarily of "B" grade buildings consisting of police stations, warehouses and storage facilities located across Victoria, including rural and regional Victoria.

For this remaining 15% of RoU asset buildings, an assessment was performed by Victoria Police using office building indices from Colliers Edge, a reputable company that provides commercial property data.

In assessing if the current lease payments under the contracts approximate the current market rentals for equivalent properties, Victoria Police compared the rent of equivalent properties at similar locations. Adjustments to the RoU asset carrying amount will only be made if the movement in the carrying amount compared to the market is greater than 10%. No adjustment has been made to the RoU asset carrying amount as the movement when compared to the carrying amount is less than 10%.

For the following lease properties, Victoria Police has assumed that the carrying amount approximates its fair value due to the absence of adequate market indices:

- all non-office buildings such as warehouses and storage premises;
- properties in the rural and regional area where adequate and reliable data are absent; and
- restrictive properties.

As such, they were excluded from the market indices assessment together with the fact that these balances form approximately 2.5% (\$38.8 million) of the total value which is not material.

## 5.1 Property, Plant and Equipment (Cont'd)

### Motor Vehicles

Due to the average short-term useful life of motor vehicles, Victoria Police has considered the carrying amount approximates the fair value at 30 June 2021.

### Aviation

Due to the very specialised nature of aircraft and it being custom-built for Victoria Police, Victoria Police has considered the carrying amount approximates the fair value at 30 June 2021.

**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.

#### 5.1.1 Depreciation and Amortisation

		(\$ thousand)	
	Notes	2021	2020
Land (right-of-use assets)		590	-
Depreciation of buildings (including heritage buildings)		129,961	115,247
Depreciation of plant and equipment		83,613	75,835
Amortisation of intangible assets	5.2	27,193	7,888
<b>Total Depreciation and Amortisation</b>		<b>241,357</b>	<b>198,970</b>

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.

## 5.1 Property, Plant and Equipment (Cont'd)

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Assets	Useful life
Land (right-of-use asset)	1–40 years
Buildings (inclusive of right-of-use assets)	1–50 years
Plant and equipment (inclusive of right-of-use assets)	1–40 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.

RoU 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 RoU asset reflects that the entity will exercise a purchase option, the entity depreciates the RoU asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

In the event of a loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

**Indefinite Life Assets:** Land and cultural assets which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

**Internally Generated Intangible Assets:** Refer to Note 5.2 Intangible Assets.

### Amortisation of Internally Generated Intangible Assets

Internally generated intangible assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The estimated useful lives, residual values and amortisation method are reviewed at the end of each annual reporting period and adjustments are made where appropriate.

### 5.1.2 Carrying Values by 'Purpose' Groups <sup>(a)</sup>

(\$ thousand)

Nature Based Classification	Public Order and Safety					
	Specialised		Non-Specialised		Total	
	2021	2020	2021	2020	2021	2020
Crown land at fair value	612,069	485,163	24,845	21,863	636,914	507,026
Land (right-of-use assets) at fair value	14,368	-	-	-	14,368	-
Buildings at fair value (excluding heritage buildings)	2,514,772	1,584,646	35,778	31,910	2,550,550	1,616,555
Heritage buildings at fair value <sup>(b)</sup>	67,126	72,118	-	-	67,126	72,118
Plant and equipment at fair value	374,292	281,172	-	-	374,292	281,172
Assets under construction at cost	86,638	153,100	-	-	86,638	153,100
Cultural artworks at fair value	5,239	4,879	-	-	5,239	4,879
<b>Net carrying amount</b>	<b>3,674,504</b>	<b>2,581,078</b>	<b>60,623</b>	<b>53,773</b>	<b>3,735,127</b>	<b>2,634,851</b>

**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), 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		Land at fair value (Right-of-Use Assets)	
	2021	2020	2021	2020
<b>Opening balance</b>	<b>507,026</b>	<b>506,056</b>	-	-
<b>Recognition of right-of-used assets on initial application of AASB 16 Leases</b>	-	-	-	-
<b>Adjusted balance at 1 July 2019</b>	<b>507,026</b>	<b>506,056</b>	-	-
Fair value of assets received free of charge or for nominal considerations	-	-	-	-
Fair value of assets recognised for first time	-	-	-	-
Additions	-	-	14,958	-
Adjustment to carrying value of right-of-use assets	-	-	-	-
Disposals	-	-	-	-
Transfer in/(out) of assets under construction	5,811	970	-	-
Revaluation of PPE	124,077	-	-	-
Transfer (to)/from Advances	-	-	-	-
Depreciation <sup>(a)</sup>	-	-	(590)	-
Transfers (to)/from assets classified as held for sale	-	-	-	-
Reclassification	-	-	-	-
(Over)/under capitalisation	-	-	-	-
<b>Closing balance</b>	<b>636,914</b>	<b>507,026</b>	<b>14,368</b>	-

**Note:**

(a) This note only discloses the total depreciation amount of \$214.2 million (2020: \$191.1 million), excluding amortisation amount of \$27.2 million (2020: \$7.9 million) for intangible assets. Refer to Note 5.1.1 Depreciation and Amortisation for the aggregate amount of \$241.4 million (2020: \$199.0 million) for depreciation and amortisation.

(\$ thousand)

Buildings at fair value		Plant and Equipment at fair value		Assets under construction at cost		Cultural artworks at fair value		Total	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
1,688,674	1,038,676	281,172	185,809	153,100	143,033	4,879	4,879	2,634,851	1,878,453
-	703,727	-	8,951	-	-	-	-	-	712,678
1,688,674	1,742,403	281,172	194,760	153,100	143,033	4,879	4,879	2,634,851	2,591,131
-	-	183	580	-	-	-	-	183	580
-	-	49	170	11	718	-	-	60	888
962,317	2,880	155,694	131,846	127,320	114,723	-	-	1,260,289	249,449
54,623	(8,716)	1,350	-	-	-	-	-	55,973	(8,716)
-	-	(15,010)	(14,704)	-	-	-	-	(15,010)	(14,704)
153,243	67,604	33,729	44,304	(190,060)	(114,540)	-	-	2,723	(1,662)
(113,119)	713	-	-	-	-	360	-	11,318	713
-	-	-	-	(6,444)	4,687	-	-	(6,444)	4,687
(129,961)	(115,247)	(83,612)	(75,835)	-	-	-	-	(214,163)	(191,082)
-	-	1,239	(912)	-	-	-	-	1,239	(912)
1,899	(963)	(1,899)	963	-	-	-	-	-	-
-	-	1,397	-	2,711	4,479	-	-	4,108	4,479
2,617,676	1,688,674	374,292	281,172	86,638	153,100	5,239	4,879	3,735,127	2,634,851

## 5.2 Intangible Assets

(\$ thousand)

	Capitalised Computer Software		Work-In-Progress Computer Software		Total	
	2021	2020	2021	2020	2021	2020
<b>Gross Carrying Amount</b>						
<b>Opening balance</b>	<b>133,119</b>	<b>19,257</b>	<b>8,890</b>	<b>88,228</b>	<b>142,009</b>	<b>107,485</b>
Additions from internal development	377	-	17,724	33,443	18,101	33,443
Transfers in/(out) of assets under construction	16,106	113,862	(18,828)	(112,200)	(2,722)	1,662
Fair value of assets recognised for first time	-	-	-	(68)	-	(68)
Other ((over)/under capitalisation)	72	-	(708)	(513)	(636)	(513)
<b>Closing balance</b>	<b>149,674</b>	<b>133,119</b>	<b>7,078</b>	<b>8,890</b>	<b>156,752</b>	<b>142,009</b>
<b>Accumulated depreciation, amortisation and impairment</b>						
<b>Opening balance</b>	<b>(19,948)</b>	<b>(12,060)</b>	<b>-</b>	<b>-</b>	<b>(19,948)</b>	<b>(12,060)</b>
Amortisation <sup>(a)</sup>	(27,193)	(7,888)	-	-	(27,193)	(7,888)
<b>Closing balance</b>	<b>(47,141)</b>	<b>(19,948)</b>	<b>-</b>	<b>-</b>	<b>(47,141)</b>	<b>(19,948)</b>
<b>Net book value at end of financial year</b>	<b>102,533</b>	<b>113,171</b>	<b>7,078</b>	<b>8,890</b>	<b>109,611</b>	<b>122,061</b>

**Note:**

(a) Amortisation expense is included in the line item 'depreciation and amortisation' in the Comprehensive Operating Statement and is also 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. Victoria Police has no intangible assets with indefinite useful lives.

## 5.3 Physical Asset Revaluation Surplus

(\$ thousand)

	Land	Buildings	Cultural and Heritage Assets	Total
<b>2021</b>				
<b>Revaluation Surplus</b>				
Balance at beginning of financial year	404,923	457,420	4,531	866,874
Revaluation:				
– increments <sup>(a)</sup>	124,078	-	359	124,437
– decrements	-	(113,119)	-	(113,119)
<b>Balance at End of Financial Year</b>	<b>529,001</b>	<b>344,301</b>	<b>4,890</b>	<b>878,192</b>

**Note:**

(a) The increase in this balance is primarily due to the correct recognition of two land property sizes in 2020–21 during the Valuer-General Victoria (VGV) valuation assessment. These two land properties are the Police Academy in Glen Waverley and Police Store in Collingwood. The correction of the land sizes has resulted in an increase in the carrying value of the Police Academy and Police Store by \$52 million and \$42 million respectively.

<b>2020</b>				
<b>Revaluation Surplus</b>				
Balance at beginning of financial year	404,923	456,707	4,531	866,161
Revaluation increments/(decrements) <sup>(b)</sup>	-	713	-	713
<b>Balance at End of Financial Year</b>	<b>404,923</b>	<b>457,420</b>	<b>4,531</b>	<b>866,874</b>

**Note:**

(b) This balance relates to a correction of prior year's managerial revaluation.

### 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 asset's 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 Financial Reporting Direction 103H *Non-Financial Physical Assets* (FRD 103H) issued by the Assistant Treasurer. 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. The last independent revaluation that was undertaken by the Valuer-General Victoria (VGV) was in 2015–16. As at 30 June 2021, the scheduled revaluation for all land and buildings owned by Victoria Police were independently valued by VGV.

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.

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### 5.3 Physical Asset Revaluation Surplus (Cont'd)

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.

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.

#### **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, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.



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## 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	120
6.2	Derivative Financial Instruments	121
6.3	Payables	122
6.4	Other Non-Financial Assets	122–123
6.5	Other Provisions	123

## 6.1 Receivables

(\$ thousand)

	Notes	2021	2020
<b>Contractual</b>			
Sale of goods and services		5,163	3,495
Other receivables		16,114	18,190
Provision for doubtful contractual receivables		(5,625)	(2,407)
Derivative financial instruments	8.1.3	304	1,136
<b>Statutory</b>			
Amounts due from the Victorian Government <sup>(a)</sup>		684,846	581,449
GST input tax credit recoverable		1,316	2,470
<b>Total Receivables</b>		<b>702,118</b>	<b>604,333</b>
<b>Represented by:</b>			
Current receivable		359,092	456,805
Non-current receivable		343,026	147,528
<b>Total Receivables</b>		<b>702,118</b>	<b>604,333</b>

**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 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.

Details about Victoria Police's impairment policies, exposure to credit risk and the calculation of the loss allowance are set out in Note 8.1.3 Financial Risk Management Objectives and Policies.

**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, management's 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.

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## 6.2 Derivative Financial Instruments and Hedge Accounting

### 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) and changes in the time value of options 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.

The hedge effective testing is undertaken every year through the qualitative test, supported by the quantitative test, as permitted by AASB 9 which is determined based on:

- i) the 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);
- ii) the effect of credit risk does not dominate the value changes that result from that economic relationship as the hedging instruments have been transacted with highly creditworthy entities, with minimal expected changes in credit risk; and
- iii) the hedge ratio of 1:1 for the hedging relationship as the underlying risk of the foreign exchange contracts are identical to the hedged risk components.

Victoria Police will use the cumulative dollar offset test utilising the perfect hypothetical derivative (outlined below) to determine if any hedge ineffectiveness is to be recognised in profit and loss.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (using the 'lower of' test) shall be recognised in other comprehensive income and deferred in cash flow hedge reserve in equity. The portion of the gain or loss on the hedging instrument that is determined to be ineffective is immediately recognised in profit or loss.

The hedged item in the derivative financial instruments relates to a highly probable monthly USD cash outflows identified in the Rotary Wing 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 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.

The hedge ineffectiveness can arise from:

- differences in the timing of the cash flows of 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 hedged items and hedging instruments.

Victoria Police did not have any forecast transaction for which cash flow hedge accounting had been used in the previous period.

The hedging relationships are not expected to be impacted by the interbank offered rates (IBOR) reform. Refer to Note 8.1.2 Financial Instruments: Market Risk.

## 6.3 Payables

(\$ thousand)

	Notes	2021	2020
<b>Contractual</b>			
Supplies and services		56,233	70,210
Amounts payable to government and agencies		4,144	1,219
Other payables		21,815	76,054
Derivative financial instruments	8.1.3	13,745	6,805
<b>Statutory</b>			
Payroll tax payable		8,613	8,193
Other payables		386	354
<b>Total payables</b>		<b>104,936</b>	<b>162,835</b>
<b>Represented by:</b>			
Current payables		92,582	156,512
Non-current payables		12,354	6,323
<b>Total payables</b>		<b>104,936</b>	<b>162,835</b>

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 relevant 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)

	2021	2020
<b>Current Other Non-Financial Assets</b>		
Advances paid to the Department of Treasury and Finance	14,595	8,151
Prepayments	26,111	25,488
<b>Total Current Other Non-Financial Assets</b>	<b>40,706</b>	<b>33,639</b>
<b>Non-current Other Non-Financial Assets</b>		
Prepayments	1,582	2,124
<b>Total Non-Current Other Non-Financial Assets</b>	<b>1,582</b>	<b>2,124</b>
<b>Total Other Non-Financial Assets</b>	<b>42,288</b>	<b>35,763</b>

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.

## 6.4 Other Non-Financial Assets (Cont'd)

**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)

	2021	2020
<b>Current Provisions</b>		
Other provisions	1,902	-
Make-good provision	3,554	5,689
<b>Total Current Provisions</b>	<b>5,456</b>	<b>5,689</b>
<b>Non-Current Provisions</b>		
Make-good provision	8,056	5,842
<b>Total Non-Current Provisions</b>	<b>8,056</b>	<b>5,842</b>
<b>Total Other Provisions</b>	<b>13,512</b>	<b>11,531</b>

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
<b>Current</b>			
Opening balance	5,689	-	<b>5,689</b>
Additional provisions recognised	1,407	1,902	<b>3,309</b>
Reversal of provisions	(3,151)	-	<b>(3,151)</b>
Reductions arising from payments/other sacrifices of future economic benefits	(385)	-	<b>(385)</b>
<b>Total Current Provisions</b>	<b>3,560</b>	<b>1,902</b>	<b>5,462</b>
<b>Non-Current</b>			
Opening balance	<b>5,842</b>	-	<b>5,842</b>
Additional provisions recognised	2,208	-	<b>2,208</b>
Reversal of provisions	-	-	-
<b>Total Non-Current Provisions</b>	<b>8,050</b>	-	<b>8,050</b>
<b>Closing balance</b>	<b>11,610</b>	<b>1,902</b>	<b>13,512</b>

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. Victoria Police must remove any leasehold improvements from the leased warehouse and restore the premises to its original condition at the end of the lease term.

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## 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	125
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7.3	Cash Flow Information and Balances	128
7.4	Trust Account Balances	129–130
7.5	Capital Structure	130
7.6	Commitments for Expenditure	131

## 7.1 Borrowings

(\$ thousand)

	2021	2020
<b>Current borrowings</b>		
Lease liabilities <sup>(a)</sup>	105,226	85,259
<b>Total current borrowings</b>	<b>105,226</b>	<b>85,259</b>
<b>Non-current borrowings</b>		
Lease liabilities <sup>(a)</sup>	1,783,634	715,975
<b>Total Non-current borrowings</b>	<b>1,783,634</b>	<b>715,975</b>
<b>Total Borrowings</b>	<b>1,888,860</b>	<b>801,234</b>

**Notes:**

(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. The lease liabilities relating to motor vehicles as at 30 June 2021 is \$114.2 million (2020: \$106.8 million).

**Borrowings** refer to interest bearing liabilities arising from lease liabilities.

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 8.1.2 Financial Risk Management Objectives and Policies for Maturity Analysis of Contractual Financial Liabilities.

### Interest Expense

(\$ thousand)

	2021	2020
Interest on lease liabilities	63,237	25,348
<b>Total Interest Expense</b>	<b>63,237</b>	<b>25,348</b>

## 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 re-negotiated every 5 years to reflect the market rentals.

#### 7.2.1 (a) Short-Term Lease (Lease term of 12 months or less)

Victoria Police has elected to account for short-term leases 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. As at 30 June 2021, Victoria Police has committed to two short-term leases and the total commitment at that date is \$2.9 million.

#### 7.2.1 (b) Low Value Leases

Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10 000. Payments on low value leases are recognised on a straight-line basis.

#### 7.2.1 (c) Right-of-Use Assets

Right-of-use assets are presented in Note 5.1(a).

## 7.2 Leases (Cont'd)

### 7.2.1 (d) Amounts Recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	(\$ thousand)	
	2021	2020
Interest expense on lease liabilities	63,237	25,348
Expenses relating to short-term leases	4,117	839
Income from sub-leasing right-of-use assets	(634)	-
<b>Total amount recognised in the Comprehensive Operating Statement</b>	<b>66,720</b>	<b>26,187</b>

### 7.2.1 (e) Amounts Recognised in the Cash Flow Statement

The following amounts are recognised in the Statement of cash flows for the year-ended 30 June 2021 relating to leases:

	(\$ thousand)	
	2021	2020
<b>Total cash outflow for leases</b>	<b>90,015</b>	<b>103,514</b>

For any new contracts entered into, 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

##### 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).

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised

##### Lease Liability – Subsequent Measurement

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

Please refer to Note 7.2.1 (a) Short Term Lease (Lease term of 12 months or less).



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## 7.2 Leases (Cont'd)

### *Leases of Low Value Assets*

Please refer to Note 7.2.1 (b) Leases of Low Value Assets.

### *Below Market/Peppercorn Leases*

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to the organisation to further its objectives, are initially and subsequently measured at cost. As at 30 June 2021, Victoria Police has no below market/peppercorn leases.

### *Depreciation*

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.

### **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.

### **7.2.2 Sub-Leasing in 311 Spencer Street**

During the current financial year, Victoria Police has sub-leased approximately 3.5% of its whole office space to third parties. These sub-leases are negotiated on an individual basis and contain a wide range of different terms and conditions including termination and renewal rights. The floors are rented for between 10–15 years with options to renew the contract. The lease payments are fixed and adjusted annually for inflation.

Victoria Police is a sub-lessor (intermediate lessor) of the right-of-use assets.

An intermediate lessor classifies the sublease as either a finance or operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use assets resulting from the head lease; otherwise, it is classified as an operating lease.

As all the risks and rewards are not substantially transferred to the lessee, Victoria Police has classified the sub-lease as an operating lease. Lease income from these operating leases is recognised 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)	
	2021	2020
Cash and term deposits <sup>(a)</sup>	1,264	1,448
Funds held in trust <sup>(b)</sup>	52,588	47,825
<b>Balance as per Cash Flow Statement</b>	<b>53,852</b>	<b>49,273</b>

### Notes:

(a) The term deposits held during the year were bearing a weighted average interest rate of 0.08% (2020: 0.69%).

(b) These are monies provided by outside organisations for special purpose projects related to the normal operating activities of Victoria Police. The funds can only be used for those purposes and each trust fund has a nominated trustee. The funds are held in a suspense account at the Department of Treasury and Finance on behalf of Victoria Police.

Due to the state's investment policy and funding arrangements, Victoria Police does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the state's bank account ('public account'). Similarly, expenditure, including in the form of cheques drawn for payments to Victoria Police's 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 results 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 2021, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$234,907 (2020: \$343,435).

### 7.3.1 Reconciliation of net result for the year to cash flow from operating activities

		(\$ thousand)	
	Notes	2021	2020
<b>Net result for the year</b>		<b>24,993</b>	<b>9,883</b>
<b>Non-Cash Movements</b>			
(Gain)/loss on sale or disposal of non-current assets	9.1	(15,637)	(10,868)
Depreciation and amortisation of non-current assets	5.1.1	241,357	198,970
Plant and equipment received free of charge or for nominal consideration	2.1	(183)	(580)
Assets recognised for first time	9.1	(60)	(821)
Other non-cash movements		(9,906)	5,707
<b>Movements in Assets and Liabilities</b>			
(Increase)/decrease in receivables		(101,996)	(128,968)
(Increase)/decrease in prepayments		104	(1,878)
(Increase)/decrease in inventories		(1,282)	883
Increase/(decrease) in payables		(64,119)	24,454
Increase/(decrease) in provisions		83,824	80,459
<b>Net Cash Flows From/(Used In) Operating Activities</b>		<b>157,095</b>	<b>177,241</b>

## 7.4 Trust Account Balances

Victoria Police has responsibility for the transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by Victoria Police.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

### Trust Account Balances Relating to Trust Accounts Controlled and/or Administered by Victoria Police (\$ thousand)

Cash and cash equivalents and investments	2021				2020			
	Opening Balance	Total Receipts	Total Payments	Closing Balance	Opening Balance	Total Receipts	Total Payments	Closing Balance
<b>Controlled Trusts</b>								
<b>4165 Departmental Suspense Account</b> To record donations and grants to Victoria Police as required by the <i>Financial Management Act 1994</i> .	43,149	21,259	(16,390)	48,018	40,961	30,066	(27,878)	43,149
<b>4288 FBT Trust Account</b> 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.	716	204	(21)	899	510	243	(37)	716
<b>4700 Traffic Accident Info System Trust Account</b> 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.	3,873	935	(1,249)	3,559	3,599	855	(581)	3,873
<b>4740 Inter Departmental Transfer Trust</b> To record inter-departmental transfers when no other trust arrangement exists.	87	39	(15)	111	85	5	(3)	87
<b>Total Controlled Trusts (b)</b>	<b>47,825</b>	<b>22,437</b>	<b>(17,675)</b>	<b>52,587</b>	<b>45,155</b>	<b>31,169</b>	<b>(28,499)</b>	<b>47,825</b>
<b>Administered Trusts</b>								
<b>4165 Departmental Suspense Account</b> Under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of seized and unclaimed money.	43,684	42,004	(13,947)	71,741	37,011	18,936	(12,263)	43,684
<b>4742 Treasury Trust Fund</b> Under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed and unidentified money (unpresented cheques, surplus cash).	1,260	10,934	(10,699)	1,495	1,314	8,527	(8,581)	1,260

## 7.4 Trust Account Balances (Cont'd)

Trust Account Balances Relating to Trust Accounts Controlled and/or Administered by Victoria Police (\$ thousand)

Cash and cash equivalents and investments	2021				2020			
	Opening Balance	Total Receipts	Total Payments	Closing Balance	Opening Balance	Total Receipts	Total Payments	Closing Balance
4765 Public Service Commuter Club <sup>(a)</sup> Under the <i>Financial Management Act 1994</i> 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.	29	296	(119)	206	(191)	751	(531)	29
<b>Total Administered Trusts <sup>(c)</sup></b>	<b>44,973</b>	<b>53,234</b>	<b>(24,765)</b>	<b>73,442</b>	<b>38,134</b>	<b>28,214</b>	<b>(21,375)</b>	<b>44,973</b>

**Notes:**

(a) The Public Service Commuter Club surplus balance at 30 June 2021 and 30 June 2020 respectively, 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 2021 and 30 June 2020 respectively.

(c) The closing balance does not form part of Victoria Police's cash balances as at 30 June 2021 and 30 June 2020 respectively.

Third Party Funds Under Management (Accounted for Under Administered Items) (\$ thousand)

Cash and cash equivalents and investments	2021				2020			
	Opening Balance	Total Receipts	Total Payments	Closing Balance	Opening Balance	Total Receipts	Total Payments	Closing Balance
4057 Australia and New Zealand Policing Advisory Agency Under the <i>Financial Management Act 1994</i> for contributions from various police organisations throughout Australia and New Zealand.	1,845	5,892	(5,496)	2,241	1,723	5,802	(5,680)	1,845
<b>Total Third Party Funds Under Management <sup>(a)</sup></b>	<b>1,845</b>	<b>5,892</b>	<b>(5,496)</b>	<b>2,241</b>	<b>1,723</b>	<b>5,802</b>	<b>(5,680)</b>	<b>1,845</b>

**Note:**

(a) The closing balance does not form part of Victoria Police's cash balances as at 30 June 2021 and 30 June 2020 respectively.

## 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 and changes in the time value of options. 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 2021	Less than 1 year	1 – 5 years	5+ years	Total
Capital expenditure commitments payables				
Plant and equipment	5,598	5,834	-	11,432
Buildings	15,864	296	-	16,160
Operating expense commitments				
Aviation	23,883	97,246	100,884	222,013
Other commitments payables	207,622	86,243	-	293,865
<b>Total commitments (inclusive of GST)</b>	<b>252,967</b>	<b>189,619</b>	<b>100,884</b>	<b>543,470</b>
<b>Less GST recoverable</b>				<b>(49,406)</b>
<b>Total commitments (exclusive of GST)</b>				<b>494,064</b>

(\$ thousand)

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 <sup>(a)</sup>	36,262	164,960	1,835,259	2,036,481
Land <sup>(b)</sup>	1,189	4,870	16,574	22,633
Aviation <sup>(c)</sup>	14,098	63,566	49,467	127,131
Other commitments payables	201,846	224,648	131,792	558,286
<b>Total commitments (inclusive of GST)</b>	<b>320,845</b>	<b>465,398</b>	<b>2,033,092</b>	<b>2,819,335</b>
<b>Less GST recoverable</b>				<b>(256,303)</b>
<b>Total commitments (exclusive of GST)</b>				<b>2,563,032</b>

#### 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 now forms part of the lease liabilities disclosure in Note 7.1 Borrowings for the financial year ended 30 June 2021.
- (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 now forms part of the lease liabilities disclosure under AASB 16 for the financial year-ended 30 June 2021.
- (c) This balance relates to the leasing of fixed and rotary wing aircraft where the lease commenced during the 2020–21 financial year and now forms part of the lease liabilities disclosure in Note 7.1 Borrowings for the financial year ended 30 June 2021.

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## 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	133–145
8.2	Contingent Liabilities and Contingent Assets	146
8.3	Fair Value Determination	147–154

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## 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.

### 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.

**Derivative financial instruments** are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the comprehensive operating statement as an 'other economic flow' included in the net result. All derivative instruments are transacted for hedging purposes and not speculative to inform users on the purpose of the derivatives.

**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. During the financial year, there has been no offsetting arrangements.

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. At year-end, the amounts disclosed in the Balance Sheet are presented 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 2018 under the FMA.

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 the net result.

### 8.1.1 Financial Instruments: Categorisation

(\$ thousand)

2021	Notes	Cash and deposits	Derivatives designated in hedge relationship	Contractual financial assets at amortised cost	Contractual financial liabilities at amortised cost	Total
<b>Contractual financial assets</b>						
Cash and deposits	7.3	53,852	-	-	-	53,852
<b>Receivables <sup>(a)</sup></b>						
Sale of goods and services	6.1	-	-	1,114	-	1,114
Other receivables	6.1	-	-	14,538	-	14,538
Derivative financial instruments	6.1	-	304	-	-	304
<b>Total contractual financial assets</b>		<b>53,852</b>	<b>304</b>	<b>15,652</b>	<b>-</b>	<b>69,808</b>
<b>Contractual financial liabilities</b>						
<b>Payables <sup>(a)</sup></b>						
Supplies and services	6.3	-	-	-	56,233	56,233
Amounts payable to government and agencies	6.3	-	-	-	4,144	4,144
Other payables	6.3	-	-	-	21,815	21,815



## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.1 Financial Instruments: Categorisation (Cont'd)

(\$ thousand)

2021	Notes	Cash and deposits	Derivatives designated in hedge relationship	Contractual financial assets at amortised cost	Contractual financial liabilities at amortised cost	Total
Derivative financial instruments	6.3	-	13,745	-	-	13,745
<b>Borrowings</b>						
Lease liabilities	7.1	-	-	-	1,888,860	1,888,860
<b>Total contractual financial liabilities</b>		-	<b>13,745</b>	-	<b>1,971,052</b>	<b>1,984,797</b>

**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).

(\$ thousand)

2020	Notes	Cash and deposits	Derivatives designated in hedge relationship	Contractual financial assets at amortised cost	Contractual financial liabilities at amortised cost	Total
<b>Contractual financial assets</b>						
Cash and deposits	7.3	49,273	-	-	-	49,273
<b>Receivables<sup>(a)</sup></b>						
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
<b>Total contractual financial assets</b>		<b>49,273</b>	<b>1,136</b>	<b>19,278</b>	-	<b>69,687</b>
<b>Contractual financial liabilities</b>						
<b>Payables<sup>(a)</sup></b>						
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
<b>Borrowings</b>						
Lease liabilities	7.1	-	-	-	801,234	801,234
<b>Total contractual financial liabilities</b>		-	<b>6,805</b>	-	<b>948,717</b>	<b>955,522</b>

**Notes:**

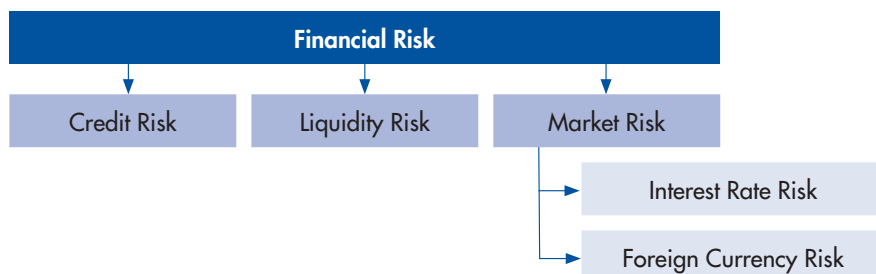
(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

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## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.2 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, foreign currency 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 Accountable Officer of Victoria Police.

#### 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 are classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Victoria Police's maximum exposure to credit risk without taking account of the value of any collateral obtained. During the year, there have been no financial or non-financial assets that were obtained by taking possession of collateral or calling on other credit enhancements.

There has been no material change to Victoria Police's credit risk profile in 2020–21.

## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

#### Credit Quality of Financial Assets

(\$ thousand)

2021	Notes	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
Cash and deposits	7.3	-	53,852	-	53,852
Derivative financial instruments	6.1	-	304	-	304
Contractual receivables applying the simplified approach to impairment	6.1	-	12,736	2,916	15,652
<b>Total contractual financial assets</b>		<b>-</b>	<b>66,892</b>	<b>2,916</b>	<b>69,808</b>

**Notes:**

The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoveries and tax payables). There are no receivables that are 30 days past due and no amount was written off during the year.

#### Credit Quality of Contractual Financial Assets that are Neither Past Due Nor Impaired <sup>(a)</sup>

(\$ thousand)

2020	Notes	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Other	Total
Cash and deposits	7.3	1,010	48,263	-	49,273
Derivative financial instruments	6.1	-	1,136	-	1,136
Contractual receivables applying the simplified approach to impairment	6.1	-	19,148	130	19,278
<b>Total contractual financial assets</b>		<b>1,010</b>	<b>68,547</b>	<b>130</b>	<b>69,687</b>

**Note:**

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoveries and tax payables). The comparative balances have been restated to conform with the current year's presentation by removing the disclosure of statutory receivables which is not required.

#### 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, no impairment loss has been identified.

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 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.

## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are written off by mutual consent.

#### Statutory receivables at amortised cost

Victoria Police's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance was recognised.

#### 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 fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Victoria Police is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the Balance Sheet and the amounts related to financial guarantees. Victoria Police manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

Victoria Police's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. 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 <sup>(a)</sup>

(\$ thousand)

2021	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	More than 1 Year
<b>Payables <sup>(b)</sup></b>						
Supplies and services (Note 6.3)	56,233	56,233	54,722	954	550	7
Amounts payable to government and agencies (Note 6.3)	4,144	4,144	4,144	-	-	-
Other payables (Note 6.3)	21,815	21,815	21,782	-	-	33
Derivative financial instruments (Note 6.3)	13,745	14,493	115	230	1,046	13,102
<b>Borrowings</b>						
Lease liabilities (Note 7.1)	1,888,860	2,908,654	24,604	26,895	111,105	2,746,050
<b>Total contractual financial liabilities</b>	<b>1,984,797</b>	<b>3,005,339</b>	<b>105,367</b>	<b>28,079</b>	<b>112,701</b>	<b>2,759,192</b>

## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

(\$ thousand)

2020	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 – 3 Months	3 Months – 1 Year	More than 1 Year
<b>Payables</b> <sup>(b)</sup>						
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)	6,805	6,805	48	96	338	6,323
<b>Borrowings</b>						
Lease liabilities (Note 7.1)	801,234	1,123,174	19,186	22,904	69,020	1,012,064
<b>Total contractual financial liabilities</b>	<b>955,522</b>	<b>1,277,462</b>	<b>161,165</b>	<b>26,456</b>	<b>71,364</b>	<b>1,018,477</b>

**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 Safety and GST input tax credit recoverable and taxes payable).

#### Financial Instruments: Market Risk

Victoria Police's exposures to market risk is primarily through interest rate risk 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 2021 is immaterial at \$3.4 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.

#### Interbank Offered Rates

##### Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (RFRs). This includes IBORs with respect to Euro, Sterling, Swiss, Japanese and US Dollars.

In the prior reporting period, Victoria Police adopted AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform* (AASB 2019-3). These amendments modify specific hedge accounting requirements and allow the entity to apply certain exceptions in respect of hedge relationships that are impacted by market wide interest rate benchmark reform.

In the current year, the AASB has released AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2* (AASB 2020-8) in September 2020. These amendments are mandatory for annual reporting periods beginning on or after 1 January 2021. Phase 2 amendments enable Victoria Police to reflect the effects of transitioning IBORs to RFRs without giving rise to accounting impacts that would not provide useful information to users of financial statements.

## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

#### Risks Arising from the Interest Rate Benchmark Reform (IBOR)

Victoria Police has undertaken a review of its exposure to these interest rate benchmarks and assessed that:

- There are no debt instruments directly linked or referenced to IBORs.
- There are no derivative financial instruments that are directly linked or referenced to IBORs as all derivatives are not directly referenced.
- There are no designated hedge relationships that are directly linked or reference to the IBORs.

The effects of the IBOR will be monitored by Victoria Police on an ongoing basis for potential exposure.

#### Accounting Impacts Arising from the Application of the Interest Rate Benchmark Reform (IBOR)

As there are no exposures affected by the interest rate benchmark reform, there is no accounting impact for the financial year.

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)

2021	Notes	Interest rate exposure				
		Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
<b>Financial assets</b>						
Cash and deposits (including cash equivalents)	7.3	0.08%	53,852		3,445	50,407
Receivables <sup>(a)</sup>						
Sale of goods and services (net of doubtful receivables)	6.1		1,114	-	-	1,114
Other receivables (net of doubtful receivables)	6.1		14,538	-	-	14,538
<b>Total financial assets</b>			<b>69,504</b>	<b>-</b>	<b>3,445</b>	<b>66,059</b>
<b>Financial liabilities</b>						
Payables <sup>(a)</sup>						
Supplies and services	6.3		56,233	-	-	56,233
Amounts payable to government and agencies	6.3		4,144	-	-	4,144
Other payables	6.3		21,815	-	-	21,815
<b>Borrowings</b>						
Lease liabilities	7.1	3.05%	1,888,860	1,888,860	-	-
<b>Total financial liabilities</b>			<b>1,971,052</b>	<b>1,888,860</b>	<b>-</b>	<b>82,192</b>

**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)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

(\$ thousand)

2020	Notes	Interest rate exposure				
		Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
<b>Financial assets</b>						
Cash and deposits (including cash equivalents)	7.3	0.70%	49,273		3,895	45,378
Receivables <sup>(a)</sup>						
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
<b>Total financial assets</b>			<b>68,551</b>	<b>-</b>	<b>3,895</b>	<b>64,656</b>
<b>Financial liabilities</b>						
Payables <sup>(a)</sup>						
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
<b>Borrowings</b>						
Lease liabilities	7.1	2.35%	801,234	801,234	-	-
<b>Total financial liabilities</b>			<b>948,717</b>	<b>801,234</b>	<b>-</b>	<b>147,483</b>

**Note:**

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

#### Interest Rate Sensitivity Analysis

As Victoria Police's exposure to interest rate risk sensitivity is deemed insignificant as the cash and deposit balance subject to interest rate sensitivity for the current year is \$3.4 million (2020: \$3.9 million). As such no interest rate risk sensitivity analysis was performed for 2020-21.

#### 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 RVV 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)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

#### Foreign Exchange Sensitivity Analysis

(\$ thousand)

2021	Notes	Carrying amount	-5%		+5%	
			Net result	Fair value through OCI	Net result	Fair value through OCI
<b>Contractual financial assets</b>						
Derivative financial instruments	Note 6.1	304	-	(121)	-	109
<b>Total impact</b>		<b>304</b>	<b>-</b>	<b>(121)</b>	<b>-</b>	<b>109</b>
<b>Contractual financial liabilities</b>						
Derivative financial instruments	Note 6.3	13,745	-	(3,732)	-	3,376
<b>Total impact</b>		<b>13,745</b>	<b>-</b>	<b>(3,732)</b>	<b>-</b>	<b>3,376</b>

(\$ thousand)

2020	Notes	Carrying amount	-5%		+5%	
			Net result	Fair value through OCI	Net result	Fair value through OCI
<b>Contractual financial assets</b>						
Derivative financial instruments	Note 6.1	1,136	-	-	-	-
<b>Total impact</b>		<b>1,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contractual financial liabilities</b>						
Derivative financial instruments	Note 6.3	6,805	-	(4,575)	-	4,139
<b>Total impact</b>		<b>6,805</b>	<b>-</b>	<b>(4,575)</b>	<b>-</b>	<b>4,139</b>

#### Cash Flow Hedges

As at 30 June 2021, Victoria Police held the following instruments to hedge exposures to changes in foreign currencies.

(\$ thousand)

2021	Maturity		
	Up to 6 Months	6 – 12 Months	More than 1 Year
<b>Foreign currency risk</b>			
<b>Forward exchange contracts (Nominal value)</b>			
AUD equivalent of net exposure to USD	4,733	4,736	79,292
Average AUD:USD forward contract rate	0.64	0.64	0.63



## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

(\$ thousand)

2020	Maturity		
	Up to 6 Months	6 – 12 Months	More than 1 Year
<b>Foreign currency risk</b>			
<b>Forward exchange contracts (Nominal value)</b>			
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

The amounts at reporting date relating to items designated as hedged items were as follows:

(\$ thousand)

2021	Hedging reserve	Cost of hedging reserve	Total
<b>Balance at 1 July 2020</b>	<b>5,391</b>	<b>2,413</b>	<b>7,804</b>
<b>Cash flow hedges</b>			
Effective portion of changes in fair value:			
Financial instruments assets	-	648	648
Financial instruments liability	5,212	405	5,617
Amount reclassified to Comprehensive Operating Statement:			
Foreign currency risk – other items – assets	-	-	-
Foreign currency risk – other items – liability	1,119	204	1,323
Amount included in the cost of non-financial items:			
Foreign currency risk – services rendered	-	-	-
<b>Balance at 30 June 2021</b>	<b>11,722</b>	<b>3,670</b>	<b>15,391</b>

(\$ thousand)

2020	Hedging reserve	Cost of hedging reserve	Total
<b>Balance at 1 July 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow hedges</b>			
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	-	-	-
<b>Balance at 30 June 2020</b>	<b>5,391</b>	<b>2,413</b>	<b>7,804</b>

## 8.1 Financial Instruments Specific Disclosures (Cont'd)

### 8.1.2 Financial Risk Management Objectives and Policies (Cont'd)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

(\$ thousand)

2021	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 <sup>(a)</sup>
		Assets	Liabilities				
Foreign currency risk							
Derivative financial instruments	6.1	304		Receivables	(832)	-	-
	6.3		(13,745)	Payables	(6,940)	-	-
<b>Total</b>		<b>304</b>	<b>(13,745)</b>		<b>(7,772)</b>		

(\$ thousand)

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 <sup>(a)</sup>
		Assets	Liabilities				
Foreign currency risk							
Derivative financial instruments	6.1	1,136		Receivables	-	-	-
	6.3		(6,805)	Payables	(5,391)	-	-
<b>Total</b>		<b>1,136</b>	<b>(6,805)</b>		<b>(5,391)</b>		

**Note:**

(a) When there are no amounts falling under these categories for both current and prior periods, they are denoted as "-".

(\$ thousand)

	Cost of hedging recognised in OCI	Hedging reserves in OCI	Amount from hedging reserves transferred to cost of service rendered	Amount from cost of hedging transferred to cost of service rendered	Amount reclassified from hedging reserves to Comprehensive Operating Statement	Amount reclassified from cost of hedging reserves to Comprehensive Operating Statement	Line item in Comprehensive Operating Statement that is affected by the reclassification
	1,646	-	Not applicable	Not applicable	-	-	Operating expenses
	2,023	11,722	Not applicable	Not applicable	(1,119)	(204)	Operating expenses
	<b>3,669</b>	<b>11,722</b>	-	-	<b>(1,119)</b>	<b>(204)</b>	

(\$ thousand)

	Cost of hedging recognised in OCI	Hedging reserves in OCI	Amount from hedging reserves transferred to cost of service rendered	Amount from cost of hedging transferred to cost of service rendered	Amount reclassified from hedging reserves to Comprehensive Operating Statement	Amount reclassified from cost of hedging reserves to Comprehensive Operating Statement	Line item in Comprehensive Operating Statement that is affected by the reclassification
	999	999	-	-	-	-	Not applicable
	1,414	6,805	-	-	-	-	Not applicable
	<b>2,413</b>	<b>7,804</b>	-	-	-	-	

## 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 2021 (2020: Nil).

### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligation cannot be measured with sufficient reliability.

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

### Non-quantifiable contingent liabilities.

Non-quantifiable contingent liabilities include potential obligations arising from indemnities provided in relation to transactions (including financial arrangements and consultancy services) as well as for directors and administrators, performance guarantees, warranties and letters of comfort, deeds in respect of certain obligations and unclaimed monies, which may be subject to future claims by the general public against the state.

The Royal Commission into the Management of Police Informants commenced hearings in February 2019. The final report and recommendations were delivered to the Governor of Victoria on 30 November 2020. Victoria Police anticipates it may receive claims for compensation. Victoria Police will assess any litigation as it arises. At this stage it is impractical to quantify the financial effects of these contingent liabilities.

Quantifiable contingent liabilities	(\$ thousand)	
	2021	2020
Legal proceedings and disputes <sup>(a)</sup>	58,153	42,348
<b>Total Contingent Liabilities</b>	<b>58,153</b>	<b>42,348</b>

**Note:**

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

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## 8.3 Fair Value Determination

### Significant judgement: Fair value measurements of assets and liabilities

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 2021–22 reporting period with the exception of derivative financial instruments and borrowings.

## 8.3 Fair Value Determination (Cont'd)

### 8.3.1 Fair Value Determination of Financial Assets and Liabilities (Cont'd)

These financial instruments include:

Financial Assets	Financial Liabilities
Cash and deposits	Payables:
Receivables:	– Purchase of supplies and services
– Sales of goods and services	– Amounts payable to government and agencies
– Other receivables	– Other payables
– Derivative financial instrument	– Derivative financial instrument
Investment and other contractual assets:	
– Term deposits	

### 8.3.2 Fair Value Determination: Non-Financial Physical Assets

#### Fair Value Measurement Hierarchy <sup>(a)</sup>

(\$ thousand)

2021	Notes	Carrying Amount as at 30 June 2021	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 <sup>(a)</sup>	Level 2 <sup>(a)</sup>	Level 3 <sup>(a)</sup>
Crown Land and Land at Fair Value					
Non-specialised land <sup>(b)</sup>		24,845	-	24,845	-
Specialised land		626,437	-	-	626,437
<b>Total of Crown Land at Fair Value</b>	<b>5.1.2</b>	<b>651,282</b>	<b>-</b>	<b>24,845</b>	<b>626,437</b>
Buildings at Fair Value					
Non-specialised buildings <sup>(b)</sup>		35,778	-	35,778	-
Specialised buildings		2,340,681	-	-	2,340,682
Heritage assets <sup>(c)</sup>		67,126	-	-	67,126
Leasehold improvement <sup>(d)</sup>		174,090	-	-	174,090
<b>Total of Buildings at Fair Value</b>	<b>5.1.2</b>	<b>2,617,675</b>	<b>-</b>	<b>35,778</b>	<b>2,581,898</b>
Plant, Equipment and Vehicles at Fair Value					
Plant and equipment	5.1.2	374,292	-	-	374,292
<b>Total Plant, Equipment and Vehicles at Fair Value</b>		<b>374,292</b>	<b>-</b>	<b>-</b>	<b>374,292</b>
Cultural Assets at Fair Value					
Artworks	5.1.2	5,239	-	-	5,239
<b>Total of Cultural Assets at Fair Value</b>		<b>5,239</b>	<b>-</b>	<b>-</b>	<b>5,239</b>

**Notes:**

(a) Classified in accordance with the fair value hierarchy.

(b) Non-specialised land and buildings are residential properties used by Sworn members.

(c) The Agency holds \$67.1 million worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

(d) 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)

(\$ thousand)

2020 <sup>(e)</sup>	Notes	Carrying Amount as at 30 June 2020	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 <sup>(a)</sup>	Level 2 <sup>(a)</sup>	Level 3 <sup>(a)</sup>
Crown Land and Land at Fair Value					
Non-specialised land <sup>(b)</sup>		21,863	-	21,863	-
Specialised land		485,163	-	-	485,163
<b>Total of Land at Fair Value</b>	<b>5.1.2</b>	<b>507,026</b>	<b>-</b>	<b>21,863</b>	<b>485,163</b>
Buildings at Fair Value					
Non-specialised buildings <sup>(b)</sup>		31,911	-	31,911	-
Specialised buildings		1,509,274	-	-	1,509,274
Heritage assets <sup>(c)</sup>		72,118	-	-	72,118
Leasehold improvement <sup>(d)</sup>		75,371	-	-	75,371
<b>Total of Buildings at Fair Value</b>	<b>5.1.2</b>	<b>1,688,674</b>	<b>-</b>	<b>31,911</b>	<b>1,656,763</b>
Plant, Equipment and Vehicles at Fair Value					
Plant and equipment	5.1.2	281,172	-	-	281,172
<b>Total Plant, Equipment and Vehicles at Fair Value</b>		<b>281,172</b>	<b>-</b>	<b>-</b>	<b>281,172</b>
Cultural Assets at Fair Value					
Artworks	5.1.2	4,879	-	-	4,879
<b>Total of Cultural Assets at Fair Value</b>		<b>4,879</b>	<b>-</b>	<b>-</b>	<b>4,879</b>

**Notes:**

(a) Classified in accordance with the fair value hierarchy.

(b) Non-specialised land and buildings are residential properties used by Sworn members.

(c) 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.

(d) This amount forms part of the balance for Buildings at Fair Value (Excluding Heritage Buildings) in Note 5.1 Property, Plant and Equipment.

(e) The comparative balances have been restated to include the right-of-use assets so as to conform with the current year's presentation. The right-of-use assets are carried at costs on the practical expedient provided by the Department of Treasury and Finance.

There have been no transfers between levels during the year.

**Non-specialised land and non-specialised buildings** 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. VGV had performed their independent valuation during the current 2020–21 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.

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.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

**Specialised land and Specialised buildings:** The 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.

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## 8.3 Fair Value Determination (Cont'd)

### 8.3.2 Fair Value Determination: Non-Financial Physical Assets (Cont'd)

#### Fair Value Measurement Hierarchy (Cont'd)

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 during the current 2020–21 financial year. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2021.

**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 2021. As adjustments of heritage assets are considered significant unobservable inputs, these assets would be classified as Level 3 assets.

#### Artworks

Artworks are held at fair value. The market approach is also used for artworks. Any adjustments to artworks are considered significant unobservable inputs, as such 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 2021.

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)

2021	Specialised Land	Specialised Buildings	Heritage Buildings	Leasehold Improvement	Plant and Equipment	Cultural Artworks
Opening balance	485,163	1,509,274	72,118	75,371	281,172	4,879
Purchases / Additions	14,958	1,016,877	-	62	164,586	-
Sales	-	-	-	-	(15,340)	-
Assets free of charge	-	-	-	-	183	-
Assets recognised for first time	-	-	-	-	49	-
Transfers:						
In (out) of level 3	-	-	-	-	-	-
In (out) of assets under construction	5,811	38,784	437	110,668	35,126	-
Between asset classes	-	1,871	-	27	(1,899)	-
From contributed capital	-	-	-	-	-	-
Gains or losses recognised in net result:	-	-	-	-	-	-
Depreciation	(590)	(113,260)	(2,860)	(12,038)	(89,584)	-
<b>Sub-total</b>	<b>20,179</b>	<b>944,272</b>	<b>(2,423)</b>	<b>98,719</b>	<b>93,121</b>	<b>-</b>
Gains or losses recognised in Other Economic Flows – Other Comprehensive Income:						
Revaluation <sup>(a)</sup>	121,096	(112,865)	(2,569)	-	-	360
<b>Closing Balance</b>	<b>626,438</b>	<b>2,340,681</b>	<b>67,126</b>	<b>174,090</b>	<b>374,293</b>	<b>5,239</b>

**Note:**

(a) This balance relates to 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)

2020 <sup>(a)</sup>	Specialised Land	Specialised Buildings	Heritage Buildings	Leasehold Improvement	Plant and Equipment	Cultural Artworks
Opening balance	484,259	1,560,809	73,627	77,158	194,759	4,879
Purchases / Additions	-	(5,836)	-	-	128,035	-
Sales	-	-	-	-	(14,705)	-
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	-	(92,336)	(2,831)	(18,299)	(75,835)	-
<b>Sub-total</b>	<b>904</b>	<b>(52,207)</b>	<b>(1,550)</b>	<b>(1,787)</b>	<b>86,413</b>	<b>-</b>
Gains or losses recognised in Other Economic Flows – Other Comprehensive Income:						
Revaluation	-	672	41	-	-	-
<b>Closing Balance</b>	<b>485,163</b>	<b>1,509,274</b>	<b>72,118</b>	<b>75,371</b>	<b>281,172</b>	<b>4,879</b>

(a) The comparative balances have been restated to include the right-of-use assets to conform with the current year's presentation. The right-of-use assets are carried at costs on the practical expedient provided by the Department of Treasury and Finance.

## 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	10% – 45%	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	10% – 45%	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	Range: \$39 – \$14,920/m <sup>2</sup> (Avg: \$1,198/m <sup>2</sup> )	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	Range: \$300 – \$5,986/m <sup>2</sup> (Avg: \$1,139/m <sup>2</sup> )	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	Range: \$193 – \$49,403,965 (Avg: \$1,018,067 per lease)	A significant increase or decrease in cost per lease would result in a significantly higher or lower fair value.
		Lease period	1–30 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	Range: \$53 – \$8,604,166 (Avg: \$25,968 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	Market approach	Cost per unit	Range: \$1,500 – \$2,400,000 (Avg: \$227,760 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.

Note: Significant unobservable inputs have remained unchanged since 30 June 2020.

## 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)

2021	Carrying Amount as at 30 June	Fair Value Measurement at End of Reporting Period Using:		
		Level 1 <sup>(a)</sup>	Level 2 <sup>(a)</sup>	Level 3 <sup>(a)</sup>
Freehold land held for sale <sup>(b)</sup>	110	-	110	-
Freehold buildings held for sale <sup>(b)</sup>	165	-	165	-
<b>Total Non-Financial Physical Assets Classified As Held-For-Sale</b>	<b>275</b>	<b>-</b>	<b>275</b>	<b>-</b>

(\$ thousand)

2020				
Freehold land held for sale <sup>(b)</sup>	110	-	110	-
Freehold buildings held for sale <sup>(b)</sup>	165	-	165	-
<b>Total Non-Financial Physical Assets Classified As Held-For-Sale</b>	<b>275</b>	<b>-</b>	<b>275</b>	<b>-</b>

#### Notes:

(a) Classified in accordance with the fair value hierarchy.

(b) Freehold land and buildings held for sale are carried at carrying amount or 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.

**Non-physical assets held for sale** are classified as such once Victoria Police has notified the Department of Treasury and Finance that such assets are no longer required by Victoria Police. No depreciation charge for the building is recognised once the assets is classified as assets held for sale.

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## 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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9.2	Responsible Persons	157
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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)

	2021	2020
<b>Net Gain/(Loss) on Non-Financial Assets</b>		
Net gain on disposal of plant, equipment and motor vehicles	15,637	10,868
Assets recognised for the first time	60	821
<b>Total Net Gain/(Loss) on Non-Financial Assets</b>	<b>15,697</b>	<b>11,689</b>
<b>Other Gain/(Loss) from Other Economic Flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability <sup>(a)</sup>	9,651	(9,679)
Net gain/(loss) from bad/ doubtful debts	(3,218)	5
<b>Total Other Gain/(Loss) from Other Economic Flows</b>	<b>6,433</b>	<b>(9,674)</b>

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)

	2021	2020
Proceeds from disposal of plant, equipment and motor vehicles	26,660	25,573
Written down value of assets sold /disposed of	(11,023)	(14,705)
<b>Net Gain/(Loss) on Disposal of Non-Financial Assets</b>	<b>15,637</b>	<b>10,868</b>

## 9.2 Responsible Persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), 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 2020 to 7 November 2020 11 November 2020 to 12 February 2021
Acting Minister for Police	The Hon. James Merlino MP	8 – 10 November 2020
Acting Minister for Police	The Hon. Martin Foley MP	13 – 19 February 2021
Acting Minister for Police	The Hon. Danny Pearson MP	20 February – 25 June 2021
Acting Minister for Police	The Hon. Jaclyn Symes MP	26 – 30 June 2021
Accountable Officers		
Chief Commissioner of Police	Shane Patton APM	1 July 2020 to 30 June 2021

### 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 \$630,000 and \$640,999 (2020: \$513,000 and \$523,999).

## 9.3 Remuneration of Executives

### Remuneration of Executives

The number of executive officers (other than the Minister, Accountable Officer and Governor-in-Council (GIC) appointees) and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (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.

- 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.
- Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.
- 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.

## 9.3 Remuneration of Executives (Cont'd)

(\$ thousand)

Remuneration of executive officers <i>(including Key Management Personnel disclosed in Note 9.4 Related Parties and excluding GIC appointees)</i>	Total Remuneration	
	2021	2020
Short-term employee benefits	11,433	10,942
Post employment benefits	1,399	646
Other long-term benefits	260	247
Termination benefits	395	263
<b>Total remuneration</b>	<b>13,487</b>	<b>12,098</b>
<b>Total number of executives</b> <sup>(a)</sup>	<b>54</b>	<b>57</b>
<b>Total annualised employee equivalent</b> <sup>(b)</sup>	<b>45</b>	<b>47</b>

### Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (refer to Note 9.4 Related Parties). This number includes all executives that have been employed during the year, including those who have left Victoria Police during the course of the year.

(b) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

## 9.4 Related Parties

Victoria Police is a wholly owned and controlled entity of the State of Victoria. Related parties of Victoria Police include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities that they have significant influence over); and
- all Cabinet Ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

### Significant transactions with government-related entities

Victoria Police received funding and made payments to the Consolidated Fund of \$4.09 billion and \$59.33 million respectively (2020: \$3.72 billion and \$50.00 million respectively).

During the year, Victoria Police incurred the following material government-related entity transactions and balances at yearend 30 June 2021. All related party transactions have been entered into on an arm's-length basis.

2021

(\$ thousand)

Receipts/Receivables Entity	Portfolio Dept	Receipts		Balance Outstanding	
		Nature	Amount	Nature	Amount
Department of Justice and Community Safety	DJCS	Grants	4,088,960	Receivables	685,234
	DJCS	Other Income	990		
Department of Environment Land Water and Planning	DELWP	Grants	1,445	Receivables	-
Department of Premier and Cabinet	DPC	Grants	3,129	Receivables	-
Transport Accident Commission	DoT	Contributions	1,695	Receivables	791
	DoT	Grants	4,623		
Victorian Managed Insurance Authority	DTF	Insurance	15,271	Receivables	-
Victorian WorkCover Authority	DJCS	Grants	53	Receivables	4,000
	DJCS	Other Income	2,000		

### 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.



## 9.4 Related Parties (Cont'd)

(\$ thousand)

Payments/Liabilities Entity	Portfolio Dept	Payments		Balance Outstanding	
		Nature	Amount	Nature	Amount
Court Services of Victoria	CSV	Court Services	2,478	Payables	-
Department of Justice and Community Safety	DJCS	Various Expenses	198	Payables	2,736
Department of Premier and Cabinet	DPC	Various Expenses	1,564	Payables	33
Department of Treasury and Finance	DTF	Various Expenses	14,875	Payables	-
Emergency Services Telecommunication Authority	DJCS	Tele-Communications	70,203	Payables	-
State Revenue Office	DTF	Payroll Tax	128,639	Payables	10,136
Victorian Interpreting and Translating Service	DPC	Interpreting Services	1,033	Payables	-
VicRoads	DoT	Registration & Records Check	531	Payables	6
VicFleet Lease Management	DTF	Leasing of Motor Vehicles	41,321	Payables	114,232
Victoria Government Solicitors Office	DJCS	Legal Expenses	13,723	Payables	76
Victoria Institute of Forensic Medicine	DJCS	Forensic Medical Services	11,933	Payables	811
Victoria WorkCover Authority	DJCS	Insurance	117,186	Payables	-
Victoria Managed Insurance Authority	DTF	Insurance	5,274	Payables	-
		Various Expenses	301		-

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		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	DEDJTR	Contributions	233		-
Victorian WorkCover Authority	DJCS	Grants	2,000	Receivables	2,000
Victorian WorkCover Authority	DJCS	Other Income	53		-

**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.

## 9.4 Related Parties (Cont'd)

### Significant transactions with government-related entities (Cont'd)

(\$ 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

### 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 2021, 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	
	2021	2020
Short-term employee benefits	2,917	2,728
Post employment benefits	542	105
Other long-term benefits	67	66
Termination benefits	194	-
<b>Total remuneration</b>	<b>3,720</b>	<b>2,899</b>

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## 9.4 Related Parties (Cont'd)

### Transactions with key management personnel and other related parties

Given the breadth and depth of Victorian Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Victoria Police, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

## 9.5 Subsequent Events

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

## 9.6 COVID-19 Statement

Victoria Police has incurred direct additional costs of approximately \$117.8 million in 2020–21 related to COVID-19 which have been reflected in the financial statements primarily under Employee Expense (Note 3.1.1) and within Note 3.3 Operating Expenses for Travel and accommodation, Computer expenses and Other operating expenses. The costs incurred relate primarily to the purchasing of additional Personal Protective Equipment (PPE), Travel and Accommodation, IT Mobile Device costs, Working from Home allowance payments, Sworn Members overtime and vehicle/station/equipment cleaning.

The continued operational requirements for Victoria Police arising from Victoria's state of emergency and disaster may have a significant financial impact in the 2021–22 financial year.

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 2021–22 budget and the forward estimates.

## 9.7 Other Accounting Policies

### Assets and Services Provided Free of Charge or for Nominal Consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at its carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased.

### Contributions by Owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by the 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.

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## 9.8 Australian Accounting Standards Issued That Are Not Yet Effective

Certain new and revised accounting standards have been issued but are not effective for the 2020–21 reporting period. These accounting standards have not been applied to the Model Financial Statements. The Victorian Government is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

### **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 *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Department 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 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
- AASB 2020-7 *Amendments to Australian Accounting Standards – COVID-19-Rent Related Concessions: Tier 2 Disclosures*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*

## 9.9 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 the 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.

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## 9.9 Glossary of Technical Terms (Cont'd)

**Depreciation** is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net' result from transaction.

**Effective interest method** is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

**Employee benefits expenses** include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

**Ex-gratia expenses** mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

**Financial asset** is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

**Financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial liability** is any liability that is:

- (a) a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

**Financial statements** are comprised 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** are 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.

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## 9.9 Glossary of Technical Terms (Cont'd)

**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.

**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** include 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.

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## 9.9 Glossary of Technical Terms (Cont'd)

**Sales of goods and services** refer 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 (FMA).

## 9.10 Style Conventions

Figures in the tables and in the text have been rounded to the nearest thousand dollars, unless otherwise stated. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero or rounded to zero
- (xxx.x) negative numbers
- 200x year period

# 7. Appendices

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## 2020–21 Victoria Police Awards and Honours

Victoria Police recognises and values special service by employees and the community in keeping Victoria 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 2020–21, 92 Victoria Police employees and 9 community members received an award or honour. A full list of individuals who were presented with Victoria Police Awards and Honours in 2020–21 can be found in Appendix B.

### Appendix B: 2020–21 Victoria Police Awards and Honours

#### Australian Police Medal (APM)

Rank	First Name	Surname
Superintendent	Joy Elizabeth	Arbutnot
Sergeant	Trevor John	Blake
Sergeant	Kevin Francis	Carson
Senior Sergeant	Greg Jason	Dean
Inspector	Stephen Kenneth	Frost
Superintendent	Jenelle	Fuller
Leading Senior Constable	Darren	Gleeson
Senior Sergeant	Mark Douglas	Hesse
Inspector	Christopher Thomas	Major
Commander	Paul Michael	Milleit
Senior Sergeant	Janet Ruth	Mitchell
Superintendent	Paul Gerard	O'Halloran
Superintendent	Rebecca Jane	Olsen
Sergeant	Jonathan Patrick	Payne
Superintendent	Peter Hans	Seiz
Senior Sergeant	Alfred David	Watson
Superintendent	Adrian Joseph	White

#### Public Service Medal (PSM)

Rank	First Name	Surname
Director	Rebecca (Beck)	Angel

#### Australian Bravery Medal (BM)

Rank	First Name	Surname
Sergeant	David Patrick	McHenry
Senior Constable	Adam John	McKenzie

#### Commendation for Brave Conduct (CBC)

Rank	First Name	Surname
Sergeant	Blair Cameron	Brown

#### Royal Humane Society Silver Medal

Rank	First Name	Surname
Leading Senior Constable	Raymond James	Moreland
Leading Senior Constable	Andrew Peter	Trace

#### Valour Award (VA)

Rank	First Name	Surname
Leading Senior Constable	Grant Andrew	Healey
Senior Constable	Robert Arthur	Robertson

#### Medal for Courage

Rank	First Name	Surname
Senior Constable	Simon John	Barker
Senior Constable	Kevin James	Beaumont
Senior Constable	Robert Ian	Black
Senior Constable	David Anthony	Cavanagh
Senior Constable	Joshua	Down
Senior Constable	Lauren Pam	Fuller
Operator	173	
Senior Constable	Mikah David	Heilbronn
Operator	17	
Operator	20	
Senior Constable	David Luke	Kerr
Operator	149	
Leading Senior Constable	Martin Heinrich	Krajnc
Senior Constable	Glenn	Kroezen
Sergeant	Michael	Kugler
Sergeant	David	Measham
Senior Constable	Daniel	Paisley
Sergeant	Matthew	Peck
Senior Constable	Glenn James	Powell
Sergeant	Craig John	Poynder
Senior Constable	Gregory Robert	Ralston
Operator	25	

### Medal for Courage (Cont'd)

Rank	First Name	Surname
Senior Constable	Jeremy Justin	Renfrey
Sergeant	Wayne Anthony	Rothwell
Sergeant	Luke Samuel	Schroder
Leading Senior Constable	Graham Keith	Shoobert
Senior Constable	James Leigh	Taylor
Senior Constable	Bradley John	Watson
Operator		13
Operator		32

### Medal for Merit

Rank	First Name	Surname
Sergeant	Luke Anthony	Barwell
Senior Constable	Ian James	Brown
Leading Senior Constable	Scott Francis	Conolan
Inspector	Mark Keith	Edwards
Superintendent	Simon David	Humphrey
Leading Senior Constable	Mark Wilson	Hurwood
Leading Senior Constable	Dean Allan	Leicester
Leading Senior Constable	Glenn Sheppard	Mackenzie
Leading Senior Constable	Michael Colin	Newstead
Senior Sergeant	Allan Keith	Rice
Leading Senior Constable	Paul Steven	Roberts
Leading Senior Constable	Graham Keith	Shoobert

### Group Citation for Merit

Rank	First Name	Surname
Superintendent	Terence	Jackson
Leading Senior Constable	Kevin Alan	Pearse
Senior Sergeant	Brett David	Simpson

### Victoria Police Star

Rank	First Name	Surname
Nil for this Financial Year		

### Chief Commissioner's Commendation\*

Rank	First Name	Surname
Senior Sergeant	Chris	Antoniou
Senior Sergeant	Jarrold Heath	Clark

### Chief Commissioner's Commendation\* (Cont'd)

Rank	First Name	Surname
VPS	Luisa Maria	Di Pietrantonio
VPS	Sascha	Gelfand
VPS	Meaghan Emma	Gurr
Superintendent	Scott Damian	Mahony
Inspector	Timothy James	McKinney
Senior Constable	John	McKinnon
Senior Constable	Paul	Michell
Commander	Paul Michael	Millett
Senior Sergeant	Joanne Kay	Mueller
VPS	Gabrielle	Parker
Deputy Commissioner	Neil John	Paterson
Sergeant	Paul	Robson
VPS	Dorothy	Siedel Hooke
Mr	Ralph	Stavely
Deputy Commissioner	Wendy Maree	Steendam
Inspector	Craig Richard	Thornton
Senior Sergeant	Jaclyn Bain	Urquhart
Senior Constable	David	Vernon
Senior Sergeant	Scott	Wallace
Inspector	Dennis Leslie	Watson
Inspector	Wayne Fredrich	Woltsche
Inspector	Mark Andrew	Zervaas

### Citizen's Commendation

Rank	Surname
Christopher	Davis
John	Keith
Sarah	Keith
Justin	McKenzie
Geoff	Rogers
Mark	Stephens
Beau	Whelan
Steven	Whiting
Peter	Wilson

\* Chief Commissioner's Commendation was reinstated in December 2020

All Ranks are as at the time of the award

No Medals for Excellence approved

Due to the impact of COVID-19 numerous recipients of honours and awards for the 2020–21 financial year have not been notified and therefore not recorded in this year's Annual Report. These recipients will be recorded in future reports.

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## Appendix C: Attestation for Financial Management Compliance with Standing Direction 5.1.4



VICTORIA POLICE

### **Victoria Police Financial Management Compliance Attestation Statement 2020-21**

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'.

Shane Patton APM  
Chief Commissioner of Victoria Police  
15 September 2021

## Appendix D: Acronym Glossary

AASB	Australian Accounting Standards Board	DJCS	Department of Justice and Community Safety
AC	Commander of the Order of Australia	DoT	Department of Transport
ACAT	Aboriginal Cultural Awareness Training	DPC	Department of Premier and Cabinet
ADT	Alcohol and Drug Testing	DPRG	Disability Portfolio Reference Group
AEE	Annual Employee Equivalent	DTF	Department of Treasury and Finance
AFC	Air Force Cross	DTP	Discipline Transformation Project
AJA4	Aboriginal Justice Agreement Phase Four	DWG	Designated Workgroups
AK	Knight of the Order of Australia	EBA	Enterprise Bargaining Agreement
AMAF	Asset Management Accountability Framework	EFCP	The Enhanced Firearm Capability Project
AMF	Australian Multicultural Foundation	ER	Eastern Region
AND	Australian Network and Disability	ERAM	Exposure Risk Assessment Management
ANPR	Automated Number Plate Recognition	ESF	Emergency Services Foundation
ANZCTC	Australia New Zealand Counter Terrorism Committee	ESM	Essential Safety Measures
ANZPAA	Australia New Zealand Policing Advisory Agency	ESTA	Emergency Services Telecommunication Authority
APM	Australian Police Medal	ETMS	Equipment Tracking & Management System
AWEI	Australian Workplace Equality Index	EYOP	Embedded Youth Outreach Program
BAU	Business as Usual	FMA	Financial Management Act
BP3	Budget Paper 3	FOI	Freedom of Information
BPEC	Best Practise Employment Commitment	FPO	Firearm Prohibition Order
CALD	Culturally and Linguistically Diverse people	FRD	Financial Reporting Direction
CAPs	Continuous Auditing Programs	FTAC	Fixated Threat Assessment Centre
CFO	Chief Finance Officer	FTE	Full Time Equivalent
CHO	Chief Health Officer	FWU	Foundation Welfare Unit
CIO	Chief Information Officer	GEIC	Gender Equality & Inclusion Command
CIU	Crime Investigation Unit	GIC	Governor-in-Council
CNJC	Collingwood Neighbourhood Justice Centre	HRD	Human Resource Department
CoP	Code of Practise	HSR	Health and Safety Representatives
CQV	COVID-19 Quarantine Victoria	HWP	Highway Patrol
CSA	The Crime Statistics Agency	IBAC	Independent Board-based Anti-corruption Commission
CSO	Community Service Obligation	IBOR	Interest Rate Benchmark Reform
CSV	Court Services of Victoria	ICN	Industry Capability Network
DCR	Disability Confident Recruiter	ICSC	Intelligence and Covert Support Command
DEC	Digital Evidence Capture	ICT	Information and Communication Technology
DEDJTR	Department of Economic, Development, Jobs, Transport and Resources	ICV	In-Car Video
DELWP	Department of Land Water and Planning	IRP	Issue Resolution Procedures
DHHS	Department of Health and Human Services	LGBTIQ	Lesbian, Gay, Bisexual, Trans and Gender Diverse, Intersex, Queer and Questioning

LIDP	Local Industry Development Plan
LMP	Lifecycle Management Project
LMR	Local Management Resolution
LRD	Licensing and Regulation Division
LSL	Long Service Leave
LTIFR	Lost Time Injury Frequency Rate
MCC	Melbourne Custody Centre
MCCD	Media and Corporate Communications Department (of Victoria Police)
MCT	Mobile Command Trailer
MIM	Management Intervention Model
MO	Modus Operandi
MP	Member of Parliament
MPSG	Major Project Skills Guarantee
MPU	Mobile Police Unit/Mobile Policing Units
MWMMR	North West Metro Region
OAM	Medal of the Order of Australia
OC	Oleoresin Capsicum
OCI	Other Comprehensive Income
ODS	Ozone Depleting Substance
OHS	Occupational Health and Safety
OLR	Online Reporting
OMS	One Member Station
OPP	Office of Public Prosecutions
ORIC	Office of the Racing Integrity Commissioner
OSE	Operational Safety Equipment
PAL	Police Assistance Line
PALM	Property and Laboratory Management
POFT	Preliminary Oral Fluid Test
PORT	Public Order Response Team
PPE	Personal Protective Equipment
PRIME	Police Responding in Mental Health Events
PRSB	Police Registration and Services Board
PSO	Protective Service Officer
RDT	Roadside Drug Testing
ROCSID	Register of Complaints Serious Incidents and Discipline System
RoGS	Report of Government Services
RP	Reflective Practise groups

RPC	Road Policing Command
RSD	Regulatory Services Department
RSO	Registered Sex Offender
SAM	Staff Allocation Model
SGG	Synthetic Greenhouse Gas
SMA	Senior Medical Advisor
SMR	Southern Metro Region
SPOC	State Police Operations Centre
SSU	State Surveillance Unit
STS	Senior Technical Specialist
SvDP	St Vincent de Paul
TEAB	Tamper Evident Audit Bags
VAAF	Victorian Aboriginal Affairs Framework
VCAT	Victorian Civil and Administrative Tribunal
VGRMF	Victorian Government Risk Management Framework
VGV	Valuer-General Victoria
VIPP	Victorian Industry Participation Policy
VMC	Victorian Management Centre
VP	Victoria Police
VPC	Victoria Police Centre
VPFSD	Victoria Police Forensic Services Department
VPM	Victoria Police Manual
VPS	Victorian Public Service
VPS	Victoria Public Sector
WIPAG	Women in Policing Advisory Group
WIPLC	Women in Policing Local Committees
WR	Western Region
YES	Youth Employment Scheme





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  
PO 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](http://www.data.vic.gov.au) in electronic readable format.

### Further Resources

Additional publications released by Victoria Police can be found at <https://www.police.vic.gov.au/publications>