



ANNUAL REPORT 2018-2019





Thursday, 31 October 2019

The Hon. David Elliott MP
Minister for Police and Emergency Services
Parliament House
Sydney NSW 2000

Dear Minister,

I am pleased to submit the NSW Police Force Annual Report for the year ended 30 June 2019 for tabling in Parliament.

This annual report was prepared in accordance with the provisions of the *Annual Reports (Departments) Act 1985* and the *Annual Reports (Departments) Regulation 2015*. It complies with the standardised reporting formulas for financial statements approved by the Treasurer.

Following the report's tabling in Parliament, it will be available for public access on the NSW Police Force website, www.police.nsw.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Michael Fuller".

Michael Fuller APM
Commissioner of Police

The *NSW Police Force 2018-19 Annual Report* was produced by the Office of the Commissioner. There were no external production costs.

This report can be downloaded from www.police.nsw.gov.au.

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Table of contents

Commissioner's foreword	04
Our organisation	05
Year in review	08
How we performed	11
Financial summary	22
Independent auditor's report	24
Audited financial statements	27
APPENDIX 1: NSW Police Force staff	86
APPENDIX 2: Equal employment opportunity	90
APPENDIX 3: Disability inclusion action plans	92
APPENDIX 4: Multicultural policies	92
APPENDIX 5: Government information (public access)	94
APPENDIX 6: Injuries and workers compensation claims	97
APPENDIX 7: Staff drug and alcohol testing	98
APPENDIX 8: Privacy and personal information	99
APPENDIX 9: Complaints against police	100
APPENDIX 10: Requests for assistance	101
APPENDIX 11: Significant judicial decisions	102
APPENDIX 12: Legislative changes	104
APPENDIX 13: Research and development	105
APPENDIX 14: Police pursuits	105
APPENDIX 15: Overseas travel	106
APPENDIX 16: Consultants	109
APPENDIX 17: Public interest disclosures	109
APPENDIX 18: Creditors payments and credit cards	110
APPENDIX 19: Matters arising from 2018-19 audit	111
APPENDIX 20: Insurance activities	112
APPENDIX 21: Property disposals	112
APPENDIX 22: Audits and reviews	113
APPENDIX 23: Cyber security	115
APPENDIX 24: Asset purchase and protection	115
APPENDIX 25: Productivity data	115
APPENDIX 26: Major works in progress	116
APPENDIX 27: Honours and awards	117
Statutory compliance index	119
Glossary	119
Contact details	120

Commissioner's foreword



With the NSW Police Force's re-engineering program complete, the past reporting year has seen the organisation bed in a flexible and efficient structure to deliver responsive, community-focused policing.

My focus has been on preparing the Force for the biggest increase in police officer numbers in more than three decades. The allocation of 1500 extra permanent positions over the next four years represents a once in a generation opportunity to expand our capability and inject resources where they'll have the biggest impact.

By 2023 all police districts and police area commands will receive at least one additional officer to monitor offenders on the Child Protection Register as well as a specialist elder abuse prevention officer. We'll also see more officers allocated to region enforcement squads across NSW and more officers available for Strike Force Raptor's work to combat drug and gun crime and disrupt organised crime.

Specialist commands responding to emerging crime issues, such as the Rural Crime Prevention Team or the Cybercrime Squad, will also receive a boost. Crime threats and trends will continue to emerge but I'm confident that

the NSW Police Force's strong budget position and flexible structure will enable us to respond efficiently and effectively.

Leading the organisation, our four deputy commissioners together boast more than 145 years of policing experience. This follows the promotion of Mal Lanyon on 1 January 2019 to join David Hudson, Jeffrey Loy and Gary Worboys on my executive team.

Below them, our leadership ranks have been refreshed while maintaining enviable experience and capability. More than half of our assistant commissioners and more than 30 of our superintendents have been promoted to their current rank in the past two years.

Re-engineering introduced a flatter structure with fewer inspector positions, which temporarily limited promotions opportunities. However, with the NSW Police Force now preparing for growth, the time was right to review our promotions system. This review revealed overwhelming support for change.

Consequently, next year I will introduce a new promotions system that will favour individuals' operational experience, capabilities and leadership qualities. We will have a strong, transparent and fair system that will see both talented men and women succeed, and a system designed to identify the leaders best able to continue to enhance the capability and operational effectiveness of our police force.

While I'm excited for the future of the NSW Police Force, frontline officers continued to deliver outstanding policing in 2018-19, preventing and disrupting crime and engaging with the communities we serve to improve their safety and security. This annual report summarises many of the outstanding outcomes achieved during 2018-19 and outlines the priorities and goals that drive our dedicated officers' efforts.

I'm particularly proud of my RISEUP strategy, which I launched on 8 August 2018 to connect disengaged young people with education, employment and community. In its first year, more than 1200 young people took part in RISEUP programs with a successful completion rate of 70%. In addition, more than 3000 took part in RISEUP's Fit for Life program.

Most significantly, more than 160 young people obtained employment. RISEUP is giving young people a genuine opportunity to take control of their lives and engage in a lifestyle that delivers a strong sense of pride, achievement, ownership and the ability to positively contribute.

Our work continues in 2019-20 and new challenges will emerge. However, I am confident that the men and women of the NSW Police Force are prepared, equipped and motivated to continue their fine work serving the people of this great state.

A stylized, handwritten signature in black ink, likely belonging to Michael Fuller APM.

Michael Fuller APM
Commissioner of Police

Our organisation

Our charter

The NSW Police Force operates under the *Police Act 1990* and the *Police Regulation 2015*.

The Night Watch was formed by Governor Arthur Phillip in 1789 to guard Sydney Town. It was the first civilian police force in Australia. In 1862 all Watch Teams were combined under the *Police Regulation Act 1862* to form the NSW Police Force. That Act was later replaced by the *Police Regulation Act 1899*. In June 1987, the NSW Police Force (which was responsible for police operations) and the NSW Police Department (which was responsible for police policy and administration) were amalgamated.

Today, the NSW Police Force has 21,080 employees: 17,111 police officers and 3969 administrative officers. It serves more than eight million people – approximately 32% of Australia's total population.

In the 2018-19 financial year, the NSW Government funding contributions to the NSW Police Force were \$3.598 billion including Commonwealth grants and contributions of \$0.002 billion.

Our aim and objectives

The NSW Police Force vision is 'a safer NSW' and our mission is to work with the community to reduce violence, crime and fear. The NSW Police Force Statement of Strategic Intent 2019 describes our organisational priorities and outlines how we intend to build safer communities.

We prevent crime, maintain public safety and engage the community through our focus on:

- **Prevention:** We safeguard and strengthen individuals, communities, assets and infrastructure to deter crime, improve personal safety and build resilience. We intervene early for at-risk individuals and groups to limit escalation, minimise harm and positively influence behaviour. We divert minor offenders and at-risk groups – such as young people and Aboriginal people – to reduce re-offending and avoid unnecessary contact with the criminal justice system.
- **Disruption:** We interrupt criminal behaviour to break criminal networks and bring offenders to justice.
- **Response:** We deliver professional policing services to maintain community confidence.
- **Capability:** We develop capable and resilient people to maximise performance. We build effective systems to future-proof our service delivery. We enhance leadership to build an agile and innovative organisation.

A culture of ethical and lawful behaviour

Our Ethics & Integrity Framework complies with Part 2 of the *Government Sector Employment Act 2013* which establishes a legal requirement for all employees in public sector agencies to act ethically in the public interest. The NSW Police Force Statement of Values found in section 7 of the *Police Act 1990* and the Code of Conduct & Ethics are consistent with the values and principles found in the Government Sector Employment Act.

Our framework seeks to ensure ethics are incorporated into all aspects of policing, making ethical behaviour, practices and decision making a part of daily routine which is supported by a range of policies and initiatives that promote a culture resistant to corruption, misconduct and internal fraud.

Our governance structure

The Commissioner has primary responsibility for the day to day governance of the organisation and is responsible to the Minister for Police and Emergency Services for the overall direction and performance of the NSW Police Force. The Commissioner's Executive Team is the peak decision-making body and its role includes:

- developing and implementing the overall strategic direction of the NSW Police Force
- planning for the future
- achieving NSW government priorities
- monitoring and measuring corporate performance
- ensuring compliance with external and internal controls and processes
- setting budgets and monitoring financial performance
- reporting to government
- managing organisational reform.

Members of the Commissioner's Executive Team

Chair: Commissioner Michael Fuller APM joined the NSW Police Force in 1987 and was appointed Commissioner of Police in April 2017. He holds a Graduate Diploma of Executive Leadership (Australian Institute of Police Management) and a Diploma of Applied Policing (Charles Sturt University) and a number of diplomas and certificates in leadership and management.

Deputy Commissioner Metropolitan Field Operations, Jeffrey Loy APM joined the NSW Police Force in 1982 and was promoted to Deputy Commissioner in May 2017. He has several post graduate qualifications including a Master of Business Administration and was awarded the University of Queensland, Director's Leadership Award for 2008.

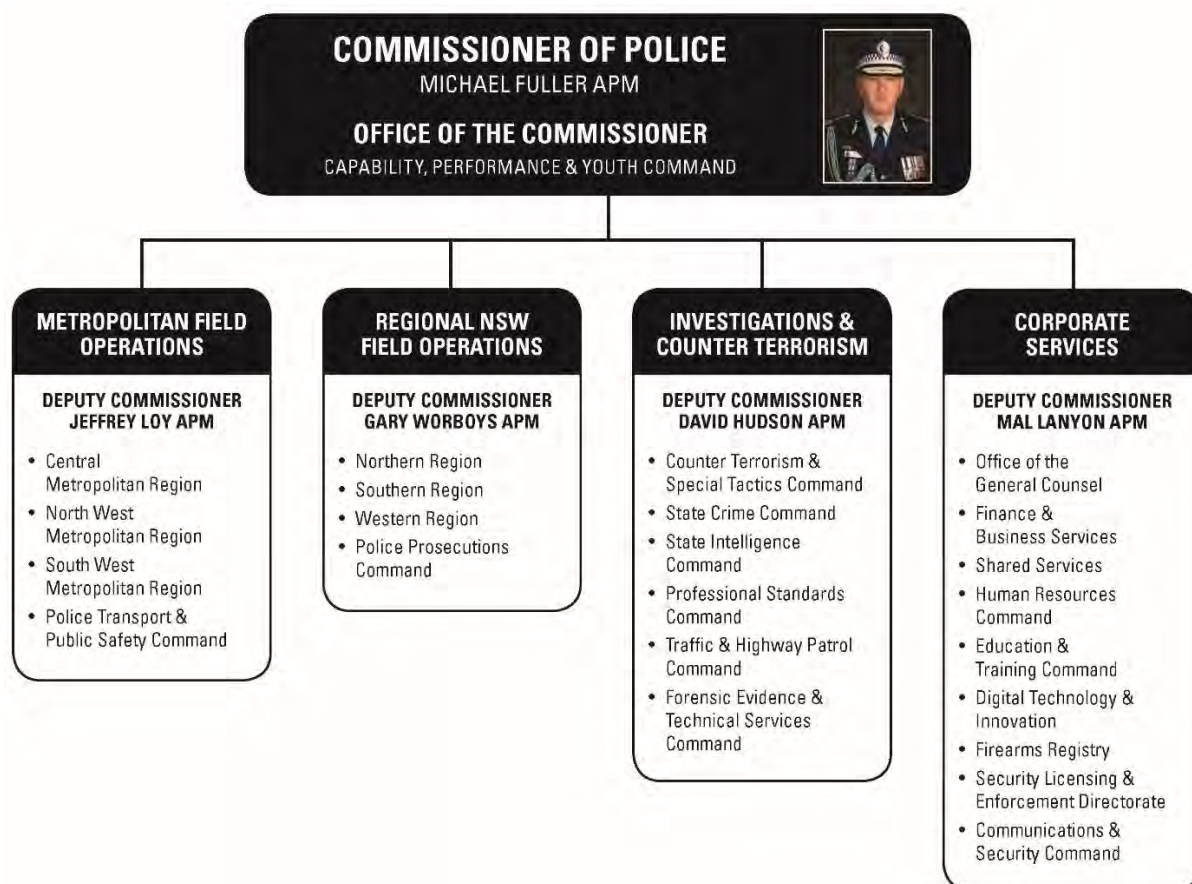
Deputy Commissioner Regional NSW Field Operations, Gary Worboys APM joined the NSW Police Force in 1982 and was promoted to Deputy Commissioner in May 2017. His qualifications include a Master in Public Policy & Administration.

Deputy Commissioner Investigations & Counter Terrorism, David Hudson APM joined the NSW Police Force in 1981 and was promoted to Deputy Commissioner in February 2013. He is a graduate of the FBI National Academy and holds a Master of Public Policy & Administration and a Graduate Certificate in Criminology.

Deputy Commissioner Corporate Services, Malcolm Lanyon APM joined the NSW Police Force in 1987 and was promoted to Deputy Commissioner in January 2019. He has an Associate Diploma of Criminal Justice and a Bachelor of Social Science. He has completed the Australian & New Zealand School of Government Executive Fellows Program and the Australian Institute of Police Management Police Leadership Strategy.

Deputy Commissioner Catherine Burn APM was on external secondment during the 2018-19 financial year.

NSW Police Force organisational chart, 30 June 2019



Our police regions

On 30 June 2019 there were 32 police area commands-in three metropolitan regions and 26 police districts in three regional NSW regions, delivering policing services to communities. Specialist commands complement the general duties operational capability, covering land, sea and air operations.



1 Central Metropolitan Region

Area	541.23km ²
Resident population*	1,258,231
Number of police officers	2222
Number of administrative staff	177

2 South West Metropolitan Region

Area	3,637.93km ²
Resident population*	1,546,394
Number of police officers	2057
Number of administrative staff	174

3 North West Metropolitan Region

Area	6,254.98km ²
Resident population*	1,975,516
Number of police officers	2099
Number of administrative staff	180

4 Southern Region

Area	199,443.07km ²
Resident population*	1,022,550
Number of police officers	1480
Number of administrative staff	150

5 Northern Region

Area	70,114.78km ²
Resident population*	1,684,465
Number of police officers	2134
Number of administrative staff	188

6 Western Region

Area	520,382.57km ²
Resident population*	558,914
Number of police officers	1195
Number of administrative staff	145

* Population estimates have been derived by taking each region's share of the NSW population.

Note: Employee figures include staff within region command offices. However, they do not include police officers and administrative staff within the deputy commissioner offices and commands who are centrally managed but deployed throughout the regions in specialist and corporate roles to provide investigative support, radio communications, call centres, forensic services, complaints and employee management, air and sea policing, specialist surveillance, canine and mounted support, media and public relations, counter terrorism and major crime investigation, police prosecutions, technology support, occupational health and safety, injury management, education and training, human resource support and asset management. The figures above represent actual police officer headcount as at 30 June 2019. These figures will vary from month to month and year to year. Actual strength across the NSW Police Force has increased from 16,788 in 2017-18 to 17,111 in 2018-19.



Metropolitan Field Operations

As Commander of Metropolitan Field Operations Deputy Commissioner Jeffrey Loy (*left*) is responsible for the three Sydney metropolitan regions and the Police Transport & Public Safety (PT& PS) Command. This represents a contingent of more than 8000 sworn and unsworn officers performing frontline, investigative, specialist, and supportive roles. Deputy Commissioner Loy has also performed the role of SEOCON, which is responsible for managing the response to major disasters and emergencies.

Deputy Commissioner Loy has introduced crime forums and consistent auditing regimes, enhanced the emergency management capability and fortified region enforcement squads. He has been the IPOS Project Sponsor which will result in major technological enhancements. Assistant commissioners have led priority projects including crime management units and mid-level crime. Commanders have also represented the NSW Police Force on a range of significant corporate sponsorships including mental health, domestic and family violence, victims of crime and customer service, and cultural and linguistic diversity.

Central Metropolitan Region continues to operate in a diverse and high-volume environment. One operation resulted in 207 offenders being charged with 369 supply offences, the seizure of 31kg of drugs and significant amounts of cash. Through proactive targeting, 20 convicted child sex offenders were arrested for 85 offences. The region also manages the state's highest volume of protest activity. Community Engagement programs such as Clean Slate Without Prejudice and Never Going Back continue and the command fostered the development and graduation of 25 Aboriginal recruits participating in the IPROWD program, the largest class to date.

North West Metropolitan Region formed a strike force to investigate historical sexual abuse of over 250 Daruk Boys' Home residents. It resulted in seven offenders being charged with 252 offences on 51 victims. The region commander held the project sponsorship for the Mobile Police Program (MobiPol) and collaborated with government and non-government agencies as Corporate Sponsor for Domestic & Family Violence.

South West Metropolitan Region started Operation Trident to target mid-level crime and has seized \$2.1 million in cash, \$38.3 million in drugs, \$3.3 million in assets, 50 firearms and 30 weapons, and charged 101 offenders with 493 offences. The region also conducted record numbers of inspections on the majority of the more than 700 registered child sex offenders in the region to detect and deter further offending. The region polices and manages major events within Sydney Olympic Park, including the Royal Easter Show, State of Origin, NRL Grand Final, sporting events, concerts and festivals.

The PT&PS Command comprises aviation, marine, emergency management, mounted, dog handling and transport police, and planning and public order capabilities. One helicopter and two fixed wing aircraft have been commissioned. Operation Artemis was conducted to detect sexual offences occurring on public transport, resulting in 89 offenders being charged for 153 offences. Operation Colossus resulted in 1186 infringement notices, 149 arrests, 236 charges, 116 drug detections, 467 move-on directions and 695 person searches.



Regional NSW Field Operations

Led by Deputy Commissioner Gary Worboys (*left*), Regional NSW Field Operations was formed on 28 May 2017 to cater for the unique challenges involved in policing remote, rural and regional communities across the Northern, Western and Southern Regions.

Regions benefitted from reforms that followed re-engineering including the roll-out of the officer-in-charge model. Region enforcement squads and high risk domestic violence teams, which are supported by police districts, target persons and locations of interest, and illegal activities.

Rural crime prevention teams continued to deliver professional investigative responses to reported crime. Community engagement was a focus with rural crime investigators delivering 36 farm security workshops in partnership with NSW Farmers across regional NSW. Joint agency capabilities were enhanced to target rural crime offenders, with particular focus on illegal hunting, rural trespassing and stock theft.

Northern Region and Strike Force Raptor North officers targeted criminal groups with convictions secured against outlaw motorcycle gang (OMCG) members. Tweed Byron PD managed an investigation into a missing Belgian tourist, collaborating with State Crime Command and Belgian police. Operations including Strike Force Basic in Brisbane Water PD, Strike Force Toocooya in Newcastle PD, and Strike Forces Nerrissa and Deveril in the Richmond PD, led to arrests and seizures of illegal drugs. Strike Force Eadevale in Port Stephens Hunter PD targeted the supply of firearms and resulted in two people being arrested and a number of firearms seized.

Western Region Police maintained a strong investigative focus on the supply of ice and other prohibited drugs. Strike Forces Radius at Tamworth, Garnier at Bathurst and Bato at Dubbo all led to significant seizures of prohibited drugs and multiple arrests. Operation Hoist provided a police response to the Bathurst 1000 Supercars event attended by 300,000 people in October, while in January Operation Brandt policed the 10-day Tamworth Country Music Festival, which attracted over 100,000 people.

Southern Region rolled out three specially built community trailers to help engage with young people. Strike Force Burgh in Wollongong PD saw multiple offenders charged with drug offences and Strike Force Palena in Murray River PD resulted in multiple drug and firearms charges. Strike Force Royden involving South Coast PD and State Crime Command investigated the supply of prohibited drugs throughout Australia. Police charged three people and seized over \$80,000 in cash, \$250,000 in cryptocurrency and several luxury cars. Strike Force Courtice in Monaro PD resulted in a person, who shot at police, being charged.

Police Prosecutions Command appeared on behalf of the police informant in most summary prosecutions and apprehended violence order proceedings before Local Courts in NSW. Phase one of the Court Matter File Management System became operational in May 2019, providing a dedicated computer system to manage workload and disseminate notifications and requests to police. Police Prosecutions also supported operations state-wide, including those involving festivals and dance parties, the Invictus Games, terrorism and other major and local operations. It supported initiatives to disrupt criminal groups including OMCGs through restricted premises applications, serious crime prevention orders and operational legal support. Police Prosecutions provided legal support and advocacy regarding the prosecutions of a large number of OMCG members for breaching serious crime prevention orders including 33 members of the Finks OMCG.



Investigations & Counter Terrorism

Deputy Commissioner David Hudson (*left*) leads Investigations & Counter Terrorism, which in 2018-19 comprised the State Crime Command, Counter Terrorism & Special Tactics Command, Forensic Evidence & Technical Services Command, State Intelligence Command, Traffic & Highway Patrol Command and Professional Standards Command.

State Crime Command addressed organised crime, homicides and sex crimes with a number of strike forces. Strike Force Mercury, led by the Financial Crimes Squad, targeted various criminal networks which defrauded over \$2 billion from the Commonwealth through the Family Day Care Scheme, National Disability Insurance Scheme and CTP Greenslip Scheme. The

strike force executed 31 search warrants and achieved 23 arrests and 30 charges.

The Robbery & Serious Crime Squad established Strike Force Merengue to investigate the operation of a South American group committing large scale theft and robbery offences and transferring the proceeds offshore. Ten offenders were charged with 242 offences and a number of offenders were prevented from entering Australia.

The Homicide Squad's Strike Force Wongala continued the investigation into the murder of 15-year-old Brayden Dillon. This year saw numerous arrests and charges. One offender was charged with murder and a solicitor was charged with accessory after the fact to murder, participate in a criminal group and pervert the course of justice. The Homicide Squad and the Criminal Groups Squad conducted a strategic overview of homicides and related activities of organised crime groups and have charged 80 offenders with 703 offences, including 16 homicide related offences. Police seized 99 firearms and over 12,000 rounds of ammunition. The work has been supported by the NSW Crime Commission, which has held 58 related hearings.

The Criminal Groups Squad's Strike Force Royden investigated the supply of drugs and firearms by members of an OMCG and their associates. It identified the use of cryptocurrency and the dark web to conduct large scale drug supply over a number of years, amassing wealth in excess of \$15 million. The investigation culminated with the arrest of three offenders and \$2 million of drugs seized.

The Drug & Firearms Squad established Strike Force Myosoti to investigate the illegal supply of pistols by a licensed dealer through his gun shop in the Illawarra. He was arrested and charged with 148 offences firearms related offences. Police seized 338 firearms from the store as a result of the licence being revoked. Another 16 firearms that police seized and linked to the gun shop were also linked to 35 crime scenes including two murders.

The Forensic Evidence & Technical Services equipped frontline police officers with technology and the capabilities to interrogate digital mobile devices. In three months, police used the equipment on over 8000 occasions and examined 2300 phones, promptly extracting large quantities of significant digital data.

Traffic & Highway Patrol undertook several high-profile operations to respond to road trauma, including Operation Merret in both regional and metropolitan areas and Operation Northmore, which targeted heavy vehicles on all major transport routes into NSW over a 48-hour period. The Crash Investigation Unit responded to over 290 serious or fatal collisions in metropolitan and regional NSW. The NSW Police Force conduct over 5.8 million random breath tests and 138,320 roadside drug tests.

The State Intelligence Command worked with the Kirby Institute of NSW and IBM to create the NSW Police Force's first artificial intelligence app to better inform responding police when attending calls for service. The app

provides information on the basis of extensive analysis of domestic violence reports risk rating that may be encountered. It also informs officers on signs of mental health conditions and how to engage with people exhibiting those signs. An Intelligence Coordination Centre has been established to provide support major incidents and investigations across NSW on 24/7 basis.

The Counter Terrorism & Special Tactics (CTST) Command has had some significant court outcomes, including the prosecution of those involved in the murder of police employee Curtis Cheng and Operations Silves' response to an attempt to detonate an improvised explosive device on an airplane. The command undertook a number of proactive operations that disrupted terrorist related activities across the state. CTST introduced a framework to manage the risk of terrorism of offenders on post-sentencing detention or supervision. It has embedded the Fixated Threat Assessment Centre and Fixated Persons Investigation Unit and continued with a strong community engagement countering violent extremism program. The command's Tactical Operations Group implemented reforms to support a quick response force, as well as early intervention for terrorist incidents.



Corporate Services

Led by Deputy Commissioner Malcolm Lanyon (*left*) since January 2019, and previously Rosemary Milkins, Corporate Services business units enable the delivery of frontline police services. Its commands provide capability through IT, education and training, finance and business management, human resource management, civil legal support, firearms regulation, communications support, audits, strategic projects and security and licensing enforcement.

The Strategic Projects Unit was integral to the engagement of and finalisation of a review of police promotions system. It also delivered the NSW Police Force Infrastructure Strategy 2018-2038 which aligns the key drivers shaping the future of policing with infrastructure strategies and sets out the NSW Government's priorities for investment in police infrastructure.

Human Resources continued to play a vital role in allocating an additional 1500 officers over the next four years, and began work on creating a new, improved promotions system that focuses on capability. HR also collaborated with industry leaders to develop, enhance and implement new ways of working to support employee wellbeing, and commissioned a new long-term strategy to place the NSW Police Force at the forefront of employee welfare.

PoliceLink had more than 1.5 million customer service contacts in 2018-19, achieving a 96% customer satisfaction rating. This included almost 750,000 Triple Zero (000) calls, more than 500,000 calls to the Police Assistance Line and more than 90,000 calls to Crime Stoppers. There were more than 1.6 million downloads of the Emergency+ app and over 200,000 followers of the Crime Stoppers Facebook page. Crime Stoppers NSW received a Crime Stoppers International Award for greatest increase in property recovered including drugs. The Communications & Security Command provided 4485 modern portable radios and 2640 mobile radio terminals for front-line policing and extended radio communications to the Sydney Metro Northwest rail line.

The first of the modular police station concept buildings was delivered in early 2019 as the new Bay and Basin Police Station became operational. Multipurpose police station infrastructure assets were also delivered at Gunnedah and Mount Druitt. Police Property Group completed over 116 minor works projects.

Shared Services delivered a payroll of \$3.1 billion and paid suppliers, including small businesses, \$533.8 million, excluding credit card payments. Eight audits were conducted, including audits covering governance, risk and compliance, work health and safety management, information security management and customer service.

Education & Training implemented a new leadership and capability development model and trialled virtual classrooms and digital learning platforms and styles to increase the accessibility of education and training.

Finance & Business Services implemented a new investment prioritisation process, and through Fleet Services developed and trialled new design prisoner transport modules, improving prisoner welfare and officer safety. Strategic Procurement obtained level two accreditation from the NSW Government Procurement Board, the highest level of agency accreditation, allowing NSW Police Force to engage in all levels of procurement activities.

The Security Licensing Enforcement Directorate conducted 429 audits of security businesses, five major compliance operations, four regional compliance deployments, 194 audits of security training providers and 23 investigations of non-compliant security training practices. A new organisational structure for the Firearms Registry was developed and an online customer service portal for firearm licences and permit applications was introduced to improve customer service and maintain public safety.

Digital Technology & Innovation (DTI) established the 2019-2021 ICT Strategy & Roadmap and began the acquisition of the Integrated Policing Operating System (IPOS) which will reform and modernise our current major frontline policing technology systems, principally COPS. IPOS will deliver next generation integrated technology for Computer Aided Dispatch, investigations and case management, charge and legal processes, and intelligence through to forensics management needs. DTI completed the rollout of body worn video, distributed 3000 new MobiPol devices and enhancements to MobiPol such as multimedia capture, interactions and domestic violence functionality, and began to implement new digital platforms for collaboration in Office 365, BluePortal for Request for Assistance and intelligence capabilities in Chimera and Koda.

How we performed

The performance indicators in this section relate to the mission of the NSW Police Force to work with the community to reduce violence, crime and fear, as set out in the *Police Act 1990*.

Our focus on prevention, disruption, response and capability is outlined in the NSW Police Force Statement of Strategic Intent 2019, which is available on the NSW Police Force website, www.police.nsw.gov.au.

Revisions to previous year's statistics reflect updated investigations.

CRIME

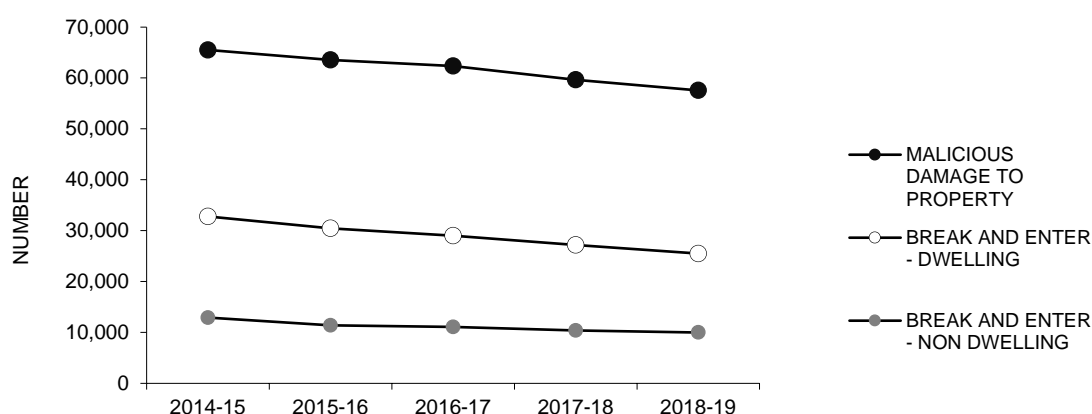
We focus on reducing rates of crime, particularly violent crime. Frontline policing and the targeting of crime hot spots and repeat offenders have contributed to crime levels across all major key indicators falling or remaining stable. Note that recorded crime statistics represent only those matters reported to police. A change in recorded crime may reflect changes in the propensity to report to police.

TABLE1: NUMBER OF INCIDENTS RECORDED FOR CRIMES AGAINST PROPERTY

Break and enter – dwelling	32,795	30,469	29,014	27,185	25,508
Break and enter – non-dwelling	12,927	11,412	11,063	10,392	9,991
Malicious damage to property	65,521	63,552	62,382	59,627	57,564
Steal from motor vehicle	42,302	39,875	40,080	38,344	38,063
Motor vehicle theft	15,099	13,230	13,423	12,947	13,244
Steal from dwelling	22,374	20,936	20,816	19,393	18,788
Steal from person	5,936	5,354	4,705	4,436	3,892
Steal from retail store	21,386	22,827	24,136	24,438	26,033

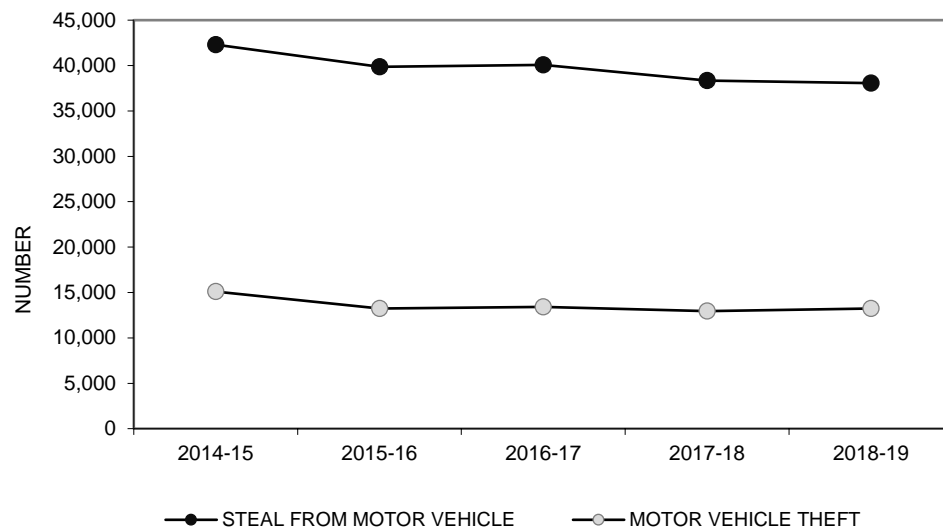
Source: NSW Bureau of Crime Statistics & Research

CHART 1: NUMBER OF INCIDENTS RECORDED FOR BREAK AND ENTER, AND PROPERTY DAMAGE



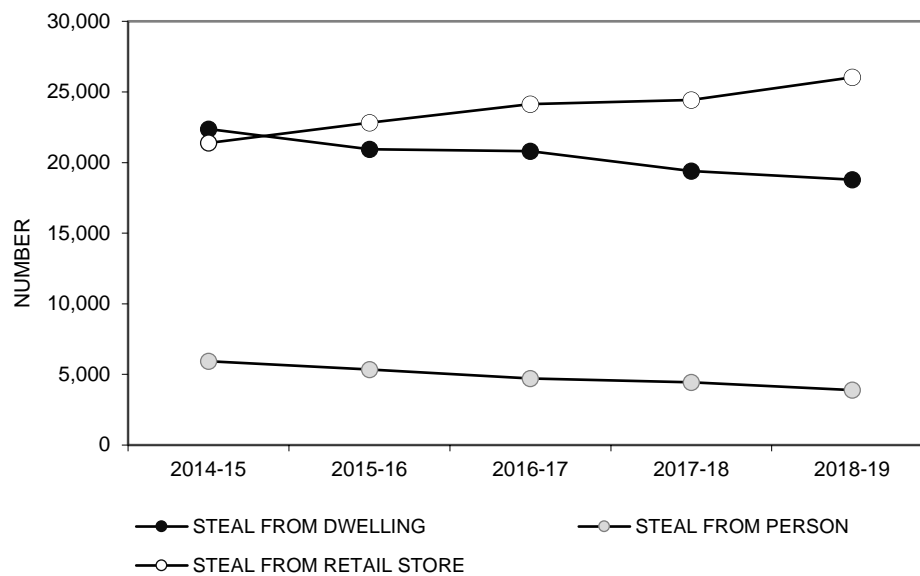
Source: NSW Bureau of Crime Statistics & Research

CHART 2: NUMBER OF INCIDENTS RECORDED FOR CRIMES AGAINST PROPERTY INVOLVING MOTOR VEHICLES



Source: NSW Bureau of Crime Statistics & Research

CHART 3: NUMBER OF INCIDENTS RECORDED FOR CRIMES AGAINST PROPERTY INVOLVING OTHER STEALING



Source: NSW Bureau of Crime Statistics & Research

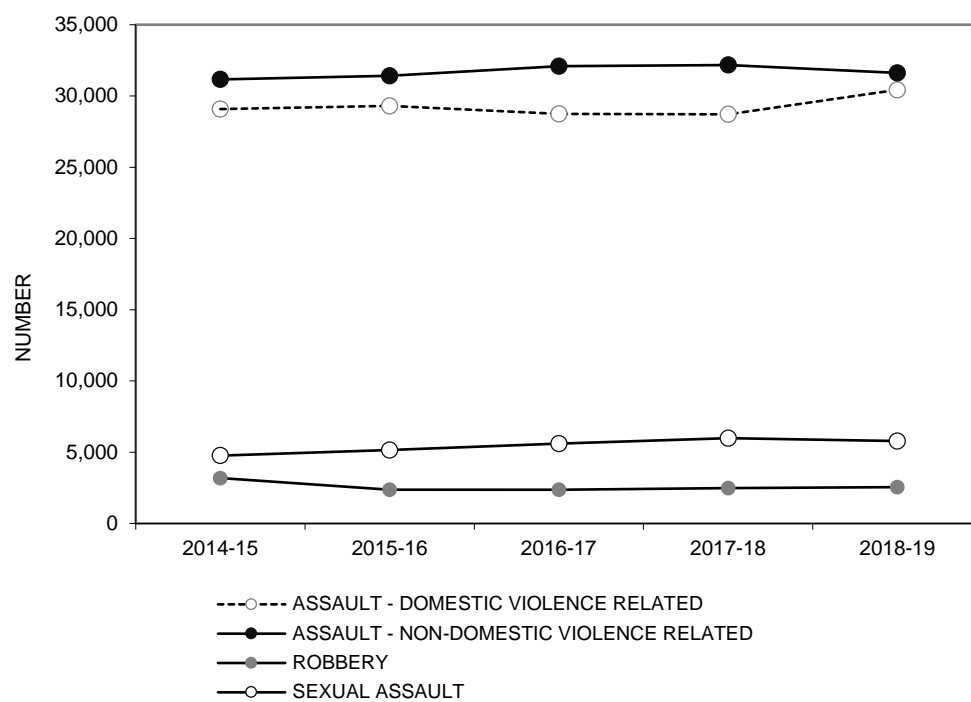
TABLE 2: NUMBER OF INCIDENTS RECORDED FOR CRIMES AGAINST PERSONS

Assault – domestic violence related	29,084	29,305	28,741	28,712	30,434
Assault – non-domestic violence related	31,163	31,425	32,089	32,171	31,614
Robbery	3,190	2,375	2,369	2,486	2,556
Sexual assault	4,765	5,159	5,615	5,989	5,778

Source: NSW Bureau of Crime Statistics & Research

Note: A non-domestic violence assault is any assault that does not have an associated factor of domestic violence.

CHART 4: NUMBER OF INCIDENTS RECORDED FOR CRIMES AGAINST PERSONS



Source: NSW Bureau of Crime Statistics & Research

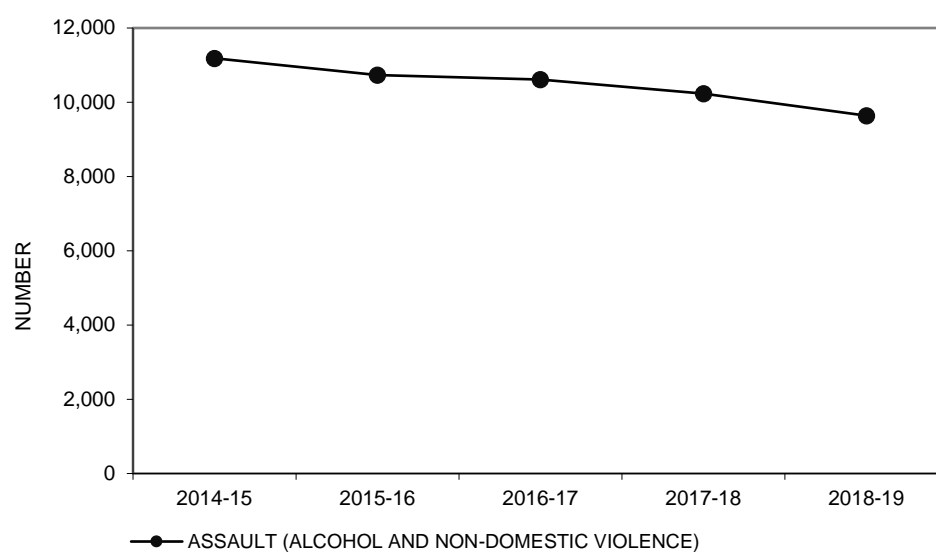
TABLE 3: RECORDED NON-DOMESTIC VIOLENCE ASSAULTS WHERE ALCOHOL WAS A FACTOR

Incident category	2014-15	2015-16	2016-17	2017-18	2018-19
Assault (alcohol and non-domestic violence)	11,185	10,737	10,612	10,236	9,639

Source: NSW Police Force Computerised Operational Policing System

Note: A non-domestic violence assault is any assault that does not have an associated factor of domestic violence.

CHART 5: RECORDED NON-DOMESTIC VIOLENCE ASSAULTS WHERE ALCOHOL WAS A FACTOR



Source: NSW Police Force Computerised Operational Policing System

PUBLIC SAFETY

We focus on reducing levels of antisocial behaviour and the community's perception and fear of crime. The community expects public spaces to be safe to use. Police patrols are extensive and focus on hot spots for poor driving, crime and antisocial behaviour.

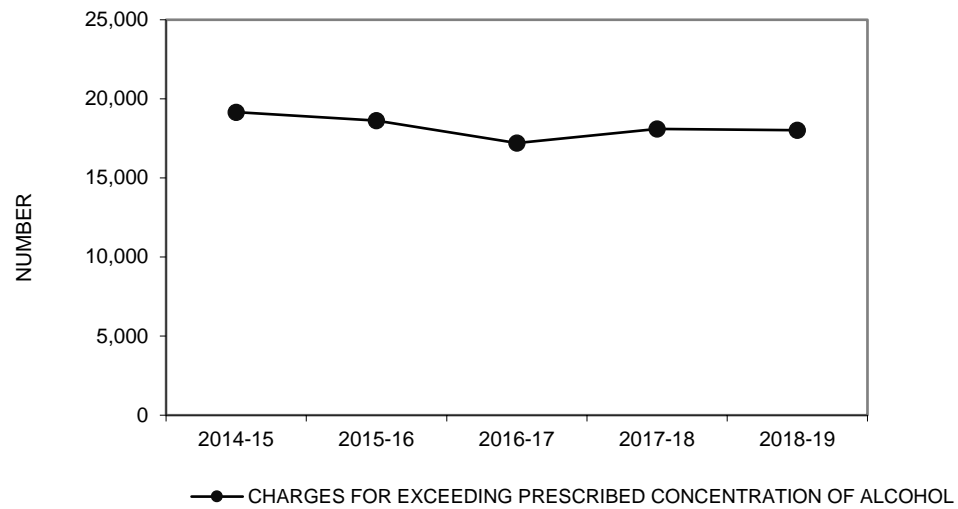
TABLE 4: CHARGES FOR EXCEEDING PRESCRIBED CONCENTRATION OF ALCOHOL, AND NUMBERS OF INJURY CRASHES AND FATAL CRASHES

Incident category	2014-15	2015-16	2016-17	2017-18	2018-19
Exceed prescribed concentration of alcohol	19,161	18,620	17,206	18,098	18,025
Injury crashes	15,457	15,835	14,847	13,750	12,248
Fatal crashes	278	354	330	363	335

Source: NSW Police Force Traffic & Highway Patrol Command

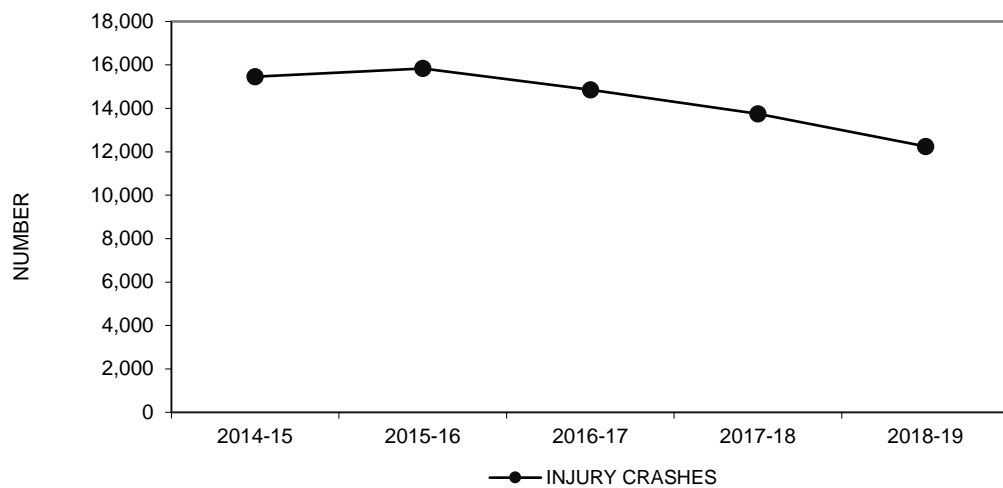
Note: Revisions to previous year's statistics reflect updated investigations.

CHART 6: CHARGES FOR EXCEEDING PRESCRIBED CONCENTRATION OF ALCOHOL



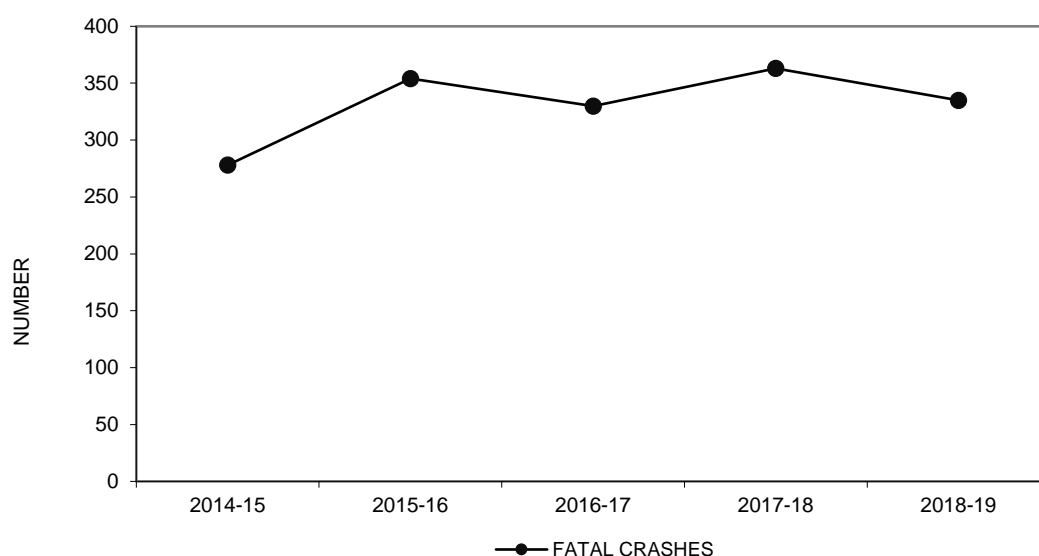
Source: NSW Police Force Traffic & Highway Patrol Command

CHART 7: INJURY CRASHES



Source: NSW Police Force Traffic & Highway Patrol Command

CHART 8: FATAL CRASHES



Source: NSW Police Force Traffic & Highway Patrol Command

TABLE 5: CONCERN ABOUT CRIME AND ANTISOCIAL BEHAVIOUR IN LOCAL NEIGHBOURHOODS, NSW

	NSW										Australia	
	2014-15 lower/upper limit %		2015-16 lower/upper limit %		2016-17 lower/upper limit %		2017-18 lower/upper limit %		2018-19 lower/upper limit %		2018-19 lower/upper limit %	
Speeding cars or dangerous drivers	58.4	66.4	69.1	76.4	69.1	76.9	64.9	71.4	59.7	66.4	63.0	65.5
Graffiti or other vandalism	39.6	47.8	44.2	53.0	41.1	50.9	34.8	41.5	31.6	38.0	36.2	38.7
Louts or gangs	19.0	26.4	23.8	32.0	23.2	31.9	20.2	25.8	19.3	25.4	21.6	23.8
Drunken or disorderly behaviour	29.5	37.4	33.6	42.1	32.3	42.0	32.7	39.2	31.2	37.9	31.0	33.5

Source: National Survey of Community Satisfaction with Policing 2018-19

Note: The percentage shown is the sum of respondents who consider the issue to be a 'major problem' and 'somewhat of a problem'. Any survey estimate is subject to sample error – the smaller the sample, the larger the sample error. Rather than report point estimates, results are presented as a range (the 95% confidence interval). This means there are 19 chances in 20 that the true value lies within the range. Perceptions are influenced by many factors, not necessarily related to the actual level of crime and social disorder (e.g. media reporting and past personal experiences).

CHART 9: CONCERN ABOUT SPEEDING CARS OR DANGEROUS AND NOISY DRIVING IN LOCAL NEIGHBOURHOODS, NSW

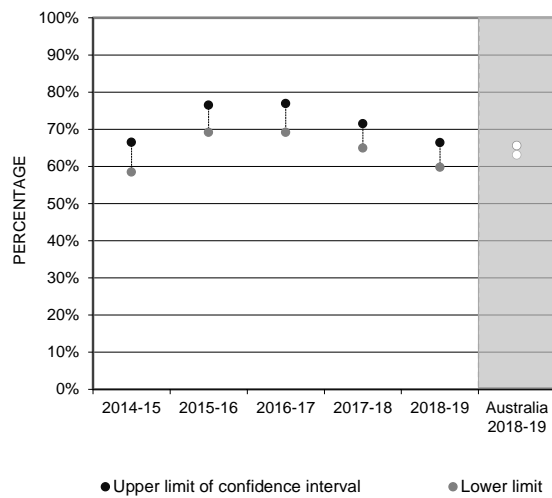


CHART 10: CONCERN ABOUT GRAFFITI OR OTHER VANDALISM IN LOCAL NEIGHBOURHOODS, NSW

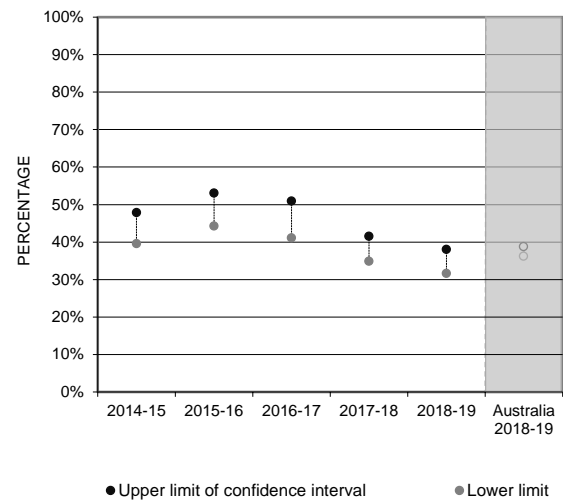


CHART 11: CONCERN ABOUT LOUDES OR GANGS IN LOCAL NEIGHBOURHOODS, NSW

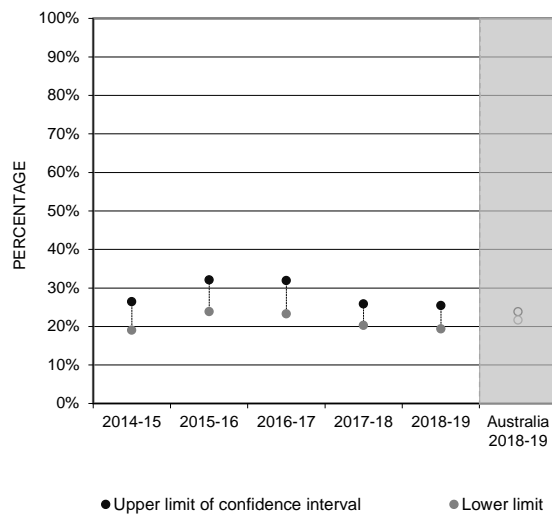
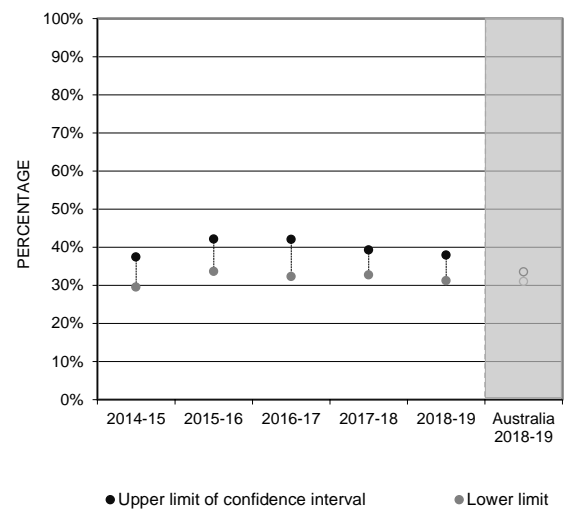


CHART 12: CONCERN ABOUT DRUNKEN OR DISORDERLY BEHAVIOUR IN LOCAL NEIGHBOURHOODS, NSW



Source: National Survey of Community Satisfaction with Policing 2018-19

We focus on achieving safer public transport and public spaces. The targeted police presence on public transport is intended to reduce antisocial behaviour and lead to safer use of public transport.

TABLE 6: FEELINGS OF SAFETY, NSW

	NSW										Australia	
	2014-15 lower – upper limit %		2015-16 lower – upper limit %		2016-17 lower – upper limit %		2017-18 lower – upper limit %		2018-19 lower – upper limit %		2018-19 lower – upper limit %	
On public transport at night	43.0	54.5	41.5	54.5	38.8	52.6	45.3	53.9	48.4	57.0	46.5	49.8
Jogging/ walking at night	56.8	65.6	55.9	65.6	49.3	60.2	60.2	67.2	62.8	69.7	58.4	61.1

Source: National Survey of Community Satisfaction with Policing 2018-19

Note: The percentage shown is the sum of respondents who reported feeling 'very safe' and 'safe'. Any survey estimate is subject to sample error – the smaller the sample, the larger the sample error. Rather than report point estimates, results are presented as a range (the 95% confidence interval). This means that there are 19 chances in 20 that the true value lies within the range.

CHART 13: FEELING SAFE ON PUBLIC TRANSPORT ALONE AT NIGHT, NSW

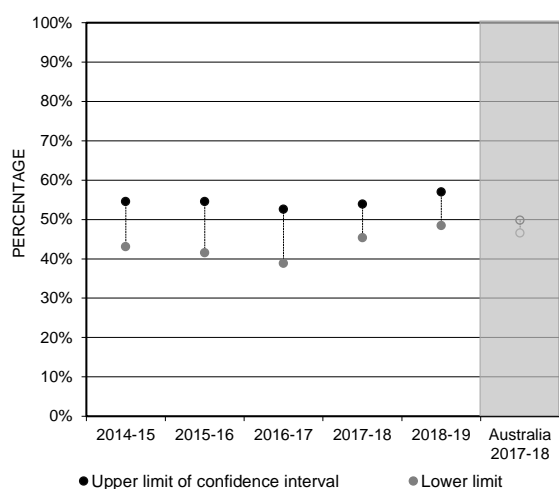
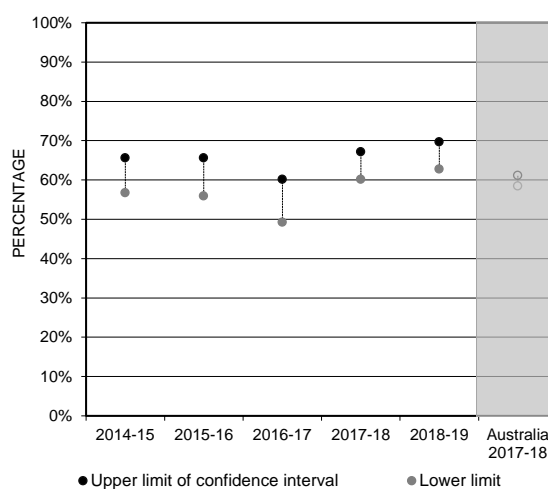


CHART 14: FEELING SAFE WALKING/JOGGING ALONE AT NIGHT, NSW



Source: National Survey of Community Satisfaction with Policing 2018-19

COMMUNITY AND PARTNERS

We focus on increasing community confidence in police. Customer service initiatives and prompt, professional responses to crime and safety issues are meeting community expectations.

TABLE 7: COMMUNITY CONFIDENCE IN POLICE

Satisfaction with most recent contact with police	87.2	93.0	83.3	91.1	76.4	86.8	78.8	85.6	79.7	86.3	82.8	85.3
Have confidence in police	89.3	93.7	81.7	89.3	81.4	88.5	81.6	86.9	81.0	86.7	83.0	85.1

Source: National Survey of Community Satisfaction with Policing 2018-19

Note: The percentage shown is the sum of 'very satisfied/strongly agree' and 'satisfied/agree'. Any survey estimate is subject to sample error – the smaller the sample, the larger the sample error. Rather than report point estimates, results are presented as a range (the 95% confidence interval). This means that there are 19 chances in 20 that the true value lies within the range.

CHART 15: SATISFACTION WITH MOST RECENT CONTACT WITH POLICE, NSW

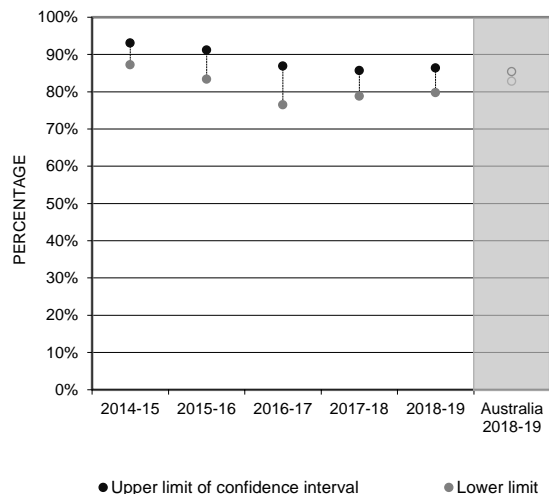
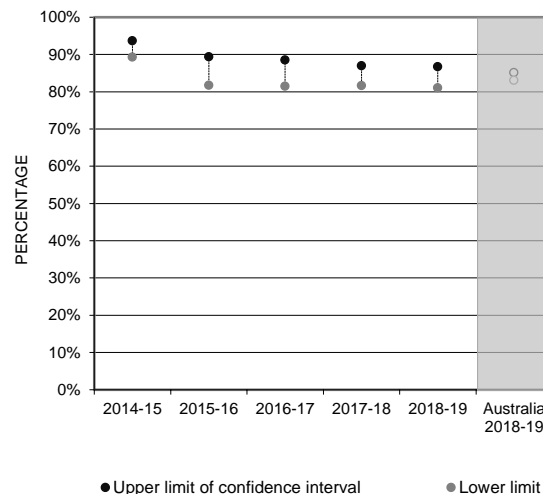


CHART 16: COMMUNITY CONFIDENCE IN POLICE, NSW



Source: National Survey of Community Satisfaction with Policing 2018-19

Response times

The community expects police to be available and capable of responding to calls for assistance within a reasonable time.

TABLE 8: URGENT RESPONSE CALLS^a

	2014-15	2015-16	2016-17	2017-18	2018-19
Urgent response calls	122,322	128,745	125,364	128,411	134,765
Attended to within target time	78.7%	78.2%	78.5%	78.7%	77.3%

Source: NSW Police Force EDW/CAD

a. Calls where there is an imminent threat to life or property. These can include calls to Triple Zero (000), calls to police stations or radio calls from police in the field.

PEOPLE

We focus on enhancing the capabilities of our staff and providing a safe and supportive work environment.

Police numbers and distribution

TABLE 10: POLICE NUMBERS, NSW, AS AT 30 JUNE

	2014	2015	2016	2017	2018	2019
Actual	16,466	16,693	16,627	16,649	16,788	17,111
Authorised positions	16,355	16,565	16,692	16,744	16,784	16,845

Source: NSW Police Force Human Resources Command

Note: The number of authorised positions is the approved total number of police officer positions. The actual number of police officers at any time may be higher or lower than the number of authorised positions since recruitment is planned to replace the expected number of officers lost through attrition – due to resignation, retirement, discharge or other reasons.

Leave and turnover

Police officer turnover was 3.6% for 2018-19, up from 3.1% in 2017-18.

The total number of police officers over the maximum allowed accrued hours of annual leave was 788 (4.6% of all officers), down from 1109 in 2017-18 (6.6% of all officers).

The average number of hours lost per employee (sworn and administrative) due to unplanned absences (that is sick leave and workplace injury leave) was 137 hours in 2018-19, up from 122 hours in 2017-18. The average number of sick leave hours per employee was 59 hours during 2018-19, up from 58 hours in 2017-18. The number of hours lost per employee through workplace injury was 78 hours during 2018-19, up from 64 hours in 2017-18.

Note: Data on unplanned absences is extracted at the same time each year to ensure comparability of data across time.

SATISFACTION WITH POLICE

We aim to provide our people with the skills and direction to do an effective job.

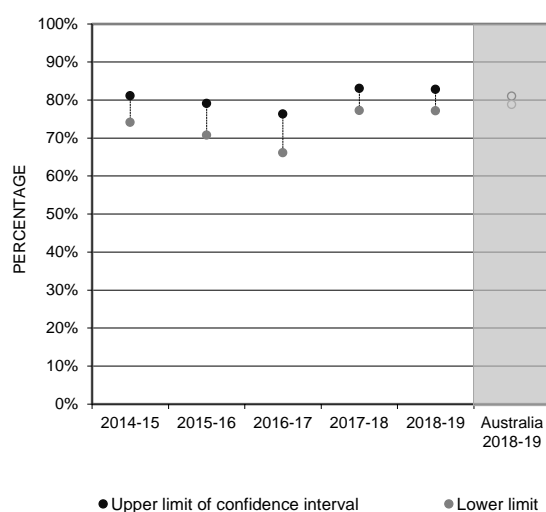
TABLE 11: SATISFACTION WITH SERVICE PROVIDED BY POLICE, NSW

	NSW										Australia	
	2014-15 lower – upper limit %		2015-16 lower – upper limit %		2016-17 lower – upper limit %		2017-18 lower – upper limit %		2018-19 lower – upper limit %		2018-19 lower – upper limit %	
Satisfaction with service provided by police	74.1	81.1	70.7	79.1	66.1	76.3	77.2	83.0	77.1	82.8	78.8	81.0

Source: National Survey of Community Satisfaction with Policing 2018-19

Note: The percentage shown is the sum of 'very satisfied' and 'satisfied'. Any survey estimate is subject to sample error – the smaller the sample, the larger the sample error. Rather than report point estimates, results are presented as a range (the 95% confidence interval). This means that there are 19 chances in 20 that the true value lies within the range.

CHART 18: SATISFACTION WITH SERVICES PROVIDED BY POLICE, NSW



Source: National Survey of Community Satisfaction with Policing 2018-19

Financial summary

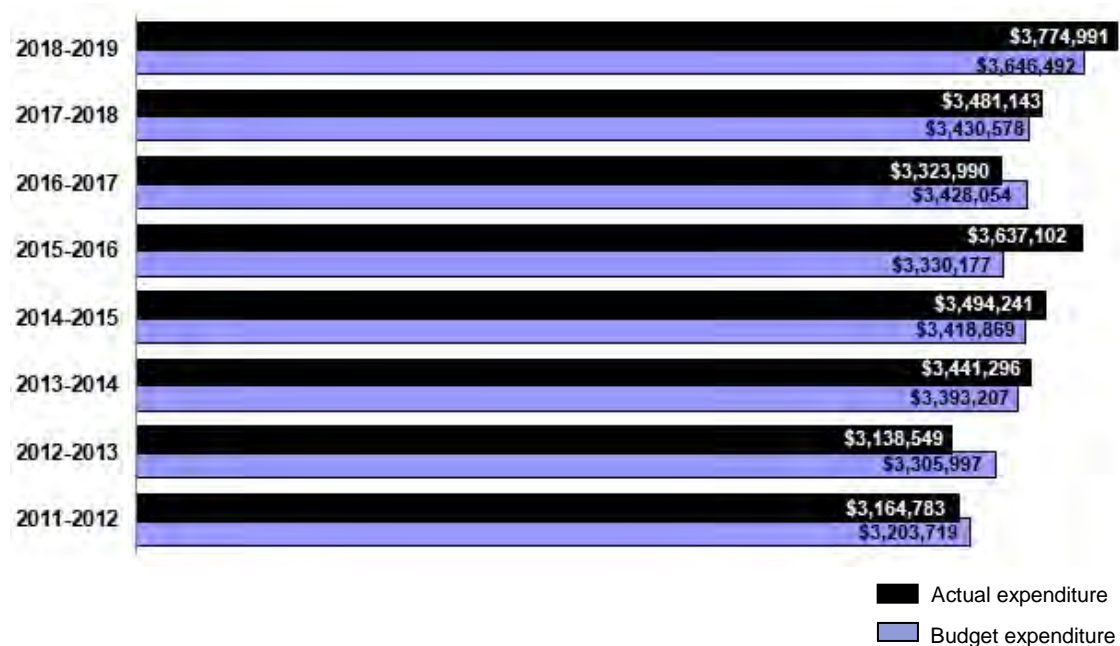
Major expenses

Total expenses including losses were \$3,775 million. About 81% of this amount represented employee-related expenses (\$3,075.40 million). \$2,123.46 million was spent on salaries, wages and annual leave entitlements in addition to Crown acceptance of certain employee-related costs such as superannuation and long service leave expenses, workers compensation insurance and other expenses. Salaries and wages, inclusive of annual leave, increased 4% from 2017-18. Maintenance of property, plant and equipment totalled \$53.80 million.

Contributions and revenue

Total contributions and revenue were \$3,738.30 million, about 4.3% higher than 2017-18. This contribution consists of recurrent grants, capital grants, Crown acceptance of certain employee-related costs such as superannuation, long service leave expenses and other revenue. Capital grants were \$205.50 million. Revenue from the sale of goods and services was \$51.40 million, about 4.7% higher than 2017-18.

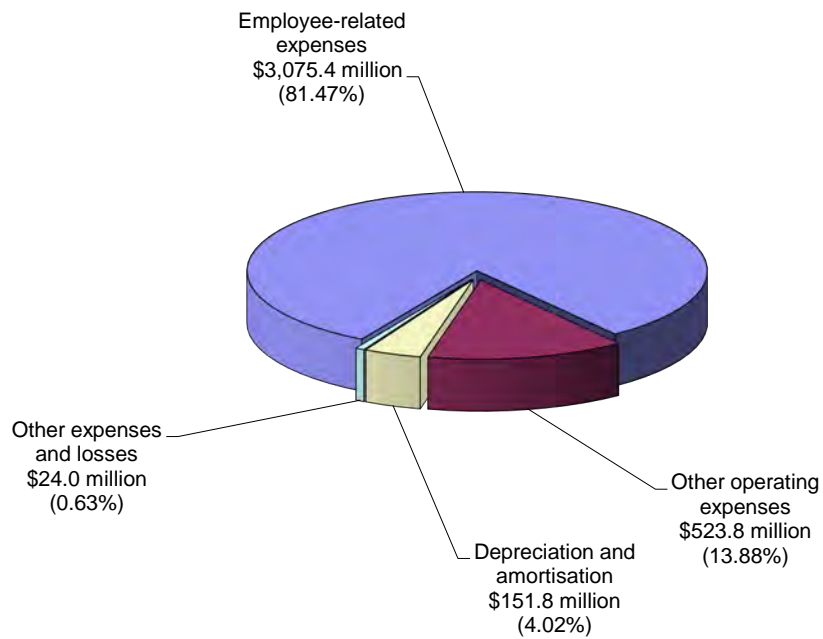
Actual and budget expenditure (\$'000)



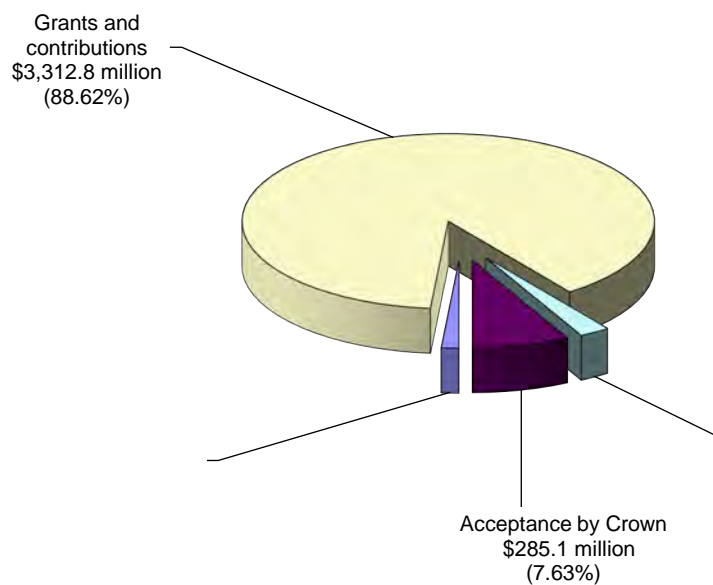
Fiscal impact of the operating environment

Economic development and changes in the environment are often unpredictable and beyond the control of the NSW Police Force. Events like droughts and emergencies can cause change in a community's circumstances and impact on the NSW Police Force's ability to deliver planned results. In 2018-19, there were no events that affected the delivery of policing services.

Total expenses and losses: \$3,775.0 million



Total contributions and revenue: \$3,738.3 million



INDEPENDENT AUDITOR'S REPORT

NSW Police Force

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Police Force (NSW Police), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of NSW Police as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the financial statements' section of my report.

I am independent of NSW Police in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

NSW Police's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Commissioner of NSW Police is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Commissioner and the Chief Financial Officer.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

Commissioner's Responsibilities for the financial statements

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for assessing NSW 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 except where NSW Police's operations will cease as a result of an administrative restructure.

Auditor's Responsibilities for the Audit of the financial statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that NSW Police carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Lawrissa Chan
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 August 2019
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

NSW Police Force

Statement by the Commissioner and the Chief Financial Officer for the year ended 30 June 2019

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, we state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, and the *Public Finance and Audit Regulation 2015*, Australian Accounting Standards, and mandatory NSW Treasury accounting publications;
- (b) the financial statements exhibit a true and fair view of the financial position and financial transactions of NSW Police Force; and
- (c) we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Michael Fuller APM
Commissioner of Police
27 August 2019



Adam Summons FCA
Chief Financial Officer
27 August 2019

NSW Police Force

Statement of comprehensive income for the year ended 30 June 2019

		Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
	Notes			
EXPENSES EXCLUDING LOSSES				
Employee related expenses	2(a)	3,075,416	2,940,322	2,826,165
Operating expenses	2(b)	523,812	524,782	490,690
Depreciation and amortisation	2(c)	151,760	161,025	142,373
Grants and subsidies	2(d)	12,298	6,141	6,043
Finance costs	2(e)	5,432	10,701	8,439
Other expenses	2(f)	1,928	2,593	1,923
Total Expenses excluding losses		3,770,646	3,645,564	3,475,633
REVENUE				
Sale of goods and services	3(a)	51,350	35,988	49,056
Grants and other contributions	3(b)	3,312,760	3,452,732	3,227,398
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	285,072	174,429	171,255
Other income	3(d)	89,020	29,743	134,933
Total Revenue		3,738,202	3,692,892	3,582,642
OPERATING RESULT		(32,444)	47,328	107,009
Gain / (loss) on disposal	4	(3,209)	(918)	(4,303)
Other gains / (losses)	5	(1,136)	(10)	(1,207)
NET RESULT	22	(36,789)	46,400	101,499
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment		43,096	-	126,686
Changes in the revaluation surplus arising from a change in restoration liability		(3,133)	-	71
Total other comprehensive income		39,963	-	126,757
TOTAL COMPREHENSIVE INCOME		3,174	46,400	228,256

The accompanying notes form part of these financial statements.

NSW Police Force
Statement of financial position as at 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	6	231,294	68,806	250,277
Receivables	7	77,888	87,816	85,718
Financial assets at fair value	8	-	100	102
Non-Current assets held for sale	9	1,864	-	-
Total Current Assets		311,046	156,722	336,097
Non-Current Assets				
Receivables	7	4,300	3,900	4,000
Property, Plant and Equipment				
- Land and Buildings	10	1,390,279	1,345,402	1,353,356
- Plant and Equipment	10	350,753	272,803	343,654
Total Property, Plant and Equipment		1,741,032	1,618,205	1,697,010
Intangible assets	11	127,322	231,340	121,798
Total Non-Current Assets		1,872,654	1,853,445	1,822,808
Total Assets		2,183,700	2,010,167	2,158,905
LIABILITIES				
Current Liabilities				
Financial liabilities at fair value	8	8	-	-
Payables	14	107,653	107,971	88,382
Borrowings	15	16,397	16,282	14,726
Provisions	16	550,286	477,832	520,178
Other current liabilities	17	636	470	497
Total Current Liabilities		674,980	602,555	623,783
Non-Current Liabilities				
Borrowings	15	79,857	79,856	96,254
Provisions	16	66,723	58,040	63,581
Other non-current liabilities	17	1,120	2,382	1,489
Total Non-Current Liabilities		147,700	140,278	161,324
Total Liabilities		822,680	742,833	785,107
Net Assets		1,361,020	1,267,334	1,373,798
EQUITY				
Reserves		586,720	661,494	568,294
Accumulated funds		774,300	605,840	805,504
Total Equity		1,361,020	1,267,334	1,373,798

The accompanying notes form part of these financial statements.

NSW Police Force

Statement of changes in equity for the year ended 30 June 2019

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2018		805,504	568,294	1,373,798
Restated total equity at 1 July 2018		805,504	568,294	1,373,798
Net result for the year		(36,789)	-	(36,789)
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	43,096	43,096
Net change in restoration liability		-	(3,133)	(3,133)
Other:				
Asset revaluation surplus balance transferred to accumulated funds on disposal of asset		21,537	(21,537)	-
Total other comprehensive income		21,537	18,426	39,963
Total comprehensive income for the year		(15,252)	18,426	3,174
Transactions with owners in their capacity as owners				
Increase(decrease) in net assets from equity transfers	18	(15,952)	-	(15,952)
Balance as at 30 June 2019		774,300	586,720	1,361,020
Balance at 1 July 2017		718,632	521,201	1,239,833
Restated total equity at 1 July 2017		718,632	521,201	1,239,833
Net result for the year		101,499	-	101,499
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	10	-	126,686	126,686
Net change in restoration liability		-	71	71
Other:				
Asset revaluation surplus balance transferred to accumulated funds on disposal of asset		79,664	(79,664)	-
Total other comprehensive income		79,664	47,093	126,757
Total comprehensive income for the year		181,163	47,093	228,256
Transactions with owners in their capacity as owners				
Increase/(decrease) in net assets from equity transfers	18	(94,291)	-	(94,291)
Balance as at 30 June 2018		805,504	568,294	1,373,798

The accompanying notes form part of these financial statements.

NSW Police Force
Statement of cash flows for the year ended 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(2,765,455)	(2,750,293)	(2,649,908)
Grants and subsidies		(12,298)	(6,141)	(6,043)
Finance costs		(6,794)	(10,701)	(7,709)
Other		(601,650)	(578,867)	(587,867)
Total Payments		(3,386,197)	(3,346,002)	(3,251,527)
Receipts				
Sale of goods and services		50,885	35,988	47,158
Grants and other contributions		3,312,737	3,390,057	3,226,905
Other		189,354	146,500	240,355
Total Receipts		3,552,976	3,572,545	3,514,418
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	166,779	226,543	262,891
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of Land and Building and Plant and Equipment	4	91	1,734	266
Proceeds from sale of financial assets	4	52	-	-
Purchases of Land and Building and Plant and Equipment		(149,668)	(176,793)	(149,075)
Purchase of Intangibles		(21,511)	(83,659)	(24,473)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(171,036)	(258,718)	(173,282)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings and advances		(14,726)	(14,847)	(13,170)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(14,726)	(14,847)	(13,170)
NET INCREASE/(DECREASE) IN CASH		(18,983)	(47,022)	76,439
Opening cash and cash equivalents		250,277	115,828	173,838
CLOSING CASH AND CASH EQUIVALENTS	6	231,294	68,806	250,277

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

NSW Police Force is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. NSW Police Force is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

These financial statements for the year ended 30 June 2019 have been authorised for issue by the Commissioner on 27 August 2019.

(b) Basis of preparation

The financial statements have been prepared as general purpose financial statements in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* (the Act) and *Public Finance and Audit Regulation 2015*; and
- Treasurer's Directions issued under the Act.

The financial statements have been prepared on an accrual accounting basis using historical costs except for certain non-current assets and financial assets, which are recorded at fair value. The financial statements have been prepared on a going concern basis. NSW Police Force will receive grants from the Stronger Communities Cluster for the next financial year which will be funded by an appropriation equivalent to the published budget from the NSW Government via NSW Treasury.

Property, plant and equipment and certain financial assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations that management have made, are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the entity's functional currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Administered activities

NSW Police Force administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of NSW Police Force's own objectives.

Transactions and balances relating to the administered activities are not recognised as NSW Police Force's income, assets and liabilities, but are disclosed in the accompanying notes as "Administered Assets and Liabilities" and "Administered Income", refer Note 25 and Note 26.

The accrual basis of accounting and applicable accounting standards has been adopted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by NSW Police Force as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(g) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(h) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2018-19

NSW Police Force has adopted AASB 9 *Financial Instruments*, which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. AASB 9 *Financial Instruments* also significantly amends other standards dealing with financial instruments such as the revised AASB 7 *Financial Instruments: Disclosures*.

NSW Police Force applied AASB 9 *Financial Instruments* retrospectively but has not restated the comparative information which is reported under AASB 139 *Financial Instruments: Recognition and Measurement*. There were no material differences arising from the adoption of AASB 9 *Financial Instruments* and as a result not recognised directly in accumulated funds and other components of equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

(i)e Effective for the first time in 2018-19 (continued)

(a) Classification and measurement of financial instruments

The assessment of NSW Police Force's business model was made as of the date of initial application, 1 July 2018.

The classification and measurement requirements of AASB 9 *Financial Instruments* did not have a significant impact to NSW Police Force. NSW Police Force continued measuring at fair value, all financial assets previously held at fair value under AASB 139 *Financial Instruments: Recognition and Measurement*.

The following are the changes in the classification of NSW Police Force's financial assets:

- e Trade receivables and other financial assets classified as 'Loans and receivables' under AASB 139 *Financial Instruments: Recognition and Measurement* as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.
- e NSW Police Force has designated its financial liabilities at fair value through profit or loss (FVPL). There are no changes in the classification and measurement for the NSW Police Force's financial liabilities.

In summary, upon the adoption of AASB 9 *Financial Instruments*, NSW Police Force had the following required or elected reclassifications as at 1 July 2018:

	Measurement category		Carrying Amount		
			Original	New	Difference
	AASB 139	AASB 9	\$'000	\$'000	\$'000
Trade receivables	L&R	Amortised cost	14,551	14,551	-
Other receivables	L&R	Amortised cost	75,167	75,167	-
Derivatives	FVPL	FVPL	102	102	-

(b) Impairment

The adoption of AASB 9 *Financial Instruments* has changed NSW Police Force's accounting of impairment losses for financial assets by replacing AASB 139 *Financial Instruments: Recognition and Measurement*'s incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 *Financial Instruments* requires NSW Police Force to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. There is no material impact to NSW Police Force on adopting the new impairment model.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective:

- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding *Revenue from Contracts with Customers (Not-for-profits only)*
- AASB 16 *Leases*
- AASB 17 *Insurance Contracts*
- AASB 1058 *Income of Not-for-profit Entities*
- AASB 1059 *Service Concession Arrangements: Grantor*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*
- AASB 2018-2 *Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement*
- AASB 2018-3 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements*
- AASB 2018-5 *Amendments to Australian Accounting Standards – Deferral of AASB 1059*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*
- AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities*

While the impact of these standards in the period of initial application has not been specifically quantified, with the exception of AASB 16 *Leases* (refer below), they are not expected to materially impact the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods.

a) AASB 15 *Revenue from Contracts with Customers*, AASB 2014-5 *Amendments to Australian Accounting Standards* arising from AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profits*

AASB 15 *Revenue from Contracts with Customers* is effective for reporting periods commencing on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when control of goods or services is transferred to the customer at amounts that reflect the consideration to which NSW Police Force expects to be entitled in exchange for transferring the goods or services to the customer. Under AASB 118 *Revenue*, revenue recognition is currently based on when risks and rewards are transferred.

AASB 1058 *Income of Not-for-Profits* is effective for reporting periods commencing on or after 1 January 2019 and will replace most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 *Contributions* is now limited mainly to parliamentary appropriations, administrative arrangements and contributions by owners. Under AASB 1058 *Income of Not-for-Profits*, NSW Police Force will need to determine whether a transaction is consideration received below fair value principally to enable NSW Police Force to further its objectives (accounted for under AASB 1058 *Income of Not-for-Profits*) or a revenue contract with a customer (accounted for under AASB 15 *Revenue from Contracts with Customers*).

The standards will result in the identification of separate performance obligations that will change the timing of recognition for some revenues, including revenues relating to sales of goods and services and specific purpose grants and subsidies. The adoption of these standards will primarily result in the recognition of increased liabilities reported on the Statement of Financial Position, predominately consisting of contract liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

(ii) Issued but not yet effective (continued)

Under AASB 1058 *Income of Not-for-Profits*, NSW Police Force will recognise as liabilities, obligations for funding received where there is an obligation to construct recognisable non-financial assets controlled by NSW Police Force.

NSW Police Force will adopt AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profits* on 1 July 2019 through application of the full retrospective transition approach. Recognition and measurement principles of the new standards will be applied for the current year and comparative year as though AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profits* had always applied.

The impacts to balances resulting from the adoption of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income-of-Not for-Profits* have been assessed by NSW Police Force as not being significant.

b) AASB 16 Leases

AASB 16 *Leases* is effective from reporting periods commencing on or after 1 January 2019.^e

For lessees, AASB 16 *Leases* will result in most leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is largely removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised at the commencement of the lease. The only exceptions are short-term and low-value leases. AASB 16 *Leases* will therefore increase assets and liabilities reported on the Statement of Financial Position. It will also increase depreciation and interest expenses and reduce operating lease rental expenses on the Statement of Comprehensive Income. Expenses recognised in the earlier years of the lease term will be higher as the interest charges will be calculated on a larger lease liability balance. Existing finance leases are not expected to be significantly impacted from the transition to AASB 16 *Leases*.

NSW Police Force will adopt AASB 16 *Leases* on 1 July 2019 through application of the partial retrospective approach, where only the current year is adjusted as though AASB 16 *Leases* had always applied. Comparative information will not be restated. NSW Police Force will also adopt the practical expedient whereby the fair value of the right-of use asset will be the same as the lease liability at 1 July 2019.^e

Based on the impact assessments NSW Police Force has undertaken on currently available information, NSW Police Force estimates additional lease liabilities of \$204 million and right-of-use assets of \$204 million will be recognised as at 1 July 2019 for leases in which NSW Police Force is a lessee. Most operating lease expenses will be replaced by depreciation of the right of use asset and interest on the lease liability.^e

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
2. EXPENSES EXCLUDING LOSSES		
(a) Employee related expenses		
Salaries and wages (including annual leave)	2,123,461	2,047,347
Superannuation - defined benefit plans*	171,766	171,442
Superannuation - defined contribution plans	178,321	171,165
Long service leave	226,630	108,786
Workers' compensation insurance	218,514	176,387
Death and disability self-insurance scheme	11,893	4,565
Payroll tax and fringe benefit tax	141,623	138,540
Voluntary redundancies	3,208	7,933
	3,075,416	2,826,165

Employee related expenses excluded from the above are as follows:

(i) Capitalised as intangible assets: \$0.78 million at 30 June 2019 (\$Nil in 2017-18).

(ii) Capitalised as property, plant and equipment: \$3.091 million at 30 June 2019 (\$3.004 million in 2017-18).

* Included in the 'Superannuation - defined benefit plans' is contribution for the Death and Total and Permanent Disability Cover of \$114.902 million (\$110.672 million in 2017-18).

(b) Operating expenses		
Auditor's remuneration - audit of the financial statements	369	360
Operating lease rental expense - minimum lease payments	65,064	64,658
Insurance	69,934	69,319
Maintenance *	53,754	41,732
Other building expenses	28,291	31,605
Subsistence and transport	28,413	25,709
Motor vehicle, launches and aircraft	50,961	47,293
Fees for services rendered	92,619	88,051
Computer licensing and other	46,145	38,667
Gas and electricity	17,210	14,766
Postal and telephone	22,773	21,397
Stationery, printing and stores	7,317	7,562
Contractors	10,362	10,335
Operation Supplies	18,263	17,745
Police Uniform Supplies	7,068	6,821
Other	5,269	4,670
	523,812	490,690

**Reconciliation - Total maintenance*

Maintenance expense – contracted labour and other (non-employee related), as above	53,754	41,732
Employee related maintenance expense included in Note 2(a)	10,005	9,118
Total maintenance expenses included in Note 2(a) + 2(b)	63,759	50,850

2. EXPENSES EXCLUDING LOSSES (continued)
(b) Operating expenses (continued)
Recognition and Measurement
Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The insurance activities of NSW Police Force are conducted through NSW Treasury Managed Fund (TMF) Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager and is based on past claims experience.

The NSW Treasury Managed Fund Scheme applies a hindsight adjustment, calculated at three years (Interim) and five years (Final), based on actual claims experience. NSW Police Force receives or pays the difference between the annual and hindsight premiums. Hindsight adjustments are recognised on a gross basis as revenue and or expense.

Operating lease

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

	2019 \$'000	2018 \$'000
(c) Depreciation and amortisation expenses		
Depreciation		
Buildings	44,594	42,188
Plant and equipment	84,963	77,621
	<u>129,557</u>	<u>119,809</u>
Amortisation:		
Intangible assets - software	22,203	22,564
	<u>22,203</u>	<u>22,564</u>
	<u>151,760</u>	<u>142,373</u>
Refer to Note 10 and 11 for recognition and measurement policies on depreciation and amortisation.		
(d) Grants and subsidies		
Police and Community Youth Clubs contribution	11,720	5,530
Police Legacy-Child Safety program	20	10
Infrastructure NSW contribution	58	-
Police Legacy-Welfare assistance program	500	503
	<u>12,298</u>	<u>6,043</u>
(e) Finance costs		
Finance lease interest charge	6,782	7,676
Unwinding of discount rate	(1,362)	731
Interest expenses	10	24
Borrowing interest expenses	2	8
	<u>5,432</u>	<u>8,439</u>

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

2. EXPENSES EXCLUDING LOSSES (continued)

(e) Finance costs (continued)

Recognition and measurement

Borrowing costs consist of interest and other costs incurred relating to the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW General Government Sector entities.

	2019 \$'000	2018 \$'000
(f) Other expenses		
Witnesses' expenses	1,928	1,923
	<u>1,928</u>	<u>1,923</u>

3. REVENUE

Recognition and measurement

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

	2019 \$'000	2018 \$'000
(a) Sale of goods and services		
Rents and leases	3,621	4,029
NSW Police Force College operations	4,584	2,306
Officers on loan	12,022	10,826
Insurance reports	2,109	2,199
Sports/Entertainment Events - Supervision	16,376	15,945
National Criminal History Records Check	5,115	4,769
Refund of escort expenses	4,026	5,530
User charges revenue	1,394	1,457
Minor sales of goods and services	2,103	1,995
	<u>51,350</u>	<u>49,056</u>

Recognition and measurement

Sale of goods

Revenue from the sale of goods is recognised as revenue when NSW Police Force transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

Lease income

Lease income from operating leases where the entity is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included by the lessor entity in the Statement of Financial Position based on their nature.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

3. REVENUE (continued)

	2019 \$'000	2018 \$'000
(b) Grants and other contributions		
State Grants and Contributions		
Recurrent grants from NSW Department of Justice	3,052,625	3,012,141
Capital grants from NSW Department of Justice	205,539	161,781
NSW Centre for Road Safety - Road Trauma Program*	34,156	25,179
NSW Centre for Road Safety - capital programs	-	4,328
NSW Centre for Road Safety - Mobipol Funding	-	986
NSW Centre for Road Safety - High Visibility Markings	-	180
Transport NSW - Point to point	233	-
NSW Department of Justice - Domestic and Family Violence	7,504	6,869
NSW Department of Justice - Their Future Matters	5,182	-
NSW Department of Justice - capital programs	-	3,544
NSW Department of Justice - Asset Strategy Plan	-	500
NSW Department of Justice - Disqualified Driver Program	-	347
NSW Department of Justice - Criminal Justice Reform	1,097	319
NSW Department of Justice - Early Appropriate Guilty Plea (EAGP)	-	207
NSW Department of Justice - Sentencing and Parole Reform	-	222
NSW Department of Justice - National Facial Biometric	1,094	-
Service NSW - Digital Drivers license	935	-
NSW Department of Family and Community Services - Keep Them Safe	219	5,056
NSW Department of Family and Community Services - Domestic Violence	-	148
NSW Finance Services and Innovation - SDRO Contributions	503	493
NSW Finance Services and Innovation- Strike Force Ravens	290	-
Office of the Children's Guardian - capital program (NDISWC)	203	-
Miscellaneous	682	363
	3,310,262	3,222,793
Commonwealth Grants and Contributions		
Australian Criminal Intelligence Agency - Crimtrac	1,969	2,360
Department of Home Affairs - Armoured Vehicles	-	1,074
Counter Terrorism - Drill Style program	111	160
Invictus Games	140	-
ASEAN Summit	-	785
Miscellaneous	278	226
	2,498	4,605
	3,312,760	3,227,398

*NSW Centre for Road Safety (CfRS) and NSW Police Force have put in place an Enhancement Enforcement Programme to augment traffic enforcement services where CfRS provide ancillary funds for additional activity through overtime and rostered days for police overtime. NSW Police Force is reimbursed the costs incurred through this program.

3. REVENUE (continued)
(b)e Grants and contributions (continued)e

	2019
	\$'000
Conditional grants and contributions recognised as revenue in the current year, not fully spent with expected expenditure to occur in:	
2019-20	9,227
	<u>9,227</u>
Unconditional grants and contributions recognised as revenue in the current year, not fully spent with expected expenditure to occur in:	
2019-20	5,305
	<u>5,305</u>
Grants and contributions recognised as revenue in previous years, that were expended in the current year:	
From 2006-2014	39
2014-15	2,261
2015-16	329
2016-17	1,955
2017-18	5,182
	<u>9,766</u>

Recognition and measurement

Income from grants (other than contribution by owners) is recognised when NSW Police Force obtains control over the contribution. NSW Police Force is deemed to have assumed control when the grant is received or receivable. Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

Conditions on grants and contributions

Conditional grants and contributions recognised as revenue is subject to specific program objectives. Funds can only be expended on these programs over the nominated period and any balance outstanding may be refundable.

	2019	2018
	\$'000	\$'000
(c) Acceptance by the Crown Entity of employee benefits and other liabilities		
The following liabilities and / or expenses have been assumed by the Crown Entity or other government agencies:		
Superannuation - defined benefit plans	55,421	59,241
Long service leave	226,630	108,786
Payroll tax	3,021	3,228
	<u>285,072</u>	<u>171,255</u>
(d) Other income		
Employee contributions to Death and Disability Scheme	28,984	27,612
TMF hindsight rebates	47,161	96,958
Recognition of pre-existing but previously unrecorded assets	1,391	979
Refund from insurance	1,700	1,038
Reversal of provision of restoration costs	5,370	3,471
Bad debts recovered	720	686
Motor vehicle rebates	2,546	2,730
Capital donations	23	-
Other	1,125	1,459
	<u>89,020</u>	<u>134,933</u>

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
4. GAIN / (LOSS) ON DISPOSAL		
Gain / (loss) on disposal of land and buildings		
Written down value of assets disposed	(1,128)	(2,113)
Net gain / (loss) on disposal of land and buildings	(1,128)	(2,113)
Gain / (loss) on disposal of plant and equipment		
Proceeds from disposal	91	266
Written down value of assets disposed	(2,224)	(2,456)
Net gain / (loss) on disposal of plant and equipment	(2,133)	(2,190)
Gain / (loss) on disposal of derivatives held for sale		
Gain on disposal of derivatives	52	-
	52	-
Total gain / (loss) on disposal	(3,209)	(4,303)
5. OTHER GAINS / (LOSSES)		
Impairment of receivables	(1,026)	(1,309)
Gain/(loss) on derivatives at fair value through profit and loss	(110)	102
	(1,136)	(1,207)

Recognition and measurement

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by NSW Police Force from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Property, plant and equipment – Note 10
- Intangible assets – Note 11

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
6. CASH AND CASH EQUIVALENTS		

Cash at bank and on hand	<u>231,294</u>	<u>250,277</u>
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For the purposes of the statement of cash flows, cash and cash equivalents includes cash at banks and cash on hand (including permanent and temporary advances).

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	<u>231,294</u>	<u>250,277</u>
Closing cash and cash equivalents (per statement of cash flows)	<u>231,294</u>	<u>250,277</u>

NSW Police Force had the following banking facilities as at 30 June 2019:

- Bank guarantee authority of \$0.5 million (\$0.5million in 2017-18). This authority enables NSW Police Force to provide bank guarantees to its suppliers on a need basis. There were no bank guarantees issued as at 30 June 2019 (Nil in 2017-18).
- MasterCard facility of \$7.5 million (\$7.5 million in 2017-18), which is the total of the credit limit for all issued credit cards and purchase cards. Total amount of credit unused as at 30 June 2019 was \$1.1 million (\$1.5 million in 2017-18).
- Offset accounts facility of \$0.05 million (\$0.05 million in 2017-18). This facility allows bank fees incurred during the month to be debited to a temporary debit account, which are then transferred to the NSW Police Force main operating bank account the following month. Total amount of offset accounts facility unused as at 30 June 2019 was \$0.04 million (\$0.04 million in 2017-18).

Refer Note 27 for details regarding credit risk and market risk arising from financial instruments.

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
7. CURRENT / NON-CURRENT ASSETS - RECEIVABLES		
Receivables - Current		
Sale of goods and services	20,372	14,934
Less: Allowance for expected credit losses ^{1e}	(282)	-
Less: Allowance for impairment ²	-	(383)
	20,090	14,551
 Other debtors	 20,479	 32,121
Less: Allowance for expected credit losses ¹	(5,671)	-
Less: Allowance for impairment ²	-	(5,575)
	14,808	26,546
 GST receivable	 13,518	 11,086
Prepayments	29,472	33,535
Total Receivables - Current	77,888	85,718
 Receivables - Non-Current		
Other Debtors	4,300	4,000
Total Receivables - Non-Current	4,300	4,000
 Movement in the allowance for expected credit losses - trade debtors ¹		
Balance at 30 June 2018 under AASB 139	383	
Amounts restated through opening accumulated funds	-	
Balance at 1 July 2018 under AASB 9	383	
Amounts written off during the year	(213)	
Amounts recovered during the year	(4)	
Increase/(decrease) in allowance recognised in net results	116	
Balance at 30 June 2019	282	
 Movement in the allowance for expected credit losses - Other debtors ^{1e}		
Balance at 30 June 2018 under AASB 139	5,575	
Amounts restated through opening accumulated funds	-	
Balance at 1 July 2018 under AASB 9	5,575	
Amounts written off during the year	(54)	
Amounts recovered during the year	(1,314)	
Increase/(decrease) in allowance recognised in net results	1,464	
Balance at 30 June 2019	5,671	
 Movement in the allowance for impairment - Trade debtors ²		
Balance at 1 July 2017		353
Amounts written off during the year		(19)
Amounts recovered during the year		(29)
Increase / (decrease) in allowance recognised in profit or loss		78
Balance at 30 June 2018		383
 Movement in the allowance for impairment - Other debtors ²		
Balance at 1 July 2017		5,421
Amounts written off during the year		(426)
Amounts recovered during the year		(1,544)
Increase / (decrease) in allowance recognised in profit or loss		2,124
Balance at 30 June 2018		5,575

7. CURRENT / NON-CURRENT ASSETS – RECEIVABLES (continued)

Details regarding credit risk of trade debtors, including financial assets that are either past due or impaired, are disclosed in Note 27.e

Recognition and measurement

Receivables, including trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.e

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.e

Subsequent measurement under AASB 9 Financial Instruments (from 1 July 2018)

NSW Police Force holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.e

Subsequent measurement under AASB 139 Financial Instruments: Recognition and Measurement (for comparative year ended 30 June 2018)

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.e

Impairment under AASB 9 Financial Instruments (from 1 July 2018)

For trade receivables, NSW Police Force applies a simplified approach in calculating Expected Credit Losses (ECLs).e NSW Police Force recognises a loss allowance based on lifetime ECLs at each reporting date. NSW Police Force has established a provision matrix based on its historical credit loss experience for trade receivables, after considering forward-looking factors specific to the receivable.e

Impairment under AASB 139 Financial Instruments: Recognition and Measurement (for comparative year ended 30 June 2018)

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.e

NSW Police Force first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.e

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.e

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.e

8. CURRENT / NON-CURRENT – FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE

	2019 \$'000	2018 \$'000
Derivative financial instrument receivable		
Forward foreign exchange contracts	-	102
	<u>-</u>	<u>102</u>
Derivative financial instrument payables		
Forward foreign exchange contracts	(8)	-
	<u>(8)</u>	<u>-</u>
Net amount receivable/(payable under derivative financial instruments)	<u>(8)</u>	<u>102</u>

Details regarding credit risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 27.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement under AASB 9 Financial Instruments (from 1 July 2018)

NSW Police Force's financial assets and financial liabilities at fair value are classified, at initial recognition, and subsequently measured at fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and Financial liabilities at fair value through profit or loss include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial assets and financial liabilities at fair value through profit or loss are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets and financial liabilities are classified as 'held-for-trading' if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments (except for hedging interest rate risks) under AASB 139 *Financial Instruments: Recognition and Measurement*.

Classification and measurement under AASB 139 Financial Instruments: Recognition and Measurement (for comparative year ended 30 June 2018)

NSW Police Force classified its financial assets and financial liabilities at fair value either as financial assets and financial liabilities at fair value through profit or loss or available-for-sale financial assets. The classification was based on the purpose of acquiring such financial assets and financial liabilities.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial assets and financial liabilities at fair value through profit or loss are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets and financial liabilities are classified as 'held-for-trading' if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments under AASB 139 *Financial Instruments: Recognition and Measurement*.

9. NON-CURRENT ASSETS HELD FOR SALE

	2019 \$'000	2018 \$'000
Non-current assets held for sale		
Plant and equipment	1,864	-
	<u>1,864</u>	<u>-</u>

Non-current assets held for sale are plant and equipment (marine vessels) which are due for settlement by June 2020. The assets are sold either by an auction, expression of interest or a private treaty.

Recognition and Measurement

NSW Police Force has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs of disposal.

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings \$'000	Plant and Equipment \$'000	Leased buildings \$'000	Total \$'000
At 1 July 2018 - fair value				
Gross carrying amount	1,970,054	719,767	228,839	2,918,660
Accumulated depreciation and impairment	(742,536)	(435,681)	(140,859)	(1,319,076)
	1,227,518	284,086	87,980	1,599,584
Work in progress	37,858	59,568	-	97,426
Net Carrying Amount	1,265,376	343,654	87,980	1,697,010
At 30 June 2019 - fair value				
Gross carrying amount	2,037,557	758,735	228,839	3,025,131
Accumulated depreciation and impairment	(747,437)	(486,094)	(157,102)	(1,390,633)
	1,290,120	272,641	71,737	1,634,498
Work in progress	28,422	78,112	-	106,534
Net Carrying Amount	1,318,542	350,753	71,737	1,741,032

Reconciliations

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Leased Buildings \$'000	Work in Progress \$'000	Total \$'000
Year ended 30 June 2019					
Net carrying amount at beginning of year	1,227,518	284,086	87,980	97,426	1,697,010
Additions	41,273	29,794	-	86,800	157,867
Transfers from work in progress	33,413	38,063	-	(77,692)	(6,216)
Assets held for sale	-	(1,864)	-	-	(1,864)
Disposals	(1,128)	(2,224)	-	-	(3,352)
Increase/ (decrease) in net assets from equity transfer	(15,232)	(720)	-	-	(15,952)
Net revaluation increments less revaluation decrements	32,627	10,469	-	-	43,096
Depreciation expense	(28,351)	(84,963)	(16,243)	-	(129,557)
Net carrying amount at end of year	1,290,120	272,641	71,737	106,534	1,741,032

10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and Buildings \$'000	Plant and Equipment \$'000	Leased buildings \$'000	Total \$'000
At 1 July 2017 - fair value				
Gross carrying amount	2,196,238	669,888	-	2,866,126
Accumulated depreciation and impairment	(934,619)	(405,307)	-	(1,339,926)
	1,261,619	264,581	-	1,526,200
Work in progress	73,053	47,136	-	120,189
Net Carrying Amount	1,334,672	311,717	-	1,646,389
At 30 June 2018 - fair value				
Gross carrying amount	1,970,054	719,767	228,839	2,918,660
Accumulated depreciation and impairment	(742,536)	(435,681)	(140,859)	(1,319,076)
	1,227,518	284,086	87,980	1,599,584
Work in progress	37,858	59,568	-	97,426
Net Carrying Amount	1,265,376	343,654	87,980	1,697,010

Reconciliations

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Leased Buildings \$'000	Work in Progress \$'000	Total \$'000
Year ended 30 June 2018					
Net carrying amount at beginning of year	1,200,799	264,581	60,820	120,189	1,646,389
Additions	21,633	59,731	-	69,253	150,617
Transfers from work in progress	49,854	34,149	-	(92,016)	(8,013)
Disposals	(2,113)	(2,456)	-	-	(4,569)
Increase/ (decrease) in net assets from equity transfer	(94,291)	-	-	-	(94,291)
Net revaluation increments less revaluation decrements	84,345	5,702	36,639	-	126,686
Depreciation expense	(32,709)	(77,621)	(9,479)	-	(119,809)
Net carrying amount at end of year	1,227,518	284,086	87,980	97,426	1,697,010

10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Recognition and measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. the deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 18).

Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually are capitalised. In addition, assets forming part of a network (including printers) and communications systems are capitalised regardless of cost.

Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Maintenance costs

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets to write off the depreciable/amortised amount, as consumed over its useful life, to NSW Police Force. Land is not a depreciable asset.

All material separately identifiable components of assets are recognised and depreciated /amortised over their useful lives. If the asset cannot be separately identified, even though it is an integral part or component of a larger asset, then it is the whole of an asset and is depreciated /amortised over the useful life. Except for buildings and improvements (2017-18: 3 to 55 years), there were no other changes to the depreciation rates compared to prior years.

10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)**Recognition and measurement (continued)*****Depreciation of property, plant and equipment (continued)***

Current depreciation/amortisation rates are as follows:

Category	Asset Category Name	Rate
A	Aircraft/aviation	15%
B	Buildings & improvements	useful life varies 2 to 70 years
C	Computers – not PCs	25%
C 1	Computers – PCs	20%
D	Computer integrated software	10%
E	Furniture & fittings	10%
F	Plant & equipment	10%
F 1	Body worn camera	33%
G	Marine equipment	5%
H	Transport equipment	15%
I	Office equipment	10%
J	Scientific apparatus	15%
K	Radio communications equipment	15%
M	Firearms and dangerous weapons	10%
N	Musical instruments	10%
P	Livestock	12.5%
Q	Leased buildings	lease term per asset

Finance Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Property, plant and equipment acquired under finance lease are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Revaluation of property, plant and equipment

NSW Police Force's property portfolio consists of land, police residences, police stations and other operational buildings. Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured at the highest and best use by the market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of residential property, aircraft and vessels is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 12 for further information regarding fair value.

10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)**Recognition and measurement (continued)*****Revaluation of property, plant and equipment (continued)***

Police Stations and associated administrative areas are valued based on the estimated current replacement cost of the most appropriate modern equivalent replacement facility having a similar service potential to the existing asset. Land is valued at the highest and best use basis, subject to any restrictions or enhancements since acquisition. The land component of the property portfolio and police residences has been revalued with market value as the basis for revaluation.

Land and buildings are revalued over a three-year cycle. The NSW Police Force undertakes this progressive method of revaluation in accordance with Treasury Guidelines and AASB 116 *Property, Plant and Equipment*. The last such revaluation was completed on 30 June 2019 and was based on an independent assessment. The 2019 revaluation is the third year in the current three-year cycle. In 2019, the land and building assets in the Central Metropolitan and Northern Regions were revalued. To ensure that the land and building assets not included in the 2019 revaluation are held at fair value at 30 June 2019, valuation factors were obtained from accredited valuers. There was no material difference between the values recorded and the adjusted values, had the valuation factors been applied. All land and building revaluations, and the valuation factors are undertaken by accredited valuer, engaged by the external property management service provider, to ensure consistency.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. NSW Police Force has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Heritage buildings are valued at a premium rate taking into consideration the highest and best use of the property.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to the revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise. Where an asset previously revalued is disposed of, any balance remaining in the revaluation surplus for that asset is transferred to accumulated funds.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 *Impairment of Assets* modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Recognition and measurement (continued)

Impairment of property, plant and equipment (continued)

NSW Police Force assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NSW Police Force estimates the asset's recoverable amount, the asset is considered impaired and is written down to its recoverable amount.^a

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.^a

11. INTANGIBLE ASSETS

	Software \$'000
At 1 July 2018	
Cost (gross carrying amount)	254,512
Accumulated amortisation and impairment	(132,714)
Net Carrying Amount	121,798
At 30 June 2019	
Cost (gross carrying amount)	281,528
Accumulated amortisation and impairment	(154,206)
Net Carrying Amount	127,322

	Software \$'000	Work in Progress \$'000	Total \$'000
Period ended 30 June 2019			
Net carrying amount at beginning of year	120,519	1,279	121,798
Additions (from internal development)	21,293	218	21,511
Transfers from work in progress	7,204	(988)	6,216
Amortisation (recognised in "depreciation and amortisation")	(22,203)	-	(22,203)
Net carrying amount at end of year	126,813	509	127,322

	Software \$'000
At 1 July 2017	
Cost (gross carrying amount)	231,112
Accumulated amortisation and impairment	(119,236)
Net Carrying Amount	111,876
At 30 June 2018	
Cost (gross carrying amount)	254,512
Accumulated amortisation and impairment	(132,714)
Net Carrying Amount	121,798

11. INTANGIBLE ASSETS (continued)

	Software \$'000	Work in Progress \$'000	Total \$'000
Year ended 30 June 2018			
Net carrying amount at beginning of year	111,324	552	111,876
Additions (from internal development)	23,654	819	24,473
Transfers from work in progress	8,105	(92)e	8,013e
Amortisation (recognised in "depreciation and amortisation")	(22,564)	-	(22,564)e
Net carrying amount at end of year	120,519	1,279	121,798

Recognition and Measurement

NSW Police Force recognises intangible assets only if it is probable that future economic benefits will flow to NSW Police Force and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for NSW Police Force's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

NSW Police Force's intangible assets are amortised using the straight-line method over a period of 10 years for computer software.

Intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise (refer to Note 10.)

12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**Fair value measurement and hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of NSW Police Force's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair Value Measurement*, NSW Police Force categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- e Level 1 – quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.e
- e Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.e
- e Level 3 – inputs that are not based on observable market data (unobservable inputs).e

NSW Police Force recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)
(a) Fair Value Hierarchy

	Level 1	Level 2	Level 3	Total
2019				Fair Value
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (Note 10)				
Land and buildings	-	-	1,290,120	1,290,120
Leased buildings	-	-	71,737	71,737
Marine equipment and aviation assets	-	-	42,887	42,887
Non-current assets held for sale (Note 9)				
Marine equipment and aviation assets	-	-	1,864	1,864
	<u>-</u>	<u>-</u>	<u>1,406,608</u>	<u>1,406,608</u>

There were no transfers between Level 1 or Level 2 during 2019.

The "total" above includes assets measured at fair value and will not reconcile to the total property, plant and equipment recognised in the statement of financial position.

	Level 1	Level 2	Level 3	Total
2018				Fair Value
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (Note 10)				
Land and buildings	-	-	1,227,518	1,227,518
Leased buildings	-	-	87,980	87,980
Marine equipment and aviation assets	-	-	53,405	53,405
	<u>-</u>	<u>-</u>	<u>1,368,903</u>	<u>1,368,903</u>

There were no transfers between Level 1 or Level 2 during 2018.

The "total" above includes assets measured at fair value and will not reconcile to the total property, plant and equipment recognised in the statement of financial position.

12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)

(b)e Valuation techniques, input and processes

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below.

For the valuation processes refer Note 10.

Class	Valuation Technique	Key inputs
Land and buildings		
Land and residential buildings	<p>Market approach – land is valued based on comparable property sales transactions and where identical properties are not available, adjustments have been made to reflect the following characteristics of the asset: location, topography, construction, age, condition, size, legal/physical restrictions, and enhancements.</p> <p>These assets are classified as Level 3 as the adjustments made to the observable data of comparative properties are considered significant and require judgement to be exercised by the valuer.</p>	<ul style="list-style-type: none"> - Comparable property sales values - Adjustments for location, topography, construction, age, condition, and size - Adjustments for restrictions or enhancements
Police stations, combined police stations and residences and other specialised buildings (including heritage assets)	<p>Cost approach – specialised buildings are valued based on the current replacement cost of the most appropriate modern equivalent replacement facility having a similar service potential to the existing asset.</p> <p>These assets are classified as Level 3 as the estimated construction costs are considered a significant adjustment to the observable data of comparable properties.</p>	<ul style="list-style-type: none"> - Estimated construction costs for customisation - Depreciation rate / useful life
Leased buildings	<p>Market and income approach – leased building is valued under the discounted cash flow approach after taking into consideration market transactions of similar commercial space.</p> <p>The leased asset is classified as Level 3 as the adjustments made to the observable data of comparative properties are considered significant and require judgement to be exercised by the valuer.</p>	<ul style="list-style-type: none"> - Comparable property sales and rental values - Discount rate - Finance lease term
Plant and equipment		
Aviation assets	<p>Market approach – Aviation assets are valued based on secondary market evidence with allowance made for certain elements of the air fleet including engine overhauls or replacements, paint scheme, location, law enforcement equipment, and design modifications.</p> <p>These assets are classified as Level 3 as the allowance for the above elements are considered a significant adjustment to the observable data of the secondary market transactions.</p>	<ul style="list-style-type: none"> - Secondary market data - Adjustments for engine overhauls or replacements, paint scheme, location, law enforcement equipment, and design modifications.

12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)
(c) Valuation techniques, input and processes (continued)

Class	Valuation Technique	Key inputs
Plant and equipment		
Marine assets	Cost approach – Specialised assets are valued based on the cost to replace the asset with a new asset, an estimate of the residual value and depreciation. - Market approach – Non- specialised assets are valued based on secondary market evidence.	- Cost of new replacement assets. - Residual value. - Depreciation rate / useful life. - Secondary market data. Depreciation rate / useful life.

There has been no change in the valuation technique in the current year. The highest and best use of the asset is its current use.

2019	2018
\$'000	\$'000

13. RESTRICTED ASSETS

Included in the current assets are the following restricted assets:

Death and Disabilities Scheme Monies

2,553	20,412
2,553	20,412

The monies for the death and disability scheme are received from NSW Treasury and through police officers' employee contributions. These funds are applied exclusively in the use of death and disability related payments only.

The NSW Treasury currently underwrites the unfunded liabilities arising from the NSW Police Force's death and disability scheme. Supplementation to the recurrent budget is sought and approved by NSW Treasury to meet unfunded costs of the scheme.

The restricted assets are included in cash at bank in Note 6.

	2019 \$'000	2018 \$'000
14. CURRENT LIABILITIES - PAYABLES		
Accrued salaries, wages and on-costse	12,863	10,454
Payroll Tax	10,756	10,366
Fringe Benefits Tax	1,355	1,350
Pay as You Go Tax withheld	24,056	23,416
Employee deductions withheld	26	37
Superannuation Guarantee Charge Payable	67	14
Creditore	26,381	13,294
Property related expenses	8,078	7,713
Capital expense accrual	5,211	2,208
Motor vehicle costs	5,619	5,436
Readsoft uncoded expense accrual	94	133
Copyright fees	1,566	1,381
Telephone and Communications services	384	855
Goods and services tax accrual	3,152	2,102
DNA Service Fees	1,001	928
Printing and stationery	844	761
Information and Communication Technology Expenses	234	618
Legal fees	160	884
Sponsorship - Australian Criminal Intelligence Commission	802	-
Auditor's remuneration - audit of the financial statements	185	213
Various sundry accrual	4,819	6,219
	107,653	88,382

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 27.

Recognition and measurement

Payables represent liabilities for goods and services provided to NSW Police Force and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

	2019 \$'000	2018 \$'000
15. CURRENT / NON-CURRENT LIABILITIES – BORROWINGS		
Current		
Finance leases - Refer Note 19(c)	16,397	14,646
Treasury advances payable	-	80
	16,397	14,726
Non-current		
Finance leases - Refer Note 19(c)	79,857	96,254
	79,857	96,254

The advance from NSW Treasury under the Sustainable Government Investment Program, to fund environmental efficiency upgrade projects at Sydney Police Centre, was settled in full on 19 December 2018.

Details regarding liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 27.

Recognition and measurement

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on de-recognition as well as through the amortisation process.

Finance lease liabilities are determined in accordance with AASB 117 *Leases*.

Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Recognition and measurement under AASB 9 *Financial Instruments* from 1 July 2018

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, being the premium received. Subsequent to initial recognition, NSW Police Force's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation, and an expected credit loss provision.

Recognition and measurement under AASB 139 *Financial Instruments: Recognition and Measurement* for comparative year ended 30 June 2018

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially recognised at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

NSW Police Force did not provide any financial guarantee contracts for the years ended 30 June 2019 and 30 June 2018.

15. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS (continued)

Recognition and measurement (continued)

Changes in liabilities arising from financing activities.

	1 July 2018	Cash flows	30 June 2019
	\$'000	\$'000	\$'000
Finance leases	110,900	(14,646)	96,254
Treasury advances payable	80	(80)	-
Total liabilities from financing activities	110,980	(14,726)	96,254

	1 July 2017	Cash flows	30 June 2018
	\$'000	\$'000	\$'000
Finance leases	123,914	(13,014)	110,900
Treasury advances payable	236	(156)	80
Total liabilities from financing activities	124,150	(13,170)	110,980

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
16. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS		
Employee benefits and related on costs - Current		
Annual leave *	216,387	216,558
Annual leave on long service leave	62,011	52,807
Non-renewal benefit*	88,365	87,810
Leave loading	2,116	2,117
Workers' compensation on long service leave	9,900	8,442
Superannuation on long service leave	42,568	36,301
Voluntary redundancy	-	2,822
Other Oncost on Leave - Superannuation	34,837	35,247
Payroll tax on annual leave liability	11,793	11,802
Payroll tax on long service leave	59,652	50,867
Payroll tax on other leave provisions	4,931	4,901
Death and disability self-insurance scheme	10,200	6,600
	542,760	516,274
Other Provisions - Current		
Restoration costs - Current	7,526	3,904
	7,526	3,904
	550,286	520,178
Employee benefits and related on costs - Non-Current		
Annual leave on long service leave	5,392	4,592
Non-renewal benefit	25,860	19,707
Workers' compensation on long service leave	861	734
Superannuation on long service leave - Non-current	3,702	3,157
Payroll tax on long service leave	5,187	4,423
Payroll tax on other leave provisions	1,409	1,074
Death and disability self-insurance scheme	5,300	7,400
	47,711	41,087
Subtotal Employee benefits and related on costs	590,471	557,361
Other Provisions - Non-Current		
Restoration costs - Non-current	19,012	22,494
	19,012	22,494
Subtotal Other Provisions	26,538	26,398
Total Current Provisions	550,286	520,178
Total Non-Current Provisions	66,723	63,581
Total Provisions	617,009	583,759
Aggregate employee benefits and related on-costs		
Provisions - Current	542,760	516,274
Provisions - Non-Current	47,711	41,087
Accrued salaries, wages and on-costs (refer Note 14)	12,863	10,454
	603,334	567,815

*eCurrent employee benefits expected to be settled more than 12 monthse after the reporting dates are as follows:e

(i) Annual leave totals \$2.638 million (\$2.620 million in 2017-18)e

(ii) Non-renewal benefit totals \$70.621 million (\$69.822 million in 2017-18)e

16. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS (continued)

	2019 \$'000	2018 \$'000
Movement in provisions - other than employee benefits		
Movements in the restoration provision during the financial year are set out below:		
Restoration Costs		
Carrying amount at the beginning of financial year	26,398	24,819
Additional provisions recognised	6,915	4,347
Amounts used	(43)	(28)
Unused amounts reversed	(5,370)	(3,471)
Unwinding / change in the discount rate	(1,362)	731
Carrying amount at the end of financial year	<u>26,538</u>	<u>26,398</u>

Recognition and Measurement

Employee benefits and related on-costs

Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits), that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.7% of the nominal value of annual leave for unsworn employees and 11.5% for sworn employees, respectively) can be used to approximate the present value of the annual leave liability. NSW Police Force has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

The liabilities for long service leave and defined benefit superannuation of NSW Police Force are assumed by the Crown Entity. NSW Police Force accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

16. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS (continued)

Recognition and Measurement (continued)

Employee benefits and related on-costs (continued)

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Other provisions

Other provisions exist when: NSW Police Force has a present legal or constructive obligation because of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted at 1.3%, which is the 10-year government bond rate at 30 June 2019, which reflects the current market assessments of the time value of money and the risks specific to the liability.

Other provisions include restoration costs of \$26.5 million (2018: \$26.4 million) which recognises NSW Police Force's obligations to dismantle, remove and restore items of property, plant and equipment on the leased properties to its original condition at the conclusion of the lease. The amount of the provision is the best estimate of the expenditure required to settle the present obligations, discounted to reflect the present value of such expenditures.

Non-renewal benefit

Commissioned Police officers employed under fixed term appointment contracts are entitled to the payment of non-renewal benefits, equal to 12.5% of the accumulated salary earnings for each completed term of appointment.

The Crown Employees (Police Officers -2017) Award, Section 72 Non-Renewal Benefit, was amended to allow Commissioned Police officers to voluntarily access their accrued benefit for a completed term or terms (unconditional benefits) without termination of employment. The benefit is paid at a reduced rate of 80% and the officer agrees to forfeit the remaining 20%. The Commissioned Police officer's benefits for their current contract term (pro rata benefits) cannot be cashed out and are unaffected.

The liability for non-renewal benefits is recognised from the beginning of the first fixed term appointment of each officer and is measured on the accumulated salary earnings of each officer at reporting date. An actuarial assessment of this liability is performed every three years.

The non-renewal benefit liability is measured at present value in accordance with AASB 119 *Employee Benefits*.

A shorthand method, based on actuarial report obtained as at 30 June 2018, was applied to calculate the current liability. This calculation is based on the application of a discount factor of 0.94 to total non-renewal benefit liability.

The next actuarial assessment of this liability is due no later than 30 June 2021.

The liability is disclosed in Note 16 as part of 'Current / Non-Current Liabilities – Provisions'.

The NSW Police Force Blue Ribbon Super Scheme

The valuation of NSW Police Force's self-insured liabilities under the NSW Police Death and Disability Award Insurance scheme as at 30 June 2019 is based on data as at 30 June 2019.

NSW Police Force Blue Ribbon Super Scheme facilitates Death and Total and Permanent Incapacity benefits (TPD), and Partial and Permanent Disability benefits (PPD) to eligible police officers of NSW Police Force from 23 June 2005 until its replacement by the Police Amendment (Death and Disability) Act 2011.

16. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS (continued)

Recognition and Measurement (continued)

Employee benefits and related on-costs (continued)

The NSW Police Force Blue Ribbon Super Scheme (continued)

Under the 2011 Act, the new death and TPD benefits were effective from 20 January 2012 while the new Incomee Protection (IP) benefits were effective for any claim that did not meet the transitional arrangements to be eligible for 2005e PPD benefits on 30 November 2011.e

These arrangements are provided to a police officer if he or she suffered an on duty or off duty injury which results in thee death or total and permanent incapacity or partial and permanent incapacity of the officer. NSW Police Force (employer)e and police officers (employees) make contributions as required by these Awards.e

NSW Police Force's self-insured liability for PPD benefits (2005 Award) and income protection (IP) benefits are deemede "termination benefits" under AASB 119 *Employee Benefits*. The liability is measured in accordance with AASB 119e *Employee Benefits* and is consistent with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The quantum of NSW Police Force's total self-insured liability exposure is determined based on an independent actuariale assessment.e

The assessment approximates the potential liability of PPD and IP as well as death and TPD that are not covered by thee insurer, and the recovery of payments made under a PPD claim when the affected officer submits a TPD claim in finalisatione of compensation for an injury. The valuation also includes the potential risk sharing liabilities payable to the insurer (TAL)e if the insured death and TPD claims experience is above a specified level. The valuation also accounts for potential premiume refund if the claims experience is below a specified level.e

As at 30 June 2019 the estimated liability exceeded the estimated recovery.e

The liability has been discounted at an assumed government bond rate of 1.0% with a term of 1.9 years. The largeste component of the liabilities is the risk sharing payments to TAL where the insured death and TPD claims experience ise above a specified level.e

The liability is disclosed in Note 16 as part of 'Current / Non-Current Liabilities – Provisions' and the recovery is disclosede in Note 7 as part of 'Current / Non-Current Assets – Receivables'.e

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
17. CURRENT / NON-CURRENT LIABILITIES – OTHER		
Other Liabilities - Current		
Lease incentives	370	483
Other	266	14
	<u>636</u>	<u>497</u>
Other Liabilities - Non-Current		
Lease incentives	1,120	1,489
	<u>1,120</u>	<u>1,489</u>
Total Liabilities - Other	<u>1,756</u>	<u>1,986</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 27.

Recognition and measurement

Lease incentives

Lease incentives payable or receivable under operating leases are recognised initially as assets or liabilities. The incentive is subsequently amortised over the lease term, as a reduction of rental income or rental expenses. The straight-line method is adopted for reduction of rental income and rental expense.

18. EQUITY AND RESERVES

Recognition and Measurement

(i)e Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with NSW Police Force's policy on the revaluation of property, plant and equipment as discussed in Note 10.

(ii)e Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. asset revaluation reserve and foreign currency translation reserve).

INCREASE / (DECREASE) IN NET ASSETS FROM EQUITY TRANSFERSe

	2019 \$'000	2018 \$'000
Transfers of property, plant and equipment		
To Property NSW	(15,232)	(94,291)
To NSW Telecommunications Authority	(720)	-
Increase / (Decrease) in Net Assets from Equity Transfers	<u>(15,952)</u>	<u>(94,291)</u>

18. EQUITY AND RESERVES (continued)**(ii)e Accumulated funds (continued)****To Property NSW:**

The Premier's Memorandum 2012-20 (PM12-20) provides that all owned office buildings and other non-operational real property assets that are capable of being divested to a third party without affecting service delivery are to be vested in Property NSW.e

NSW Police Force and Property NSW have been collaborating on the vesting and transition strategy of NSW Police Force residential asset portfolio and the appropriate operating model for provision of accommodation services by Property NSW.e As of the 1st September 2017, Property NSW assumed full responsibility for managing the NSW Police Force residential property portfolio. The vesting orders were issued in eight phases from May 2017 to March 2019.e

The formal process of transitioning the remaining land title certificates to Property NSW is expected to be completed in 2020.e

To NSW Telecommunications Authority:

The Property and Infrastructure Memorandum, dated 1 February 2018, provides for the integration of various telecommunications networks. The NSW Telecommunications Authority as part of the Critical Communication Enhancement Program (CCEP) program of works is in process of identifying, integrating and rationalising infrastructure of various NSW Government agencies, including NSW Police Force. The vesting order issued was for the transfer of seven radio sites to NSW Telecommunications Authority. The management responsibility of phase one of the radio site was transferred to NSW Telecommunications Authority in March 2019.e

The formal process of transitioning the remaining radio sites to NSW Telecommunications Authority is expected to continue in 2020.e

(iii)e Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of service group functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public-Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.e

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at amortised cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.e

(iv) Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.e

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
19. COMMITMENTS FOR EXPENDITURE		
(a) Capital Commitments		
Aggregate capital expenditure contracted for at balance date and note provided for:		
Within one year	60,247	77,417
Later than one year and not later than five years	40,021	13,981
Later than five years	-	-
Total (including GST)	100,268	91,398

Input tax credits of \$9.115 million (\$8.065 million in 2017-18), expected to be recoverable from the Australian Taxation Office, are included above.

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

Within one year	70,166	64,679
Later than one year and not later than 5 years	120,905	105,068
Later than five years	7,020	16,393
Total (including GST)	198,091	186,140

Input tax credits of \$18.008 million (\$16.922 million in 2017-18), expected to be recoverable from the Australian Taxation Office, are included above.

Operating lease commitments comprise property (office buildings and radio sites) lease rentals and motor vehicle fleet leases. Lease terms for operating leases vary as mentioned below and generally, require a monthly payment in advance for both rent and outgoings.

Building leases vary between 1 month - 18 years, and are generally subject to either CPI, fixed or market rental review at regular intervals.

Radio site leases vary from 6 months - 24 years and are generally subject to either CPI and or an escalation from 3% to 5% annually.

Motor vehicle fleet leases vary from 1 month to 5 years and are subject to a fixed interest rate during the lease term.

NSW Police Force does not have contingent leases, nor does it incur any rental expense arising from sub-leases.

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
19. COMMITMENTS FOR EXPENDITURE (continued)		
(c) Finance lease commitments		
Minimum lease payment commitments in relation to finance leases		
Within one year	22,012	21,268
Later than one year and not later than 5 years	89,630	92,780
Later than five years	-	18,863
Minimum lease payments	111,642	132,911
Less: future finance charges	15,388	22,011
Present value of minimum lease payments	96,254	110,900
 The present value of finance lease commitments is as follows:		
Within one year	16,397	14,646
Later than one year and not later than 5 years	79,857	77,767
Later than five years	-	18,487
	96,254	110,900
 Classified as:		
Current (Note 15)	16,397	14,646
Non-current (Note15)	79,857	96,254
	96,254	110,900

NSW Police Force entered into a finance lease for the NSW Police Force Headquarters at Parramatta for a period of 20 years with an option of a further lease term of 5 years. The lease commenced on 1 June 2004.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

2019	2018
\$'000	\$'000

(a) Contingent Liabilities

Contingent liabilities comprise of actual and potential claims and proceedings that arise in the conduct of the NSW Police Force's business. The contingent liabilities are estimates of anticipated legal expenses, legal claim liabilities and associated legal expenses.

The contingent liabilities exclude:

- insured liabilities or legal expenses paid from the Attorney General of NSW's 'core' fund, and
- estimates for settlements, which if the claimant is successful, will be met by NSW Treasury Managed Fund.

<u>1,366</u>	<u>6,818</u>
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(b) Contingent Assets

The NSW Police Force on 1 June 2004, entered into a lease for the NSW Police Force Headquarters at Parramatta. As part of the conditions of the lease term, the Lessor agrees that, on the fifteenth anniversary of the lease (1 June 2019), it will deposit \$6 million (expressed as a nominal amount) in an account in its name.

The Lessor on 1 July 2019, deposited \$6 million in a trust account in its name.

The NSW Police Force may, at any time after the deposit of the funds until 31 May 2024, request that the Lessor carry out refurbishment work to the premises in accordance with the NSW Police Force's request, up to maximum value of \$6 million plus any interest accrued in the account from 1 June 2019.

There was no refurbishment work to the premises carried out by the Lessor as at 30 June 2019.

<u>6,000</u>	<u>6,000</u>
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21. BUDGET REVIEW

The budgeted amounts shown represent the original budgeted financial statements presented to Parliament in respect of the reporting period.

Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts.

Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are set out below.

Net result:

The actual net result was unfavourable to budget by \$83 million.

The largest contributors to the unfavourable variance were:

- Higher employee related expenses of \$135 million, which included \$132 million of unbudgeted increase in long service leave expense, primarily driven by the impact on valuation of the significant reduction in the Commonwealth 10-year bond rate over the year (from 2.63% to 1.32%);
- Lower grants and other contributions of \$140 million received, which reflects the impact of the cash management policy of NSW Treasury relating to minimising agency cash holdings at year end;
- Higher other income revenue of \$59 million, primarily due to the Treasury Managed Fund (TMF) Workers' Compensation hindsight refund (relating to the 2013-14 fund year) of \$47 million;
- Higher revenue of \$111 million from the Acceptance by the Crown Entity of employee benefits and other liabilities – primarily due to the unbudgeted increase in long service leave expenses, referred to above; and
- Higher revenue of \$15 million from the sale of goods and services.

Assets and liabilities:

Total current assets at 30 June 2019 were \$154 million higher than budget mainly due to:

- An increase in cash in bank by \$162 million, primarily relating to:
 - The net refund of TMF hindsight of \$32 million;
 - An increase of \$15 million from the sale of goods and services; and
 - \$61 million capital grant funding unspent prior years and carried into 2019.

Non-current assets increased by \$19 million mainly due to:

- A \$123 million increase in property, plant and equipment assets comprising of revaluation increment of \$43 million and asset additions of \$80 million; and
- Partially offset by a decrease in intangible assets of \$104 million.

Total liabilities increased by \$80 million mainly due to an increase in employee provisions by \$80 million.

Cash flows:

Net cash flows from operating activities decreased by \$60 million due to:

- A decrease in capital spending by \$53 million offset by reduction of capital grants;
- An increase of \$15 million in salaries and wages;
- An increase in other operating expenses of \$20 million, mainly in repairs and maintenance of \$14 million;
- Partially offset by net refund of the TMF Workers' Compensation hindsight of \$32 million; and
- An increase of \$15 million from the sale of goods and services.

22. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2019 \$'000	2018 \$'000
Net cash inflow from operating activities	166,779	262,891
Depreciation and amortisation	(151,760)	(142,373)
Net gain / (loss) on disposal of property, plant and equipment	(3,261)	(4,303)
Net gain / (loss) on derivatives at fair value through profit and loss	(110)	-
Non-cash revenue - capital donations	23	-
Non-cash revenue - (Refer Note 3(d))	1,391	979
Restoration costs - (Refer Note 16)	6,915	-
Gain on disposal of derivatives held for trading	52	-
Increase / (decrease) in receivables	(7,530)	(5,870)
Decrease / (increase) in creditors	(19,271)	966
Decrease / (increase) in provisions	(33,250)	(11,777)
Decrease / (increase) in other liabilities	230	494
Increase / (decrease) in Capital Works expenditure accruals	3,003	492
Net result	(36,789)	101,499

23. NON-CASH FINANCING AND INVESTING ACTIVITIES

Liabilities and expenses assumed by the Crown Entity:

Superannuation	(55,421)	(59,241)
Long service leave	(226,630)	(108,786)
Payroll tax on superannuation	(3,021)	(3,228)
	(285,072)	(171,255)

24. TRUST FUNDS

NSW Police Force holds money in a Crown Trust Fund, comprising money found and exhibit money, held in trust pending resolution of ownership. These monies are excluded from the financial statements, as the NSW Police Force cannot use them to achieve its objectives.

The following is a summary of the transactions in the trust account:

Crown Trust Fund Account

Cash balance at 1 July	33,556	43,104
Add: Receipts	31,375	42,322
Less: Expenditure	(28,955)	(51,870)
Cash balance at 30 June	35,976	33,556

Recognition and measurement
Trust funds

NSW Police Force receives monies in a trustee capacity. As NSW Police Force performs only a custodial role with these monies, and because the monies cannot be used for the achievement of NSW Police Force's own objectives, these funds are not recognised in the financial statements.

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
25. ADMINISTERED ASSETS AND LIABILITIES		
Administered Assets¹		
Receivables	63	703
Total Administered Assets	63	703
Administered Liabilities²		
Unearned income due not later than one year	12,219	11,568
Unearned income due later than one year	17,052	14,930
Total Administered Liabilities	29,271	26,498

Note

1. The administered assets comprise of accrued income from Roads and Maritime Services for the month of June 2019.

2. The administered liabilities comprise multi-years firearms and security industry licence payments in advance for a maximum period of up to 5 years. The fees collected are amortised based on the term of the licence.

26. ADMINISTERED INCOME

Firearms licensing	9,899	9,513
Security industry licensing	11,227	11,080
Fines and forfeitures	1,405	1,628
Receipts under Crimes Act	348	454
Other	42	37
	22,921	22,712

The administered income is not reported in the annual financial statements for NSW Police Force.

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

27. FINANCIAL INSTRUMENTS

NSW Police Force's main risks arising from financial instruments are outlined below, together with NSW Police Force's objectives, policies and processes for measuring and managing risk. These financial instruments arise directly from NSW Police Force's operations or are required to finance NSW Police Force's operations. NSW Police Force does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes. Further quantitative and qualitative disclosures are included throughout this financial statement.

The Commissioner of Police has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by NSW Police Force, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Risk Management and Audit Committee.

(a) Financial instrument categories

(i) As at 30 June 2019 under AASB 9 *Financial Instruments*

	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalent	6	N/A	231,294
Receivables ^{1a}	7	Amortised cost	34,898
Financial assets at fair value	9	Fair value through profit or loss	-
Financial Liabilities			
Payables ²	14	Financial liabilities measured at amortised cost	69,501
Borrowings	15	Financial liabilities measured at amortised cost	96,254
Financial liabilities at fair value	9	Fair value through profit or loss	8
Other liabilities	17	Financial liabilities measured at amortised cost	1,756

¹Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 *Financial Instruments: Disclosures*).

²Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 *Financial Instruments: Disclosures*).

(ii)a As at 30 June 2018 under AASB 139 *Financial Instruments (comparative period)*a

	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalent	6	N/A	250,277
Receivables ¹	7	Loans and receivables measured at amortised cost	41,097
Financial assets at fair value	9	Derivative financial instrument	102
Financial Liabilities			
Payables ²	14	Financial liabilities measured at amortised cost	51,790
Borrowings	15	Financial liabilities measured at amortised cost	110,980
Other liabilities	17	Financial liabilities measured at amortised cost	1,986

¹Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 *Financial Instruments: Disclosures*).

²Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 *Financial Instruments: Disclosures*).

NSW Police Force determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

27. FINANCIAL INSTRUMENTS (continued)

(b) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if NSW Police Force transfers the financial asset:^a

- ^a where substantially all the risks and rewards have been transferred; or
- ^a where NSW Police Force has not transferred substantially all the risks and rewards, if NSW Police Force has not retained control.^a

Where NSW Police Force has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of NSW Police Force's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(c)^a Offsetting financial instruments^a

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the net assets and settle the liabilities simultaneously.^a

(d)^a Credit risk^a

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to NSW Police Force. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).^a

Credit risk arises from the financial assets of NSW Police Force including cash and receivables. No collateral is held by NSW Police Force. NSW Police Force has not granted any financial guarantees.^a

Credit risk associated with the entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.^a

NSW Police Force considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, NSW Police Force may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by NSW Police Force.^a

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System, and the Brookfield Global Integrated Solutions Trust 6 Account.

In accordance with NSW Treasury's cash management reform 2015-16, no interest is payable to NSW Police Force.

27. FINANCIAL INSTRUMENTS (continued)
(d)e Credit risk (continued)
Accounting policy for impairment of trade debtors and other financial assets under AASB 9 *Financial Instruments*
Receivables - trade and other debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The entity applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. NSW Police Force has not identified any macroeconomic factors that may impact the historical loss rates.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9 *Financial Instruments*) was determined as follows:

Trade Debtors	30 June 2019 \$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	1%	1%	4%	14%	
Estimated total gross Carrying amount at default	-	1,332	609	207	700	2,848
Expected credit loss	-	13	6	8	255	282

Trade Debtors	1 July 2018 \$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	1%	1%	4%	14%	
Estimated total gross Carrying amount at default	-	1,963	467	205	445	3,080
Expected credit loss	-	20	5	8	350	383

27. FINANCIAL INSTRUMENTS (continued)**(d)e Credit risk (continued)e**

Other Debtors	30 June 2019					
	\$'000					
	Current	<30 days	30-60e dayse	61-90e dayse	>91 dayse	Total
Expected credit loss rate	N/A	N/A	N/A	N/A	N/A	
Estimated total gross Carrying amount at default	-	835	56	35	6,049	6,975
Expected credit loss	-	26	-	-	5,645	5,671

Other Debtors	1 July 2018					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	N/A	N/A	N/A	N/A	N/A	
Estimated total gross Carrying amount at default	-	1,960	54	72	5,840	7,926
Expected credit loss	-	28	-	-	5,547	5,575

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7 *Financial Instruments: Disclosures*. Therefore, the 'total' will not reconcile to the receivables total in Note 7.

NSW Police Force is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019.

Accounting policy for impairment of trade debtors and other financial assets under AASB 139 *Financial Instruments* (comparative period only).

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the reporting entity will not be able to collect all amounts due. This evidence includes experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are generally made on 30-day terms.

27. FINANCIAL INSTRUMENTS (continued)**(d) Credit risk (continued)**

For the comparative period 30 June 2018, the ageing analysis of trade debtors is as follows:

Trade Debtors	\$'000
Neither past due nor impaired	
Past due but not impaired	
< 3 months overdue	5,130
3 months - 6 months overdue	237
> 6 months overdue	428
	5,795
Impaired	
< 3 months overdue	-
3 months - 6 months overdue	-
> 6 months overdue	383
Total receivables - gross of allowance for impairment	6,178
Other debtors	\$'000
Neither past due nor impaired	
Past due but not impaired	
< 3 months overdue	113
3 months - 6 months overdue	101
> 6 months overdue	-
	214
Impaired	
< 3 months overdue	-
3 months - 6 months overdue	15
> 6 months overdue	5,560
Total receivables - gross of allowance for impairment	5,789

Notes:

- Each column in the table reports 'gross receivables'.
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 *Financial Instruments: Disclosures* and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

NSW Police Force is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019.

27. FINANCIAL INSTRUMENTS (continued)

(e) Liquidity risk

Liquidity risk is the risk that NSW Police Force will be unable to meet its payment obligations when they fall due. NSW Police Force continuously manages risk through monitoring future cash flows to ensure adequate cash is available to meet its payment obligations.

The main source of credit standby arrangements available to NSW Police Force is advances from NSW Treasury. Advances are requested from NSW Treasury on a need basis and are repaid by way of reduction in the recurrent grant from the Justice Cluster's Principal Department, the Department of Justice. Credit card facilities are also in operation within NSW Police Force. The risks associated with credit cards are minimised through credit card policy including transactional and monthly limits. In addition, credit card usage is monitored by independent officers within NSW Police Force.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. NSW Police Force's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12 *Payment of Accounts*. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 9.50% (2018 – 9.96%).

27. FINANCIAL INSTRUMENTS (continued)
(e) Liquidity risk (continued)

The table below summarises the maturity profile of the entity's financial liabilities, together with the interest rate exposure.^e

	Weighted average effective interest rate	Nominal Amount ² \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
2019								
<i>Payables</i> ¹	-	69,501	-	-	69,501	69,501	-	-
<i>Borrowings:</i>								
Finance Lease	6.61%	96,254	96,254	-	-	16,397	79,857	-
<i>Other:</i>								
Lease Incentives	-	1,490	-	-	1,490	370	1,120	-
Other	-	266	-	-	266	266	-	-
		167,511	96,254	-	71,257	86,534	80,977	-
2018								
<i>Payables</i> ¹	-	51,790	-	-	51,790	51,790	-	-
<i>Borrowings:</i>								
Finance Lease	6.61%	132,911	132,911	-	-	21,268	92,780	18,863
Treasury Advances Repayable	4.08%	80	80	-	-	80	-	-
<i>Other:</i>								
Lease Incentives	-	1,972 ^e	-	-	1,972	483	1,489	-
Other	-	14	-	-	14	14	-	-
		186,767	132,991	-	53,776	73,635	94,269	18,863

Notes

1. Payables exclude income received in advances and statutory taxes.^e

2.^eThe amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the statement of financial position.^e

(f) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. In the absence of any borrowings with variable interest rates or Hour Glass Investment Facilities, NSW Police Force's exposure to market risk is considered minimal.^e

Foreign exchange rate risk

NSW Police Force has a Foreign Exchange Risk Policy which applies to purchases in foreign currency greater than \$250,000. The objective of this policy is to minimise the exposure of foreign currency risk to meet the budget forecast. NSW Police Force has minimal exposure to market risk or foreign currency risk.^e

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

27. FINANCIAL INSTRUMENTS (continued)

(f) Market risk (continued)

NSW Police Force has one foreign exchange forward contract outstanding at year end, which relate to the purchase of plant and equipment.^a

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Police Force operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2018-2019. The analysis assumes that all other variables remain constant.^a

Interest rate risk

Exposure to interest rate risk arises primarily through NSW Police Force's interest bearing liabilities. The risk is minimal as the most significant financial liability, the finance lease, has a fixed interest rate predetermined at the inception of the lease and remains fixed for the entire term of the lease. Therefore, for this financial instrument, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates (based on the RBA commonwealth bond rate as at the balance date over the last two years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.^a

NSW Police Force's exposure to interest and exchange rate risk is set out below:^a

		-1%		+1%	
	Carrying amount \$'000	Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
2019					
Financial assets:					
Cash and cash equivalents	231,294	(2,313)	(2,313)	2,313	2,313
Receivables	34,898	-	-	-	-
Financial assets at fair value	-	-	-	-	-
Financial liabilities:					
Payables	69,501	695	695	(695) ^a	(695) ^a
Borrowings	96,254	-	-	-	-
Other liabilities	1,756	18	18	(18) ^a	(18) ^a
2018					
Financial assets:					
Cash and cash equivalents	250,277	(2,503)	(2,503)	2,503	2,503
Receivables	41,097	-	-	-	-
Financial assets at fair value	102	(14) ^a	(14) ^a	14	14
Financial liabilities					
Payables	51,790	518	518	(518) ^a	(518) ^a
Borrowings	110,980	-	-	-	-
Other liabilities	1,986	20	20	(20) ^a	(20) ^a

Other price risk

Exposure to other price risk primarily arises through the investment in the TCorp Hour Glass Investment facilities.

NSW Police Force does not have investment in these facilities. Therefore, NSW Police Force has no exposure to other price risk.

27. FINANCIAL INSTRUMENTS (continued)**(g)e Fair Value Measurement****(i) Fair value compared to carrying amount**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

Derivative financial instruments are measured at fair value. The carrying amount of derivative financial instruments approximates their fair values, largely due to the short-term maturities of these instruments.

(ii) Fair value recognised in the statement of financial position

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair Value Measurement*, NSW Police Force categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs). NSW Police Force recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019				
Financial assets at fair value				
Derivative financial instrument	-	-	-	-
	-	-	-	-
2018				
Financial assets at fair value				
Derivative financial instrument	-	102	-	102
	-	102	-	102

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

28. RELATED PARTY DISCLOSURES

(a) NSW Police Force's key management personnel compensation are as follows:

	2019 \$'000	2018 \$'000
Short-term employee benefits	2,457	2,464
Termination benefits	11	-
Other long-term employee benefits	223	38
Total remuneration	<u>2,691</u>	<u>2,502</u>

(b) During the year, NSW Police Force did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

(c) Government - related entities

(i) NSW Centre for Road Safety (CfRS) and NSW Police Force have put in place an Enhancement Enforcement Program to augment traffic enforcement services where CfRS provide ancillary funds for additional activity through overtime and rostered days for police overtime. NSW Police Force is reimbursed costs incurred through this program. Refer Note 3(b).

Nature of transaction	2019		2018	
	Transaction	Net	Transaction	Net
	value \$'000	receivable / (payable) \$'000	value \$'000	receivable / (payable) \$'000
Sale of goods	34,156	15,580	25,179	7,670
Total grants received from CfRS	<u>34,156</u>	<u>15,580</u>	<u>25,179</u>	<u>7,670</u>

(ii) NSW Police Force received grants from Department of Justice. Refer Note 3(b).

(iii) Acceptance by the Crown Entity of employee benefits and other liabilities. Refer Note 3(c) and Note 23.

Nature of transaction	2019		2018	
	Transaction	Net	Transaction	Net
	value \$'000	receivable / (payable) \$'000	value \$'000	receivable / (payable) \$'000
Superannuation - defined benefit plans	55,421	-	59,241	-
Long service leave	226,630	-	108,786	-
Payroll tax	3,021	-	3,228	-
Total assumed by Crown Entity	<u>285,072</u>	<u>-</u>	<u>171,255</u>	<u>-</u>

NSW Police Force

Notes to the financial statements for the year ended 30 June 2019

28. RELATED PARTY DISCLOSURES (continued)

(c) Government - related entities (continued)

- (iv) The insurance activities of NSW Police Force are conducted through NSW Treasury Managed Fund (TMF) Scheme of self-insurance of Government entities.

Nature of transaction	2019		2018	
	Transaction	Net	Transaction	Net
	value \$'000	receivable / (payable) \$'000	value \$'000	receivable / (payable) \$'000
Worker's compensation insurance - Refer				
Note 2(a)	218,514	-	176,387	-
Insurance *	69,611	-	68,721	-
	288,125	-	245,108	-

* Public liability, motor vehicle and property insurance confirmed by NSW Treasury Managed Fund (TMF). Included in Note 2(b).

The TMF applies a hindsight adjustment, calculated at three years (Interim) and five years (Final), based on actual claims experience. NSW Police Force receives or pays the difference between the annual and hindsight premiums.

Nature of transaction	2019		2018	
	Transaction	Net	Transaction	Net
	value \$'000	receivable / (payable) \$'000	value \$'000	receivable / (payable) \$'000
TMF hindsight rebates for fund years				
2013-14. Refer Note 3 (d)	47,161	-	96,958	-
	47,161	-	96,958	-

(v) Other transactions

The NSW Police Force received grant funding from other NSW Government agencies which are not considered material. Refer Note 3 (b).

29. EVENTS AFTER THE REPORTING PERIOD

- a) The impact of the Machinery of Government (MoG) changes effective 1 July 2019 will realign the functions from the former Family and Communities Services (FACS) and Justice Clusters into the newly created Stronger Communities Cluster.

The new arrangements mean that the FACS and Justice Clusters will be formally abolished on 1 July 2019 and the NSW Police Force forms part of the Stronger Communities Cluster from that date.

- b) At the date of signing, there was one potential event subsequent to the reporting period which would have a material effect on NSW Police Force's financial statements.

NSW Police Force is currently in advanced negotiations with the landlord but is yet to formally enter into a new 25-year lease agreement for the Parramatta Headquarters, which on inception would result in the recognition of a right of use asset and associated lease liability.

The minimum lease term is 25 years. The proposed contract contains two five-year renewal option terms.

END OF AUDITED FINANCIAL STATEMENTS

APPENDIX 1: NSW Police Force staff	86
APPENDIX 2: Equal employment opportunity	90
APPENDIX 3: Disability inclusion action plans	92
APPENDIX 4: Multicultural policies	92
APPENDIX 5: Government information (public access)	94
APPENDIX 6: Injuries and workers compensation claims	97
APPENDIX 7: Staff drug and alcohol testing	98
APPENDIX 8: Privacy and personal information	99
APPENDIX 9: Complaints against police	100
APPENDIX 10: Requests for assistance	101
APPENDIX 11: Significant judicial decisions	102
APPENDIX 12: Legislative changes	104
APPENDIX 13: Research and development	105
APPENDIX 14: Police pursuits	105
APPENDIX 15: Overseas travel	106
APPENDIX 16: Consultants	109
APPENDIX 17: Public interest disclosures	109
APPENDIX 18: Creditors payments and credit cards	110
APPENDIX 19: Matters arising from 2018-19 audit	111
APPENDIX 20: Insurance activities	112
APPENDIX 21: Property disposals	112
APPENDIX 22: Audits and reviews	113
APPENDIX 23: Cyber security	115
APPENDIX 24: Asset purchase and protection	115
APPENDIX 25: Productivity data	115
APPENDIX 26: Major works in progress	116
APPENDIX 27: Honours and awards	117

APPENDIX 1: NSW Police Force staff

Movements in wages, salaries and allowances

The *Crown Employees (Police Officers – 2017) Award* provided an increase in salaries and allowances of 2.50% to all non-executive police officers from the first full pay period in July 2018. The *Crown Employees (NSW Police Administrative Officers and Temporary Employees) Award 2009* provided an increase in salaries and allowances of 2.50% to administrative officers from the first full pay period in July 2018. Other groups such as medical officers and special constables were provided with similar pay increases in compliance with the relevant industrial awards.

Summary of total strength details as at 30 June

	2014-15	2015-16	2016-17	2017-18	2018-19
Police officers ^a	16,693	16,627	16,649	16,788	17,111
Administrative officers	3,936	3,950	4,018	3,937	3,969
Ministerial officers ^b	0	0	0	0	0
Total	20,629	20,577	20,667	20,725	21,080

Source: NSW Police Force, SAP

a. Includes officers on secondment to other public sector agencies.

b. Proclamation of the *Police Legislation Amendment (Special Constables) Act 2013* occurred on 1 December 2014. From that date ministerial employment ceased in the NSW Police Force. These staff are now employed as administrative officers under the *Police Act 1990*.

Strength details (police officers) as at 30 June

Rank	Internal police		External seconded external funded		External seconded internal funded		Total	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Executive officers ^a	23	19	0	3	0	0	23	22
Commissioned officers ^b	852	814	3	3	1	1	856	818
Senior sergeants and sergeants	3,107	3,093	11	13	2	0	3,120	3,106
Senior constables, constables and probationary constables	12,774	13,148	9	15	6	2	12,789	13,165
Total	16,756	17,074	23	34	9	3	16,788	17,111

Source: NSW Police Force, Secondments, Workforce Capability & SAP

a. Includes officers at the rank of commissioner, deputy commissioner and assistant commissioner.

b. Includes officers at the rank of superintendent and inspector.

Senior executives as at 30 June

Public service senior executive salary band	Male 2018	Female 2018	Male 2019	Female 2019
1	1	2	25	14
2	17	3	15	4
3	5	3	6	1
4	1	0	1	0

Source: NSW Police Force, SAP

Average total remuneration package (TRP) of senior executives

Public service senior executive salary band (2018-19 range)	Average TRP 2017-18	Average TRP 2018-19
1 (\$187,900 – \$268,000)	\$227,434	\$229,104
2 (\$268,001 – \$337,100)	\$305,649	\$330,281
3 (\$337,101 – \$475,150)	\$395,330	\$403,152
4 (\$475,151 – \$548,950)	\$520,050	\$548,950

Source: NSW Police Force, SAP

Employees by region, police area command (PAC) and police district (PD) as at 30 June 2019

Command	Police officers	Administrative staff	Total
Central Metropolitan Region	2,222	177	2,399
Botany Bay PAC	99	9	108
Eastern Beaches PAC	175	12	187
Eastern Suburbs PAC	209	20	229
Inner West PAC	244	16	260
Kings Cross PAC	145	10	155
Leichhardt PAC	143	8	151
Redfern PAC	156	10	166
St George PAC	288	19	307
Surry Hills PAC	151	13	164
Sutherland Shire PAC	258	24	282
Sydney City PAC	269	22	291
North West Metropolitan Region	2,099	180	2,279
Blacktown PAC	163	12	175
Blue Mountains PAC	110	13	123
Hawkesbury PAC	85	10	95
Ku-ring-gai PAC	133	12	145
Mount Druitt PAC	184	13	197
Nepean PAC	282	20	302
North Shore PAC	251	17	268
Northern Beaches PAC	271	21	292
Parramatta PAC	140	15	155
Quakers Hill PAC	102	9	111
Ryde PAC	197	14	211
The Hills PAC	98	9	107

Command	Police officers	Administrative staff	Total
South West Metropolitan Region	2,057	174	2,231
Auburn PAC	160	13	173
Bankstown PAC	229	17	246
Burwood PAC	231	18	249
Camden PAC	121	10	131
Campbelltown City PAC	291	24	315
Campsie PAC	141	14	155
Cumberland PAC	238	18	256
Fairfield City PAC	291	24	315
Liverpool City PAC	281	20	301
Northern Region	2,134	188	2,322
Brisbane Water PD	201	13	214
Coffs-Clarence PD	195	19	214
Hunter Valley PD	169	11	180
Lake Macquarie PD	206	16	222
Manning-Great Lakes PD	113	14	127
Mid North Coast PD	172	17	189
Newcastle City PD	245	17	262
Port Stephens-Hunter PD	228	17	245
Richmond PD	186	17	203
Tuggerah Lakes PD	205	13	218
Tweed-Byron PD	174	15	189
Southern Region	1,480	150	1,630
Lake Illawarra PD	213	16	229
Monaro PD	114	10	124
Murray River PD	188	20	208
Murrumbidgee PD	114	14	128
Riverina PD	198	19	217
South Coast PD	253	23	276
The Hume PD	175	14	189
Wollongong PD	193	15	208
Western Region	1,195	145	1,340
Barrier PD	100	16	116
Central West PD	126	20	146
Central North PD	176	18	194
Chifley PD	159	14	173
New England PD	200	19	219
Orana-Mid Western PD	232	30	262
Oxley PD	173	10	183

Police separations

Rank	Retirement		Death		Resignation		Medically unfit ^c		Appointment annulment		Dismissal s80(3) ^d		Removal s181D ^e		Contract termination		Transfer		Total	
	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19
Executive officers ^a	3	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	4	1
Commissioned officers ^b	7	9	1	1	0	3	35	42	0	0	0	0	0	0	0	0	0	1	43	56
Senior sergeants and sergeants	13	18	4	2	20	31	63	77	0	0	1	0	3	0	0	0	6	5	110	133
Constables (all)	13	17	2	8	148	198	158	184	0	0	13	8	7	9	0	0	15	23	356	458
Total	36	44	7	11	168	230	257	304	0	0	14	8	10	9	0	0	21	29	513	648

Administrative and ministerial officer separations

Category	Retirement		Death		Resignation		Medically unfit ^c		Appointment annulment		Contract termination		Dismissal		Temporary		Transfer		Secondment		Secondment to other govt body		Voluntary redundancy		Total	
	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19
Clerical	48	44	2	1	112	138	8	14	0	0	0	0	3	1	24	18	51	54	1	0	0	0	11	23	260	297
Professional	7	3	0	1	11	22	1	0	0	0	0	0	0	0	1	1	10	11	1	0	0	0	24	28	55	66
Other	14	6	1	3	49	61	7	4	0	1	0	0	0	1	3	4	18	18	0	0	0	0	2	0	94	99
Ministerial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	69	53	3	5	169	221	16	18	0	1	0	0	2	2	26	23	79	83	2	0	0	0	37	51	409^f	462

a. Includes officers at the rank of commissioner, deputy commissioner and assistant commissioner.

b. Includes officers at the rank of superintendent and inspector.

c. Medically unfit may also include officers who have retired/resigned due to medical grounds.

d. Dismissal orders are served on constables appointed on probation. Dismissal orders made under section 80(3) of the *Police Act 1990* can be the subject of review by the Industrial Relations Commission. This may result in a variation in the recording of the method of separation from the NSW Police Force.

e. Removal orders are served on confirmed police officers. Removal orders made under section 181D of the *Police Act 1990* can be the subject of review by the Industrial Relations Commission. This may result in a variation in the recording of the method of separation from the NSW Police Force. The date of the removal of an officer under section 181D is the date the Commissioner signs that order. However, for entitlement calculations the date of service of the order is used.

f. In 2017-18, there were 411 resignations. However, at the time of reporting, one person did not commence employment with the NSW Police Force and the other did not have a reason for their resignation listed.

APPENDIX 2: Equal employment opportunity

Percentage of total staff^a

Equal employment opportunity target group	Benchmark or target	2016	2017	2018	2019
Women	50.0%	34.8%	34.9%	34.7%	35.1%
Aboriginal people and Torres Strait Islanders	2.6%	3.4%	3.5%	3.7%	4.0%
People whose first language spoken as a child was not English ^b	19.0%	8.9%	8.3%	8.7%	12.0%
People with a disability	n/a	0.9%	1.0%	0.8%	0.8%
People with a disability requiring work-related adjustment	1.5%	0.2%	0.2%	0.2%	0.2%

Source: NSW Department of Premier & Cabinet, Public Sector Workforce Profile – Workforce Diversity Report 2019

a: As at 30 June, excluding casual staff.

b. The increase in representation of 'people who first language spoken as a child was not English' in 2019 is attributed to the increased overall and affirmative response rate compared to the previous years.

Note: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community. The NSW Public Sector Aboriginal Employment Strategy 2014-17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%. A benchmark from the Australian Bureau of Statistics Census of Population & Housing has been included for people whose first language spoken as a child was not English. The Australian Bureau of Statistics Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language. Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for people with a disability or for people with a disability requiring work-related adjustment.

Distribution index^b

Equal employment opportunity target group	Benchmark or target	2016	2017	2018	2019
Women	100	94	95	95	95
Aboriginal people and Torres Strait Islanders	100	86	86	86	87
People whose first language spoken as a child was not English	100	95	95	95	91
People with a disability	100	102	101	98	101
People with a disability requiring work-related adjustment	100	104	107	100	98

Source: NSW Department of Premier & Cabinet, Public Sector Workforce Profile – Workforce Diversity Report 2019

b: A distribution index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff. The distribution index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.

Workforce diversity strategies

The NSW Police Force continues its commitment to be an inclusive and progressive organisation that reflects, respects and values the diversity of all employees.

A key priority for the organisation during this reporting period has been to refocus efforts on building a strategic framework that is underpinned by NSW Police Force Statement of Strategic Intent and the Premier's Priority: Driving Public Sector Diversity, and reviewing emerging organisational needs in respect to inclusion and diversity.

This has included the development of a contemporary inclusion and diversity strategy and respective action plans for each diversity portfolio, including Aboriginal and Torres Strait Islander inclusion, gender equality, cultural inclusion, disability and accessibility, LGBTIQ, and multi-generational. The strategy and action plans will be launched in 2020.

It has also included the development of a framework to support the establishment of an internal inclusion and diversity council. The council was to be established in July 2019 to support the development of the inclusion and diversity strategy.

Other inclusion and diversity initiatives during this reporting period included:

- the development and implementation of the NSW Police Force Transgender & Gender Diverse Employees Policy Statement and supporting toolkits and information guide. The policy reflects the NSW Police Force's commitment to the inclusive recruitment and retention of transgender or gender diverse employees and also outlines how NSW will support employees transitioning their gender in the workplace in a safe, positive and inclusive way
- the review and development of the Community Allowance Language Scheme Guidelines and associated employee toolkits in alignment with the framework from Multicultural NSW. The new framework was to be released in August 2019 to help employees access the scheme to provide language services to members of the community
- continued support for women in the talent pipeline. Twenty-four women participated in the My Mentor program
- re-accreditation of the organisation as a breastfeeding workplace by the Australian Breastfeeding Association to ensure suitable workplace facilities to support mothers returning to work
- active participation as a member of the Public Service Commission's Diversity & Inclusion Advisory Committee and the Communities & Justice Cluster Diversity & Inclusion Council
- participation in a number of Diversity Council Australia events and webinars
- promotion of and participation in diversity events to celebrate International Women's Day, International Day for People with Disability, Wear it Purple Day and Harmony Day.

APPENDIX 3: Disability inclusion action plans

Under the *NSW Disability Inclusion Act 2014* the NSW Police Force is not required to develop a disability inclusion action plan, although it should be noted that the NSW Police Force is committed to providing an accessible and inclusive service to all vulnerable communities including people with disability. The NSW Police Force commitment towards vulnerable communities is articulated through a number of strategies and objectives in the *Older People, People with Disability and Homelessness Action Plan 2019*.

The corporate and region sponsors for vulnerable communities have been active in engaging communities and disability sector stakeholders. Projects and ongoing activities designed to improve accessibility and inclusiveness include:

- establishing the aged crime prevention officers to prevent and respond to abuse, neglect and exploitation of older people and people with disability. Six positions are currently piloted across NSW and an additional 50 positions will be established in each police area command and police district over the next three years
- collaborating with the justice and community service sector to establish the NSW Ageing and Disability Commission
- regional and local implementation of the joint protocol to reduce the contact of people with disability in supported accommodation with the criminal justice system
- collaborating with disability services to review and develop multiple educational resources including the Guide Dog Access Rights cards, Working with People with Autism for Law Enforcement, Working with People with Cognitive Impairment in the Criminal Justice System, and Police Supporting People with Dementia in Emergency Situations
- working proactively with Justice NSW and other key stakeholders to improve the broader criminal justice response to people with cognitive impairment, culminating in the establishment of the Justice Advocacy Service
- promoting accessible resources on apprehended violence orders produced by the NSW Police Force in 32 community languages, text and audio formats, Auslan video and in Easy Read to police, disability organisations and community members
- Continued use of Auslan interpreters for victims, witnesses or offenders, and promotion of Auslan-interpreted resources on the NSW Police Force public website.

The NSW Police Force is also represented on a number of committees, including:

- Disability Royal Commission – NSW Interagency Coordination Group
- Justice Advocacy Service Working Group
- NDIS Quality & Safeguarding Task Group
- Justice Cluster NDIS Steering Committee.

APPENDIX 4: Multicultural policies

Multicultural Polices & Services Plan

The Multicultural Policies and Services Plan 2017-2020 (MPSP) was endorsed by Commissioner Mick Fuller in July 2017. The MPSP complies with the six multicultural principles set out in the *Multicultural NSW Act 2000* and demonstrates the intent of NSW Police Force to service the diverse communities of NSW. The four focus areas required by Multicultural NSW under the NSW Multicultural Policy Framework – planning, service delivery, engagement and leadership – are aligned with the strategic goals of the NSW Police Force – prevention, disruption, response and capability.

In the second year of the MPSP, Corporate Sponsor for Cultural Diversity & International Students, Assistant Commissioner Peter Thurtell convened quarterly MPSP monitoring meetings with the six region sponsors. The meetings featured presentations from experts including Professor Andrew Marcus on mapping social cohesion and lessons for law enforcement and Professor Gail Mason on bias crimes research.

MPSP strategies are embedded in local business planning. Reporting by police area commands and police districts in COMPASS went up from 70% in July 2018 to 90% in December 2018.

Outcomes achieved

Assistant Commissioner Thurtell visited new and emerging communities in Armidale and established a model to support regional police districts receiving refugee settlement. Commissioner Fuller and Assistant Commissioner Thurtell engaged with communities and religious leaders following the terrorist incidents in New Zealand in March 2019, and attended and hosted Iftar dinners during the month of Ramadan.

The Commissioner's Police Multicultural Advisory Council (PMAC) met quarterly to advise and influence policy and practice. Subjects discussed included: diversity in leadership; refugee issues; social cohesion and the role of police; vulnerable communities, mental health and customer Service from culturally and linguistically diverse perspectives; and diversity training in policing. PMAC members were consulted on the NSW Police Force's alcohol and illicit drugs strategy and provided comment on a range of current issues and community concerns.

Multicultural community liaison officers (MCLO) worked closely with local police and the community and delivered community engagement projects, programs and activities including victim support. These activities provided opportunities to develop police and community capacity and resilience. Our MCLOs maintained productive relationships and provided support to the Tonga, Fiji, Samoa and Vanuatu consulates. A coordinated approach to community engagement and de-escalation of conflict was implemented by MCLOs in response to ongoing conflicts between Pacific Islander street gangs. MCLOs and crime prevention officers across NSW provided orientation sessions to newly arrived refugees, discussing issues of Australian law, police in Australia and safety.

Three MCLOs were nominated for IJ Fellowship Awards at the prestigious 2018 Rotary Clubs of NSW Police Officer of the Year Awards with St George MCLO Kim Fenwick winning the award.

The annual International Students Beach Soccer Tournament was held in September 2018 with 24 teams representing 15 countries featuring students from across Sydney as well as Port Macquarie and Wagga Wagga. A successful 'cook off' involving 10 consul generals was held with food from the participating countries.

International students from China, Vietnam and Cambodia at high schools in Fairfield and Cabramatta helped to co-design a resource on safety issues of concern to them.

The Diversity Training Program delivered face to face training sessions to over 1000 police officers and sessions for NSW Police Force Chaplains and officers from specialist commands such as the Child Abuse & Sex Crimes Squad and the Police Transport & Public Safety Command.

Four-day mental health training for police officers featured role-playing exercises conducted by a diversity trainer and a discussion-based component on refugee issues.

The NSW Police Force Language Services Policy was endorsed in September 2018. The annual spend on translating and interpreting was \$2,897,821. The most common languages that required interpreting and translating were Chinese (Mandarin), Arabic, Vietnamese, Korean, Persian (Farsi), Chinese (Cantonese), Urdu, Tamil, Spanish, Thai and Turkish.

The NSW Police Force continues to work with settlement service providers to both engage the cross section of providers and to assist in the resettlement of refugees in NSW. Regional police districts have been active in reaching out to newly arrived refugee communities.

The range of initiatives the NSW Police Force was actively involved in included improving employment opportunities for young people, sporting and leadership activities, respectful behaviours and anti-violence programs, drug and alcohol awareness programs, and safety for seniors and elder abuse prevention programs. Some examples include Box with a Cop, Coffee with a Cop, and Life Still Matters.

Strategies and activities planned for 2019-20

An initiative to address drownings and near-drownings of international students will be informed by statistics. It will document the experience of international students at our beaches and waterways and focus on innovative ways to spread water safety messages.

The development of the 2020-2024 MPSP will involve focus groups with police and communities across NSW.

Regional settlement support to Coffs Harbour, Armidale and Wagga Wagga Police Districts will include cultural diversity mapping, diversity training for staff, community engagement activities and the deployment of multicultural liaison officers.

A multicultural app with commonly used policing phrases is being developed and trialled in partnership with Multicultural NSW with an emphasis on the skilled use of interpreters.

Resources are to be developed to support community education about the prevention and reporting of violence, abuse and neglect of older people and people with disability.

APPENDIX 5: Government information (public access)

The NSW Police Force External Information Access Unit administers and fulfils the NSW Police Force's obligations under the *Government Information (Public Access) Act 2009* (GIPA Act). The GIPA Act replaced the *Freedom of Information Act 1989* on 1 July 2010. The total number of valid GIPA Act applications processed this reporting year was 5349.

Table A: Applications by type of applicant and outcome

Type of applicant	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with application	Refuse to confirm/ deny whether info is held	Application withdrawn
Media	18	22	13	14	3	10	0	4
Members of Parliament	4	9	1	4	0	2	0	1
Private sector businesses	257	315	216	72	16	6	1	36
Members of the public (via legal representative)	383	1,221	473	242	49	59	12	92
Members of the public (other)	506	993	275	171	45	60	16	59
Not for profit organisations or community groups	8	41	11	5	0	1	0	1

Table B: Applications by type of application and outcome

Type of application	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with application	Refuse to confirm/ deny whether info is held	Application withdrawn
Personal information applications	1,142	2,552	961	480	107	123	29	185
Access applications (other than personal info applications)	34	48	28	28	6	15	0	8
Access applications that are partly personal info applications and partly other	0	1	0	0	0	0	0	0

Note: A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant.

Table C: Invalid applications

	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	103
Application is excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	104
Invalid applications that subsequently became valid applications	41

Table D: Conclusive presumption of overriding public interest against disclosure: Matters as listed in Schedule 1 to the Act

	Number of times consideration used
Overriding secrecy laws	7
Cabinet information	6
Executive Council information	0
Contempt	4
Legal professional privilege	12
Excluded information	111
Documents affecting law enforcement and public safety	10
Transport safety	0
Adoption	0
Care and protection of children	3
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Note: More than one public interest consideration may apply in relation to an access application and, if so, each such consideration is to be recorded but only once per application.

Table E: Other public interest considerations against disclosure: Matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	838
Law enforcement and security	340
Individual rights, judicial processes and natural justice	2,861
Business interests of agency and other people	22
Environment, culture, economy and general matters	0
Secrecy provisions	39
Exempt documents under interstate freedom of information legislation	1

Table F: Timeliness

	Number of applications
Decided within statutory timeframe (20 days plus any extensions)	3,916
Decided within 35 days (by agreement with applicant)	309
Not decided within time (deemed refusal)	1,130
Total	5,355

Table G: Applications reviewed under Part 5 of the Act

Type of review	Decision varied	Decision upheld	Total
Internal review	69	27	96
Review by Information Commissioner	28	27	55
Internal review following recommendation under section 93 of the Act	8	4	12
Review by NSW Civil & Administrative Tribunal	5	4	9
Total	110	62	172

Table H: Applications for review under Part 5 of the Act

Type of applicant	Number of applications
Access applicants	195
People to whom information the subject of access application relates (see section 54 of the Act)	5

Note: The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H refers to applications for review made in the 2018-19 period, not decisions made.

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act

Type of transfer	Number of applications
Agency-initiated transfers	2
Applicant-initiated transfers	0

APPENDIX 6: Injuries and workers compensation claims

The NSW Police Force has no ongoing prosecutions by Safe Work NSW.

Claim frequency rate by mechanism of injury

Mechanism of injury	2014-15	2015-16	2016-17	2017-18	2018-19	Difference 2017-18 and 2018-19
Being hit by moving objects	2.15	2.06	2.05	2.30	2.41	0.11
Biological factors	1.48	1.18	1.12	1.48	1.54	0.05
Body stressing	5.59	5.53	5.47	5.32	6.47	1.15
Chemicals and other substances	0.44	0.30	0.32	0.29	0.29	0.00
Falls, trips and slips of a person	1.51	1.76	2.01	2.08	2.21	0.13
Heat, electricity and other environmental factors	0.07	0.12	0.06	0.05	0.07	0.02
Hitting objects with a part of the body	0.68	0.66	0.82	0.84	0.74	-0.11
Mental stress	2.60	2.68	2.68	2.84	3.72	0.87
Sound and pressure	0.05	0.05	0.06	0.08	0.08	0.00
Vehicle incidents and other	0.77	1.08	1.30	1.48	1.41	-0.07
Total	15.34	15.40	15.90	16.77	18.93	2.16

Source: Treasury Managed Fund Data Warehouse, current at 31 July 2019

Note: Claims include all claims reported to the NSW Police Force insurer by sworn and non-sworn employees covered by the *Workers Compensation Act 1987*. Claims are reported per 100 full time equivalent employees (FTE). These FTE figures were obtained from the December 2018 wage declaration. Claim numbers are subject to minor revision in subsequent years as details of individual claims are updated. The mechanism of injury categories are based on the Types of Occurrence Classification System Version 3.1.

APPENDIX 7: Staff drug and alcohol testing

Drug and alcohol testing supports a safe workplace. The NSW Police Force recognises the safety and integrity risks posed by the use of illegal drugs and alcohol by staff. An extensive drug and alcohol testing program is in place to identify and deter illegal drug use and inappropriate alcohol use.

Program results 2018-19

Test		Type 2017-18	Positive 2017-18	Type 2018-19	Positive 2018-19
Drug	Random – sworn officers	6,335	1	6,701	2
	Random – students	269	0	457	0
	Targeted	14*	8	5***	1
	Subtotal	6,618	9	7,163	3
Alcohol	Random – sworn officers	7,878	1	7,061	0
	Random – students	2,987	10	8,565	16
	Targeted	3	2	3	1
	Subtotal	10,868	13	15,629	17
Other	Targeted steroid	0**	0	1	0
	Mandatory testing	98	0	53	0
	Special follow up testing	11	0	6	0
	Subtotal	109	0	60	0
Total		17,595	22	22,852	20

* One officer refused to undergo a targeted test and resigned from the NSW Police Force.

** One student police officer refused to undergo a targeted steroid test and was removed from the Charles Sturt University program.

*** One officer who was recalled to duty refused to undergo a test.

APPENDIX 8: Privacy and personal information

We recognise the importance of the protection and privacy of personal information. The NSW Police Force collects, holds, uses and discloses personal and health information about individuals on a daily basis.

The *Privacy and Personal Information Protection Act 1998* (PIIP Act) and the *Health Records and Information Privacy Act 2002* (HRIP Act) apply to the management of personal and health information and provides members of the community with legally enforceable rights and safeguards about how government agencies, including the NSW Police Force, deal with their personal and health information.

These Acts also provide police with a number of exemptions when exchanging personal information with other agencies or third parties for law enforcement or community protection purposes. We audit access to records held on the Computerised Operational Policing System (COPS) and all staff are required to abide by the COPS Audit Procedures.

To guide NSW Police Force employees in the management of personal and health information of individuals, we created a privacy code of practice, the *Privacy Management Plan* and the *Employee Health Records – Management & Storage Guidelines*. These documents help us manage our responsibilities under the PIIP Act and HRIP Act.

COPS is an extensive database used to capture, access and analyse crime information and intelligence. Personal details of the people police have contact with are kept on this database for investigative and intelligence purposes. Identifiers such as names and dates of birth, residential addresses and other contact details are kept to enable follow-up inquiries.

De-identified information from COPS records is provided to the NSW Bureau of Crime Statistics & Research, Australian Bureau of Statistics and other agencies for crime statistics compilation.

During this reporting year, the NSW Police Force received 11 applications for internal review under section 53 of the PIIP Act. In the same period, there were nine applications that sought external review by the NSW Civil & Administrative Tribunal under section 55 of the PIIP Act.

APPENDIX 9: Complaints against police

In April 2018 the NSW Police Force implemented IAPro as its system for recording complaints. This reporting year there were 5172 complaints made against police officers. These complaints contained 10,142 separate allegations.

The NSW Police Force endeavours to resolve complaints in an efficient and timely manner. The corporate standard is to have 70% of complaints completed within set timeframes of 45 days for matters resolved informally and 90 days for matters requiring criminal or non-criminal investigations.

We continue to focus on the release of complaint information in accordance with procedural fairness and government policy. Our management processes emphasise remedial approaches to managing the conduct of police officers where appropriate.

Allegations within complaints made against police officers, 2018-19

Classification	Allegations
Customer service	2,212
Dishonesty	431
Drugs/alcohol	91
Firearms/prohibited weapons (non-service related)	28
Information/telecommunication	312
Investigation	1,597
Judicial/evidence	576
No allegation group (not yet entered)	12
Other offences (not elsewhere specified)	295
Police powers	923
Service standards/ethical standards/guidelines	2,262
Sexual misconduct	76
Traffic	165
Use of force	892
Workplace relations and equity matters	270
Total	10,142

Note: This data is not comparable to data published in previous annual reports due to a change in systems.

APPENDIX 10: Requests for assistance

In this reporting period the NSW Police Force answered 93% of Triple Zero (000) calls within 10 seconds with an average answer time of six seconds. Calls to the Police Assistance Line (131 444) were answered in an average of 32 seconds per call. The number of contacts received is outlined in the chart below.

Contacts received

Contact point	2014-15	2015-16	2016-17	2017-18	2018-19
Triple Zero (000)	748,530	742,377	731,410	724,367	732,397*
Police Assistance Line (131 444)	591,983	586,999	564,734	561,060	596,129
Hold-up alarms	1,858	1,843	1,739	1,777	2,015
Alarms (for alarm companies)	806	803	685	607	772
Crime Stoppers (1800 333 000)	84,281	97,198	91,065	88,626	89,236
Customer Assistance Unit (1800 622 571)	25,609	27,993	29,556	30,750	34,461
Police Switchboard (9281 0000)	73,780	65,919	54,959	47,665	40,538
Missing Persons Unit after hours (1800 025 091)	221	239	184	235	128
Injury Management Hotline (1800 996 336)	252	271	308	317	324
Child Wellbeing Unit	31,735	32,560	34,070	34,055	40,146
OIA (<i>commenced January 2017</i>)	-	-	4,312	7,796	7,366
Firearms (<i>commenced November 2018</i>)	-	-	-	-	38,649
Total	1,559,055	1,556,202	1,513,022	1,497,255	1,582,161

Source: PoliceLink telephony systems

* Includes all Triple Zero (000) calls at both PoliceLink Command and Radio Operations Group sites.

Note: These figures do not include phone calls or visits to police stations or interactions with frontline police. Decreases in calls from alarm monitoring companies are a result of changes to procedures between the NSW Police Force and alarm companies, including a direct access service freeing up Triple Zero (000).

APPENDIX 11: Significant judicial decisions

Grajewski v DPP (NSW) [2019] HCA 8

Mr Grajewski was convicted in the Local Court of intentionally damage/destroy property under section 195(1) of the *Crimes Act 1900*. During a protest at Newcastle coal terminal in 2016, he climbed and locked himself onto a ship loader, putting himself at serious risk of injury. The machine was turned off due to safety concerns and remained inoperable until Mr Grajewski was removed by police. His conviction was upheld in the District Court and on a stated case to the Court of Criminal Appeal. The High Court of Australia, by a 4-1 majority, set aside the orders of the Court of Criminal Appeal and quashed Mr Grajewski's conviction and sentence. In doing so the High Court overturned a line of authority that any interference with property causing 'temporary functional derangement' is sufficient to constitute 'damage' under section 195(1).

Lees v Commissioner of Police [2019] NSWIRComm 1045

An officer's removal was upheld after the Industrial Relations Commissioner (IRC) found he had misused his position and failed to declare a conflict of interest when he commenced a sexual relationship with a witness in a criminal matter over which he had carriage. Other findings were made regarding misuse of resources and neglect of duty. Most significantly, Mr Lees' dishonesty and lack of candour during the investigation and the IRC hearing provided ample justification for his removal from the NSW Police Force. The IRC accepted that it was in the public interest for a police force to be staffed by people of integrity.

Melanie Sills v State of New South Wales [2018] NSWDC 119

A former police officer was awarded \$1.4 million in damages for psychological injury arising from her duties. It was held the NSW Police Force failed to adequately follow up on the police psychologist's recommendations to address the former officer's worsening condition. The Court distinguished this case from *State of NSW v Briggs*, which found that unless a defendant acted unreasonably in failing to take a course of action that would have eliminated the risk of harm, negligence was not established.

Elias v Commissioner of Police [2019] NSWIRComm 1026

The applicant claimed his removal was harsh, unreasonable or unjust after he was dismissed for alleged cocaine consumption and associated untruthfulness. The applicant alleged his positive drug test results were caused by environmental contamination. A significant amount of scientific evidence was presented related to this proposition. The IRC was satisfied the Commissioner's order was motivated by a desire to maintain the integrity of the organisation and to convey its zero tolerance approach to drug use. However, it came to the view wilful ingestion could not be established on balance, as the scientific evidence suggested an equal likelihood of environmental exposure. The applicant was reinstated to his employment.

Cottle v Commissioner of Police [2018] NSWIRComm 1080

The officer brought unfair dismissal proceedings under section 84 of the *Industrial Relations Act 1996* after he was medically retired from the NSW Police Force. The IRC initially found it lacked jurisdiction to hear unfair dismissal applications under the IR Act brought by any officer whose employment terminated other than under section 181D, and the officer's application was dismissed. On appeal, the IRC found there is no statutory intention to exclude the operation of Part 6 of Chapter 2 of the IR Act in relation to police officers medically retired under the Police Act, and that it has power to determine the unfair dismissal application. The appeal was upheld and referred back for the substantive unfair dismissal proceeding. This decision has been the subject of further appeal, with the decision yet to be handed down.

Lockley v Commissioner of Police [2019] NSWIRComm 1016

The IRC upheld the removal of an officer who caused damage to property by pouring motor oil down the muffler of his next-door neighbour's motorcycle. By breaking the law so publicly, the IRC determined the officer had damaged the reputation of NSW Police Force, acted with a lack of integrity and candour in not disclosing what he had done, and failed to identify a clear conflict of interest in making COPS accesses relating to his neighbour. The IRC considered each incident of misconduct as part of a broader pattern when assessing its gravity, finding dismissal was justified. Even if dismissal was harsh, unjust or unreasonable, the IRC noted the unacceptable risk in reinstating the officer, as medical evidence suggested he could suffer a relapse in behaviour if he returned to policing.

Flynn v Commissioner of Police [2019] NSWIRComm 1030

The IRC upheld an officer's reduction of rank and disciplinary transfer after finding the majority of allegations against him – providing false information, untruthfulness and numerous instances of neglect of duty – were sustained. The IRC found the sustained misconduct was serious and warranted substantial sanction. His poor judgement and insight alone were found to justify his demotion. The IRC also determined that 'relocation was a fact of life for police officers' and was justified where there was a breakdown in the relationship of trust and confidence between the officer and his supervisors.

Ekermawi v Commissioner of Police [2019] NSWCATAD 79

The NSW Civil and Administrative Tribunal found the NSW Police Force engaged in racial vilification when it allowed officers portraying armed offenders in a training exercise to wear garments associated with Palestinian and Arabic culture. While the training exercise was reasonable and undertaken in good faith, the use of the garments was not necessary or proportionate to its objectives and the realities of policing in NSW. The objectives could equally be achieved without dressing the perpetrators of violence in a way identified with particular cultural communities. The intention in doing so was irrelevant. The tribunal ordered the NSW Police Force publish an apology and provide training for officers the rank of chief inspector and above regarding racial vilification.

Police Association of NSW and Gardner v NSW and the Commissioner of Police [2019] NSWSC 587

The officer sought judicial review of his non-disciplinary transfer, which led to his loss of allowances. The Supreme Court held it cannot be assumed the legislature intended financial consequences as the determinant between non-disciplinary and disciplinary transfers, and that the reasons given to the officer made clear the intention of the transfer was to provide greater supervision and help him modify and adjust his behaviour.

Banerjee v Commissioner of Police [2018] NSWCA 283

The applicants were administrators of a company that held a master licence under the *Security Industry Act 1997*. The master licence was revoked pursuant to clause 13(3) of the *Security Industry Regulation 2016* and sections 15(4) and 26(1A) of the *Security Industry Act 1997* when the company entered into voluntary administration. The administrators commenced proceedings contending that the operation of those provisions was inconsistent with Part 5.3A of the *Corporations Act 2001* (Cth). The Court of Appeal held that Part 5.3A of the *Corporations Act 2001* (Cth) does not confer immunity on a company under administration from the application of state laws with respect to the carrying on of its business. The Court of Appeal also held that clause 13(3) of the *Security Industry Regulation 2016* and sections 15(4) and 26(1A) of the *Security Industry Act 1997* are not inconsistent with Part 5.3A of the *Corporations Act 2001* (Cth) and, therefore, are not invalid pursuant to section 109 of the Commonwealth Constitution.

State of NSW v Thomlinson [2018] NSWCA 151

The plaintiff was forcibly removed from a club. He sued for wrongful arrest, false imprisonment, assault and malicious prosecution. The Court of Appeal found that the plaintiff's licence to remain on the premises had been terminated by the security guards acting on the hotelier's authority. It was found that the police were authorised to remove the plaintiff from the premises on two grounds. The first was the power conferred by section 77(2)(a) of the *Liquor Act 2007*. The second was derived from the licensee's power to remove the plaintiff, the plaintiff's permission to remain having been terminated. In each case police were entitled to use reasonable force.

APPENDIX 12: Legislative changes

On 1 July 2018, the *Firearms Regulation 2017* and the *Weapons Prohibition Regulation 2017* were both amended to provide for a three-month amnesty commencing 1 July 2018 and ending on 30 September 2018.

On 1 July 2018, the *Road Transport Act 2013* was amended to:

- include cocaine as a prescribed illicit drug, and
- bring the consequences for driving a motor vehicle while under the influence of drugs into line with those for doing so with a high range prescribed concentration of alcohol, and
- to authorise a police officer to prevent a person suspected of being under the influence of alcohol or another drug from using a vehicle, and
- to authorise the use of devices for the enforcement of offences relating to the use of a mobile phone by drivers of motor vehicles, and
- to make other amendments of a minor, miscellaneous or consequential nature.

On 1 July 2018, sections 30A and 31 of the *Prevention of Cruelty to Animals Act 1979* were amended to enable a court to further restrict the conduct of a person it has convicted of a relevant animal cruelty offence and make interim costs orders for 'reasonable care and maintenance costs'. These changes also applied to criminal proceedings that were 'on foot' (had been commenced, but not finally determined) before 1 July 2018.

On 1 July 2018, laws regulating the use of e-cigarettes were amended. The amendments mean that the use of e-cigarettes is prohibited in certain public places and in public transport areas, including passenger transport vehicles, in the same way that smoking in those places is prohibited.

On 2 July 2018, certain robbery and drug offences that were formerly strictly indictable were moved into Table 1 or Table 2 of Schedule 1 to the *Criminal Procedure Act 1986*.

On 31 August 2018, certain amendments to the law relating to sexual offences were introduced by the *Criminal Legislation Amendment (Child Sexual Abuse) Act 2018*.

On 1 September 2018, the *Road Rules 2014* will be amended by inserting Rule 78-1. This new rule applies when a stationary emergency response vehicle is on a road and is displaying a flashing blue or red light.

On 28 November 2018, amendments were made to the *Mental Health (Forensic Provisions) Act 1990* and the *Crimes (Forensic Procedures) Act 2000*. They related to the effect of unlawful absences on limiting terms and to the destruction of forensic material taken from certain suspects.

On 28 November 2018, amendments to the *Criminal Procedure Act 1986* and the *Interpretation Act 1987* commenced, relating to time limits for certain summary back-up charges, issuing of subpoenas on behalf of public officers, and the time within which postal service is taken to be effected.

On 28 November 2018, maximum penalties for certain offences under the *Crimes Act 1900* were increased. The maximum penalties for concealing a serious indictable offence, concealing a child abuse offence, and for bushfire offences were increased.

On 1 December 2018, a new offence of intentionally choking, suffocating, or strangling another person without the other person's consent was inserted into section 37(1A) of the *Crimes Act 1900*.

On 1 December 2018, the *Liquor Amendment (Special Licence Conditions) Regulation (No 2) 2018* commenced, substituting the list of licensed premises that are subject to special licence conditions under Schedule 4 to the *Liquor Act 2007*.

On 1 December 2018, amendments to the *Law Enforcement (Powers and Responsibilities) Act 2002* were made in relation to knife search powers and move on directions.

On 1 December 2018, amendments to the *Crimes (Domestic and Personal Violence) Act 2007* commenced which amended the definitions of intimidation and stalking by including cyberbullying.

On 3 December 2018, the *Road Transport Act 2013* was amended to introduce changes to mandatory interlock orders and vehicle sanctions.

On 3 December 2018, the *Mental Health (Forensic Provisions) Act 1990* was amended. The key amendments empower correctional officers and juvenile justice officers to use reasonable force to take a person to and from a place when ordered by a court to do so, and authorise police to make a bail decision at a police station when a person subject to a section 33(1)(b) or (1D)(b) order is brought to the station after release from a mental health facility.

On 28 February 2019, the *Weapons Prohibition Amendment (Zombie Knives) Regulation 2019* commenced. It added zombie knives to Schedule 1 'Prohibited Weapons' under the *Weapons Prohibition Act 1998*.

APPENDIX 13: Research and development

Research projects 2018-19

Name of research	Total life of project cost	Status/date to be completed
State Intelligence artificial intelligence text mining project	\$244,301	Completed
Super recognisers project	\$29,896.71	December 2019
Body worn video (phase 2)	\$27,358	September 2019
Validation of combined Hematrace confirmatory blood testing and DNA analysis	\$3,840	Completed
Hematrace of minute blood stains; the effect of various surfaces and cleaning products	\$2,470	Completed
FETS environmental monitoring study	\$11,710	Completed
Improved methods for the recovery of DNA from fired cartridge cases	\$14,660	December 2020

Note: This table shows only those research and development projects in which the NSW Police Force makes a financial contribution.

APPENDIX 14: Police pursuits

Following a coronial investigation in 2014, the Coroner made a number of recommendations, which included publishing statistics for police pursuits in the Annual Report.

In 2018-19 the NSW Police Force undertook 2,934 pursuits. Of these 1,640 were terminated by police while 252 pursuits resulted in collisions. There were no fatalities and 59 injuries arising from pursuits.

The table below lists the reasons for these pursuits.

Reason for police pursuit	2015-16	2016-17	2017-18	2018-19
Traffic	1,258	1,378	1,380	1,612
Criminal	232	234	272	325
Stolen vehicle	305	375	391	443
Not stop RBT	514	606	676	743
Other	1	1	6	5

Source: NSW Police Force Traffic & Highway Patrol Command

Note: Individual pursuits may have more than one reason recorded. Consequently, the sum of reasons is greater than the number of pursuits.

APPENDIX 15: Overseas travel

Operational travel 2018-19

Name	Purpose	Country
Two officers	Extradition	New Zealand
One officer	Investigation	United States
One officer	Investigation	Hong Kong
Two officers	Extradition	United States
One officer	Investigation	Switzerland
Two officers	Extradition	Thailand
One officer	Investigation	Thailand
Two officers	Extradition	Colombia
Two officers	Extradition	United States
Two officers	Extradition	United Kingdom
Two officers	Investigation	New Zealand
One officer	Investigation	New Zealand
One officer	Investigation	Greece
One officer	Police protection	India
Two officers	Training	New Zealand
One officer	Investigation	Thailand
Two officers	Extradition	Italy
Three officers	Investigation	United Arab Emirates
Two officers	Investigation	United States
One officer	Investigation	United States
One officer	Investigation	New Zealand
Four officers	Investigation	New Zealand
One officer	State protection	New Zealand
Four officers	Investigation	New Zealand
One officer	Extradition	United States
Two officers	Extradition	Peru
One officer	Investigation	New Zealand
Two officers	Training	United States
Three officers	Investigation	Thailand

Non-operational travel 2018-19

Name	Purpose	Country
Senior Sergeant Justin Burrow	Training	New Zealand
Chief Inspector Joseph McNulty, Sergeant David Carlin, Senior Constable Peter Bell	Training	Singapore
Senior Constable Nathan Mahony	Conference	United States
Superintendent Brett Greentree	Training	United States
Senior Sergeant Wayne Miller	Training	Hong Kong
Chief Inspector Jason Dickinson	Conference	United States
Sergeant Fiona Frame	Training	United Kingdom, Netherlands, United States, Canada
Assistant Commissioner Peter Cotter, Michael Bell	Agency visit	France, United Kingdom
Deputy Commissioner David Hudson	Conference	Israel, India
Sergeant Bruce Groenewegen	Conference	United States
Assistant Commissioner Michael Willing	Conference	United States
Acting Assistant Commissioner Leanne McCusker	Conference	Singapore
Sergeant Belinda Hughes	Conference	United States
Mary Zaiter	Conference	United States
Senior Constable Nathan Trueman	Conference	United States
Anthony Macken	Training	United States
Kira Harris	Training	United States
Superintendent Paul Pisanos, Inspector Kirsty Hales, Inspector Andrew Garner	Agency visit	Belgium, France, England, Northern Ireland
Assistant Commissioner Anthony Crandell	Meeting	New Zealand
Inspector Paul Cibulka, Sergeant Stephen Jackson	Conference	United States
Inspector Grant Elder, Superintendent Ken Finch	Conference	United Kingdom
Michael Ingram	Conference	Canada
Superintendent Stephen Egginton, Senior Sergeant David Williamson, Senior Constable Michael Humphreys, Leading Senior Constable Justin Mickan, Senior Constable David Kotek	Training	New Zealand
Superintendent Arthur Katsogiannis, Chief Inspector Matt Craft	Conference	New Zealand
Sergeant Dayne Brown, Sergeant Kristian Ghost, Leading Senior Constable Steven Jaeschke, Senior Constable Elliott Housego, Leading Senior Constable Martin Brogan, Senior Constable Wade Mogg	Training	Germany
Sergeant Andrew Wilson, Senior Constable Andrew Patterson	Meeting	Cyprus
Commissioner Mick Fuller	Conference	Singapore
Chief Superintendent Scott Whyte	Conference	Singapore
Deputy Commissioner David Hudson	Conference	Thailand
Superintendent Ken Finch, Chief Inspector Matt Craft	Meeting	United States
Assistant Commissioner Karen Webb	Conference	Canada, Norway, United States
Steven Watton	Training	Singapore

Name	Purpose	Country
Superintendent Scott Cook	Training	New Zealand
Chief Inspector Michael Rochester	Conference	United Kingdom
Domenic Raneri	Meeting	United States
Sergeant Luke Bergan	Training	United States
Chief Superintendent Rod Smith, Chief Inspector Dean Lindley	Training	New Zealand
Senior Sergeant Tina Davies	Conference	United Arab Emirates
Chief Superintendent Scott Whyte	Training	United States
Deputy Commissioner David Hudson	Conference	United Kingdom
Superintendent Martin Fileman, Chief Inspector Michael Cook, Sergeant Alison Smith	Conference	New Zealand
Superintendent Deborah Wallace, Chief Inspector David Adney	Conference	New Zealand
Superintendent Gavin Dengate	Training	Qatar
Senior Sergeant Wayne Miller, Sergeant James Mulholland, Sergeant Marlon Andrews, Sergeant Luc Nguyen, Michael Whyte	Training	Vietnam
Chief Inspector Joseph McNulty, Sergeant David Carlin, Mark Herrero	Training	Canada, Netherlands, Turkey
Commissioner Mick Fuller	Conference	United States
Superintendent Albert Joseph, Sergeant Adam Scanlon, Inspector Paul Dunstan, Senior Sergeant Leanne Walsh, Sergeant Harvey Sauran, Sergeant Paul Hanna, Inspector Glen Browne	Training	United Kingdom
Acting Assistant Commissioner Leanne McCusker	Conference	Singapore
Assistant Commissioner Karen Webb, Rodney Clinch, Khan Groube, Mark Herrero, Scott Kepper	Meeting	United States, Italy
Superintendent Paul Pisanos	Conference	Northern Ireland
Commissioner Mick Fuller	Training	Papua New Guinea
Georgina Gold	Agency visit	New Zealand
Assistant Commissioner Mark Jones	Conference	United Arab Emirates
Superintendent Darren Bennett	Conference	United States, Canada
Christian Halbmeier	Training	United States
Assistant Commissioner Michael Willing	Conference	Canada
Sergeant Richard Long	Conference	Norway
Acting Assistant Commissioner Stuart Smith	Conference	New Zealand
Kyle Phillips	Training	United States
Superintendent Gavin Wood	Agency visit	South Korea
Chief Inspector Vince Hole	Training	United States
Chief Inspector Matt Heysmand	Training	United States
Superintendent Michael McLean	Conference	Canada
Deputy Commissioner David Hudson	Conference	Taiwan
Assistant Commissioner Karen Webb, Special Constable Rodney Clinch, Brett Starling, Mark Herrero, Sergeant Scott Kepper	Meeting	Germany, Italy

Name	Purpose	Country
Joseph Ontedhu, Michael Marsden	Meeting	United States, United Kingdom
Senior Sergeant Ricki Lindner	Meeting	New Zealand
Assistant Commissioner Karen Webb	Conference	United States
Commissioner Mick Fuller	Conference	United States

APPENDIX 16: Consultants

No consultants costing \$50,000 or greater were engaged.

No consultants costing less than \$50,000 were engaged.

APPENDIX 17: Public interest disclosures

The *Public Interest Disclosures Act 1994* sets in place a system to encourage public officials to report serious wrongdoing. Under the *NSW Police Force Public Interest Disclosures Policy & Guidelines*, the *Code of Conduct & Ethics* and the *Corruption Resistance Plan* all staff, irrespective of their position, are expected to contribute to corruption resistance.

However, these plans do not exist in isolation. They rely on all staff managing corruption and misconduct risks through their own professional and ethical conduct and on the effective application of the Command Management Framework, good supervisory practices and compliance with relevant corporate policies and procedures.

- The number of officers who made public interest disclosures this reporting year: 7
- The number of public interest disclosures received in total: 6
- The number of public interest disclosures received relating to:
 - (i) corrupt conduct 3
 - (ii) maladministration 5
 - (iii) serious and substantial waste of public money 1
 - (iv) government information contraventions 0
- The number of public interest disclosures finalised: 3

APPENDIX 18: Creditors payments and credit cards

Payment of accounts

Accounts due or paid within each quarter

Measure	September 2018	December 2018	March 2019	June 2019
All suppliers				
Number of accounts due for payment	69,790	69,111	97,246	70,976
Number of accounts paid on time	64,838	63,838	92,714	64,143
Actual percentage of accounts paid on time (based on number of accounts)	93%	92%	95%	90%
Dollar amount of accounts due for payment ('000)	\$151,746	\$174,524	\$168,684	\$251,010
Dollar amount of accounts paid on time ('000)	\$134,317	\$155,220	\$151,596	\$213,614
Actual percentage of accounts paid on time (based on dollar amount)	89%	89%	90%	85%
Number of payments for interest on overdue accounts	45	39	67	20
Interest paid on overdue accounts ('000)	\$5	\$3	\$3	-

Creditors aged analysis as at 30 June 2019

Quarter	Current (\$'000)	Between 30 and 60 days overdue (\$'000)	Between 60 and 90 days overdue (\$'000)	More than 90 days overdue (\$'000)
All suppliers				
September	12,451	656	344	507
December	3,810	434	454	1,187
March	13,524	520	644	627
June	3,2665	522	349	737
Small business suppliers				
September	117	5	-	-
December	6,721	-	-	-
March	117	-	-	-
June	589	5	-	-

Note: The above information is extracted from the Aged Accounts Payable Analysis as at September and December 2018 and March and June 2019. It includes data provided by the NSW Police Force's external property service provider.

Problems affecting prompt processing of payments during the year

- The fundamental reasons for delay are the finalisation by business units in the processing function and disputes in connection with the correct rendering of valid tax invoices by suppliers, which includes discrepancies between orders, goods received and invoices.
- Penalty interest paid on overdue accounts was mainly due to delays in processing by NSW Police Force's external property service provider.

Initiatives implemented to improve payment performance

- Vendors are requested to supply bank details for payment by EFT as part of the ongoing initiative to reduce cheque printing and dispatch.
- There is a greater use of the purchase card system in the NSW Police Force. Purchase card transactions are excluded from this information.
- Multiple accounts from vendors were consolidated by establishing a process of remitting a single electronic invoice including business unit cost centres that can be uploaded to the NSW Police Force's finance system. This process generates a single payment as opposed to generating individual invoices and corresponding payment for each service or goods ordered during the period.
- The Faster Payment Terms Policy introduced by the Office of Small Business Commission has been implemented successfully. It requires payment to small business suppliers within 20 days from receipt of invoice effective December 2018.
- The Faster Payment Terms Policy also requires agencies to consider payment by credit card as the preferred option for low value, high volume payments where possible. The NSW Police Force is adopting this approach.

Credit card certification

The use of approved credit cards for payment of expenses, in accordance with official NSW Police Force business, is subject to Treasurer's Direction 205.08 of the *Public Finance and Audit Act 1983* and specific guidelines issued by the Premier from time to time.

The credit card facility available within the NSW Police Force is the Corporate Visa Card. The card is issued to approved persons for official business expenses. Most transactions using the card were for minor maintenance and working expenses and overseas travel purposes.

The use of credit cards within the NSW Police Force for the period 2018-19 was in all material respects in accordance with the Premier's Memoranda and Treasurer's Directions.

APPENDIX 19: Matters arising from 2018-19 audit

There were no significant matters reported during the 2018-19 audit.

APPENDIX 20: Insurance activities

Workers compensation: The workers compensation insurance policy covers workplace related injuries for all unsworn staff and all sworn officers recruited after 1 April 1988. For 2018-19 the workers compensation premium increased by 16%, primarily due to an increase in claims experience.

Public liability: The public liability insurance policy covers all claims resulting from police activities for which the NSW Police Force is legally liable. For 2018-19 the premium decreased by 2%, primarily due to a decrease in average claim costs.

Motor vehicle: The motor vehicle insurance policy covers damage to any vehicle used by NSW Police Force for authorised police operations and activities. For 2018-19 the motor vehicle premium increased by 17%, mainly due to an increase in claims experience.

Property: The property insurance policy covers loss or damage to property (other than motor vehicle) owned, used or in the control of the NSW Police Force. For 2018-19 the premium decreased by 3%, due to a decrease in average cost per claim.

Miscellaneous: The miscellaneous insurance policy covers personal accident for volunteers, air travel and personal effects. The total cost of the miscellaneous insurance premium in 2018-19 was \$78,000.

APPENDIX 21: Property disposals

There were no properties sold for the year ended 30 June 2019.

There were no properties disposed of which had a value of more than \$5.0 million.

There were buildings demolished in Taree and sites cleared to make way for the new police station, with a combined value of \$1.128 million.

Total net loss on properties for the year ended 30 June 2019 was \$1.128 million.

The NSW Police Force and Property NSW have been collaborating on the vesting and transition strategy for the NSW Police Force residential asset portfolio and the appropriate operating model for provision of accommodation services by Property NSW. During the year, the NSW Police Force transferred the residential properties with a combined value of \$15.232 million to Property NSW. The formal process of transitioning the remaining land title certificates to Property NSW is expected to be completed in 2020.

The Property and Infrastructure Memorandum dated 1 February 2018 provides for the integration of various telecommunications networks. The vesting order was issued to transfer various communication equipment to the NSW Telco Authority.

APPENDIX 22: Audits and reviews

The NSW Police Force Risk Management & Audit Committee consists of an independent chair and two independent members appointed by the Commissioner of Police.

The committee provides independent assurance to the Commissioner by overseeing and monitoring the NSW Police Force's governance, risk management, compliance and control frameworks, and its external accountability requirements. The committee reviews all internal and external audit reports and provides advice to the Commissioner on significant issues identified in the audit reports. The committee also monitors the implementation of audit recommendations.

The committee ensures all internal audit functions are consistent with the relevant standard, Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and any additional practice requirements set by the *Internal Audit & Risk Management Policy*.

NSW Police Force internal audit and risk management attestation statement for the 2018-19 financial year

I, Michael Fuller, Commissioner of Police, am of the opinion that the NSW Police Force has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight core requirements set out in the *Internal Audit & Risk Management Policy for the NSW Public Sector*, specifically:

Core requirements	Compliant, non-compliant, or in transition
Risk management framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency.	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009.	Compliant
Internal audit function	
2.1 An internal audit function has been established and maintained.	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing.	Compliant
2.3 The agency has an internal audit charter that is consistent with the content of the 'model charter'.	Compliant
Audit and risk committee	
3.1 An independent audit and risk committee with appropriate expertise has been established.	Compliant
3.2 The audit and risk committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.3 The audit and risk committee has a charter that is consistent with the content of the 'model charter'.	Compliant

The chair and members of the Risk Management & Audit Committee were:

- independent chair, Jon Isaacs for a term from 2 January 2018 to 2 January 2023
- independent member, Gerardine Brus for a term from 31 January 2017 to 30 January 2020
- independent member, Lyn Baker for a term from 2 January 2018 to 2 January 2021.

Departures from core requirements

I, Michael Fuller, Commissioner of Police, advise that the internal audit and risk management processes for the NSW Police Force departs from the following core requirements set out in the *Internal Audit & Risk Management Policy for the NSW Public Sector*.

Nil.



Michael Fuller APM
Commissioner of Police

Internal audits and reviews

Our Corporate Internal Audit Unit provides an independent, objective assurance and advisory service to improve the organisation's operations. The unit reviews the administrative, financial, information technology and communication, and human resource management functions that support the delivery of core policing services.

The unit completed eight audits during 2018-19 including:

- Data analytics of key transactional data
- Information security management system – internal ISMS audit – ISO 27001:2013
- Customer engagement and management
- Governance, risk & compliance
- Delivering safe working places
- Payroll processing resilience
- Fraud risk assessment
- Conducted electrical weapon section; quality management system.

The recommendations from these audits have resulted in improved management systems and compliance with legislation, better accountability and improved internal controls to help achieve corporate objectives.

External audits and reviews

During the year the Audit Office of NSW issued three audit reports that were relevant to the NSW Police Force. These were: the NSW Justice cluster agencies report, which analyses the results of the financial statement audits of the Justice cluster for the year ended 30 June 2018; the Internal Controls and Governance report 2018; and the Firearms Regulation report regarding how the NSW Police Force Firearms Registry administers the firearms licensing and registration scheme.

The observations raised in each report have been actively considered and incorporated into the NSW Police Force risk management and control culture approach.

In addition, the following external agencies have conducted reviews of aspects of NSW Police Force systems and operations:

- The Law Enforcement Conduct Commission
- The Information and Privacy Commission.

The observations from these external agency reviews have been incorporated into related service improvement plans.

APPENDIX 23: Cyber security

I, Michael Fuller, Commissioner of Police, am of the opinion that the NSW Police Force has managed cyber security risks in a manner consistent with the mandatory requirements set out in the NSW Government Cyber Security Policy.

Risks to the information and systems of the NSW Police Force have been assessed and programs to strengthen the control effectiveness have commenced. Governance is in place to manage the cyber security maturity and initiatives of the NSW Police Force. There exists a current cyber incident response plan for the NSW Police Force which has been exercised during the reporting period.

An independent audit was undertaken during the year to determine the continuing compliance of the NSW Police Force's information security management system (ISMS) with ISO 27001 certification requirements. The audit concluded that NSW Police Force's ISMS certification continues.



Michael Fuller APM
Commissioner of Police

APPENDIX 24: Asset purchase and protection

The purchase of assets is undertaken under delegation from specific asset acquisition allocations and recorded in the Fixed Assets Register. For each asset, a description, serial number, cost and location by cost centre are recorded. Individual administrative units run monthly validation reports to verify the expenditure incurred and the assets purchased.

Asset audit listings at a cost centre level are available for review as required by management. A physical audit of assets against the Fixed Assets Register is undertaken annually with a certificate provided by each administrative unit to the Chief Financial Officer. These certificates are available to the Auditor General during the audit of the NSW Police Force accounts.

APPENDIX 25: Productivity data

The Australian Government Productivity Commission *Report on Government Services* provides an annual overview of the justice sector, presenting both contextual information and high-level performance information concerning the police forces of each state. The latest available data is for the year ended 30 June 2018.

This report includes a table showing the recurrent expenditure (including user cost of capital, less revenue from own sources and payroll tax) per person on police services in each state.

The recurrent expenditure per person on NSW police services for the year ended 30 June 2018 was \$469.20.

Source: Australian Government Productivity Commission *Report on Government Services 2018*, published January 2019, Chapter 6: Police services and attachment tables, page 2 of table 6A.1.

APPENDIX 26: Major works in progress

Project	Due for completion	Cost since inception to 30 June 2019 (\$'000)
Building		
Active armed offender training facility, Goulburn	2020	1,255
Gosford Police Station	2020	85
Mount Druitt Police Station	2020	22,092
Multipurpose Police Station Program	2022	361
Nowra Police Station – heating, ventilation and air-conditioning	2020	247
Police Dog Unit command facilities	2021	340
Police stations – Building Resilience Program	2020	279
Police stations – Facade Remediation Program	2021	60
Police stations – installation of solar panels	2020	111
Police stations – upgrade to amenities	2020	51
Police stations – upgrade to LED lighting	2020	288
Police stations – upgrade to locker rooms and lockers	2020	258
Premises fit-out – temporary accommodation Taree and Forster	2020	2,707
Queanbeyan Police Station	2021	2,946
Regional Small Police Station Program	2021	589
Security upgrade of police stations	2020	15,153
Taree Police Station	2020	4,126
Waverley Police Station	2021	275
Wentworthville Police Station	2020	1,861
Information and communications technology		
Child Protection Register	2020	271
Community Portal – phase 2	2020	657
Complaint and Employee Management Information System	2020	1,480
Computerised Operational Policing System – phase 3	2020	37,346
Critical Communications Enhancement Program	2020	23,796
Critical Communications Enhancement Program – extension to greater metropolitan area	2021	3,600
Data centre migration	2020	2,418
Firearms & Licensing Information Management System	2020	6,242
Integrated Policing Operational System	2022	1,263
National Facial Biometric Matching Capability implementation in NSW	2022	360
PoliceLink Command private automatic branch exchange upgrades	2020	226

Project	Due for completion	Cost since inception to 30 June 2019 (\$'000)
Policing for Tomorrow (Mobility)	2020	59,793
Risk management compliance	2020	923
Technology Asset Refresh Program – phase 4	2022	10,457
Voice infrastructure migration and data network upgrade – phase 2	2020	2,809
Plant and equipment		
Bomb robot replacement	2020	2,898
Future light helicopter (PolAir 1, 3 and 4 replacement)	2021	21
Integrated light armoured vests	2020	16,339
Light bar upgrade/replacement	2020	2,729
Marine Vessel Replacement Program	2021	17,546
Mobile command centre replacement	2020	1,210
Police dog transport modules	2020	186
Prisoner transport modules	2021	0
Road Safety Plan 2021	2020	1,882
Specialised vehicle replacement	2022	829

Note: This appendix lists the NSW Police Force's major capital works in progress that were published in the prior year's annual report and the NSW State Budget Infrastructure Statement, and major works commenced prior to 30 June 2019 and were or were not published in the NSW State Budget Infrastructure Statement. Completion dates are estimates as published in the 2019-20 Infrastructure Statement and may be subject to change.

APPENDIX 27: Honours and awards

NSW POLICE FORCE AWARDS & MEDALS

NSW Police Diligent & Ethical Service Medal

Awarded to sworn officers for 10 years of diligent and ethical service. A numbered clasp is awarded for each additional five years of diligent and ethical service.

NSW Police Medals: 538

Clasps to the NSW Police Medal: 1192

NSW Police Diligent & Ethical Service Medallion

Awarded to administrative officers for 10 years of diligent and ethical service. A numbered roundel is awarded for each additional five years of diligent and ethical service.

Medallions: 133

Roundels: 275

Commissioner's Long Service Award

Awarded to administrative officers for 15 years of diligent service. A further distinguishing lapel pin is awarded for each additional 10 years of diligent service.

Awards: 129

Lapel pins: 58

AUSTRALIAN HONOURS & AWARDS

Australian Police Medal

Awarded for distinguished service by a member of an Australian police force.

Assistant Commissioner Leanne Michelle McCusker Assistant Commissioner Gelina Talbot

Ch Supt Rodney James Smith

Ch Supt Scott Andrew Whyte

Supt Jason William Box

Supt Darren Murray Bennett

Supt Scott Anthony Cook

Supt Christopher John Craner

Supt Kenneth James Finch

Supt Linda Jane Howlett

Supt David Andrew Johnson

Supt Greg Paul Moore

Supt Dean Raymond Smith

Ch Insp Jason Paul Dickinson

Ch Insp Paul Philip Fownes

Sgt Philip Joseph Elliott

Public Service Medal

Awarded for outstanding service by employees of the national, state, territory and local government.

Robyn Louise Auld

Dr Palitha Ranjith Kuruppuarachchi

Roslyn Patricia Lang

National Police Service Medal

Awarded to sworn officers for 15 years of diligent and ethical service.

National Police Service Medals: 719

National Medal

Awarded to sworn officers for 15 years of diligent and ethical service. A numbered Clasp is awarded for each additional 10 years of diligent and ethical service.

National Medals: 514

1st Clasp to the National Medal: 127

2nd Clasp to the National Medal: 23

Statutory compliance index

Access, 120
 Additional matters for inclusion
 in annual reports, 5
 Aims and objectives, 5
 Agreements with
 Multicultural NSW, 92-93
 Annual Report external
 production costs, 2
 Consumer response, 100
 Charter, 5
 Consultants, 109
 Digital information security
 policy attestation, 115
 Disability inclusion action
 plans, 92
 Economic and other factors, 22
 Financial statements,
 24-26, 27-84
 Funds granted to
 non-government community
 organisations, 38

*Government Information
 (Public Access) Act 2009*,
 94-96
 Human resources, 86
 Identification of audited
 financial statements, 27, 84
 Independent auditor's report,
 24-26
 Internal audit and risk
 management policy
 attestation, 113-114
 Land disposal, 112
 Legal change, 102-104
 Letter of submission, 2
 Major works in progress,
 116-117
 Management and activities,
 8-21, 113-114, 116-117
 Management and structure, 6
 Multicultural policies and
 services program, 92-93

Numbers and remuneration of
 senior executives, 86-87
 Payment of accounts, 110-111
 Privacy and personal
 information, 99
 Promotion, 106-109
 Public interest disclosures, 109
 Research and
 development, 105
 Risk management and
 insurance activities, 112,
 113-114
 Summary review of operations,
 8-10
 Time for payment of accounts,
 110-111
 Website address, 2
 Work health and safety, 97
 Workforce diversity, 90-91

Glossary

AASB Australian Accounting
 Standards Board
APES Accounting Professional
 & Ethical Standards
APM Australian Police Medal
Auslan Australian
 sign language
CAD Computer Aided Dispatch
CALD Culturally and
 linguistically diverse
COMPASS Command
 Performance
 Accountability System
COPS Computerised
 Operational Policing System
CTST Counter Terrorism &
 Special Tactics
DPP Director of Public
 Prosecutions
DTI Digital Technology &
 Innovation Command
EDW Enterprise data
 warehouse
FTE Full time equivalent
GIPA Act *Government
 Information (Public Access)
 Act 2009*

GST Goods and services tax
HCA High Court of Australia
HR Human Resources
HRIP Act *Health Records and
 Information Privacy Act 2002*
Ice Methamphetamine
IP Income protection
IPOS Integrated Policing
 Operating System
IRC Industrial Relations
 Commission
ISMS Information Security
 Management System
ISO International Standards
 Organisation
MCLO Multicultural community
 liaison officer
MPSP Multicultural Policies &
 Services Program
OIA Operational
 Information Agency
OMCG Outlaw motorcycle
 gang
PAC Police area command
PD Police district
PF&A Act *Public Finance and
 Audit Act 1983*

PMAC Police Multicultural
 Advisory Council
PPD Partial and
 permanent disability
PPIP Act *Privacy and
 Personal Information
 Protection Act 1998*
RBT Random breath testing
RES Region enforcement
 squad
s181D Section of the *Police
 Act 1990* under which
 a police officer is removed
 from the NSW Police Force
s80(3) Section of the *Police Act*
 under which a probationary
 police officer may be
 dismissed from the NSW
 Police Force
SAP NSW Police Force's
 electronic finance system
SEOCN State emergency
 operations controller
TMF Treasury managed fund

Contact details

Emergency: Police, Fire, Ambulance – Triple Zero (000)

Use only for emergencies or life-threatening situations, 24 hours.

Police Assistance Line – 131 444

For non-emergencies and general enquiries. If you are a victim of crime, other than life threatening or time critical emergency situations, contact the Police Assistance Line, 24 hours.

Crime Stoppers – 1800 333 000; www.nsw.crimestoppers.com.au

Report crime anonymously. If you have information about people who are wanted by police, unsolved crimes or a crime being planned, suspicious or unusual activity, contact Crime Stoppers, 24 hours. You don't have to give your name. The information will be passed immediately to relevant investigators.

Police are listed under 'Police NSW' in the White Pages – Business and Government.

NSW Police Force Headquarters

1 Charles Street, Parramatta, NSW 2150
Postal address: Locked Bag 5102, Parramatta, NSW 2124
Website: www.police.nsw.gov.au
Customer Assistance Unit: 1800 622 571
TTY (for deaf and hearing impaired): (02) 9211 3776
Monday to Friday, 8am-4pm (free call)

Region offices

Central Metropolitan Region

Level 7, Sydney Police Centre
151-241 Goulburn Street
Surry Hills, NSW 2010
(02) 9265 4920 – business hours

North West Metropolitan Region

Level 10
2-10 Wentworth Street
Parramatta, NSW 2150
(02) 9407 3099 – business hours

South West Metropolitan Region

Suite 204, Level 2
1 Moore Street
Liverpool, NSW 2170
(02) 8738 2699 – business hours

Northern Region

Level 2 & 3, Newcastle Police Station
Cnr Church and Watt Streets
Newcastle, NSW 2300
(02) 4929 0807 – business hours

Southern Region

Level 5
77 Market Street
Wollongong, NSW 2500
(02) 4223 0851 – business hours

Western Region

Ground floor
130 Brisbane Street
Dubbo, NSW 2830
(02) 6841 1223 – business hours