TASMANIA

ANNUAL REPORT 2021-22

Director of Public Prosecutions

TASMANIA

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

INQUIRIES: Mr D G Coates SC
OUR REF: 31087
YOUR REF:

29 September 2022

The Hon. Ms Elise Archer MP
Attorney-General
Level 10, 15 Murray Street
HOBART TAS 7000

Dear Attorney

ANNUAL REPORT 2021-22

I am pleased to provide you with a copy of my Annual Report for the year ended 30 June 2022.

The report has been prepared pursuant to section 15 of the *Director of Public Prosecutions Act 1973* for laying before both Houses of Parliament.

Yours sincerely

D G Coates SC
DIRECTOR OF PUBLIC PROSECUTIONS

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Overview

This report is prepared for submission to the Attorney-General in accordance with the requirements of section 15 of the *Director of Public Prosecutions Act 1973* to report on the performance of my functions during the 12 months ending on 30 June each year.

During the reporting year, staff in the Office have undertaken the prosecution of all criminal trials, pleas of guilty, breaches of suspended sentences or conditional discharges, bail applications and lower court appeals in the Supreme Court, the conduct of appeals in the Court of Criminal Appeal, the Full Court and the High Court. The Office has also provided representation and advice to agencies and departments involved in prosecutions and proceedings in Courts of Petty Sessions and tribunals and representation, where appropriate, for officers of courts and tribunals and other decision-makers whose decisions or actions become the subject of applications for review.

The Office represents the Secretary of the Department of Health and Human Services in proceedings under the *Children Young Persons and Their Families Act 1997* (often referred to as child safety proceedings). The Office has also provided counsel to assist the Coroner and the Criminal Asset Recovery Unit continues to operate. The Office also contributes to the policy bodies in respect to the development of the criminal law.

As stated in my last report, the Office is committed to providing a fair and independent prosecuting service. The Office is independent of Government, the police, the courts, the accused and victims, although the Office has obligations towards all of these groups.

Regarding our obligations towards victims, in recent years the Office has created and then expanded the Witness Assistance Service (which has early engagement with victims), introduced an early advice service with Tasmania Police, established a victim’s right of review to the Director of major decisions made by the Office and implemented detailed policies about how decisions that affect victims are made. All decisions are made according to the DPP Prosecution Policy and Guidelines (“DPP Guidelines”), decisions to prosecute or discharge must be approved by senior members of the Office. These decisions are continually reviewed.

However, it should be borne in mind that the Office has a duty to the courts and the accused. The *Criminal Code* and the common law requires that an accused person should not be put on a trial unless there is a reasonable prospect of conviction. This has to be judged on the relevant, reliable and admissible evidence. It should also be remembered that one of the major functions of a criminal trial is to ensure that the accused person is given a fair trial.

Thus, when balancing these responsibilities in determining whether or not to prosecute, it is sometimes inevitable that victims will be disappointed.

However, while victims are a vital part of the criminal justice system, it should not be forgotten that the Office has to consider the interests of the accused, who are deemed innocent until proven guilty, and when determining how a matter should proceed it must be considered whether there is a reasonable prospect of conviction or whether there is insufficient evidence to proceed.

In recent years there have been numerous changes to the law and to procedures to assist the prosecution of sexual assault matters. This includes the admissibility of evidence and the manner in which evidence is given, such as pre-recordings and the use of intermediaries, measures introduced to limit, as far as possible, the distress and trauma suffered by witnesses when giving evidence. However, changes in the law can only go so far without affecting the fundamental rights of the presumption of innocence and proof beyond reasonable doubt.

Having said that, between 2017 and 2021 the Office finalised 231 sexual assault matters involving child complainants, with a conviction rate of 67.33% and a discharge rate of 23.9%. A previous study between 2010 and 2014 showed a similar result. The conviction rate was higher than that for all crimes whereas the discharge rate was significantly lower than that for all crimes. In my view, this can be attributed to the DPP Guidelines ensuring that contact is established early with complainants, shortly after charging. It is also the practice of the Office that these matters are conducted by experienced practitioners. Further, our pre-charging advice service to Tasmania Police means that the correct charges are laid and additional evidence is obtained at an early stage.

Likewise, the decision to prosecute and conduct a criminal trial is made after careful consideration of the evidence by a committee of senior Crown Counsel in the Office, in accordance with the DPP Guidelines. The prosecutions are conducted ethically, in accordance with the DPP Guidelines, statute and the common law. The DPP Guidelines are publicly available and trials are conducted in public. Further, any conviction is subject to review by the Court of Criminal Appeal.

Unfortunately, in recent years, in some cases, the Office has been the subject of ill-informed criticism and personal attacks by persons with little regard to the actual evidence in the case or the applicable law. Although the Office should not be above constructive criticism, the manner of some of these criticisms undermines the integrity of the Office and the criminal justice system generally.

The criminal backlog was reduced by 19, from 692 to 673. This is the first time it has reduced in a number of years, reversing what had been a steady increase. This is a pleasing result, particularly in light of the fact that the Supreme Court lost six weeks' sitting time due to the Covid-19 pandemic. It is planned this year to run extra courts, particularly in Launceston. Until recently this has not been possible because of the Covid restrictions. This will hopefully have a significant effect. However, it is not only the number of trials conducted that has an effect on the backlog. Timely pleas of guilty and discharges where there is insufficient evidence to put an accused on trial also has a considerable effect. Resolutions in any of the above ways takes substantial resources and time and requires working collaboratively with defence counsel.

Nevertheless, the backlog remains high. There was a decrease in the number of committals, likely due to a change in jurisdiction with more matters being dealt with in the Magistrates Court. However, those matters are the less serious matters. The trial numbers are slightly down this reporting period, in part due to the six weeks that were lost with the cessation of criminal trials in February and March due to Covid-19. As mentioned above, there have been considerable reforms to assist victims to give evidence, such as the pre-recording of evidence and the use of intermediaries. Although the reforms have been beneficial, they add considerably to the workload of the Office and the amount of time it takes to finalise a matter.

Staffing

All staff in the Office continue to work to a very high standard. The work is complex, demanding and stressful. All staff have a significant commitment to the work, and to assisting people in the criminal justice system. As I have said in previous reports, in recent years the Office has lost a number of its more senior staff. However, it is very pleasing to see people within the Office so ably stepping up into more senior roles and conducting the most complex work of the Office.

During the reporting year Mr John Withers acted in the position of Director of Crown Law. I thank him for his considerable contribution during the year. The position has now been filled by Ms Chelsea Trubody-Jager.

In the reporting period a solicitors' unit was created led by Principal Solicitor Rebecca Lancaster. The unit has carriage of preliminary proceedings, high risk offenders, bail applications, advisings, file management and the listing of matters. I am hopeful the unit will enhance the efficiency of the Office. The *Dangerous Criminals and High Risk Offenders Act 2021* came into force in April 2021. During the reporting period the Office filed the first application under the Act. Crown Counsel Anna Norton has primary responsibility for conducting these matters and has been integral to the development of the risk assessment committee and processes generally under the Act. I thank Anna Norton for her work in this area.

Conferences and advocacy training

Training and professional development of our staff is an important factor in improving and maintaining the service of the Office. There are continual changes to the law and forensic evidence and our staff need to maintain a high level of proficiency. Further, they need to constantly improve their advocacy and administrative skills.

To assist in achieving this goal, the Office conducted two 2-day in-house training sessions during the year, and a series of seminars aimed at the junior practitioners in the Office. Lectures were given by a forensic medical practitioner on the subject of choking and strangulation and by counsellors from the Sexual Assault Support Service, discussing trauma suffered by sexual assault victims along with senior practitioners giving legal sessions. Regular seminars are also held in-house to assist the development of the junior practitioners.

Counsel from the Office also attended the Law Society of Tasmania's Criminal Law Conference in February. A number of staff have also participated in management courses, courses in communicating with vulnerable people and mental health first aid training.

Crime (Confiscation of Profits) Act 1993

Table 1 shows that the court made orders under the Act totalling $1,264,930 for this reporting year representing a considerable increase to that obtained last year. Over the past six years orders have been made under the Act totalling $5,961,165. This is a considerable achievement for Principal Crown Counsel Heather Denton and Forensic Accountant Melissa Fontana, who run the unit. However, as I have said in previous reports, the amounts recovered under the Act may vary considerably from year to year, depending on the matters finalised. Unexplained wealth investigations are complex and time-consuming. Further, the object of the Act is not to raise money but to take away the profits from criminal activity.

Criminal prosecutions

A total of 465 criminal prosecutions were finalised during the reporting year. The number of persons discharged was 152. The discharge figure includes not only those matters that are fully discontinued but also those where charges are remitted to the Magistrates Court and where alternative summary charges are pursued. The number of new committals decreased. The matters pending or active at 673, decreased. Although it is pleasing that the pending list did not increase, it will continue to take substantial effort and provision of resources to the criminal justice sector, including both prosecution and defence, to reduce it.

The sexual assault and family violence unit received 169 advice files and notifications about sexual assault matters, which is slightly higher than last year. As I have said previously, the provision of early advice by the Office to Tasmania Police was one of the recommendations made by the Royal Commission into Institutional Responses to Child Sexual Abuse, allowing certainty for complainants. The Office continues to struggle to provide these advices in a timely manner due to the unit's trial work, which includes pre-recordings. In addition, the unit received 52 family violence advice files and notifications from Tasmania Police. As stated above, the conviction rate for child sexual assault matters has been higher than for all crimes and the discharge rate lower. This result is a reflection of the dedication of all staff, in particular, the unit’s former head, Madeleine Wilson SC, and the current head, Luke Brett, have contributed considerably to the success of the unit. Unfortunately, the unit does not operate in Launceston, only in Burnie and Hobart.

Bail applications totalled 347.

Additionally, staff in the criminal section received 80 general criminal advice files from Tasmania Police and a further 16 advice files were received from Tasmania Police Professional Standards regarding complaints against police officers. All files were of a high standard and very well investigated. When assessing a file to provide advice Crown counsel must consider the available and admissible evidence to determine whether there is a reasonable prospect of conviction and whether it is in the public interest to proceed with the prosecution. This takes considerable time and involves much the same time as recommending whether to indict or discharge a person. Advice not to charge (with an indictable charge) will ultimately not be reflected in the overall number of matters that are committed.

As in previous years, an audit was conducted on discharges of criminal matters to determine compliance with the DPP Guidelines.

It should be notes that our discharges include matters the Supreme court has remitted for trial in the Magistrates Court pursuant to s 308 of the *Criminal Code*. In other cases, summary charges are preferred rather than criminal indictable offences. The audit reviews 30% of discharged cases and benchmarks them against the DPP Guidelines concerning discharge. In particular, the following factors are considered:

- Correct authorisation for the discharge
- Notification of the complainant
- Notification of the Assistant Commissioner of Police
- The timely discharge of the accused
- Those matters where only the Director can authorise a discharge, that such discharges were, in fact, authorised by the Director.

The audit revealed a high compliance with all criteria, with 97.1% of matters having the correct authorisation. On the one occasion where proper authorisation had not been obtained it was a matter of dangerous driving where the discharge was reviewed and agreed by the Deputy Director. Where required, complainants had been notified of the decision to discharge on 71.4% of matters. In most cases where the complainant had not been notified, the reasons for this were either that the complainant did not want the prosecution to proceed, alternative summary matters were proceeded with, the complainant was a business, proceedings continued against co-accused, the matter had been erroneously committed to the Supreme Court or the complainant could not be located.

In 50% of matters complainants were informed of their right to have the matter reviewed by the Director. In cases where the complainant was not notified this was due to the complainant being content with the decision or unwilling to give evidence, the death of the accused, inability to locate the complainant, the decision having been reviewed and approved by the Director or Acting Director prior to the complainant being notified of the decision, alternative summary charges being laid or proceeding with co-accused.

The Assistant Commissioner was notified in 89.2% of matters. On the occasions when he was not notified a co-accused was proceeded with or alternative charges were proceeded with.

One of the matters discharged required the authorisation of the Director and was so authorised.

Appeals

During the course of the reporting year, counsel from the Office appeared in 17 appeals from a single judge to the Court of Criminal Appeal, including one Director's appeal against sentence. There were 37 lower court appeals from a magistrate to the Supreme Court. In the High Court, there is one appeal against conviction and two applications for leave to appeal against conviction, and a further application to the High Court for special leave to appeal in respect of an interlocutory appeal of a magistrate.

There were three notable appeals during the reporting period. The first was the decision in *Shaw v Tasmania* [2022] TASCCA 2. In that case the Court of Criminal Appeal, comprising five judges, clarified the working of sections 3 and 4 of the *Criminal Code* where the evidence shows a joint criminal enterprise between two or more persons.

The second appeal was a decision of the High Court in *Bell v Tasmania* (2021 292 A Crim R 572 which dealt with criminal responsibility under the *Criminal Code*. In particular, the law in respect of section 14 of the *Criminal Code* and the defence of honest and reasonable mistake of fact.

The third appeal was that of *Neill-Fraser v Tasmania* which was the first appeal under the amendments to the *Criminal Code* allowing for a second appeal. The appeal was rejected by the Court of Criminal Appeal and special leave to appeal was subsequently refused by the High Court. During the course of the proceedings, numerous issues were raised by the appellant with all but one eventually being abandoned after receiving the Crown submissions. This matter is a good example of how statistics do not reflect the true amount of work done by the Office. Both Tasmania Police and my Office had to expend considerable resources responding to the many issues raised by the appellant, all of which were either subsequently abandoned by the appellant or found by the appellate courts to have no substance.

Summary prosecutions

The summary prosecutions section dealt with 187 prosecutions and advice files. The section conducts a wide range of prosecutions, including Worksafe and Consumer Building Occupational Services, animal welfare, forestry, fisheries and environmental prosecutions, together with other complex summary matters, including sexual assault and serious driving matters. This ensures serious summary, criminal and regulatory matters are prosecuted by counsel in my Office. This is important because these prosecutions are often legally and factually complex and defendants are well-resourced companies who often employ Senior Counsel.

The section also conducted a number of training days for officers from the departments involved in investigations, as well as providing the departments with ongoing advice.

Witness Assistance Service

The Witness Assistance Service ("WAS") is an integral part of the criminal prosecution section of the Office, with three witness assistance officers in Hobart, two in Launceston and one in Burnie, providing a State-wide service.

The WAS offers the following services to witnesses of serious crime:

- preparation for their court appearance, including court tours and demonstration of special witness facilities
- plain English explanations of rules of evidence, court processes and terminology
- information about progress with a case and when the witness will be required in court.
- accompanying witnesses to court, in court, or when giving evidence by video link
- liaison with police and prosecutors on witness protection measures
- information about the availability of restitution and compensation orders against an offender
- referrals for specialist counselling or treatment
- assistance with victim impact statements
- organising interpreters and other aids to communication
- post-trial debriefing and support
- community training and education.

The WAS continues to provide a very high level of support to vulnerable witnesses, assisting 1,802 witnesses this year in 963 matters. They also assisted 191 family members of deceased persons. In addition, the service assisted in the preparation of 277 victim impact statements. Table 10 indicates there has been a significant increase in the work output of the service over the past four years.

In addition to matters conducted by my Office, WAS officers have also assisted Tasmania Police Prosecution Services with serious matters and assisted vulnerable persons involved in coronial inquests.

Child Safety Legal Group

The Child Safety Legal Group has had another busy year with 82 files being opened and 183 matters finalised.

Coroners Act 1995

Under section 53(3) of the *Coroners Act 1995* the Director of Public Prosecutions, where requested, may provide counsel to assist the Coroner in an inquest. During the reporting period, the Office provided counsel for 17 inquests, a number of which were complex and went for an extended period of time. Currently the Office has counsel assisting in 28 separate inquest files relating to 33 deaths. In addition, for some inquests, the Office has provided witness assistance officers to assist families with the process.

Policy work

During this reporting period the Office has provided written submissions regarding a number of Bills and participated on a number of working groups and steering committees involving legal reform. The Office has also made submissions to a number of law reform bodies. In particular, considerable time and resources have gone into the preparation of submissions and responding to notices from the Commission of Inquiry into Tasmanian Government Responses to Child Sexual Abuse in Institutional Settings. I would like to thank Crown Counsel Jessica Wade who had primary responsibility for dealing with the Office’s response to the Commission.

Other matters

I would like to thank the senior staff, Linda Mason SC (Deputy Director), Madeleine Wilson SC (Assistant Director) and Principal Crown Counsel, John Ransom, Cameron Lee, Simon Nicholson, Jack Shapiro, Heather Denton, Rebecca Lancaster and Luke Brett, for their work, leadership and advice during the year.

I would also like to thank the entire staff for their dedication and hard work.

D G Coates SC
DIRECTOR OF PUBLIC PROSECUTIONS

29 September 2022

Statistical tables

Table 1: Orders made under the *Crime (Confiscation of Profits) Act 1993*

	2021-22 $	2020-21 $	2019-20 $	2018-19 $	2017-18 $	2016-17 $	Total $
Pecuniary orders	99,855	7,835	76,240	233,200	153,900	69,990	678,510
Forfeiture orders	124,641	104,326	175,233	51,489	371,854	306,831	1,417,724
UEW declarations	1,040,434	733,489	10,570	17,294	637,435	602,500	3,864,922
Totals	1,264,930	845,650	262,043	301,983	1,163,198	979,321	5,961,165

Table 2: Committals to the Supreme Court

Year	Committals
2017-18	527
2018-19	651
2019-20	645
2020-21	551
2021-22	446

Table 3: Persons presented in the Supreme Court

Year	Presented	Convicted	Acquitted	Found insane or unfit to plead	Discharged
2016-17	427	284	16	2	125
2017-18	485	313	26	1	145
2018-19	457	288	26	5	138
2019-20	594	363	26	2	203
2020-21	514	312	20	3	179
2021-22	465	293	18	2	152

NB. Discharged matters include charges remitted to the Magistrates Court

Table 4: Defendants active as at 30 June

Area	2018-19	2019-20	2020-21	2021-22
Hobart	287	335	301	314
Launceston	195	187	169	174
Burnie	145	169	222	200
Total	627	691	692	673

NB. Defendants active only includes matters that are ready for prosecution or where prosecution proceedings have commenced. It excludes matters subject to warrants.

Table 5: Crime (type) major groupings by persons convicted

Crime	2018-19 %	2019-20 %	2020-21 %	2021-22
Dishonesty (aggravated/armed robbery, stealing, burglary, receiving, fraud, etc)	19	21	23	23
Personal violence (murder, manslaughter, assault, wounding, grievous bodily harm)	37	32	31	30
Arson and injury to property	6	7	6	6
Sex crimes (rape, unlawful sexual intercourse/ relationship, indecency)	15	12	13	12
Perjury and perverting the course of justice	3	6	5	3
Drugs	15	13	12	13
Other ungrouped (includes indictable fisheries crime, conspiracy, causing death by dangerous driving, escape and abduction)	5	9	10	13

Table 6: Disposal of criminal matters

Year	Persons presented	Pleas of guilty	Dealt with other than as plea[1]	Persons tried[2]
2016-17	427	223	126	78
2017-18	485	240	145	100
2018-19	457	231	139	87
2019-20	594	316	205	73
2020-21	514	261	179	74
2021-22	465	249	152	64

[1] Includes discharges, nolles prosequi, no bills
[2] Includes verdicts of guilty, acquittals, not guilty by reason of insanity and where a trial has concluded because the jury has been discharged without a verdict

Table 7: Persons tried (by result)

Year	Convictions	Acquittals	Found insane or unfit to plead	Retrials/ without verdict
2016-17	59	16	2	1
2017-18	72	26	1	1
2018-19	57	28	4	4
2019-20	45	26	2	0
2020-21	51	20	3	0
2021-22	44	18	2	0

Table 8: Bail applications

Year	Applications
2016-17	304
2017-18	385
2018-19	414
2019-20	473
2020-21	482
2021-22	347

Table 9: Bail applications for 2020-21 (by month)[3]

		Crown position		Outcome				
Month	Total apps	Opposed	Not opposed	Granted	Refused	Withdrawn	ASD	No jurisdiction
Jul-21	30	20	10	19	6	2	3	0
Aug-21	38	23	15	19	11	5	1	2
Sep-21	31	22	9	17	7	2	0	5
Oct-21	26	18	8	11	11	0	1	3
Nov-21	43	33	10	22	13	2	2	4
Dec-21	35	25	10	19	10	1	2	3
Jan-22	18	11	7	6	4	5	3	0
Feb-22	17	11	6	9	4	0	2	2
Mar-22	30	18	12	17	6	4	1	2
Apr-22	25	16	9	15	7	2	1	0
May-22	26	20	6	12	7	2	2	3
Jun-22	28	18	10	19	4	1	2	1

[3] As at 30 June there was one application yet to be completed.

Table 10: Witness assistance services provided

Year	No. of witnesses assisted	No. of matters	Victim impact statements prepared
2017-18	1657	810	255
2018-19	1687	832	304
2019-20	1807	947	324
2020-21	1862	1062	339
2021-22	1802	963	277

Table 11: Child safety matters

	2018-19	2019-20	2020-21	2021-22
Files opened	146	98	95	82
Files closed	161	141	83	183

Financial statements

Statement by Head of Agency

The accompanying Financial Statements of the Office of the Director of Public Prosecutions are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provision of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2022 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

D G Coates SC
DIRECTOR OF PUBLIC PROSECUTIONS

21 September 2022

Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	2022 Budget $'000	2022 Actual $'000	2021 Actual $'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - recurrent	3.1	12 192	10 639	10 161
Grants	3.2	-	220	590
Sale of services	3.3	854	545	276
Contributions received	3.4	-	28	-
Total revenue from continuing operations		**13 046**	**11 432**	**11 027**
Other economic flows included in net result				
Net gain/(loss) on accounts receivable		**-**	(73)	(1)
		13 046	**11 359**	**11 026**
Expenses from continuing operations				
Employee benefits	4.1	11 132	8 905	8 083
Depreciation	4.2	104	94	101
Supplies and consumables	4.3	1 498	1 902	2 024
Finance costs	4.4	-	1	1
Other expenses	4.5	456	128	160
Total expenses from continuing operations		**13 190**	**11 030**	**10 369**
Net result		**(144)**	**329**	**657**
Comprehensive result		**(144)**	**329**	**657**

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

Statement of Financial Position as at 30 June 2022

	Notes	2022 Budget $'000	2022 Actual $'000	2021 Actual $'000
Assets				
Financial assets				
Cash and deposits	8.1	1 086	2 335	1 968
Receivables	5.1	141	3	102
Non-financial assets				
Leasehold improvements, plant and equipment	5.2	416	555	416
Right of-use-assets	5.3	155	2	50
Total assets		**1 798**	**2 895**	**2 536**
Liabilities				
Payables	6.1	71	36	24
Lease liabilities	6.2	154	3	51
Employee benefits	6.3	2 285	2 434	2 368
Total liabilities		**2 510**	**2 473**	**2 443**
Net assets (liabilities)		**(712)**	**422**	**93**
Equity				
Accumulated funds		(712)	422	93
Total equity		**(712)**	**422**	**93**

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2022

	Notes	2022 Budget $'000	2022 Actual $'000	2021 Actual $'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts – recurrent		12 192	10 639	10 161
Grants		-	220	590
GST receipts		4	202	156
Sales of services		854	519	262
Other cash receipts		-	-	85
Total cash inflows		**13 050**	**11 580**	**11 254**
Cash outflows				
Employee benefits		(11 092)	(8 838)	(7 926)
GST payments		(4)	(151)	(187)
Finance costs	4.4	-	(1)	(1)
Supplies and consumables		(1 498)	(1 891)	(2 066)
Other cash payments		(456)	(128)	(162)
Total cash outflows		**(13 050)**	**(11 008)**	**(10 342)**
Net cash from/(used by) operating activities	8.2	**-**	**572**	**912**
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	(174)	-
Total cash outflows		**-**	**(174)**	**-**
Net cash from/(used by) investing activities		**-**	**(174)**	**-**
Cash flows from financing activities				
Repayment of lease liabilities (excluding interest)		-	(31)	(30)
Total cash outflows		**-**	**(31)**	**(30)**
Net cash from/(used by) financing activities		**-**	(31)	(30)
Net increase in cash held and cash equivalents		**-**	**367**	**882**
Cash and cash equivalents at the beginning of the reporting period		**1 086**	**1 968**	**1 086**
Cash and cash equivalents at the end of the reporting period	8.1	**1 086**	**2 335**	**1 968**

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2022

	Accumulated surplus / deficit $'000	Total equity $'000
Balance as at 1 July 2021	93	**93**
Total comprehensive result	329	329
Total	**329**	**329**
Balance as at 30 June 2022	**422**	**422**

	Accumulated surplus / deficit $'000	Total equity $'000
Balance as at 1 July 2020	(564)	**(564)**
Total comprehensive result	657	657
Total	**657**	**657**
Balance as at 30 June 2021	**93**	**93**

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 1 Administered Financial Statements

The Office was provided with funding to contribute to the disruption of serious and organised crime through the enforcement of the *Crime (Confiscation of Profits) Act 1993* and *Crime (Confiscation of Profits) Amendment (Unexplained Wealth) Act 2013*. This is a joint initiative with the Department of Police, Fire and Emergency Management and the Office.

Forfeiture of assets under the unexplained wealth laws and forwarding of those assets to the Public Account are recorded as Administered transactions.

1.1 Schedule of Administered Income and Expenses

	Notes	2022 Budget $'000	2022 Actual $'000	2021 Actual $'000
Administered revenue				
Other revenue	10.2	500	1 253	26
Total administered revenue		**500**	**1 253**	**26**
Administered expenses				
Transfers to the Public Account		500	1 253	26
Total administered expenses		**500**	**1 253**	**26**
Administered Net result		**-**	**-**	**-**
Administered comprehensive result		**-**	**-**	**-**

This Schedule of Administered Income and Expenses should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 10 of the accompanying notes.

Note 2 Explanations of Material Variances between Budget and Actual Outcomes

Budget information refers to the original estimates as disclosed in the 2021-22 Budget Papers and is not subject to audit.

Variances are considered material where the variance exceeds the 10 per cent of Budget estimate and $100,000.

2.1 Statement of Comprehensive Income

Statement of Comprehensive Income variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and $100,000.

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Appropriation revenue - recurrent	(a)	12 192	10 639	(1 553)	(13)
Grants	(b)	-	220	220	>100
Sale of services	(c)	854	545	(309)	(36)
Employee benefits	(a)	11 132	8 905	(2 227)	20
Supplies and consumables	(d)(e)	1 498	1 902	404	27
Other expenses	(e)	456	128	(328)	(72)

Notes to Statement of Comprehensive Income variances

(a) This variance reflects staffing vacancies that were unable to be filled during the year associated with additional funding provided in the 2021-22 State Budget for Dangerous Criminals and High Risk Offenders Bill Compliance Costs and Royal Commission and Commission of Inquiry Response Staffing.

(b) This increase is due to the Office receiving grant funding from the Department of Justice for the provision of Witness Assistance Services which was not budgeted for.

(c) This variance reflects the permanent transfer of funding from the Department of Communities Tasmania for the delivery of child safety legal services, this funding is now provided directly through appropriation revenue – recurrent.

(d) This increase primarily reflects an increase in property costs associated with accommodating the additional staff funded in the 2020-21 State Budget to support the Office to reduce the backlog of cases in the Supreme Court and in the 2021-22 State Budget.

(e) This variance is due to a misalignment between the budgets for Supplies and consumables and Other expenses.

2.2 Statement of Financial Position

Budget estimates for the 2021-22 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2021-22. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2021-22. The following variance analysis therefore includes major movements between the 30 June 2021 and 30 June 2022 actual balances.

Statement of Financial Position variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and $100,000.

	Note	Budget $'000	2022 Actual $'000	2021 Actual $'000	Budget Variance $'000	Actual Variance $'000
Cash and deposits	(a)	1 086	2 335	1 968	1 249	367
Receivables	(b)	141	3	102	(138)	(99)
Leasehold improvements, plant and equipment	(c)	416	555	416	139	139
Right of-use-assets	(d)	155	2	50	(153)	(48)
Lease liabilities	(d)	154	3	51	(151)	(48)

Notes to Statement of Financial Position variances

(a) This increase is primarily due to the actual cash balance as at 30 June 2021 being higher than estimated in the 2021-22 Budget, in addition to grant funding received but not yet expended at 30 June 2022 and lower utilisation of retained revenues to fund salaries than was anticipated due to staff vacancies throughout the year.

(b) This decrease is primarily due to the Office having fewer invoices which were still outstanding as at 30 June 2022 compared with the same time the previous year.

(c) This increase is due to minor works undertaken on the Office's premises at 15 Murray Street Hobart during 2021-22, not factored into the 2021-22 State Budget.

(d) These variances reflect the estimated values of the Office's new leased accommodation assets and liabilities at the time the 2021-22 Budget was prepared, compared with the actual values calculated following the finalisation of accommodation allocations between the Office and the Department of Justice.

2.3 Statement of Cash Flows

Statement of Cash Flows variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and $100,000.

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Appropriation receipts - recurrent	(a)	12 192	10 639	(1 553)	(13)
GST receipts	(b)	4	202	198	>100
Sales of services	(c)	854	309	(545)	(64)
Employee benefits	(a)	11 092	8 838	(2 254)	(20)
GST payments	(b)	4	151	147	>100
Supplies and consumables	(d)(e)	1 498	1 891	393	(26)
Other cash payments	(e)	456	128	(328)	(72)

Notes to Statement of Cash Flows variances

(a) This variance reflects staffing vacancies that were unable to be filled during the year associated with additional funding provided in the 2021-22 State Budget for Dangerous Criminals and High Risk Offenders Bill Compliance Costs and Royal Commission and Commission of Inquiry Response Staffing.

(b) The budget does not include GST receipts and payments.

(c) This variance reflects the permanent transfer of funding from the Department of Communities Tasmania for the delivery of child safety legal services, this funding is now provided directly through appropriation revenue – recurrent.

(d) This increase primarily reflects an increase in property costs associated with accommodating the additional staff funded in the 2020-21 State Budget to support the Office to reduce the backlog of cases in the Supreme Court and in the 2021-22 State Budget.

(e) This variance is due to a misalignment between the budgets for Supplies and consumables and Other expenses.

Note 3 Revenue

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Income is recognised in accordance with the requirements of AASB *15 Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

3.1 Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds as they do not contain enforceable and sufficiently obligations as defined by AASB 15. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and Items Reserved by Law.

Section 23 of the *Financial Management Act* allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year.

The Budget information is based on original estimates and has not been subject to audit.

	2022 Actual $'000	**2021 Actual $'000**
Continuing operations		
Appropriation revenue - recurrent		
Current year	10 060	9 590
R009 Salary, superannuation, allowances and other on-costs relating to the provision of the DPP (*Director of Public Prosecutions Act 1973*)	579	571
Total revenue from Government	**10 639**	**10 161**

3.2 Grants

Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the Office satisfies the performance obligation and transfers the promised goods or services. The Office typically receives grant revenue as reimbursement of previous expenditure, or on-forwards the grant revenue to other organisations under Australian Government funding and as a result satisfies its performance obligations when it gains the control of the underlying assets. The Office recognises revenue associated with performance obligations when the grant is receivable.

Revenue from grants to acquire/construct recognisable non-financial assets to be controlled by the Office are recognised when the Office satisfies its obligations under the transfer. The Office typically satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion.

Grants revenue without a sufficiently specific performance obligation are recognised when the Office gains control of the asset (typically Cash).

	2022 $'000	2021 $'000
Grants without sufficiently specific performance obligations		
Witness Assistance Services	220	440
Digital photobooks trial	-	150
Total	**220**	**590**
Continuing operations		
Grants from State Government	220	220
Grant from the Solicitor's Trust Guarantee Fund	-	370
Total	**220**	**590**
Total revenue from grants	**220**	**590**

The Office received grant funding from the Department of Justice for the provision of Witness Assistance Services for the 2021 and 2022 calendar years. The Office also received Solicitor's Guarantee Fund Replacement Funding from the Department of Justice for Witness Assistance Services for the 2021 calendar year.

3.3 Sale of Services

Revenue from Sales of goods are recognised when the Office satisfies a performance obligation by transferring the goods to the customer. The Office typically satisfies its performance obligations when the goods are provided.

Revenue from the provision of services is recognised when the Office satisfies its performance obligation by transferring the promised services. The Office typically satisfies its performance obligations through the delivery of the agreed services over the agreed timeframe or in proportion to the stage of completion of the transaction at the reporting date. The Office satisfies its performance obligations over the period the obligation is predicted to be consumed.

	2022 $'000	2021 $'000
Sale of Services	545	276
Total	**545**	**276**

3.4 Contributions received

Contributions of assets at no cost of acquisition are recognised at their fair value when the Office obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the Office and the amount can be measured reliably.

	2022 $'000	2021 $'000
Fair value of asset assumed at no cost or for nominal consideration	28	-
Total	**28**	**-**

The Office received an equity contribution from the Department of Justice for one-off the minor fit out works at 15 Murray Street office.

Note 4 Expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.1 Employee Benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee Benefits

	2022 $'000	2021 $'000
Wages and salaries	7 914	7 153
Superannuation – defined contribution scheme	764	683
Superannuation – defined benefit scheme	170	174
Other employee expense	57	73
Total	**8 905**	**8 084**

Superannuation expenses relating to defined benefits schemes relate to payments into the Public Account. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 13.45 per cent (2021: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the relevant superannuation fund at a rate of 10.0 per cent (2021: 9.5 per cent) of salary. In addition, the Office is also required to pay into the Public Account a "gap" payment equivalent to 3.45 per cent (2021: 3.45 per cent) of salary in respect of employees who are members of the contribution schemes.

(b) Remuneration of Key management personnel

2022	Short-term benefits		Long-term benefits		Termination Benefits	Total
	Salary $'000	Other Benefits $'000	Super annuation $'000	Other Benefits and Long-Service Leave $'000	$'000	$'000
Key management personnel						
Daryl Coates, Director of Public Prosecutions	466	23	60	(35)	-	514
Linda Mason, Deputy Director of Public Prosecutions	332	23	48	13	-	416
Michael Varney, Director of Crown Law (retired 1 December 2021)	64	13	9	(54)	-	32
Acting key management personnel						
John Withers, Acting Director of Crown Law (from 9 August 2021)	103	2	14	20	-	139
Total	**965**	**61**	**124**	**(55)**	**-**	**1 101**

2021	Short-term benefits Salary $'000	Other Benefits $'000	Long-term benefits Super annuation $'000	Other Benefits and Long-Service Leave $'000	Termination Benefits $'000	Total $'000
Key management personnel						
Daryl Coates, Director of Public Prosecutions	465	23	60	(3)	-	545
Linda Mason, Deputy Director of Public Prosecutions	281	20	31	5	-	337
Michael Varney, Director Crown Law	146	21	19	(6)	-	180
Total	**892**	**64**	**110**	**(4)**	**-**	**1 062**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly.

Remuneration during 2021-22 for key personnel is set by the *State Service Act 2000*, except for the Director of Public Prosecutions, whose is set by the *Director of Public Prosecutions Act 1973*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, allowances, motor vehicle and other non-monetary benefits.

Long-term employee expenses include long service leave and superannuation obligations and termination payments. Short-term benefits include motor vehicle and car parking fringe benefits in addition to any other short term benefits. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis.

It should be noted that because annual and long service leave liabilities are calculated by discounting future cashflows (detailed in Note 6.3) which may change from year to year, it is possible for key personnel to accrue negative leave benefits in any particular financial year, or they may utilise more leave than they accrue in any particular financial year.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

(c) Related Party Transactions

There are no related party transactions requiring disclosure.

4.2 Depreciation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The depreciable amount of improvements to or on leaseholds is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option where exercise of the option is reasonably certain.

Key estimate and judgement

Depreciation is provided for on a straight line basis, using rates lives which are reviewed annually.

Depreciation rates for Leasehold Improvements are based on the lease terms over which those improvements will be utilised by the Office.

	Major depreciation period	2022 $'000	2021 $'000
Leasehold improvements	10 – 15 years	64	70
Equipment	5 years	-	-
Total Leasehold improvements and equipment depreciation		**64**	**70**
Right-of-use asset		30	31
Total depreciation		**94**	**101**

4.3 Supplies and Consumables

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

	2022 $'000	2021 $'000
Audit fees – financial audit	13	12
Rent of premises	572	768
Motor vehicle and equipment leases	27	34
Plant and equipment	17	47
Property services	375	294
Communications	85	74
Information technology	310	293
Travel and transport	222	214
Other supplies and consumables	281	287
Total	**1 902**	**2 023**

Audit fees paid or payable to the Tasmanian Audit Office for the audit of the Office's financial statements were $12,920 ($12,450 for 2020-21).

Lease expense includes lease rentals for short-term leases, lease of low value assets and variable lease payments. Refer to note 6.2 for breakdown of lease expenses and other lease disclosures.

4.4 Finance costs

All finance costs are expensed as incurred using the effective interest method.

Finance costs include lease charges.

	2022 $'000	2021 $'000
Interest on lease liabilities	1	1
Total finance costs	**1**	**1**

4.5 Other Expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

	2022 $'000	2021 $'000
Salary on-costs	49	37
Other expenses	79	123
Total	**128**	**160**

Note 5 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Office and the asset has a cost or value that can be measured reliably.

5.1 Receivables

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.

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method.

Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. The Office recognises an allowance for expected credit losses for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the Office applies a simplified approach in calculating expected credit losses. The Office recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Office has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

	2022 $'000	2021 $'000
Receivables from sales of goods and services	99	74
Tax Asset Receivables/(Payable)	(22)	29
Less: Provision for impairment	(74)	(1)
Total	**3**	**102**
Settled within 12 months	3	102
Total	**3**	**102**

Reconciliation of movement in expected credit loss for receivables	**2022 $'000**	**2021 $'000**
Carrying amount at 1 July under AASB 9	1	**1**
Increase/(decrease) in provision recognised in profit or loss	349	-
Carrying amount at 30 June	**350**	**1**

For ageing analysis of the financial assets, refer to Note 9.1.

5.2 Leasehold Improvements, Plant and Equipment

(i) Valuation basis

All Non-current physical assets, including any work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of leasehold improvements, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or build occupied.

The recognised fair value of non-financial assets is classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements.

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data

(ii) Subsequent costs

The cost of replacing part of an item of leasehold improvements, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Office and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of leasehold improvements, plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Office is:

Leasehold Improvements	$10,000
Equipment	$10,000

Assets recorded at less than $10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

	2022 $'000	2021 $'000
Leasehold Improvements		
At cost	1 076	873
Less: Accumulated depreciation	(521)	(457)
Total Leasehold Improvements	**555**	**416**
Equipment		
At cost	100	100
Less: Accumulated depreciation	(100)	(100)
Total Equipment	**-**	**-**
Total Leasehold Improvements, Plant and Equipment	**555**	**416**

(a) Reconciliation of movements

2022	**Equipment** **$'000**	**Leasehold Improvements** **$'000**	**Total** **$'000**
Carrying amount at 1 July	**-**	**416**	**416**
Additions	-	202	202
Depreciation expense	-	(64)	(64)
Carrying amount at 30 June	**-**	**555**	**555**

2021	Equipment $'000	Building Improvements $'000	Total $'000
Carrying amount at 1 July	**-**	**486**	**486**
Depreciation expense	-	(70)	(70)
Carrying amount at 30 June	**-**	**416**	**416**

5.3 Right-of-use Assets

AASB 16 requires the Office to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. Right-of-use assets includes assets in respect of leases previously treated as operating leases under AASB 117, and therefore not recognised on the Statement of Financial Position.

The Office has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, rental arrangements for which Finance-General has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than $10 000.

Right-of-use assets are depreciated over the shorter of the assets useful life and the term of the lease. Where the Office obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Office will exercise a purchase option, the Office depreciates the right-of-use asset overs its useful life.

2022	Buildings $'000	Total $'000
Carrying value at 1 July	**50**	**50**
Increase (decrease) - reassess lease liability of CPI and lease term	(18)	(18)
Depreciation and amortisation	(30)	(30)
Carrying value at 30 June	**2**	**2**

2021	Buildings $'000	Total $'000
Carrying value at 1 July	**82**	**82**
Increase (decrease) due to reassess lease liability of CPI	(1)	(1)
Depreciation and amortisation	(31)	(31)
Carrying value at 30 June	**50**	**50**

Note 6 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

6.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Office becomes obliged to make future payments as a result of a purchase of assets or services.

	2022 $'000	2021 $'000
Creditors	4	-
Accrued expenses	32	24
Total	**36**	**24**
Settled within 12 months	36	24
Total	**36**	**24**

Settlement is usually made within 30 days.

6.2 Lease Liabilities

A lease liability is measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined the Tascorp indicative lending rate including the relevant administration margin is used.

The Office has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, rental arrangements for which Finance-General has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than $10 000.

The Office has entered into the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements
Building	Office Accommodation at 14 Alexander Street, Burnie

The Office's leasing arrangement expires on 21 July 2022 and the Office does not intend to renew the lease for a further term. The Office makes a number of assumptions regarding CPI and interest rates which it uses to calculate the present value of the lease liability.

	2022 $'000	2021 $'000
Current		
Lease liabilities	3	30
Non-current		
Lease liabilities	-	20
Total	**3**	**50**

Maturity analysis of lease liabilities:

	2022 $'000	2021 $'000
One year or less	3	31
From two to three years	-	21
Total	**3**	**52**

The lease liability in the maturity analysis is presented using undiscounted contractual amounts before deducting finance charges.

The following amounts are recognised in the Statement of Comprehensive Income:

	2022 $'000	2021 $'000
Current		
Interest on lease liabilities in note 4.5	1	1
Lease expenses included in note 4.4:		
Short term and/or low-value leases	598	802
Net expenses from leasing activities	**599**	**803**

6.3 Employee Benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid.

Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

The Office assumes that all staff annual leave balances less than 20 days will be settled within 12 months, and therefore valued at nominal value, and balances in excess of 20 days will be settled in greater than 12 months and therefore calculated at present value.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The Office makes a number of assumptions regarding the probability that staff who have accrued long service leave, but are ineligible to take it will remain with the Office long enough to take it. For those staff eligible to take their long service leave, the Office assumes that they will utilise it on average, evenly over the following ten years. All long service leave that will be settled within 12 months is calculated at nominal value and all long service leave that will be settled in greater than 12 months is calculated at present value.

	2022 $'000	2021 $'000
Accrued salaries	223	171
Annual leave	818	777
Long service leave	1 393	1 420
Total	**2 434**	**2 368**
Settled within 12 months	803	714
Settled in more than 12 months	1 631	1 654
Total	**2 434**	**2 368**

6.4 Superannuation

(i) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan.

The Office does not recognise a liability for the accruing superannuation benefits of Office employees. This liability is held centrally and is recognised within the Finance General Division of the Department of Treasury and Finance.

Note 7 Commitments and Contingencies

7.1 Schedule of Commitments

Commitments represent those contractual arrangements entered by the Office that are not reflected in the Statement of Financial Position.

Leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2022 $'000	2021 $'000
By type		
Lease Commitments		
Short term and low value	185	205
Office accommodation leases controlled by Department of Treasury and Finance	1 603	2 750
Total lease commitments	**1 788**	**2 955**
By maturity		
Operating lease commitments		
One year or less	625	897
From one to five years	1 163	2 058
Total operating lease commitments	**1 788**	**2 955**
Total	**1 788**	**2 955**

The Leases commitments have been separated out as per below. All amounts shown are inclusive of GST.

Short terms and/or low value leases

This includes the Office's motor vehicle fleet which is owned and managed by Treasury. The Office pays a monthly payment to Treasury via the Government's fleet manager for use of the vehicles.

As there is no lease contract between Treasury and the Department, for the purposes of AASB 16 Leases, the Office is not required to recognise a lease liability and right-of-use asset for motor vehicles, and costs are recognised as an expense as incurred.

The Office recognises a commitment for the terms of motor vehicle agreements.

The Office's information technology hardware leases valued at less than $10,000 are also included here.

Office accommodation leases controlled by Department of Treasury and Finance

Major office accommodation leases are executed by the Department of Treasury and Finance (Treasury).

As there is no lease contract between Treasury and the Department, for the purposes of AASB 16 *Leases*, the Office is not required to recognise a lease liability and right-of-use asset for major office accommodation. The Office will recognise the outgoings associated with the occupation of these major office accommodation spaces as expenses.

The Office recognises a commitment for the term of occupancy in the major office accommodation spaces.

Property lease payments are determined by the price per square metre of the leased area as agreed in the lease documents.

7.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

At 30 June 2022 the Office had no contingent assets or liabilities.

Note 8 Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

8.1 Cash and Deposits

Cash and cash equivalents includes the balance of the Specific Purpose Accounts held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2022 $'000	2021 $'000
Special Deposits and Trust Fund balance		
T529 Office of the Director of Public Prosecutions Operating Account	2 335	1 968
Total cash and cash equivalents	**2 335**	**1 968**

8.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2022 $'000	2021 $'000
Net result from continuing operations	329	657
Net gain/(loss) on accounts receivable	73	(1)
Contribution received free of charge	(28)	-
Depreciation	94	101
Decrease (increase) in Receivables	26	39
Increase (decrease) in Employee entitlements	66	163
Increase (decrease) in Payables	12	(47)
Net cash from (used by) operating activities	**572**	**912**

8.3 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financial activities. The Office did not have any liabilities arising from financing activities prior to 1 July 2019.

2022	**Lease Liabilities** **$'000**
Balance as at 1 July 2021	**51**
Increase (decrease) due to reassess lease liability of CPI and lease term	(17)
Changes from financing cash flows:	
Cash Repayments	(31)
Balance as at 30 June 2022	**3**

2021	Lease Liabilities $'000
Balance as at 1 July 2020	**82**
Increase (decrease) due to reassess lease liability of CPI	(1)
Other movements (interest expense)	1
Changes from financing cash flows:	
Cash Repayments	(31)
Balance as at 30 June 2021	**51**

Note 9 Financial Instruments

9.1 Risk Exposures

(a) Risk management policies

The Office has exposure to the following risks from its use of financial instruments:

- credit risk; and
- liquidity risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Office's risk management framework. Risk management policies are established to identify and analyse risks faced by the Office, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Office if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any expected credit losses, however, due to the short settlement period, receivables are not discounted back to their present value.	It is Office policy to issue invoices with 30 day terms of trade.
Cash and deposits	Deposits are recognised at amortised cost, being their face value.	Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Office's maximum exposure to credit risk without taking into account of any collateral or other security:

	2022 $'000	2021 $'000
Receivables	3	102
Total	**3**	**102**

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows.

Expected credit loss analysis of receivables as at 30 June 2022	**Not past due $'000**	**Past due 1-30 days $'000**	**Past due 31-60 days $'000**	**Past due 61-90 days $'000**	**Total $'000**
Expected credit loss rate (A)	0%	0%	0%	100%	**74%**
Total gross carrying amount (B)	-	25	-	74	**99**
Expected credit loss (A x B)	-	-	-	74	74

Expected credit loss analysis of receivables as at 30 June 2021	**Not past due $'000**	**Past due 1-30 days $'000**	**Past due 31-60 days $'000**	**Past due 61-90 days $'000**	**Total $'000**
Expected credit loss rate (A)	0%	0%	0%	70%	**3%**
Total gross carrying amount (B)	-	71	-	3	**74**
Expected credit loss (A x B)	-	-	-	2	2

(c) Liquidity risk

Liquidity risk is the risk that the Office will not be able to meet its financial obligations as they fall due. The Office's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	**Accounting and strategic policies (including recognition criteria and measurement basis)**	**Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)**
Financial Liabilities		
Payables	Payables are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Office becomes obliged to make future payments as a result of a purchase of assets or services.	Payables, including goods received and services incurred but not yet invoiced arise when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The Office's terms of trade are 14 days unless agreed otherwise.
Lease liabilities	Lease liabilities are measured at the present value of the lease payments that are not paid at that date	The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined the Tascorp indicative lending rate including the relevant administration margin is used.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Office by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2022	Maturity analysis for financial liabilities				
	1 Year $'000	2 Years $'000	3 Years $'000	Undiscounted Total $'000	Carrying Amount $'000
Financial liabilities					
Payables	36	-	-	36	36
Total	**36**	**-**	**-**	**36**	**36**

2021	Maturity analysis for financial liabilities				
	1 Year $'000	2 Years $'000	3 Years $'000	Undiscounted Total $'000	Carrying Amount $'000
Financial liabilities					
Payables	24	-	-	24	24
Total	**24**	**-**	**-**	**24**	**24**

9.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2022 $'000	2021 $'000
Financial assets		
Cash and cash equivalents	2 335	1 968
Receivables at Amortised cost	3	102
Total	**2 338**	**2 070**
Financial Liabilities		
Financial liabilities measured at amortised cost	39	75
Total	**39**	**75**

9.3 Comparison between Carrying Amount and Net Fair Values of Financial Assets and Liabilities

	Carrying Amount 2022 $'000	Net Fair Value 2022 $'000	Carrying Amount 2021 $'000	Net Fair Value 2021 $'000
Financial assets				
Cash in Special Deposits and Trust Fund	2 335	2 335	1 968	1 968
Receivables	3	3	102	102
Total financial assets	**2 338**	**2 338**	**2 070**	**2 070**
Financial liabilities				
Trade creditors	36	36	24	24
Lease liabilities	3	3	51	51
Total financial liabilities	**39**	**39**	**75**	**75**

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair value of receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

Financial Liabilities

The net fair values of payables approximate their carrying amounts as this is the amount the Office expects to be able to settle on these items.

9.4 Net Fair Values of Financial Assets and Liabilities

2022	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net fair Value Level 3 $'000	Net Fair Value Total $'000
Financial assets				
Cash in Special Deposits and Trust Fund	2 335	-	-	2 335
Receivables	3	-	-	3
Total financial assets	**2 338**	**-**	**-**	**2 338**
Financial liabilities				
Trade Creditors	36	**-**	**-**	36
Lease liabilities	3	-		3
Total financial liabilities	**39**	**-**	**-**	**39**

2021	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net fair Value Level 3 $'000	Net Fair Value Total $'000
Financial assets				
Cash in Special Deposits and Trust Fund	1 968	-	-	1 968
Receivables	102	-	-	102
Total financial assets	**2 070**	**-**	**-**	**2 070**
Financial liabilities				
Trade Creditors	24	-	-	24
Lease liabilities	51	-	-	51
Total financial liabilities	**75**	**-**	**-**	**75**

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Office uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Note 10 Notes to Administered Statements

Variances are considered material where the variance exceeds the 10 per cent of Budget estimate and $100,000.

10.1 Explanation of Material Variances between Budget and Actual Outcomes

(a) Statement of Comprehensive Income

Statement of Comprehensive Income variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and $100,000.

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Other revenue	(a)	500	1 253	753	>100
Transfers to the Public Account	(a)	500	1 253	753	>100

Notes to Statement of Comprehensive Income variances

(a) The Office collected greater receipts under the *Crime (Confiscation of Profits) Act 1993* and *Crime (Confiscation of Profits) Amendment (Unexplained Wealth) Act 2013* than budgeted. The investigation and prosecution of cases under these acts is often a lengthy process and it is difficult to accurately forecast revenue.

(b) Statement of Cash Flows

Statement of Cash Flows variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and $100,000.

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Other cash receipts	(a)	500	1 253	753	>100
Transfers to the Public Account	(a)	500	1 253	753	>100

Notes to Statement of Cash Flows variances

(a) The Office collected greater receipts under the *Crime (Confiscation of Profits) Act 1993* and *Crime (Confiscation of Profits) Amendment (Unexplained Wealth) Act 2013* than budgeted. The investigation and prosecution of cases under these acts is often a lengthy process and it is difficult to accurately forecast revenue.

10.2 Other revenue

The revenue is recognised when the Office receives the assets.

	2022 $'000	2021 $'000
Forfeiture of assets under unexplained wealth laws	1 253	26
Total	**1 253**	**26**

Note 11 Transactions and Balances Relating to a Trustee of Agency Arrangement

Transactions relating to activities undertaken by the Office in a trust or fiduciary capacity do not form part of the Office's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

Account/Activity	Opening balance	Net transactions during 2021-22	Closing balance
	$'000	$'000	$'000
T452 Director of Public Prosecutions Trust Account	33	-	33
T764 Crime (Confiscation of Profits) Account	2 518	288	2 806

Note 12 Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on the Office's Financial Statements as at 30 June 2022.

Note 13 Significant Accounting Policies

13.1 Objectives and Funding

The Office of the Director of Public Prosecutions (the Office) provides criminal and civil law services to the State of Tasmania. The *Director of Public Prosecutions Act 1973* details the role and functions of the Director of Public Prosecutions. Specifically, the DPP undertakes:

- the conduct of all criminal prosecutions on indictment in the Supreme Court and in Magistrates Courts where required;
- the representation of government agencies in the prosecution of regulatory offences;
- the representation of government agencies in appeals from Magistrates Courts to the Supreme Court, and in Tribunal or Board hearings involving government agencies;
- the conduct of all civil litigation on behalf of the State and its government agencies;
- the conduct of all child protection proceedings under the *Children, Young Persons and Their Families Act 1997* on behalf of the Secretary of the Department of Health and Human Services; and
- representation of the Crown in appeals to the Full Court, Court of Criminal Appeal and the High Court.

The Office activities are classified as either controlled or administered.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Office in its own right. Administered activities involve the management or oversight by the Office on behalf of the Government.

The Office is a Tasmanian Government not-for-profit entity that is predominantly funded through Parliamentary appropriations. The financial statements encompasses all funds through which the Office controls resources to carry on its functions.

13.2 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB); and

- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The Financial Statements were signed by the Director of Public Prosecutions on 21 September 2022.

Compliance with the AAS may not result in compliance with International Financial Reporting Standards, as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Office is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 13.5.

The Financial Statements have been prepared on the basis that the Office is a going concern. The continued existence of the Office in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Office's administration and activities. It is also noted that, because the Office is not funded for depreciation or to meet employee annual or long service leave not taken in the normal course of events, support will be needed to fund asset replacements and leave entitlements as outlined.

The Office has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

13.3 Reporting Entity

The Financial Statements include all the controlled activities of the Office.

13.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Office's functional currency.

13.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the Office has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. New and revised Australian Accounting Standards, amendments thereof, and Interpretations effective for the current year that are relevant to the Office include:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for annual reporting periods beginning on or after 1 January 2022)

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (effective for annual reporting periods beginning on or after 1 January 2022)

- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*

- AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*.

(b) Impact of new and revised Accounting Standards yet to be applied

The Office has not applied a new Australian Accounting Standard or Interpretation that has been issued but is not yet effective. Those that have an impact on the Office's financial statements include:

- AASB 17 *Insurance Contracts* (as amended) (effective for annual reporting periods beginning on or after 1 January 2023)

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current – Deferral of Effective Date* (effective for annual reporting periods beginning on or after 1 January 2023)

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (effective for annual reporting periods beginning on or after 1 January 2022)

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023)

- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information (effective for annual reporting periods beginning on or after 1 January 2023).

The Office has undertaken an assessment of the impact of new and revised Accounting Standards and those yet to be applied and has determined they will have no material impact on the Office's financial statements.

13.6 Administered Transactions and Balances

The Office administers, but does not control, certain resources on behalf of the Government as a whole. It is accountable for the transactions involving such administered resources, but does not have the discretion to deploy resources for the achievement of the Office's objectives.

Administered assets, liabilities, expenses and revenues are disclosed in Note 1 to the Financial Statements. The policies set out in Note 3 onwards apply equally to administered transactions.

13.7 Activities Undertaken Under a Trustee or Agency Relationship

Transactions relating to activities undertaken by the Office in a trust or fiduciary (agency) capacity do not form part of the Office's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered. Details of transactions and balances relating to a trustee or agency arrangement are provided in Note 11.

13.8 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 13.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

The comparatives for external administrative restructures are not reflected in the Financial Statements.

13.9 Budget Information

Budget information refers to original estimates as disclosed in the 2021-22 Budget Papers and is not subject to audit.

13.10 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

13.11 Office Taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax and is not registered for the Goods and Services Tax. All taxation issues are managed by the Department of Justice on the Office's behalf.

13.12 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Tasmanian Audit Office

Independent Auditor's Report

To the Members of Parliament

Office of the Director of Public Prosecutions

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Office of the Director of Public Prosecutions (the Office), which comprises the statement of financial position as at 30 June 2022 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Director of Public Prosecutions (the Director).

In my opinion, the accompanying financial statements:

(a) present fairly, in all material respects, the Office's financial position as at 30 June 2022 and its financial performance and its cash flows for the year then ended

(b) are in accordance with the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Office in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Office's financial statements.

Responsibilities of the Director for the Financial Statements

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 42 (1) of the *Financial Management Act 2016*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director is responsible for assessing the Office's ability to continue as a going concern unless the Office's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

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, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director.
- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Rod Whitehead
Auditor-General
Tasmanian Audit Office

26 September 2022
Hobart