TASMANIA

ANNUAL REPORT 2019-20

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 2020

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

Dear Attorney

ANNUAL REPORT 2019-20

I am pleased to provide you with a copy of my Annual Report for the year ended 30 June 2020.

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 and bail applications in the Supreme Court, the conduct of lower court appeals and appeals in the High Court, the Court of Criminal Appeal and the Full 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.

The Office is committed to providing a fair, just and independent prosecution service. As the body responsible for prosecuting the most serious criminal cases in the State this makes it an integral part of the justice system. Further, a considerable part of the functions of the Office is to determine whether a person should be charged with a serious criminal offence. This task carries significant importance and responsibility but this is often not appreciated by the legal or general community. It is important that no person should be charged unless there is a reasonable prospect of convicting that person and it is in the public interest to do so. In considering this, it is generally complex and time-consuming work, where the law has to be applied to complex factual situations. Often decisions (particularly not to prosecute) are unpopular. However, decisions are made in an impartial and objective manner.

In addition, our child safety unit is tasked with seeking court orders to protect our most vulnerable children. It is extremely important work.

As reported in recent years the Office has been under considerable pressure due to a significant increase in workloads in most areas. The number of criminal committals continued at the high level of the last two years with 647 committals, only six committals less than last year, which represented a 50% increase in the previous two years. The number of matters finalised was 594 which is the most finalised in the past nine years. This was a very pleasing result, particularly given the disruption caused by Covid-19. Despite this, the numbers pending continued to rise to a record 691, compared to 382 in 2016-

17. Bail applications again continued to increase, witness assistance officers prepared more victim impact statements and saw more witnesses.

As reported last year, the criminal backlog cannot be adequately addressed without a considerable increase to ongoing funding to this Office. It should be remembered in respect to every case that is awaiting determination there are victims, witnesses and accused in a highly stressed situation. One of the consequences of cases being delayed is that witnesses become fatigued and unavailable or their memories fade. This results in the discharge rate increasing.

Staffing

I would again like to thank all staff for their outstanding efforts during the year. In particular, despite the interruptions to the court calendar caused by Covid-19, they were prepared to be flexible and hard-working which has led to more matters being dealt with.

The Office has had a number of notable staff departures during the year. Principal Crown Counsel Tony Jacobs retired after 48 years' service in this Office. Mr Jacobs served under every Director since the inception of the *Director of Public Prosecutions Act 1973*. During that time he conducted many important prosecutions. He conducted the first case involving DNA evidence, which is now routinely given. He has a reputation of being very fair.

Mr Graham Davis, Manager of our Witness Assistance Service, retired in February. Mr Davis was with the Office for 10 years. He set up the Witness Assistance Service which assists witnesses, complainants and their families through the criminal process. It also assists victims in preparing victim impact statements which gives them and their families an important voice in the sentencing process. Mr Davis has overseen the unit from its fledgling beginnings to the essential role it now plays in the criminal justice system. I thank him for his contribution and wish him well in retirement.

Ms Jackie Hartnett SC, the Assistant Director (Summary) was with the Office until she was appointed in June as a magistrate. Just prior to her appointment, the Chief Justice appointed her as a Senior Counsel. This is testament to the high standard of work she has conducted during her 16 years working in the Office. As well as conducting many significant prosecutions, Ms Hartnett was a strong mentor for many junior counsel in the Office. I wish her Honour well in her career as a magistrate. Mrs Madeleine Wilson, a very experienced and able Crown counsel, has been appointed the new Assistant Director responsible for summary prosecutions and the Child Safety Legal Group. Prior to this appointment Mrs Wilson ably ran the sexual assault and family violence unit, where she conducted many serious and complex cases.

I am pleased to say that due to extra accommodation becoming available at our Hobart office, the Child Safety Legal Group, that was accommodated in separate offices, has now moved back to the central office. This will help in more junior practitioners being able to do a wider variety of work and having senior practitioners to mentor them. We have also changed offices in Launceston which has been positively received by staff.

Finally, I would like to thank the Deputy Director of Public Prosecutions Ms Linda Mason SC and Crown Counsel Rebecca Lancaster, who is responsible for listings in the Office, for their tireless work and effort which has led to such a high finalisation rate in what has been a difficult year. I would also like to take the opportunity to thank Mr Michael Varney, Director of Crown Law, for his tireless work in managing the Office.

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, during the year the Office conducted one in-house training session for the entire office and a series of seminars for the junior practitioners in the Office. The program was interrupted due to Covid-19.

Counsel from the Office also attended the Law Society of Tasmania's Criminal Law Conference in February and a number of practitioners attended the Australian Association of Crown Prosecutors Annual Conference in July 2019.

Crime (Confiscation of Profits) Act 1993

Table 1 shows that the Court made orders under the Act totalling $262,043 for this reporting year. Orders have been made under the Act totalling $3,850,585 in the past five years. As stated last year, the amounts recovered under the Act will vary considerably from year to year depending on the matters finalised. Unexplained wealth investigations, in particular, are complex and time-consuming. The Office currently has several matters before the court. In addition to the orders obtained, as set out above, there are currently seven properties and cash restrained under the Act to a total value of $2,365,262.

Criminal prosecutions

A total of 598 criminal prosecutions were finalised during the year. This was significantly higher than in previous years although, as can be seen from Table 3, there has been a steady increase in the past few years. This has been achieved despite trials not being conducted for several sittings during the reporting year due to Covid-19 restrictions. There are a number of reasons for the increase in finalisations, which include the concentrated trial period conducted in the latter half of 2019 along with the increase in the number of pleas of guilty and the increase in the discharge rate, whilst the impact of the reduced number of trials was minimal. The increase in the number of pleas was, in part, due to the fact that our counsel and defence counsel had more time (due to there being no trials for several sittings) to consider these matters. The increase in the discharge rate is due, in part, to the increasing backlog which, as I mentioned in last year's report, results in witness fatigue, witnesses becoming difficult to locate, becoming unavailable or becoming unreliable due to the passage of time. Further, due to the backlog and Covid-19 restrictions many of the discharges resulted in prosecution for summary offences rather than indictable offences.

As stated earlier in the report, Table 4 shows the pending list has continued to increase to a historically high level of 691 compared to 382 in 2016-17. The rise in the pending list corresponds with the rise in the number of committals.

The sexual assault and family violence unit gave advice in 213 sexual assault matters. These advice files are complex and time-consuming. The provision of early advice from the Office was one of the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse. This allows certainty for complainants. The Office endeavours to have an advice completed within six weeks of the referral. However, it has not been possible to adhere to this timetable despite the considerable efforts of staff, although some inroads were made on these files during the time trials were suspended.

Also, the sexual assault and family violence unit has endeavoured to conduct as many pre-recordings of evidence as possible. A pre-recording of evidence can be given where the witness is a child or a particularly vulnerable witness who cannot give evidence at trial. This means the evidence can be recorded much earlier than the trial. Further, a witness can be given a certain time to give evidence. This can lead to a far less traumatic experience for the witness. Further, an earlier account, particularly with a child witness, may lead to a more reliable account. However, again, pre-recordings are time-consuming and places added pressure on the unit. This pressure will be significantly increased with the advent of intermediaries

As stated in previous reports, bail applications continue to increase with a record 473 applications made this reporting period, compared to 414 the previous year and 100 in 2013-14 (see Table 8). This increase is obviously a result of the criminal backlog with accused persons waiting longer in custody for their trials. It has also resulted in a greater number of bail applications being successful, in that ordinarily a person would not get bail but due to the backlog there will be a delay in reaching the trial and hence this is a strong factor in the granting of bail.

I have reorganised the criminal section to have teams devoted to complex fraud and drug prosecutions. Many of these matters involve co-ordinated, lengthy investigations by Tasmania Police into crime syndicates involving significant commercial quantities of drugs and money coming into the State. The evidence is often technically complex and voluminous. The work is not suited to Crown counsel who are dealing with general crime on a daily basis as they do not have the opportunity or time to deal with such voluminous matters. It is hoped that by having a team of Crown counsel specifically devoted to this area these matters will be dealt with in a more co-ordinated and expeditious manner.

The Office has received a grant from the Solicitors' Guarantee Fund to develop electronic jury books. Potentially there are great efficiencies and practical benefits in the project. A steering committee and a working group has been set up to develop the books.

Finally, all Australian Directors of Public Prosecutions agreed, as a result of the Royal Commission, to audit discharges to ensure there had been compliance with the guidelines issued by the Director. It should be noted 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 some other cases, summary charges are preferred rather than criminal indictable offences. The audit looked at 30% of discharged cases and benchmarked them against the DPP guidelines concerning discharge. In particular, the following factors were considered:

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

The audit revealed a high compliance with all criteria, with 85% of matters having the correct authorisation. In the majority of matters where there was no correct authorisation, partial authorisation had been achieved and alternative summary charges were proceeded with. Of the remainder, authorisation had been sought but not formally recorded. Where required, complainants had been notified of the decision to discharge on 70% of matters. In most cases where the complainant had not been notified the complainant was uncooperative with the prosecution, alternative summary matters were proceeded with or proceedings continued against co-accused. Taking this into account there was a 94% compliance rate and the Assistant Commissioner was notified in all but four matters. On those matters alternative charges were proceeded with. None of the matters audited required authorisation by the Director.

Appeals

During the course of the reporting year, counsel from the Office appeared in 32 appeals from a single judge to the Court of Criminal Appeal. Twenty-nine were appeals against sentence and three were appeals against conviction. There were seven Crown appeals against inadequacy of the sentence, four of those were allowed. Of the three that were dismissed, the Court agreed that in two of those appeals the sentence was manifestly inadequate but used its discretion that despite reaching that conclusion they would not grant the appeal.

Summary prosecutions

The summary prosecutions section has had another busy year. The section conducts a wide-ranging number of prosecutions, including WorkSafe prosecutions, prosecutions on behalf of Consumer Building and Occupational Services, transport prosecutions, animal welfare prosecutions and other serious summary matters, including sexual assault matters, driving matters involving death or serious injury, prosecutions of police officers and a number of other complex matters. The section has also conducted a number of matters initially committed to the Supreme Court but subsequently remitted to the Magistrates Court.

Over the past few years the Office has entered into agreements with several agencies, including Justice, State Growth and Tasmania Police to conduct the prosecution of complex matters. Recently an agreement has been finalised with the Department of Primary Industries Parks Water and the Environment ("DPIPWE"), Tasmania Police and this Office to prosecute all DPIPWE prosecutions, including all fisheries prosecutions.

During the reporting year, former Director of Public Prosecutions, Mr Damian Bugg QC, and former Assistant Commissioner of Police, Mr Tom Tully, conducted a review into Police Prosecutions. They made several recommendations which will be the subject of discussions between myself and Tasmania Police in the coming months.

During the reporting period, the Office dealt with 196 summary prosecutions, an increase from 157 the previous year, and 44 lower court appeals.

Witness Assistance Service

The Witness Assistance Service ("WAS") has become 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 1807 witnesses this year in 947 matters. In addition, the service assisted in the preparation of 324 victim impact statements. Table 10 indicates there has been a significant increase in the work output of the unit in the past two years.

The Office again received a grant from the Solicitors' Guarantee Fund this reporting period to employ additional witness assistance officers in both Hobart and Launceston to deal with serious summary matters in the Magistrates Court. Previously, the service had been confined to criminal matters and was only offered for matters in the Magistrates Court in exceptional circumstances. In addition to summary matters conducted by the Office, witness assistance officers have 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 98 files being opened and 141 matters finalised. I commented last year that amendments to the *Children Young Persons and Their Families Act 1997* led to an increase in court appearances by my counsel, mainly due to magistrates having more discretion over the length of orders. Unfortunately, our statistics at present do not capture this work. However, I note that the Magistrates Annual Report of 2018-19 reported there had been the following increase in work:

- Applications for assessment orders – an increase from 151 to 256 (58.9%)

- Applications for care and protection orders – an increase from 292 to 393 (74.3%)

- Applications to vary or extend care and protection orders – an increase from 128 to 211 (60.6%)

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 received 24 new inquest files from the Coroners and finalised 12. There are 35 current inquest matters.

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.

Other matters

During the past reporting year there have been two Director appeals against sentence in respect to family violence offences involving persons being either choked or suffocated: *DPP v Foster* [2019] TASCCA 15 and *DPP v Johnson* [2020] TASCCA 4. In both these cases the appeal was allowed and the original sentences were increased by the Court of Criminal Appeal. In both cases the Court stated that such conduct was extremely serious criminal conduct. In *DPP v Johnson*, Geason J stated at [33]:

> The fact that the respondent's conduct included suffocation has significance to the assessment of the objective seriousness of the offending. Suffocation should be treated with the same level of seriousness as is afforded strangulation or throttling. Such conduct is inherently dangerous, and capable of causing serious consequences within a very short period. It renders victims incapable of acting to protect themselves. As Estcourt J observed in *DPP v Foster* [2019] TASCCA 15 at [26]-[27], it is a form of dominance and control which has the potential to cause grave psychological harm, serious injury and even death.

The DPP charging guidelines state that such conduct should be regarded as serious. My staff have had training in respect of the consequences of this conduct. Charges for people committing this type of offence can include very serious offences such as attempted murder, intending bodily harm, persistent family violence and *Criminal Code* assault. There has been some recent discussion that consideration should be given to a separate offence of choking or suffocation. There needs to be care, however, in having a multiplicity of types of charges. Normally an offender does not only offend by an act of suffocation or strangulation but can also commit other serious criminal conduct. The serious charges currently available allow for the entire criminal conduct and, therefore, harm of the victim to be included. A multiplicity of charges could lead to more trials and victims having to give evidence more than once. Dissecting criminal conduct into many different types of charges is problematic. Further, given that the maximum sentence under the *Criminal Code* is 21 years and we have global sentences for total conduct, even if a person was convicted of a separate crime, he or she would receive the same sentence.

D G Coates SC
DIRECTOR OF PUBLIC PROSECUTIONS

29 September 2020

Statistical tables

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

	2019-20 $	2018-19 $	2017-18 $	2016-17 $	2015-16 $	Total $
Pecuniary orders	76,240	233,200	153,900	69,990	37,490	570,820
Forfeiture orders	175,233	51,489	371,854	306,831	283,350	1,188,757
UEW declarations	10,570	17,294	637,435	602,500	823,200	2,090,999
Totals	262,043	301,983	1,163,198	979,321	1,144,040	3,850,585

Table 2: Committals to the Supreme Court

Year	Committals
2016-17	418
2017-18	527
2018-19	651
2019-20	645

Table 3: Persons presented in the Supreme Court

Year	Presented	Convicted	Acquitted	Found insane or unfit to plead	Discharged
2013-14	385	267	28	2	88
2014-15	400	306	15	0	79
2015-16	413	274	14	0	125
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

NB. Discharged matters include charges remitted to the Magistrates Court

Table 4: Defendants active as at 30 June

Area	2016-17	2017-18	2018-19	2019-20
Hobart	185	215	287	335
Launceston	114	132	195	187
Burnie	83	96	145	169
Total	382	443	627	691

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	2016-17 %	2017-18 %	2018-19 %	2019-20 %
Dishonesty (aggravated/armed robbery, stealing, burglary, receiving, fraud, etc)	24	20	19	21
Personal violence (murder, manslaughter, assault, wounding, grievous bodily harm)	26	32	37	32
Arson and injury to property	6	5	6	7
Sex crimes (rape, unlawful sexual intercourse/ relationship, indecency)	16	12	15	12
Perjury and perverting the course of justice	7	5	3	6
Drugs	16	18	15	13
Other ungrouped (includes indictable fisheries crime, conspiracy, causing death by dangerous driving, escape and abduction)	5	8	5	9

Table 6: Disposal of criminal matters

Year	Persons presented	Pleas of guilty	Dealt with other than as plea[1]	Persons tried[2]
2013-14	385	204	88	93
2014-15	400	244	79	77
2015-16	413	219	125	69
2016-17	427	223	126	78
2017-18	485	240	145	100
2018-19	457	231	139	87
2019-20	594	316	205	73

[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
2013-14	63	28	2	0
2014-15	62	15	0	1
2015-16	55	14	0	3
2016-17	59	16	2	1
2017-18	72	26	1	1
2018-19	57	28	4	4

Table 8: Bail applications

Year	Applications
2013-14	100
2014-15	110
2015-16	244
2016-17	304
2017-18	385
2018-19	414
2019-20	473

Table 9: Bail applications for 2019-20 (by month)[3]

		Crown position		Outcome				
Month	Total apps	Opposed	Not opposed	Granted	Refused	Withdrawn	ASD	No jurisdiction
Jul-19	38	37	1	6	23	4	3	2
Aug-19	38	35	3	11	16	7	1	3
Sep-19	30	29	1	12	14	2	0	2
Oct-19	38	34	4	16	16	3	3	0
Nov-19	49	36	3	12	21	11	5	0
Dec-19	42	26	1	8	26	5	1	2
Jan-20	31	11	3	6	19	2	2	2
Feb-20	25	17	4	13	4	1	2	5
Mar-20	44	27	3	22	12	3	7	0
Apr-20	61	28	8	29	15	9	5	3
May-20	44	19	3	20	14	6	3	1
Jun-20	33	16	5	15	12	5	1	0
Total	473	315	39	170	192	58	33	20

[3] As at 30 June there were four applications 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

Table 11: Child safety matters

	2017-18	2018-19	2019-20
Files opened	112	146	98
Files closed	178	161	141

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 2020 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.

Daryl Coates SC
DIRECTOR OF PUBLIC PROSECUTIONS

25 September 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 Budget $'000	2020 Actual $'000	2019 Actual $'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - recurrent	3.1	8 944	9 343	8 553
Other revenue from Government	3.1	-	-	-
Grants	3.2	-	200	-
Sale of services	3.3	-	317	143
Total revenue from continuing operations		**8 944**	**9 860**	**8 696**
Other economic flows included in net result				
Net gain/(loss) on accounts receivable		**-**	8	(9)
		8 944	**9 868**	**8 687**
Expenses from continuing operations				
Employee benefits	4.1	7 303	7 757	7 364
Depreciation	4.2	490	102	52
Contribution provided	4.3	-	577	-
Supplies and consumables	4.4	776	1 746	1 526
Finance costs	4.5	31	1	-
Other expenses	4.6	438	187	191
Total expenses from continuing operations		**9 038**	**10 370**	**9 133**
Net result from continuing operations		**(94)**	**(502)**	**(446)**
Comprehensive result		**(94)**	**(502)**	**(446)**

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 2020

	Notes	2020 Budget $'000	2020 Actual $'000	2019 Actual $'000
Assets				
Financial assets				
Cash and deposits	8.1	1 873	1 086	1 694
Receivables	5.1	94	141	92
Non-financial assets				
Leasehold improvements, plant and equipment	5.2	-	486	222
Right of-use-assets	5.3	1 509	82	-
Total assets		**3 476**	**1 795**	**2 008**
Liabilities				
Payables	6.1	6	71	225
Lease liabilities	6.2	1 355	83	-
Employee benefits	6.3	1 914	2 205	1 845
Total liabilities		**3 275**	**2 359**	**2 070**
Net assets (liabilities)		**201**	**(564)**	**(62)**
Equity				
Accumulated funds		201	(564)	(62)
Total equity		**201**	**(564)**	**(62)**

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 2020

	Notes	2020 Budget $'000	2020 Actual $'000	2019 Actual $'000
		Inflows	Inflows	Inflows
Cash flows from operating activities		(Outflows)	(Outflows)	(Outflows)
Cash inflows				
Appropriation receipts – recurrent		8 944	9 343	8 553
Grants		-	200	-
GST receipts		-	283	121
Sales of services		-	266	141
Total cash inflows		**8 944**	**10 092**	**8 815**
Cash outflows				
Employee benefits		(7 263)	(7 403)	(7 254)
GST payments		-	(273)	(118)
Finance costs	4.5	(31)	(1)	
Supplies and consumables		(776)	(1 900)	(1 420)
Contributions provided		-	(577)	-
Other cash payments		(438)	(180)	(184)
Total cash outflows		**(8 508)**	**(10 334)**	**(8 976)**
Net cash from (used by) operating activities	8.2	**436**	**(242)**	**(161)**
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	(336)	(18)
Total cash outflows			**(336)**	
Net cash from (used by) investing activities			**(336)**	
Cash flows from financing activities				
Repayment of lease liabilities (excluding interest)		(436)	(30)	-
Total cash outflows		**(436)**	**(30)**	**-**
Net cash from (used by) financing activities		**(436)**	**(30)**	-
Net increase in cash held and cash equivalents		**-**	**(608)**	**(179)**
Cash and deposits at the beginning of the reporting period		**1 582**	**(1 694)**	**1 873**
Cash and deposits at the end of the reporting period	8.1	**1 582**	**(1 086)**	**(1 694)**

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 2020

	Accumulated surplus / deficit $'000	Total equity $'000
Balance as at 1 July 2019	(62)	**(62)**
Total comprehensive result	(502)	(502)
Total	**(502)**	**(502)**
Balance as at 30 June 2020	**(564)**	**(564)**

	Accumulated surplus / deficit $'000	Total equity $'000
Balance as at 1 July 2018	**384**	**384**
Total comprehensive result	(446)	(446)
Total	**(446)**	**(446)**
Balance as at 30 June 2019	**(62)**	**(62)**

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 2020

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 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	2020 Budget $'000	2020 Actual $'000	2019 Actual $'000
Administered revenue				
Other revenue	10.2	500	-	21
Total administered revenue		**500**		**21**
Administered expenses				
Transfers to the Public Account		500	-	21
Total administered expenses		**500**	**-**	**21**
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.

1.2 Schedule of Administered Cash Flows

	Notes	2020 Budget $'000	2020 Actual $'000	2019 Actual $'000
		Inflows	Inflows	Inflows
Administered Cash flows from operating activities		(Outflows)	(Outflows)	(Outflows)
Administered Cash inflows				
Other cash receipts		500	-	21
Total administered cash inflows		**500**		**21**
Administered Cash outflows				
Transfers to the Public Account		(500)	-	(21)
Total administered cash outflows		**(500)**	**-**	**(21)**
Net cash from (used by) operating activities		**-**	**-**	**-**
Net increase in administered cash held and cash equivalents		**-**	**-**	**-**
Administered Cash and deposits at the beginning of the reporting period		**-**	**-**	**-**
Administered Cash and deposits at the end of the reporting period		**-**	**-**	**-**

This Schedule of Administered 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 10 of the accompanying notes.

Note 2 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. 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 %
Grants	(a)	-	200	200	>100
Sale of services	(b)	-	317	317	>100
Depreciation	(c)	490	102	(388)	(79)
Supplies and consumables	(d)(e)	776	1 746	970	>100
Other expenses	(e)	438	187	(251)	(57)
Contribution provided	(f)	-	577	577	>100

Notes to Statement of Comprehensive Income variances

(a) This increase is due to the Office receiving grant funding from the Solicitor's Guarantee Fund for the provision of Witness Assistance Services which was not budgeted for.

(b) This variance reflects the provision of prosecution services to other Government departments under service level agreements not budgeted for.

(c) This decrease is due to an alternative recognition methodology for major office accommodation and motor vehicle fleet. At the time of the 2020 Budget in May 2019, the recognition criteria for major office accommodation and motor vehicle fleet was under development, and Budget estimates were based on the best available information at that time. AASB 16 Leases commenced on 1 July 2019, and recognition methodology for major office accommodation and motor vehicle fleet has been finalised and adopted on this basis for the year ended 30 June 2020.

(d) This increase is due to the changes in recognition methodology under AASB 16 Leases listed above in note (c), where Depreciation and amortisation was increased and Supplies and consumables decreased.

(e) This variance is due to a misalignment between the budgets for Supplies and consumables and Other expenses. These variations will be corrected as part of the next Budget.

(f) This relates to the office accommodation works at 111 Macquarie Street Hobart, to re-accommodate part of Crown Law, to facilitate the consolidation of the Office at 15 Murray Street Hobart. The Office made a contribution to these works which was transferred to the Department of Justice.

2.2 Statement of Financial Position

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

Budget estimates for the 2019-20 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2019-20. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2019-20. The following variance analysis therefore includes major movements between the 30 June 2019 and 30 June 2020 actual balances.

	Note	Budget $'000	2020 Actual $'000	2019 Actual $'000	Budget Variance $'000	Actual Variance $'000
Cash and deposits	(a)	1 873	1 086	1 694	(787)	(608)
Leasehold improvements, plant and equipment	(b)	-	486	222	486	264
Right of-use-assets	(c)	1 509	82	-	(1 427)	82
Payables	(d)	6	71	225	(65)	(154)
Lease liabilities	(c)	1 355	83	-	1 272	83
Employee benefits	(e)	1 914	2 205	1 845	292	361

Notes to Statement of Financial Position variances

(a) This increase is due to the accommodation fit-out works undertaken by the Office at 15 Murray Street Hobart, 111 Macquarie Street Hobart and 182 Cimitiere Street Launceston not budgeted for.

(b) This increase is due to the accommodation fit-out works undertaken by the Office at 15 Murray Street Hobart and 182 Cimitiere Street Launceston not budgeted for. Refer to Note 5.2 for details.

(c) This variance is due to an alternative recognition methodology for major office accommodation and motor vehicle fleet. At the time of the 2020 Budget in May 2019, the recognition criteria for major office accommodation and motor vehicle fleet was under development, and Budget estimates were based on the best available information at that time. AASB 16 *Leases* commenced on 1 July 2019, and recognition methodology for major office accommodation and motor vehicle fleet has been finalised and adopted on this basis for the year ended 30 June 2020. As a result, the variance resulting from these changes will be reflected in the financial statements for Finance-General, within the Department of Treasury and Finance.

(d) This decrease is due to decreases in payables and accrued expenses as a result of the timing of payments at 30 June 2020 compared with 30 June 2019. Refer to Note 6.1 for details.

(e) This increase is primarily due to an increase in Office liabilities for annual and long service leave resulting from an increase in average leave balances per person (due to fewer staff taking leave during COVID-19) and salary rate increases. Refer note 6.3 for details.

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 %
Grants	(a)	-	200	200	>100
GST receipts	(b)	-	283	283	>100
Sales of services	(c)	-	317	317	>100
GST payments	(b)	-	273	273	>100
Supplies and consumables	(d)	776	1 791	1 015	>100
Other cash payments	(e)	438	180	(258)	(59)
Payments for acquisition of non-financial assets	(f)	-	336	336	>100
Repayment of lease liabilities (excluding interest)	(g)	436	30	(406)	(93)

Notes to Statement of Cash Flows variances

(a) This increase is due to the Office receiving grant funding from the Solicitor's Guarantee Fund for the provision of Witness Assistance Services which was not budgeted for.

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

(c) This variance reflects the provision of prosecution services to other Government departments under service level agreements not budgeted for.

(d) This increase is due to the changes in recognition methodology under AASB 16 *Leases* listed above in note 2.1(d).

(e) This variance is due to a misalignment between the budgets for Supplies and consumables and Other expenses. These variations will be corrected as part of the next Budget.

(f) This increase is due to the accommodation fit-out works undertaken by the Office at 15 Murray Street Hobart, 111 Macquarie Street Hobart and 182 Cimitiere Street Launceston not budgeted for.

(g) This increase is due to the changes in recognition methodology under AASB 16 Leases listed above in note 4.1(c), whereby Supplies and consumables decreased, with a corresponding increase in Repayment of lease liabilities

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.

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, 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. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

As a result of the commencement of the Financial Management Act, from 2020-21 Revenue from Government will include revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and Items Reserved by Law.

Section 8A(2) of the Public Account Act allowed for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward was recognised as a liability, Revenue Received in Advance (refer note 0). The carry forward from the initial year was recognised as revenue in the reporting year, assuming that the conditions of the carry forward were met and the funds were expended.

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. Rollover of unexpended appropriations under section 23 will be disclosed under the Financial Management Act for the first time in 2020-21.

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

	2020 Budget $'000	**2020 Actual $'000**	**2019 Actual $'000**
Appropriation revenue - recurrent			
Current year	8 409	8 826	8 020
R009 Salary, superannuation, allowances and other on-costs relating to the provision of the DPP (*Director of Public Prosecutions Act 1973*)	535	517	533
Total	**8 944**	**9 343**	**8 553**
Total revenue from Government	**8 944**	**9 343**	**8 553**

3.2 Grants

In 2018- 19, Grants payable by the Australian Government were recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue was recognised as performance occurred under the grant. Non-reciprocal grants were recognised as revenue when the grant is received or receivable. Conditional grants were reciprocal or non-reciprocal depending on the terms of the grant.

From 2019-20, Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the Department 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 Department 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).

	2020 $'000	2019 $'000
Grants without sufficiently specific performance obligations		
Grant from the Solicitor's Trust Guarantee Fund	200	-
Total	**200**	**-**
Continuing operations		
Grant from the Solicitor's Trust Guarantee Fund	200	-
Total	**200**	**-**
Total revenue from grants	**200**	**-**

The Office received grant funding from the Solicitor's Guarantee Fund for the provision of Witness Assistance Services.

3.3 Sale of Services

In 2018-19, amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 2019-20, 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.

	2020 $'000	2019 $'000
Sale of Services	317	143
Child protection services	-	-
Total	**317**	**143**

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

	2020 $'000	2019 $'000
Wages and salaries	6 680	6 432
Superannuation – defined contribution scheme	780	701
Superannuation – defined benefit scheme	180	176
Other employee expense	117	55
Total	**7 757**	**7 364**

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 12.95 per cent (2019: 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 9.5 per cent (2019: 9.5 per cent) of salary. In addition, the Office is also required to pay to Treasury a "gap" payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of the contribution schemes.

(b) Remuneration of Key management personnel

2020	**Short-term benefits**		**Long-term benefits**			**Total**
	Salary	**Other Benefits**	**Super annuation**	**Other Benefits and Long-Service Leave**	**Termination Benefits**	**$'000**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Key management personnel						
Daryl Coates, Director of Public Prosecutions	457	23	59	41	-	580
Linda Mason, Deputy Director of Public Prosecutions	268	22	38	-	-	328
Michael Varney, Director Crown Law	143	21	20	18	-	202
Total	**868**	**66**	**117**	**58**	**-**	**1 109**

2019	Short-term benefits Salary	Other Benefits	Long-term benefits Super annuation	Other Benefits and Long-Service Leave	Termination Benefits	Total $'000
	$'000	$'000	$'000	$'000	$'000	$'000
Key management personnel						
Daryl Coates, Director of Public Prosecutions	471	21	61	-13	-	540
Linda Mason, Deputy Director of Public Prosecutions	282	21	27	-10	-	320
Michael Varney, Director Crown Law	131	19	17	4	-	171
Total	**884**	**61**	**105**	**-19**	**-**	**1 031**

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 2019-20 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 and other non-monetary benefits. Long-term employee expenses include annual and long service leave, 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. There were no acting arrangements for key management personnel in excess of one month during 2019-20.

(c) Related Party Transactions

There are no material related party transactions requiring disclosure.

4.2 Depreciation

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

Key estimate and judgement

Depreciation is provided for on a straight line basis, using rates lives which are reviewed annually. The useful lives of each class of asset are as follows:

Building Improvements	10 - 15 years
Equipment	5 years

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

	2020 $'000	2019 $'000
Building improvements	62	38
Equipment	10	14
Total building improvements and equipment depreciation	**72**	**52**
Right-of-use asset	30	-
Total depreciation	**102**	**52**

4.3 Contributions Provided

Contributions provided free of charge by the Office, to another entity, are recognised as an expense when fair value can be reliably determined.

	2020 $'000	2019 $'000
Voluntary transfer of activities between Departments	577	-
Total	**577**	**-**

During 2019-20, the Department of Justice undertook office accommodation works at 111 Macquarie Street Hobart, to re-accommodate part of Crown Law, to facilitate the consolidation of the Office at 15 Murray Street Hobart. The Office made a contribution to these works which was transferred to the Department of Justice.

4.4 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.

	2020 $'000	2019 $'000
Audit fees – financial audit	12	12
Rent of premises	589	492
Motor vehicle and equipment leases	38	38
Plant and equipment	40	32
Property services	154	101
Communications	77	88
Information technology	244	226
Travel and transport	171	286
Other supplies and consumables	421	251
Total	**1 746**	**1 526**

Audit fees payable for the 2019-20 financial statements were $12,080 ($12,080 for 2018-19).

4.5 Finance costs

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

Finance costs include lease charges.

	2020 $'000	2019 $'000
Interest on lease liabilities	1	-
Total finance costs	**1**	**-**

4.6 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.

	2020 $'000	2019 $'000
Salary on-costs	45	38
Service Level Agreement – Department of Justice	59	58
Other expenses	83	95
Total	**187**	**191**

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

The Office recognises receivables 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.

	2020 $'000	2019 $'000
Receivables from sales of goods and services	142	91
Tax Asset Receivables/(Payable)	(2)	10
Less: Provision for impairment	(1)	(9)
Total	**141**	**92**
Settled within 12 months	141	92
Total	**141**	**92**

Reconciliation of movement in expected credit loss for receivables	**2020 $'000**	**2019 $'000**
Carrying amount at 1 July under AASB 9	**9**	**-**
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	**(8)**	**9**
Carrying amount at 30 June	**1**	**9**

5.2 Leasehold Improvements, Plant and Equipment

(i) Valuation basis

All Non-current physical assets, including 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.

(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 $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).

	2020 **$'000**	**2019** **$'000**
Building Improvements		
At cost	873	519
Less: Accumulated depreciation	(387)	(325)
	486	**194**
Work in progress	-	18
Total Building Improvements	**486**	**212**
Equipment		
At cost	100	100
Less: Accumulated depreciation	(100)	(90)
Total Equipment	**0**	**10**
Total Leasehold Improvements, Plant and Equipment	**486**	**222**

(a) Reconciliation of movements

2020	**Equipment** **$'000**	**Building Improvements** **$'000**	**Total** **$'000**
Carrying amount at 1 July	**10**	**212**	**222**
Additions	-	354	354
Net movement in Work in progress	-	(18)	(18)
Depreciation expense	(10)	(62)	(72)
Carrying amount at 30 June	**0**	**486**	**486**

2019	Equipment $'000	Building Improvements $'000	Total $'000
Carrying amount at 1 July	**24**	**232**	**256**
Net movement in Work in progress	-	18	18
Depreciation expense	(14)	(38)	(52)
Carrying amount at 30 June	**10**	**212**	**222**

5.3 Right-of-use Assets

From 1 July 2019, 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.

2020	Buildings $'000	Total $'000
Carrying value at 1 July	**112**	**112**
Additions	-	-
Disposals / derecognition	-	-
Depreciation and amortisation	(30)	(30)
Carrying value at 30 June	**82**	**82**

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.

	2020 $'000	2019 $'000
Creditors	3	141
Accrued expenses	68	84
Total	**71**	**225**
Settled within 12 months	71	225
Total	**71**	**225**

Settlement is usually made within 30 days.

6.2 Lease Liabilities

On 1 July 2019, 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 is for 3 years with option of extension of further 3 years, with lease payments to increase annually through CPI adjustments. The Office makes a number of assumptions regarding CPI and interest rates which it uses to calculate the present value of the lease liability.

	2020 $'000
Current	
Lease liabilities	30
Non-current	
Lease liabilities	53
Total	**83**

The following amounts are recognised in the Statement of Comprehensive Income

	2020 $'000
Current	
Interest on lease liabilities in note 4.4	1
Lease expenses included in note 4.3:	
Short term and/or low-value leases	627
Variable lease payments	-
Net expenses from leasing activities	**628**

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.

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.

	2020 $'000	2019 $'000
Accrued salaries	136	58
Annual leave	749	572
Long service leave	1 320	1 215
Total	**2 205**	**1 845**
Settled within 12 months	642	532
Settled in more than 12 months	1 563	1 313
Total	**2 205**	**1 845**

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

In 2018-19, the Office had entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments were charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

From 2019-20, 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.

	2020 $'000	2019 $'000
By type		
Lease Commitments		
Short term and low value	224	
Office accommodation leases controlled by Department of Treasury and Finance	1 893	
Operating Leases	-	2 076
Total lease commitments	**2 117**	**2 076**
Capital Commitments		
Level 9 15 Murray Street Fitout	-	2
Total capital commitments	**-**	**2**
By maturity		
Operating lease commitments		
One year or less	769	570
From one to five years	1 348	1 506
Total operating lease commitments	**2 117**	**2 076**
Capital Commitments		
One year or less	-	2
Total capital commitments	**-**	**2**
Total	**2 117**	**2 078**

The Leases for 30 June 2019 commitments include buildings, motor vehicles and information technology equipment leases. These have been separated out as per below for 30 June 2020. 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 2020 the Office had no contingent assets or liabilities.

Note 8 Cash Flow Reconciliation

8.1 Cash and Deposits

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.

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2020 $'000	2019 $'000
Special Deposits and Trust Fund balance		
T529 Office of the Director of Public Prosecutions Operating Account	1 086	1 694
Total cash and deposits	**1 086**	**1 694**

8.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2020 $'000	2019 $'000
Net result from continuing operations	(502)	(437)
Net gain/(loss) on accounts receivable	8	(9)
Depreciation	102	52
Decrease (increase) in Receivables	(57)	2
Increase (decrease) in Employee entitlements	361	12
Increase (decrease) in Payables	(154)	219
Net cash from (used by) operating activities	**(242)**	**(161)**

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.

	Lease Liabilities
	$'000
Balance as at 1 July 2019	**112**
Changes from financing cash flows:	
Cash Repayments	(30)
Balance as at 30 June 2020	**82**

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:

	2020	2019
	$'000	$'000
Receivables	141	92
Total	**141**	**92**

Receivables age analysis - expected credit loss

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 2020 and 1 July 2019 are as follows.

Expected credit loss analysis of receivables as at 30 June 2020

	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%	**100%**
Total gross carrying amount (B)	70	70	-	1	**141**
Expected credit loss (A x B)	-	-	-	1	1

Expected credit loss analysis of receivables as at 30 June 2019

	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%	90%	**90%**
Total gross carrying amount (B)	81	-	-	10	**91**
Expected credit loss (A x B)	-	-	-	9	9

(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 30 days.
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.

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:

2020

Maturity analysis for financial liabilities

	1 Year $'000	2 Years $'000	3 Years $'000	Undiscounted Total $'000	Carrying Amount $'000
Financial liabilities					
Payables	71	-	-	71	71
Lease liabilities	31	32	22	85	83
Total	**102**	**32**	**22**	**156**	**154**

2019

Maturity analysis for financial liabilities

	1 Year $'000	Undiscounted Total $'000	Carrying Amount $'000
Financial liabilities			
Payables	225	225	225
Total	**225**	**225**	**225**

9.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2020 $'000	2020 $'000
Financial assets		
Cash and cash equivalents	1 086	1 694
Amortised cost	141	92
Total	**1 227**	**1 786**
Financial Liabilities		
Financial liabilities measured at amortised cost	154	225
Total	**154**	**225**

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

	Carrying Amount 2020 $'000	Net Fair Value 2020 $'000	Carrying Amount 2019 $'000	Net Fair Value 2019 $'000
Financial assets				
Cash in Special Deposits and Trust Fund	1 086	1 086	1 694	1 694
Receivables	141	141	92	92
Total financial assets	**1 227**	**1 227**	**1 786**	**1 786**
Financial liabilities				
Trade creditors	71	71	225	225
Lease liabilities	83	83	-	-
Total financial liabilities	**154**	**154**	**225**	**225**

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

2020	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	1 086	-	-	1 086
Receivables	141	-	-	141
Total financial assets	**1 227**	**-**	**-**	**1 227**
Financial liabilities				
Trade Creditors	71	-	-	71
Lease liabilities	83	-	-	83
Total financial liabilities	**154**	**-**	**-**	**154**

2019	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	1 694	-	-	1 694
Receivables	92	-	-	92
Total financial assets	**1 786**	**-**	**-**	**1 786**
Financial liabilities				
Trade Creditors	225	-	-	225
Total financial liabilities	**225**	**-**	**-**	**225**

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	-	(500)	(100)
Transfers to the Public Account	(a)	500	-	(500)	(100)

Notes to Statement of Comprehensive Income variances

(a) The Office collected fewer 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	-	(500)	(100)
Transfers to the Public Account	(a)	500	-	(500)	(100)

Notes to Statement of Cash Flows variances

(a) The Office collected fewer 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

	2020 $'000	2019 $'000
Forfeiture of assets under unexplained wealth laws	-	21
Total	**-**	**21**

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

Account/Activity	**Opening balance** **$'000**	**Net transactions during 2019-20** **$'000**	**Closing balance** **$'000**
T452 Director of Public Prosecutions Trust Account	49	(16)	33
T764 Crime (Confiscation of Profits) Account	1 876	357	2 233

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 2020.

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 25 September 2020.

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.

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. These include:

- AASB 15 *Revenue from Contracts with Customers* – This Standard establishes principles that require an entity to apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

  AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

  The Standard requires the Office to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

  The Office has adopted AASB 15 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

  The financial impact is minimal.

- AASB 16 *Leases* –This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard results in most of the Office's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities. The Office has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The Office elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at $10 000 or under when new (low value assets).

In applying AASB 16 for the first time, the Office has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application;
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting AASB 16 on the Statement of Financial Position is as follows:

	Note	$'000
Assets		
Right-of-use assets		112
Liabilities		
Lease liabilities		112
Equity		
Accumulated funds		-

Reconciliation of operating lease commitments as at 30 June 2019 to lease liabilities on 1 July 2019:

	$'000
Operating lease commitments as at 30 June 2019 (ex GST)	2 076
Weighted average incremental borrowing rate as at 1 July 2019	1.46%
Reconciliation:	
Discounted operating lease commitments as at 1 July 2019	1 901
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	92
Less practical expedients:	
Commitments relating to leases of low-value assets	(163)
Add/(less)	
Contracts re-assessed as lease contracts for the Department of Treasury and Finance	(1 718)
Lease liabilities as at 1 July 2019	**112**

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

The following applicable Standards have been issued by the AASB and are yet to be applied:

- AASB 1059 *Service Concession Arrangements: Grantors* – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. The financial impact is expected to be minimal.

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 2018-19 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.

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 comprise the statement of financial position as at 30 June 2020 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 2020 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.

Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

27 September 2020
Hobart