



Annual Report 17/18

DIRECTOR OF PUBLIC PROSECUTIONS
OFFICE OF PUBLIC PROSECUTIONS



DIRECTOR of
PUBLIC PROSECUTIONS
VICTORIA



OFFICE of
PUBLIC PROSECUTIONS
VICTORIA

Contents

- 1 Highlights
- 2 Structure
- 3 Our Work
- 4 Report of the Director of Public Prosecutions
- 6 Report of the Chief Crown Prosecutor
- 8 Message from the Solicitor for Public Prosecutions
- 10 Organisational Structure
- 11 Legal Practice Report
- 18 Corporate Services Report
- 20 Committees
- 21 Summary of the Court and Prosecution Process
- 22 Financial Summary

Annual Report 2017/18

This document includes:

The 2017/18 Annual Report of the Director of Public Prosecutions pursuant to s. 12 of the *Public Prosecutions Act 1994*.

The 2017/18 Annual Report of the Office of Public Prosecutions pursuant to the *Financial Management Act 1994*.

Full financial statements for the Office of Public Prosecutions are either provided in this report or can be accessed at www.opp.vic.gov.au

Office of Public Prosecutions
565 Lonsdale Street
Melbourne Victoria 3000

Accountable Officer's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Office of Public Prosecutions Annual Report for the year ending 30 June 2018.



John Cain
Solicitor for Public Prosecutions
Office of Public Prosecutions
28 August 2018

Highlights

The Director of Public Prosecutions (DPP), Crown Prosecutors' Chambers and the Office of Public Prosecutions (OPP) delivered strong outcomes in criminal prosecutions in 2017/18.

Highlights of the year included:

OUR VALUES

ACT FAIRLY

ACT WITH INTEGRITY

RESPECT OTHERS

WORK TOGETHER

STRIVE FOR EXCELLENCE

Kerri Judd QC was appointed Director of Public Prosecutions for Victoria on 6 March, 2018.

Brendan Kissane QC was appointed Chief Crown Prosecutor on 6 March, 2018.

Guilty outcomes were achieved in 91.8 per cent of matters – the highest level on record.

Guilty pleas were achieved in 80.4 per cent of matters – a record level for the OPP.

The average time to complete a prosecution was 15.5 months, down from a five-year average of 19.9 months.

A record 1,512 new matters were referred to the Witness Assistance Service.

The Witness Assistance Service provided 3,853 professional consultations to victims and witnesses.

The OPP launched a website to provide clear information on the court process and support services available to victims, witnesses and bereaved family members.

The OPP confiscated \$25 million in illegal assets and proceeds of crime which was paid to the State's consolidated revenue; and \$2.4 million was paid to victims of crime.

The Audio-Visual unit performed a record 2,012,750 media actions, including conversions, edits and audio or visual enhancements to enable evidence to be provided in a court compatible format.

The fifth Modern Prosecutor Conference was held and rated a success by attendees.



The Director's Committee, from left, Chief Crown Prosecutor Brendan Kissane QC, Director of Public Prosecutions Kerri Judd QC, Solicitor for Public Prosecutions John Cain.

Structure



Our Work

Our purpose

To provide an independent prosecution service to the people of Victoria.

Our vision

To make a positive difference to the community through the justice system.

Who we are

Serious crime in Victoria is prosecuted independently and impartially by:

- the Director of Public Prosecutions Kerri Judd QC
- Crown Prosecutors' Chambers, led by Chief Crown Prosecutor Brendan Kissane QC. Chambers has six Senior Crown Prosecutors and 11 Crown Prosecutors. One Crown Prosecutor is based in Geelong
- the OPP, led by Solicitor for Public Prosecutions John Cain. The OPP has 338 full-time equivalent staff including 275 in its Legal Practice. Based at 565 Lonsdale Street, the OPP also has a Geelong office with 14 staff who service south-west Victorian courts.

What we do

Together with the DPP and Crown Prosecutors, the OPP is responsible for prosecuting the most serious criminal matters in Victoria on behalf of the community. Crimes prosecuted include homicide, culpable driving, armed robbery, drug trafficking, serious sex offences, corruption, fraud, organised crime and serious assaults.

Most prosecutions are referred to the OPP by Victoria Police, which investigates crime, files charges and provides the OPP with a brief of evidence.

Throughout a prosecution, the OPP works closely with the Victoria Police informant who has investigated the crime.

Other investigative agencies that refer matters to the OPP include the Australian Federal Police; Consumer Affairs Victoria; the Department of Health and Human Services; the Department of Environment, Land, Water and Planning; Environment Protection Authority Victoria; the Independent Broad-based Anti-corruption Commission Victoria; and WorkSafe.

The OPP briefs Crown Prosecutors, private barristers with expertise in criminal law and its own Solicitor Advocates to appear in court in bail applications; committal hearings in the Magistrates' Court; pleas and trials in the County and

Supreme Courts; and appeals in the County Court, Court of Appeal, the civil jurisdiction of the Supreme Court, and the High Court of Australia.

Proceeds of Crime is a specialist unit within the OPP that conducts major confiscation litigation on behalf of the DPP under the *Confiscation Act 1997*.

Policy and Specialised Legal Division represents the OPP in law reform. The Department of Justice and Regulation consults the OPP on legislative reforms, and the OPP proposes legislative reforms to improve the prosecution process.

The DPP and SPP have an obligation under the *Public Prosecutions Act 1994* to conduct prosecutions in an effective, economic and efficient manner, and to give consideration to the concerns of victims of crime.

The OPP's Witness Assistance Service consists of social workers who provide information and assistance to witnesses, victims of crime and their families to ensure they are supported throughout the criminal justice process.

This year, the OPP released its new Strategic Plan 2017 – 2021.

This outlines strategies to deliver its five goals, which are to:

- Deliver high-quality prosecution and proceeds of crime services, taking advantage of innovative information technology to achieve fair outcomes effectively and efficiently
- Be responsive to victims and witnesses in the prosecution process
- Enhance OPP legal and victim support service delivery to regional areas of Victoria
- Influence and implement policy, procedure and law reform
- Deliver our legal services within a framework that supports strong governance, professional capability and staff wellbeing.

Report of the Director of Public Prosecutions



DIRECTOR OF PUBLIC PROSECUTIONS
KERRI JUDD QC

It is a great honour and privilege to have been appointed Director of Public Prosecutions for the State of Victoria.

My appointment affords me a unique opportunity to provide leadership, to ensure that sound legal decisions are made about the most serious crime in Victoria, to modernise the way in which criminal trials are prosecuted, to interact with important stakeholders in the criminal justice system and to have input into appropriate legal reform.

Prior to my appointment, the office of Director had been held by John Champion S.C., who was appointed to the Supreme Court of Victoria in December 2017. Justice Champion worked tirelessly as Director for seven years and was proactive in simplifying the Director's Policies, promoting training, hosting and attending conferences, and maintaining good relations with interstate and international heads of prosecution agencies. Justice Champion also had a keen interest in the use of forensic evidence in criminal cases and was the Chair of the Victorian Chapter of the Australian Academy of Forensic Sciences.

Former Chief Crown Prosecutor, Gavin Silbert QC, performed the role of Director between December 2017 and March 2018. Mr Silbert retired in March 2018, after 10 years of dedicated and distinguished service.

The electronic era

Electronic trials were a feature of the 2017/18 reporting period. The use of touch screens and electronic jury books in jury trials has modernised the way in which prosecutions are conducted and made it easier for juries to follow the evidence. The appointment of Sharni White as Prosecution Technology Specialist has made the use of electronic trials an easy experience for counsel, solicitors, witnesses and the Courts.

Electronic briefs to counsel were also utilised in 2017/18 and are on the increase. They make it easier to access and search a brief and reduce the weight of material required to be carried to and from court.

Since my appointment I have utilised an electronic system for the recording of my decisions, which has increased efficiency in decision making and accountability.

Victims

The launch of a dedicated website for victims and witnesses as well as the introduction of the Victim Support Dog Program in the 2017/18 year were important steps as part of an ongoing commitment to better engage with victims and witnesses throughout the criminal prosecution process.

Conferences

Interaction with external counsel is important to the smooth running of cases. To that end, I hosted my first Modern Prosecutor Conference in May 2018. We were privileged to have Chief Justice Anne Ferguson open the conference and have as speakers the Honourable Justice Geoffrey Nettle and the Honourable Justice Mark Weinberg AO, as well as Chief Crown Prosecutor Brendan Kissane QC, Senior Crown Prosecutor Mark Gibson S.C. and Senior Crown Prosecutor Fran Dalziel.

I also hosted the bi-annual Conference of Australian Directors in Melbourne in April 2018. This was held in conjunction with the National Executive Conference and included Directors from across Australia and New Zealand.

Acknowledgments

I would like to take this opportunity to thank the Director's Committee made up of Chief Crown Prosecutor, Brendan Kissane QC, and Solicitor for Public Prosecutions, John Cain.

Brendan was appointed to the position of Chief Crown Prosecutor on the same day as I was made Director of Public Prosecutions and has already demonstrated great leadership in this role. I am looking forward to continuing to work with Brendan and all of the Crown Prosecutors at a time of generational change and enthusiasm.

John has been a source of enormous support to me in my transition to the position of Director and provides calm and thoughtful advice on a daily basis. He leads an energetic and talented team at the OPP, all of whom have enormous respect for him. His focus on staff wellbeing throughout the 2017/18 year is to be commended.

Finally, I would like to thank my Associate, Allie Birkin, for her assistance in ensuring everything has run smoothly from the first day of my appointment.

Kerri Judd QC
Director of Public Prosecutions

Report of the Chief Crown Prosecutor



CHIEF CROWN PROSECUTOR
BRENDAN KISSANE QC

Another busy and exciting year has ended with numerous changes occurring. Crown Prosecutors' Chambers is almost unrecognisable and it is expected that the pace of change will not slow.

Crown Prosecutors' Chambers

Crown Prosecutors provided advice to the OPP on 5,574 occasions including 1,655 on plea offers, 312 on discontinuances and 3,607 general advisings in 2017/18.

The total number of indictments signed for the period was 1,965. The total number of days in court was 1,746. As at 30 June 2018, we comprised six Senior Crown Prosecutors and 11 Crown Prosecutors.

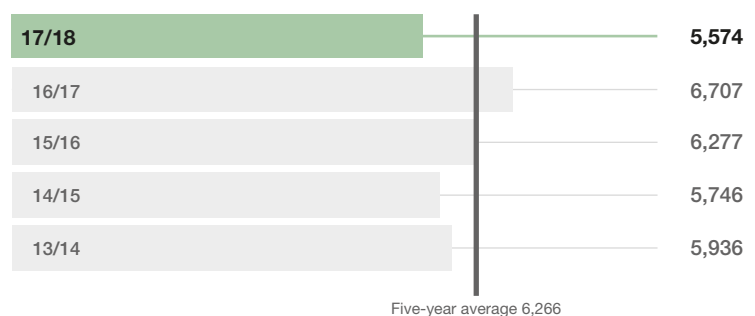
Considerable progress has been made during the last year in changing the way work is carried out in Chambers. Electronic requests of advice now predominate and Prosecutors' Chambers has been integrated into the document management system used by the OPP. This has led to a decreased use of paper and most advices are responded to electronically.

In addition, the use of electronic aids in running trials and the production of jury books has continued to grow and been embraced by all.

Chambers movements

I was appointed Chief Crown Prosecutor, which I regard as an honour both in terms of leading Prosecutors' Chambers and in becoming a senior leader within the organisation. Kerri Judd QC's elevation to Director was welcomed warmly by all members of Chambers. It is pleasing to see one of our number moving on to become one of the most senior law officers in the State.

Crown Prosecutor Advice



Five-year average is calculated using the data from the previous five years not including 2017/18

Chief Crown Prosecutor Gavin Silbert QC finished his term in March 2018 after 10 years in the position. During that time Gavin successfully steered Prosecutors' Chambers through many changes.

Senior Crown Prosecutor Peter Rose QC retired in November 2017. He carried a large and varied case load, including appearing and providing advice in relation to detention orders of serious sexual offenders and WorkSafe prosecutions. His background in areas outside crime made him ideal for this work which he executed with great flair.

Susan Borg and Andrew Grant both returned to the Victorian Bar during the year. Sharn Coombes left to pursue other interests and also planned to return to the Victorian Bar.

Mark Gibson S.C. took silk in November 2017 and was appointed a Senior Crown Prosecutor in March 2018. Mark's elevation was welcomed and it allowed him to take on more senior work.

Patrick Bourke was appointed a Crown Prosecutor in March 2018. Patrick joined chambers after 12 successful years at the Bar and 13 years before that as a criminal law solicitor.

Robyn Harper and Kristie Churchill were both appointed Crown Prosecutors in May 2018. Robyn signed the Bar Roll in 2009, after a number of years as a solicitor at the OPP. Kristie also signed the Bar Roll in 2009 after a short time with the OPP and a number of years pursuing other interests. Each practised principally in criminal law.

Future movements

Movements are set to continue and changes during 2017/18 will to a large extent change the face of Prosecutors' Chambers, as predicted by Gavin Silbert QC in his annual report last year.

Brendan Kissane QC
Chief Crown Prosecutor

Message from the Solicitor for Public Prosecutions



SOLICITOR FOR PUBLIC PROSECUTIONS
JOHN CAIN

The past 12 months have seen many changes at the OPP and continued good progress with our modernisation agenda.

We farewelled former Director of Public Prosecutions John Champion S.C. in December 2017, following his appointment as a judge of the Supreme Court of Victoria.

John came into the role of DPP at a difficult period and quickly provided stability and direction for the office. Many of the initiatives he introduced will provide ongoing benefits to the OPP, the criminal justice system and the community. Of particular note is the introduction of an exclusive online portal for external barristers briefed by the OPP, and the review and rewrite of the Director's Policies to form a single, easy to understand document. He also showed great leadership in providing the response to the Royal Commission into Institutional Responses to Child Sexual Abuse on behalf of the prosecuting service in Victoria.

On a personal level, John was a delight to work with and we were very sad to see him go. He will, however, make an outstanding contribution to the criminal justice system as a Supreme Court judge and we wish him well.

In March 2018, after 10 years in the role, Gavin Silbert QC retired as Chief Crown Prosecutor. Gavin made an outstanding contribution to Crown Prosecutors' Chambers, appearing in no less than 22 High Court matters and numerous Court of Appeal cases. He also ran a number of significant and complex trials in the Supreme Court. His considerable energy, intellect and capacity for hard work is a loss to Chambers. We wish him well in his retirement.

Attorney-General the Hon Martin Pakula MP announced the appointment of Kerri Judd QC to the role of DPP and Brendan Kissane QC as Chief Crown Prosecutor. Both have settled into their new roles smoothly and have very quickly developed solid working relationships with OPP staff. Kerri and Brendan will provide strong leadership to the office.

Major projects

The last 12 months have seen many significant achievements at the OPP. This is due in no small part to the commitment and dedication of our staff, lawyers, legal support and social workers. The work they do is hard and presents many challenges, and the subject matter of cases is often confronting. Prosecuting the most serious cases exposes our staff to some of the worst human tragedy.

This work can and does take a toll on staff. In 2017/18 we have worked on enhancing our staff wellbeing programs. We have always had an Employee Assistance Program but we felt the need to look at other services and resources. We introduced additional training to build resilience and creative

team-building exercises. Our staff have embraced these new initiatives, which we hope will reduce the risk of vicarious trauma.

External barristers

In 2017/18, much needed funds were provided by the Victorian Government to enable us to increase fees paid to external barristers who prosecute cases on behalf of the DPP. Fees paid to private barristers for prosecuting cases had not increased since 2008. As a consequence the pool of experienced Counsel available to prosecute cases had diminished substantially. It is vitally important we have the best and brightest Counsel available to prosecute cases on behalf of the Director. With the additional funding we were able to increase fees paid by about 15 per cent. It was great to see the pool of available barristers increase by 20 per cent following that adjustment.

The OPP prosecutes about 3,000 indictable cases and 2,500 County Court appeals each year in addition to Court of Appeal and High Court matters. Our Crown Prosecutors do some of this work but clearly we rely on external barristers to prosecute the majority of cases. With the increased funding we are optimistic we will have available to us suitable Counsel to prosecute cases in the future.

Support for victims and witnesses

Providing support for victims and witnesses in the criminal justice system continues to be a priority for us. We launched a new website in 2017/18 to help victims, witnesses and bereaved family members navigate the Victorian criminal justice system. It provides detailed information on the court process and support services available. The site was developed and tested with victims who our solicitors and social workers interact with in their daily work and is easy to navigate and mobile and tablet friendly. We have already begun work on a number of enhancements, including a series of videos with practical information for witnesses and victims who are going to court.

We also expanded the Witness Assistance Service to further support victims through the trial process. In October 2017 we piloted the use of a support dog to provide support to witnesses giving evidence. The Office entered into an arrangement with Court Dogs Victoria to have a trained dog available one day a week to support witnesses as they gave evidence from the remote facility in our office. The dog, Coop, sits with the witness in the remote witness facility and provides comfort and support. The results of the pilot program have been remarkable, with witnesses reporting that they feel more relaxed and calm when giving evidence. They reported needing fewer breaks and taking less time to give evidence. Based on the success of the pilot program we extended the

program for another year and increased the availability of the support dog to two days a week. We will review it again in 2018/19, and determine whether we will incorporate support dogs into our witness and victim support arrangements on an ongoing basis.

Acknowledgments

The work of the Office is challenging and at times difficult. We are very lucky to have committed and dedicated staff who work very hard in prosecuting cases to keep the Victorian community safe. They work very well as a team and work cooperatively with Crown Prosecutors and the barristers at the private Bar. In a challenging and ever-changing environment, their output is outstanding. I'm very grateful and thank each of them for their commitment, dedication and hard work.

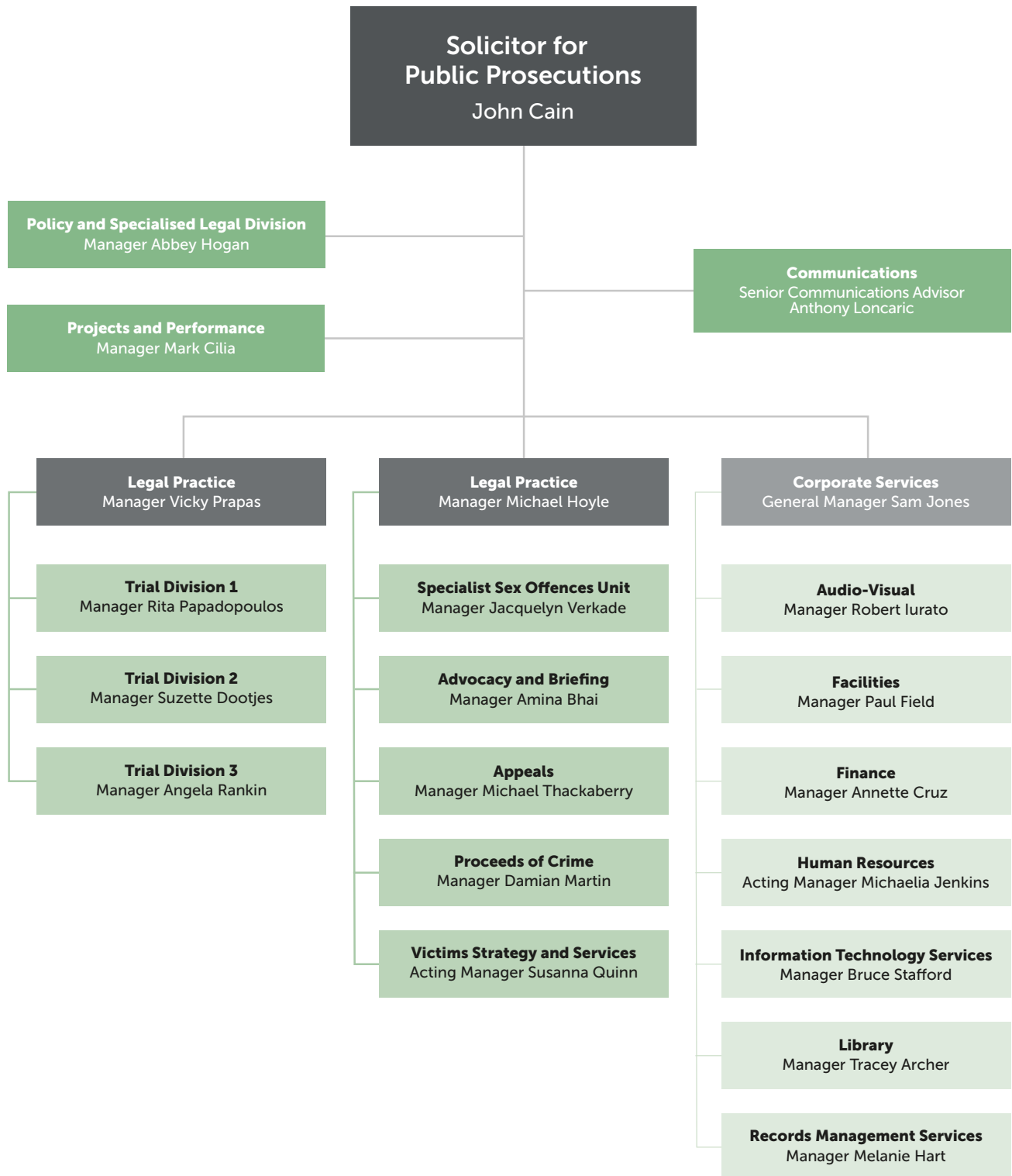
I have greatly enjoyed working with the new DPP Kerri Judd QC and CCP Brendan Kissane QC. Our Director's Committee functions very efficiently and effectively in setting the direction of the office. I am very grateful to both for their support and assistance since their appointment.

It is also important to recognise the input of Crown Prosecutors who perform a vital function in the workings of the Victorian public prosecution service. Their contribution to new initiatives has been invaluable.

Finally, I acknowledge and thank all OPP staff for their hard work, dedication and commitment over the last year. The nature of our work is such that it is always challenging, and this group of dedicated people continue to make an outstanding contribution to the Victorian community.

John Cain
Solicitor for Public Prosecutions

Organisational Structure



* As at 30 June 2018

Legal Practice Report

Making prosecutions more effective and accountable

The Legal Practice has rolled out reform projects this year designed to improve decision making and accountability in prosecutions.

Record of Decision Making

The OPP has introduced a decision making matrix for prosecutions to ensure effective and accountable outcomes. It includes an early look at cases and ensures that appropriate early advice is sought from Crown Prosecutors as required. It tracks who made a decision, what the decision was and why it was made.

The process has resulted in improved resolution times, and consistency in decision making.

Electronic trials and paperless project

OPP's e-Brief portal was launched in February 2018 which allows documents to be scanned and saved electronically and available via portable devices. The office worked with Victoria Police to standardise the e-Briefs and ensure they are searchable, intuitive, hyperlinked and indexed. They are easily shared between solicitors and counsel and protected by a security code sent to their devices. Supporting tools include a simple template that is flexible for all types of cases.

This year, the OPP has been conducting more electronic trials across both the Supreme Court and the County Court. An electronic trial uses a mix of annotation software and touchscreens to present information to the jury in a more interactive way. These annotations can be captured, tendered and uploaded to a tablet device as an electronic jury book.

Across 2017/2018, the OPP ran four electronic trials and one electronic plea hearing at the Supreme Court and five matters using electronic jury books at the County Court. Many other scheduled matters resolved shortly before trial. The feedback from both the court and all those involved was positive.

There are significant efficiencies in conducting e-trials with OPP estimates showing the use of technology reduces court time by about a third. There is also considerable reduction in paper volume and costs.

These new technology projects were outlined at the DPP National Executive Conference in April this year.

Witness Assistance Service multi-disciplinary support pilot

In November the OPP commenced a pilot embedding four social workers in a legal practice trial division and one in the OPP Geelong office.



LEGAL PRACTICE MANAGERS VICKY PRAPAS AND
MICHAEL HOYLE

The objectives were to enhance collaboration between lawyers and social workers, provide better and earlier communication with victims, and provide victim support in a broader range of cases.

Evaluation of the pilot has been positive including feedback from social workers and lawyers and recommendations for extending the team approach are under consideration for 2018/19.

Prosecution outcomes

In 2017/18, the OPP handled 2,995 new briefs for prosecution in the higher courts.

Of the 2,995 new matters prosecuted in 2017/18, 473 matters – 16 per cent – involved family violence. The offences prosecuted were 1,838 general crime matters including serious assault, aggravated burglary and armed robbery; 550 sexual offences; 270 drug offences; 135 homicide/culpable driving matters; 21 corruption matters; 86 commercial crime matters; 62 mental impairment matters; eight organised crime matters; and two occupational health and safety matters.

Crown Prosecutors, external barristers with expertise in criminal law and OPP Solicitor Advocates were briefed to appear in these matters in courts in Melbourne and across regional Victoria.

Legal Practice Report

Appearing on behalf of the DPP, they worked closely with OPP solicitors to deliver fair and just outcomes. Their role is to represent the State and act as 'ministers of justice' to assist the courts to fairly and impartially expose all relevant facts.

Overall, 91.8 per cent of prosecutions completed resulted in a guilty outcome – the highest guilty outcome achieved by the OPP on record.

In achieving this outcome, prosecutors appeared in a total of 38,505 hearings in Victorian courts, 19.3 per cent of which were in regional Victoria.

Solicitors trained in prosecuting Koori Court matters appeared in 79 of these matters across Victoria, with 69 matters in County Koori Courts and 10 matters in Magistrates' Koori Courts. This compared to 103 County Koori Court matters the previous year.

The OPP took over 27 matters in the Children's Court in 2017/18, following requests by Victoria Police and approval by the DPP. These matters involved the prosecution of serious crimes committed by children aged between 10 and 17 at the time of offending, including three sex offence matters and eight culpable driving or homicide matters. The 16 other matters included violent offending, theft and carjacking. Many of these matters were legally complex, factually complex or the subject of high public interest.

The OPP serviced 12,227 Judicial Officer Sitting Days, up from 11,916 last year and a record level for the OPP.

Appropriate resolution

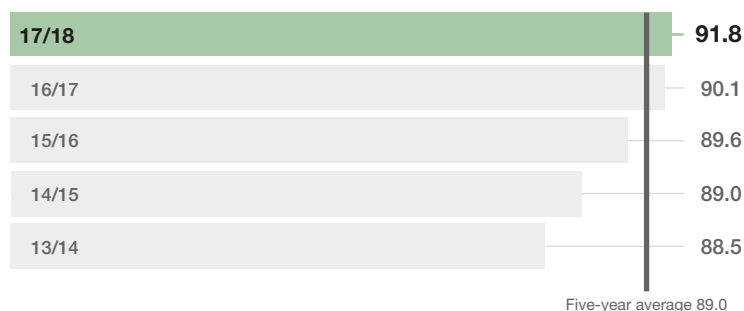
OPP solicitors assess each matter as early as possible for a potential guilty plea to appropriate charges that reflect the accused's criminality, based on what can be proven beyond reasonable doubt, and that allows for a sentence that adequately reflects the criminality. The Director's Policy provides guidance and instruction to OPP solicitors and prosecutors in relation to resolving matters as guilty pleas.

As well as achieving fair and just outcomes in an efficient way, guilty pleas may relieve victims and witnesses of the burden of giving evidence at a trial, and provide certainty of outcome.

In 2017/18, 80.4 per cent of prosecutions were finalised as a guilty plea – the highest level recorded at the OPP since comparable records began 22 years ago.

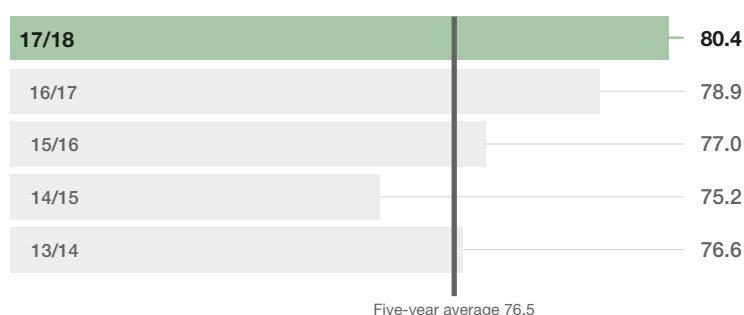
Efforts were also made to achieve guilty pleas as early as possible in the prosecution process to save resources being diverted to trials that did not ultimately proceed. Of the guilty

Overall Guilty Outcomes %



Five-year average is calculated using the data from the previous five years not including 2017/18

Guilty pleas as a percentage of all matters finalised %



Five-year average is calculated using the data from the previous five years not including 2017/18

pleas achieved in 2017/18, 79.4 per cent were achieved by committal.

Other results that reflect improved efficiencies in criminal prosecutions include:

- the average time taken to complete matters was 15.5 months, down from a five-year average of 19.9 months
- only one per cent of trials were adjourned on application of the Crown.

In 2017/18, acquittals were handed down in 89 matters, down from 103 in 2016/17.

Expertise

Crown Prosecutors are among the most experienced criminal prosecutors in Victoria. They are appointed to work exclusively for the DPP and are allocated the most serious and complex matters. They are responsible for signing indictments to bring accused people to trial and for authorising the resolution of matters as guilty pleas.

Crown Prosecutors are also required to spend large amounts of time preparing written openings for both trials and pleas, and preparing written cases for all matters proceeding to the Court of Appeal, be they appeals on conviction or sentence.

In 2017/18, Crown Prosecutors appeared in the most high profile and complex matters and prosecuted 33.6 per cent of Supreme Court trials.

External counsel, assisted by OPP solicitors who prepare matters for prosecution, appeared in 87 per cent of all committals, County and Supreme Court trials and appeals. This included 91.6 per cent of County Court trials and 66.4 per cent of Supreme Court trials. Of matters briefed externally, 45.3 per cent of briefs went to female counsel.

In undertaking OPP briefs, counsel must abide by OPP Advocacy Key Competencies Framework, which details expectations of behaviour and ethics, knowledge of the law, preparation, advocacy skills, and adherence to the DPP's policy and directions.

The OPP also has Solicitor Advocates who are internal prosecutors who have undertaken dedicated advocacy training and who appear in court to prosecute a variety of hearings on a daily basis. They are an integral part of the OPP Legal Practice.

In 2017/18, Solicitor Advocates conducted 2,260 hearings. They appeared at filing hearings, bail applications, committal mentions, contested committal hearings, and Magistrates' and County Court plea hearings. Principal Solicitor Advocates also appeared as junior counsel to Crown Prosecutors in trials.

Having an internal pool of Solicitor Advocates allows the OPP to:

- ensure effective and efficient use of OPP resources
- increase the pool of skilled prosecutors
- provide engaging and challenging work, and another career path for OPP solicitors
- attract the best advocates.

Victims and witnesses

The OPP's Witness Assistance Service (WAS) provides a specialist service to support victims and witnesses throughout their involvement in the criminal justice process.

In 2017/18, a record 1,512 new matters were referred to WAS by OPP solicitors, and WAS assisted 4,024 victims and witnesses, with some matters involving support for multiple victims and witnesses.

WAS provided 3,853 professional consultations including debriefings, remote witness assistance and court tours.

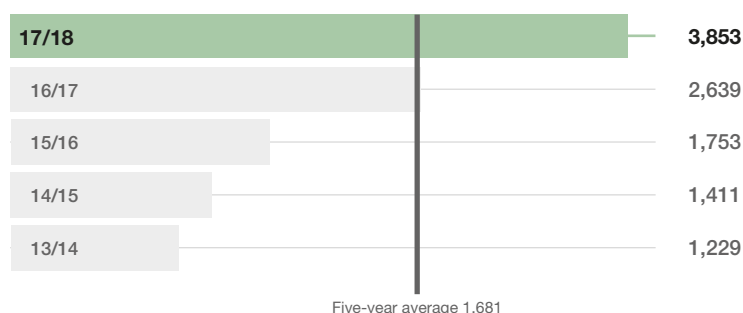
Of the matters handled by WAS:

- 29.9 per cent involved sex offences
- 7.9 per cent involved homicide/culpable driving
- 56.8 per cent were general crime
- 5.5 per cent were for other matter types.

Of all the matters handled by WAS, 33.7 per cent involved family violence.

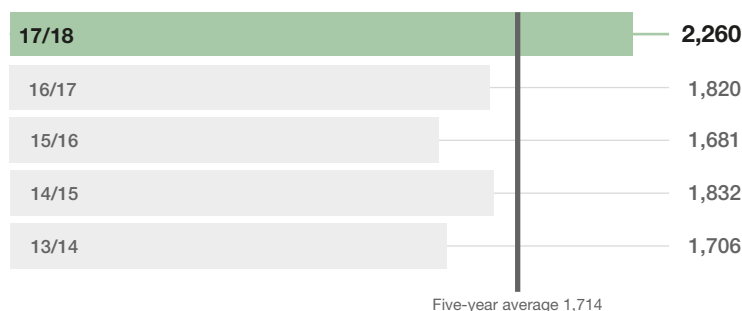
WAS prioritised assistance for matters involving a death, sexual assault, family violence, and particularly vulnerable victims and witnesses. Some matters were referred to the Child Witness Service and the Victims Assistance Programs, particularly for regional matters.

WAS consultations with victims and witnesses



Five-year average is calculated using the data from the previous five years not including 2017/18

Solicitor Advocates – number of hearings conducted



Five-year average is calculated using the data from the previous five years not including 2017/18

Legal Practice Report

Increased resources for victims and witnesses

Three major initiatives were introduced during the year to improve support for victims, witnesses and bereaved family members who come into contact with the criminal justice system.

They are:

- a new victims support website
- an OPP Service and Communication Charter for victims
- the introduction of Victim Support Dogs.

Victims support website

A new website purpose-built to help victims, witnesses and bereaved family members navigate the criminal justice system was launched in 2017/18.

The website, which was funded by the Victorian Government, can be accessed at any time on any device. It includes details about the court process, prosecutions, available support services, and information on Victim Impact Statements and the Victims Register.

The website was developed after consultation with members of the Victims of Crime Consultative Committee, who provided practical feedback on what information would be useful.

OPP Service and Communication Charter

The OPP introduced a charter to ensure victims of crime are prepared for, and feel involved in the prosecution process and to treat victims with courtesy, respect, dignity and sensitivity.

The Charter, which can be found on the dedicated victims support website, recognises the right of victims to be kept informed throughout the prosecution process.

Victim Support Dog pilot program

The OPP introduced trained support dogs to provide comfort to vulnerable witnesses when waiting for court or when giving evidence from a remote witness facility.

Coop, a fully trained Labrador, joined the OPP as the first Victim Support Dog following a successful 12-week-pilot program.

WAS reports that having a support dog nearby noticeably reduces stress for witnesses and victims, allowing them to give evidence with fewer breaks and stay engaged in the court hearings.

The pilot program was extended for the duration of 2018, with Coop's availability to sit with vulnerable witnesses increasing from one day to two days a week.

Proceeds of Crime

Proceeds of Crime is a specialist civil litigation unit that undertakes major litigation on behalf of the DPP under the *Confiscation Act 1997*.

Solicitors work to deter and disrupt criminal activity and undermine the profitability of crime, by confiscating assets used to commit a crime or acquired through criminal activity. They also play an important role in preserving assets to compensate victims.

Proceeds of Crime solicitors worked closely with partner agencies of the Victorian Asset Confiscation Scheme – the Victoria Police Criminal Proceeds Squad and Asset Confiscation Operations of the Department of Justice and Regulation – to confiscate tainted assets such as money, real property, shares and vehicles.

In 2017/18, the Proceeds of Crime unit also worked with Independent Broad-based Anti-corruption Commission (IBAC) to recover millions of dollars of profits unlawfully derived by two corrupt public servants who were successfully prosecuted by the OPP following IBAC's investigation in Operation Fitzroy.

Proceeds of Crime conducted a record number of unexplained wealth cases this year and have identified this as a growing area for asset recovery. Property restrained under Victoria's unexplained wealth laws will be forfeited to the State unless a person can prove to a court's satisfaction that it was lawfully acquired by them.

Proceeds of Crime contributed to the Victorian Asset Confiscation Scheme by:

- obtaining 139 restraining orders in the County and Supreme Courts
- confiscating \$25 million in illegally used assets and proceeds of crime which was paid to the State's consolidated revenue
- facilitating the payment of \$2.4 million to victims of crime to satisfy compensation orders made by sentencing courts.

Landmark cases for Proceeds of Crime included:

- more than \$2.4 million in assets recovered following IBAC's Operation Fitzroy into corruption in Public Transport Victoria and the former Department of Transport. The assets of two men were confiscated following convictions for conspiracy to defraud and other offences.
- about \$3.8 million in cash and other property was confiscated under serious drug offence laws following the conviction of an accused for offences, including large commercial quantity drug trafficking.
- \$2.4 million was confiscated under unexplained wealth laws from a person convicted of dealing with proceeds of crime.

Appeals

The Appeals Division is responsible for the preparation and prosecution of most appeal matters where the DPP is a party.

These include:

- appeals from the Magistrates' Court or Children's Court to the County Court
- civil appeals and judicial reviews from the Magistrates' Court or the County Court to the Supreme Court
- appeals from the County Court or Supreme Court to the Court of Appeal
- applications for special leave to appeal and appeals from the Court of Appeal to the High Court.

County Court appeals

The DPP appears on behalf of Victoria Police to respond to most of the appeals by an accused person against either their conviction or sentence in the Magistrates' or Children's Courts. Appeals to the County Court are reheard from the beginning.

The DPP also has the power to appeal a sentence imposed in the Magistrates' Court or Children's Court to the County Court. The DPP must be satisfied that an appeal should be brought in the public interest. These appeal hearings also involve re-hearings.

The DPP prosecuted 2,566 County Court appeals that were finalised in 2017/18. This was consistent with a five-year average of 2,479 a year. Of these appeals that were finalised, 86.4 per cent (or 2,218) were sentence appeals and 13.6 per cent (348) were conviction appeals.

Of the appeals lodged by an accused person that were finalised, 51.9 per cent were allowed in full or in part.

Civil appeals and judicial reviews

The DPP can lodge or respond to civil appeals and judicial reviews in the Supreme Court's common law jurisdiction. These appeals are usually in relation to a question of law.

In the 2017/18 period, the DPP was a party to 22 decided civil appeals and judicial reviews. The DPP was successful in 13 of those 22 matters.

Court of Appeal

The DPP responds to appeals lodged by any accused who has been sentenced in the Supreme Court or County Court. An accused can appeal their conviction by a jury, or the sentence imposed by a judge, or both. In the first instance, an accused person will seek leave to appeal from the Court of Appeal. If leave is granted, the appeal is then listed for a full hearing.

Alternatively, an applicant who is refused leave to appeal may seek to renew their application before two or more judges. The Court of Appeal then hands down a judgment in each case.

Of the 203 cases where an accused person lodged an appeal that were finalised in 2017/18, the Court of Appeal allowed:

- 42 sentence appeals, and dismissed or refused leave in 109 cases; a further five appeals were abandoned by the accused
- seven conviction appeals and dismissed or refused leave in 39 conviction appeals, while one was abandoned.

Three retrials were ordered following an accused's successful appeal against conviction. Acquittals were ordered for at least one charge in the other four conviction appeals that were allowed.

High Court appeals

The DPP is a party to all High Court proceedings flowing from any Court of Appeal judgment in a matter it prosecutes.

There were 13 matters determined by the High Court in 2017/18 where the DPP was a party.

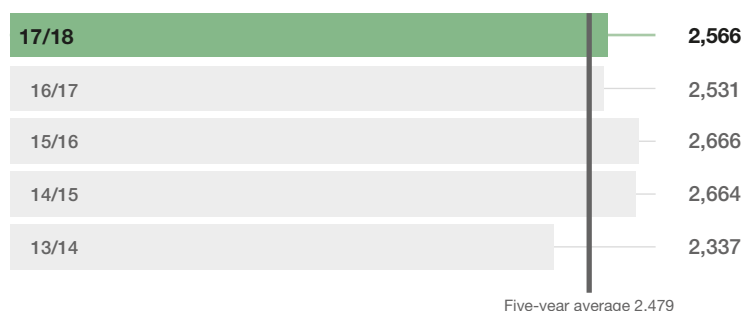
The DPP was the appellant in three of these matters and was successful in all three cases. The DPP was the respondent in 10 cases and was successful in all 10 of these cases.

Appeals by the DPP

The DPP can lodge an appeal against a Supreme Court or County Court sentence to the Court of Appeal if the DPP considers:

- there is an error in the sentence and that a different sentence should be imposed; and
- is satisfied an appeal should be brought in the public interest.

County Court appeals completed



Five-year average is calculated using the data from the previous five years not including 2017/18

Legal Practice Report

In 2017/18, 22 DPP appeals against a Supreme Court or County Court sentence were finalised in the Court of Appeal. The Court allowed 15 appeals and re-sentenced offenders to higher sentences, dismissed three appeals, and the DPP abandoned four appeals before they were heard.

Details of the Crown appeals decided in 2017/18 are listed in Appendix 3.

Contraventions

Contraventions matters are conducted when a person has not complied with the conditions of a community-based sentence.

In 2017/18, the OPP conducted 855 contraventions matters. This was similar when compared to the 853 contraventions matters in 2016/17, but a substantial increase from the 2015/16 period, in which 510 contraventions matters were conducted.

Case Completion Reports

Case Completion Reports are compiled by OPP solicitors detailing the key elements and outcomes for County and Supreme Court matters. These reports assisted the DPP to decide whether to lodge an appeal.

In 2017/18, 208 Case Completion Reports were referred to the DPP for instructions on whether an appeal should be lodged and 37 matters were appealed to either the County Court or Court of Appeal.

Policy and Specialised Legal Division

The Policy and Specialised Legal Division (PASL) undertakes research, develops policies and delivers advice on current legal issues for the DPP and OPP.

PASL is integral to the dissemination and management of legal knowledge required by the OPP to efficiently and effectively prosecute criminal offences on behalf of the Victorian community.

Advice

A key role performed by PASL is to coordinate and provide advice on matters dealt with by OPP staff and external agencies. In 2017/18, PASL took over the management of consultation with Victoria Police pursuant to s. 127 of the *Victoria Police Act 2013*.

The OPP received 152 requests for advice from external agencies in 2017/18, of which 126 were accepted. The advice work was divided between PASL and the legal practice with PASL completing 71 of the requests and 55 being referred to the legal practice, predominantly the Specialist Sex Offence Unit.

Legislative consultation

The OPP provided consultative comment on proposed amendments to the criminal law including:

- proposed changes to homicide laws
- amendments to the *Children, Youth and Families Act 2005* non-publication provisions; *Jury Directions Act 2015*
- a significant body of amendments to the *Bail Act 1977* across two separate bills
- use of body worn cameras by police and the taking of complaint evidence in family violence cases by video at the scene by first responders
- amendments to criminal offences committed against emergency workers and sentencing in such cases
- amendments to the *Open Courts Act 2013*
- sentencing of juvenile offenders and amendments to procedure and jurisdiction in the Children's Court
- changes to committals and appeals from the Magistrates' Court
- amendments to the *Criminal Procedure Act 2009* to implement a pilot program to facilitate the use of intermediaries by children and cognitively impaired adults giving evidence in sexual offence and homicide cases
- significant reform proposals around the role of victims in the criminal justice system and meaningful participation within the existing legal frameworks.

The OPP also provided consultative comment on the introduction of new criminal offences including:

- theft of employee entitlements
- endangerment of emergency workers and custodial officers by driving.

The OPP contributed to review papers, draft legislation and consultation groups and forums, with a significant number arising out of the implementation of the recommendations of the Royal Commission into Family Violence including:

- The Counter Terrorism Expert Panel Review in 2017
- Victorian Law Reform Commission's (VLRC) Consultation Paper on Family Violence and the *Victims of Crime Assistance Act 1996* and VLRC Victims Reference
- Sentencing Advisory Council Report on *Swift, Certain and Fair Approaches to Sentencing Family Violence Offenders* issues paper on a proposal for a Sentencing Guidelines Council for Victoria and *Report on Restitution and Compensation Orders*
- Participation in the Department of Justice and Regulation workshop and consultation on the use of pre-recorded statements of complaints in family violence cases
- IBAC Research Project on Integrity Frameworks in the Victorian Public Sector.

OPPedia

PASL has continued progress in the development of the knowledge management system implemented in the previous 12 months. This is a significant project making use of web-based technology to ensure legal information is disseminated to the desktop and mobile device of every OPP lawyer and legal support officer in a modern, engaging and accurate format. This year has seen the focus shift to integrating the practice guide component of the legal knowledge database into OPPedia and completely re-conceptualising how that knowledge is presented. Importantly, OPPedia has become the main way the OPP legal practice is informed about changes to the criminal law. Further upgrades to the technology will only see this communication enhanced and developed further.

Other responsibilities

PASL continues to work with the Commonwealth Attorney-General's Department and Victoria Police to manage several ongoing extradition requests, including requests made to India and Israel in two significant cases.

Significant cases

The prosecution of *Police v Cottrell, Shortis and Erikson* by the DPP was successfully completed in the Magistrates' Court with each accused being convicted and fined \$2,000 each. This was the first successful prosecution under s. 25(2) of the *Racial and Religious Tolerance Act 2001*. A conviction appeal is before the County Court and an application for removal to the High Court to determine a constitutional matter has been filed.

In *DPP v Dalgliesh (a pseudonym)* [2017] HCA 41 the High Court held there has been a disproportionate weight given to 'current sentencing practices' in Victoria. Current sentencing practices are to be seen as one of equal factors under the *Sentencing Act 1991* that a sentencing court must take into account. Current sentencing practices should not be used to displace the notion of individualised justice. The High Court expressed disapproval of the line of authority that had come to be known colloquially as the "current sentencing practice uplift cases".

This decision resulted in significant policy work within PASL to analyse the impact on Victorian sentencing processes and implications for sentencing submissions made on behalf of the DPP.

Royal Commissions

The OPP continues to be involved in the implementation of the recommendations flowing from the Royal Commission into Institutional Responses to Child Sexual Abuse.

The Royal Commission released its *Criminal Justice Report* in August 2017, which made 85 recommendations.

Many of the recommendations in that report noted that Victoria had already undertaken the recommended actions and suggested that other states emulate Victoria.

These included a call for creation of certain new offences, the removal of time limit provisions, the desirability of comprehensive published DPP policies, improvements to the law of evidence, improved jury directions for child sex cases and the careful monitoring of appeal outcomes.

The final report, released in December 2017, was endorsed by Australia's nine Directors of Public Prosecutions.

The OPP will continue to work with the Department of Justice and Regulation on legislative and other amendments such as the Intermediaries Pilot Scheme, which will assist child victims and adults with a cognitive impairment who are either victims in sexual offences or witnesses in homicide matters.

Learning and development

The Learning and Development Program has focused on three key areas:

- Legal Practice Induction
- Continuing Legal Education (CLE)
- Specialised Training.

The delivery method of all training was reviewed and some training was moved to digital platforms through the use of online eLearning modules or online course handbooks. A core part of the Learning and Development Program is CLE, which ensures ongoing development of skills of staff in the Legal Practice. In 2017/18, 32 CLE sessions were delivered on a range of topics with a total of 1,810 staff attending.

In this reporting period, Seasonal Clerkships were offered to provide students in their final year of study with the opportunity to gain practical legal experience, develop skills and explore the career path that the OPP can offer in criminal law. The clerkship program also offered development opportunities for OPP staff through supervising and mentoring activities. The 2019 Legal Trainees will be selected from this pool of seasonal clerks, following a similar selection process in the previous reporting period. The 2018 Legal Trainees have undertaken rotations across the office to gain broad skills in criminal prosecutions.

A staff conference was held to brief staff on changes in technology and to encourage an exchange of ideas across the range of projects underway. The conference also provided an opportunity to consider the best response to emerging issues, future projects and challenges.

Corporate Services Report

Corporate Services supported the work of the OPP's Legal Practice by delivering new systems, improving processes and providing professional services. These services included people management, financial management and information technology support.

Corporate Services also provided an effective corporate governance framework to ensure the OPP's statutory, operating, reporting and compliance obligations were met. This includes strategic planning, risk management and business continuity management.

Seven business units worked together to provide corporate services, including Audio-Visual, Facilities, Finance, Human Resources (HR), Information Technology Services (ITS), Library and Records Management Services (RMS).

In 2017/18, Corporate Services worked in partnership with the Legal Practice to continue implementing the strategic goals of the OPP, in particular, technological modernisation and the promotion of staff health and wellbeing.

Improving effectiveness through technology

Significant work was done to upgrade the OPP's information technology applications and infrastructure. All staff in the Legal Practice were issued with tablet devices to support the move towards a digital legal environment and improve staff access to the OPP's network and resources. A project was completed to provide wireless access to four courtrooms at the Melbourne County Court and the information technology equipment and data links were upgraded in all of the OPP's rooms in regional court buildings.

The deployment of dual monitors to all staff was completed to enable more effective working between the OPP's electronic document and record management system (EDRMS) and other core OPP systems. This was supported by the implementation of emailing scanned materials directly to users for registration in the EDRMS.

The configuration of more facilities to view digital evidence was completed and the OPP's training and conference facilities were upgraded to provide a wireless presentation hub and digital registration of attendance.

A project to increase digital storage capacity to one petabyte commenced in 2017/18 and will be completed in 2018/19. This project involves the installation of new storage systems for both the main OPP office site and the disaster recovery site. This represents a more robust solution with greater capacity to recall backups.



GENERAL MANAGER CORPORATE SERVICES
SAM JONES

Supporting the work of the Legal Practice

Corporate Services worked collaboratively with the Legal Practice to support the delivery of improvements in legal services:

- an electronic decision making matrix was designed and implemented to ensure standardised record keeping of decisions supported by an automated workflow based on delegation level
- an online calendar was created to enable solicitors to book time to see a Crown Prosecutor
- a website was launched to provide clear information on the court process and available support services to victims, witnesses and bereaved family members
- a system was deployed which enables solicitors to share documents in the EDRMS with external parties including external counsel, who can then download the file securely and simply via a web browser
- a revised prosecution file structure was launched in the EDRMS to promote logical document management that mirrors the court process
- the Library trialled e-book versions of commonly used texts to improve accessibility and has switched a number of hard-copy subscriptions to electronic only formats
- a new fee structure to engage external counsel was developed and launched, and new streamlined contract creation processes were implemented in the OPP's case management system

- over 2,500 prosecution and appeal briefs were digitally scanned and bookmarked, improving search capabilities and accessibility
- 17 updated modules were released in the OPP's case management system to add new functionality and improve data capture and usability
- a pilot support dog program was implemented with a trained dog providing assistance to victims and witnesses giving evidence.

The Audio-Visual unit performed 2,012,750 media actions in 2017/18, including conversions, edits and audio or visual enhancements to provide the Legal Practice with evidence in a court compatible format. This was a significant increase from 2016/17 when 1,149,095 media actions were undertaken. The unit was also involved in the utilisation of technology in court rooms through the provision of tablet jury books in trials or through interactive screen technology. These initiatives, which are aimed at increasing jury engagement and reducing trial preparation and duration, were supported by a new embedded Prosecution Technology Specialist role located in a Trial Division to provide technology advice and services directly to the Legal Practice.

Promoting staff health and wellbeing

The OPP delivered a comprehensive health and wellbeing program in 2017/18 as part of its commitment to providing a safe workplace for all staff. The program supported staff by better equipping them to be aware of and manage stressful situations and providing activities and events to improve personal wellbeing and physical and mental health. Annual wellbeing checks were offered to provide practical advice on how to manage wellbeing and the OPP also continued to provide access to the Employee Assistance Program. This offers confidential and professional support to staff that are experiencing difficulties either in their work or personal lives.

A new pilot training program was run called Managing for High Performance. This program provided coaching and workshop-based learning to senior OPP managers with a focus on improving resilience and performance. Upon evaluation, the pilot was deemed successful and will be rolled out to additional managers in 2018/19.

Better people management processes

The HR unit delivered a range of improvements in 2017/18 through the digitisation of a number of manual processes, including delegations and approvals. A number of policies and guidelines were reviewed and updated and made available on the OPP's intranet. The unit also converted the HR forms into online reusable templates and created an electronic safety inspection checklist to enable paperless Occupational Health and Safety Committee meetings. Further improvements were planned for delivery in 2018/19 including a digital reference check solution, a streamlined electronic recruitment processes, a revised suite of expanded eLearning modules and simplification of the staff performance management process.

Data and financial reporting

Building on the work undertaken in the 2016/17 reporting period, further improvements to data and financial reporting were made to assist in monitoring and assessing of operational and financial performance. The OPP's Finance unit converted paper-based invoice approval processes to electronic format, and trialled digital forms and templates. This has converted manual paper based procedures into streamlined and automated processes, which has improved efficiency and processing and payment times.

Accommodation Project

Stage two of the OPP's Accommodation Project was completed in 2017/18. The works included the refit of levels 8 and 9, improvements and better access to the building exterior and updates to security and safety systems. The basement end-of-trip facilities were extended and refurbished to provide more storage space for bicycles to encourage staff to ride to work. Planning for stage three of the project commenced. This will involve further base building upgrades and the refit of the two remaining levels yet to be upgraded to provide modern and flexible accommodation to all staff.

Sam Jones
General Manager Corporate Services

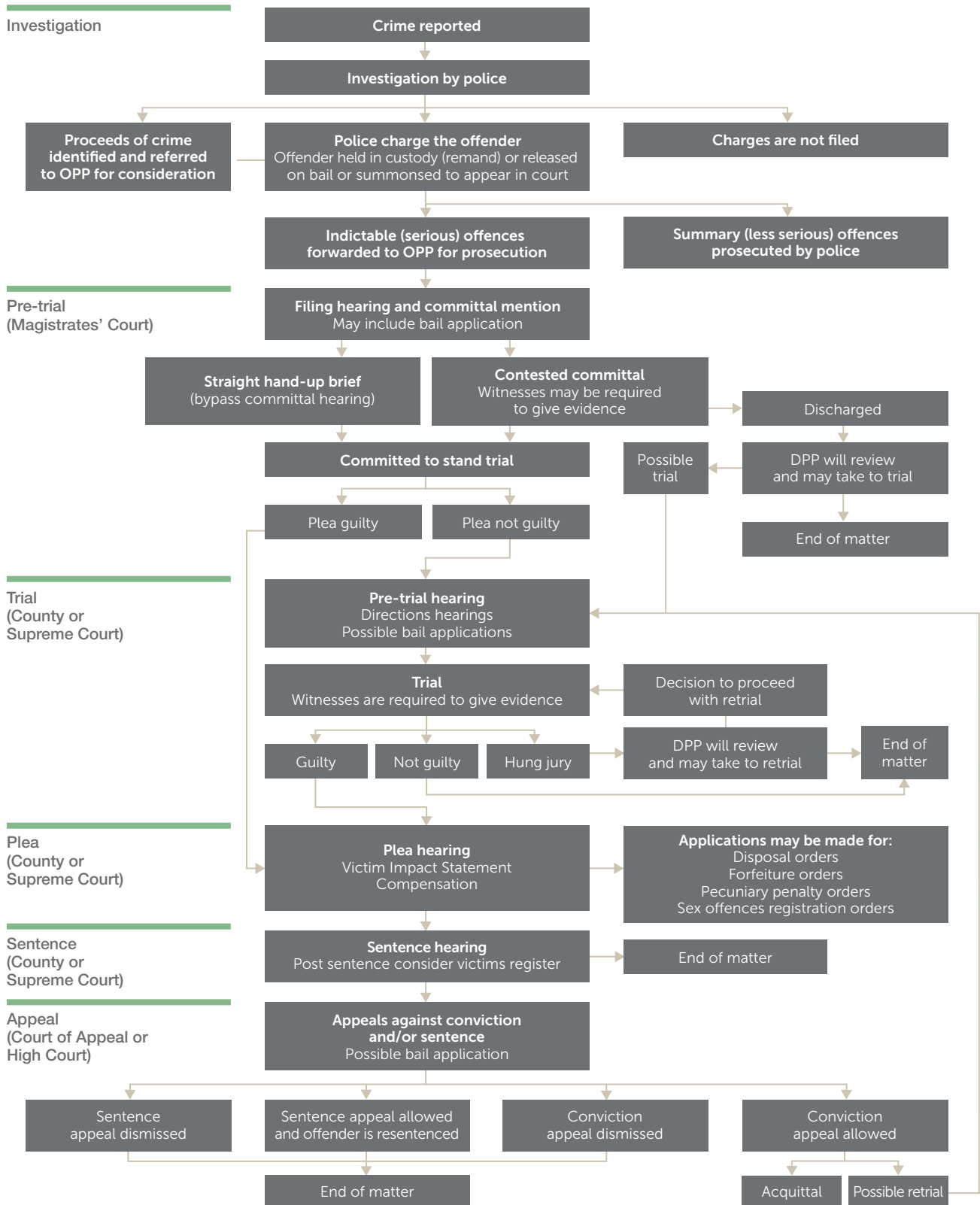
Committees

In 2017/18, the DPP, OPP and Crown Prosecutors' Chambers were represented on a range of standing committees and advisory groups with other representatives of the criminal justice system.

Committee	Purpose	Chair
Asset Confiscation Scheme Strategy Committee	Oversee management of the Confiscation Scheme	DOJR
Bail Reform Implementation Working Group	Progress further consultation on bail reforms, and consider these reforms in conjunction with other criminal justice system reforms	DOJR
Child Witness Service Advisory Committee	Discuss and review CWS practice and policy	DOJR/VSA
Confiscations and Forfeiture Strategy Project Group	Discuss confiscation potential in IBAC matters	IBAC
County Court Criminal Users Group	Address issues about the County Court's criminal jurisdiction	County Court
Criminal Law Review – Offences Review Group	Oversee the review of all criminal offences in Victoria	DOJR
Court of Appeal Criminal Reforms Reference Group	Discuss criminal appeal reforms	CoA President Maxwell
Detention and Supervision Order Board	Enhance the protection of the community and to ensure government agencies provide coordinated services to offenders to promote rehabilitation and reduce the risk of reoffending	DOJR
Emergency Worker Harm Reference Group	Consider legislative and non-legislative reform options for Government	Department of Premier and Cabinet
Family Violence Body-worn Camera Trial Steering Committee Meeting	Provide advice, support and assistance in the implementation and evaluation of the family violence body-worn camera trial	Kylie Kilgour, Department of Justice and Regulation
Forensic Evidence Working Group	Develop and maintain court Practice Notes relating to forensic and expert evidence	CoA President Maxwell
Forensic Services Advisory Board	Consult and advise Deakin University on forensic science	Dr Jim Pearson, Acting Chief Forensic Scientist, Forensic Services Department, Victoria Police
Intermediary Pilot Advisory Committee	Provide advice on the intermediary pilot model and its effective implementation	Vicky Bahen, Victims Support Agency
Judicial College of Victoria Sentencing Manual Committee	Maintain and publicise the JCV Sentencing Manual	Supreme Court Justice Jane Dixon
Jury Directions Advisory Group	Implement the VLRC's recommendations on jury directions in criminal trials	DOJR
Magistrates' Court Criminal Court Users Group	Address issues relating to the Magistrates' Court criminal jurisdiction	Melbourne Magistrates' Court
OPP/Victoria Police Consultative Forum	Discuss issues of mutual concern	Victoria Police and OPP alternately
Sentencing Advisory Council	Conduct research and advise government and courts on sentencing issues	SAC
Serious Offenders Reform Interdepartmental Committee Meeting	Advise government on the establishment of the Post Sentence Authority to provide independent and rigorous oversight of the post-sentence scheme for the detention or supervision of serious sex offenders	DOJR
Supreme Court and Emergency Management Liaison Committee	Address security issues at the Supreme Court	DOJR
Supreme Court Criminal Users Group	Address issues relating to the Supreme Court criminal jurisdiction	Supreme Court of Victoria
Victims of Crime Consultative Committee	Develop policy and services for victims of crime	Former Supreme Court Justice Bernard Teague
Victorian Law Reform Commission	Formal consultation with victim, witness and court support organisations	The Hon Philip Cummins

Summary of the Court and Prosecution Process

Victims and witnesses are supported throughout the prosecution process.



Financial Summary

Overview

A summary of the OPP's financial performance in 2017/18 is set out below. Full financial details are outlined in the Financial Statements.

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the OPP.

In 2017/18, the OPP reported a negative net result from transactions of \$118,000 mainly due to the treatment of the operating carry over that impacted the result for the year. Both total income and expenses from transactions have increased over the last five years in line with the increase in service demand and general price increases.

An overall positive net result of \$20,000 was reported in 2017/18.

Total net assets have continued to grow over the last five years with increased investment in refurbishment works, information technology and audio-visual systems and equipment to support the move towards a digital environment.

Net cash flows from operating activities have fluctuated over the last five years and are mainly impacted by the level of receivables, accruals and provisions for employee entitlements.

Financial performance

In 2017/18, revenue totalled \$70.816 million against expenditure of \$70.934 million. Expenditure was higher by eight per cent from the previous year. Increased barrister costs from higher demand for services and a fee escalation

in October, and employee costs linked to additional staff resources, mainly contributed to this increase. Investment in mobile computing equipment and audio-visual equipment to support the OPP's move to a digital environment also impacted costs during the year. The overall net result from continuing operations in 2017/18 was a surplus of \$20,000 after adjusting for movements in the long service leave provision arising from changes in wage inflation and discount rates.

Financial position – balance sheet

Total assets in 2017/18 were \$29.928 million, an increase of \$2.426 million from the previous year. This increase was mainly attributed to refurbishment works completed during the year of \$1.653 million and significant capital investment in storage area network equipment.

Total liabilities in 2017/18 increased by \$2.206 million mainly due to the timing of payment of invoices.

Cash flows

Net cash flows from operating activities were \$2.110 million higher than last year, mainly due to lower cash outflows directly associated with the timing of payment of invoices, which resulted in higher level of payables during the year. Net cash outflows from investing activities were \$2.331 million higher than the previous year due to significant capital expenditure for refurbishment works and investment in IT and audio-visual storage equipment. Net cash outflows from financing activities were \$0.220 million higher due to an injection of capital funding by the Department of Justice and Regulation to meet increased capital expenditure during the year.

Five year financial summary		(\$ thousand)			
	2018	2017	2016	2015	2014
Income from government	70,816	65,984	60,521	59,902	57,908
Total income from transactions	70,816	65,984	60,521	59,902	57,908
Total expenses from transactions	70,934	65,678	60,522	59,900	57,888
Net result from transactions	(118)	306	(1)	2	20
Net result for the period	20	48	(1,100)	(198)	72
Net cash flows from operating activities	3,031	922	1,676	963	889
Total assets	29,928	27,502	27,036	23,250	21,516
Total liabilities	19,203	16,997	16,723	16,493	15,281

Office of Public Prosecutions

Financial Report for the year ended 30 June 2018

Responsible Minister
The Honourable Martin Pakula MP

Solicitor for Public Prosecutions
John Cain

How this report is structured

The Office of Public Prosecutions (OPP) has presented its audited general purpose financial statements for the financial year ended 30 June 2018 in the following structure to provide users with the information about the OPP's stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statement	29
	Balance sheet	30
	Cash flow statement	31
	Statement of changes in equity	32
Notes to the financial statement	1. About this report	33
	The basis on which the financial statements have been prepared and compliance with reporting regulations	
	2. Funding delivery of our services	34
	Revenue recognised from grants and other sources	
	2.1 Income from transactions	34
	3. The cost of delivering services	35
	Operating expenses of the OPP	
	3.1 Expenses incurred in delivery of services	35
	3.2 Other operating expenses	38
	4. Key assets available to support output delivery	39
	Land, property, intangible assets, plant and equipment and other financial assets	
	4.1 Total property, plant and equipment	39
	4.2 Intangible assets	42
	5. Other assets and liabilities	43
	Working capital balances, and other key assets and liabilities	
	5.1 Receivables	43
	5.2 Payables	44
	5.3 Other non-financial assets	45

Notes to the financial statement (continued)	6. Financing our operations	46
	Borrowings, cash flow information, leases and assets pledged as security	
	6.1 Borrowings	46
	6.2 Leases	48
	6.3 Cash flow information and balances	49
	6.4 Trust account balances	50
	6.5 Commitments for expenditure	50
	7. Risks, contingencies and valuation judgements	52
	Financial risk management, contingent assets and liabilities as well as fair value determination	
	7.1 Financial instruments specific disclosures	52
	7.2 Contingent assets and contingent liabilities	56
	7.3 Fair value determination	56
	8. Other disclosures	59
	8.1 Other economic flows included in net result	59
	8.2 Non-financial assets held for sale	59
	8.3 Reserves	60
	8.4 Responsible persons	60
	8.5 Remuneration of executives	61
	8.6 Related parties	62
	8.7 Remuneration of auditors	63
	8.8 Subsequent events	63
	8.9 Australian Accounting Standards issued that are not yet effective	64
	8.10 Glossary of technical terms	66
	8.11 Style conventions	68

DECLARATION IN THE FINANCIAL STATEMENTS

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the Office at 30 June 2018.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 28 August 2018.



Annette Cruz
Chief Finance Officer
Office of Public Prosecutions

Melbourne
28 August 2018



John Cain
Solicitor for Public Prosecutions
Office of Public Prosecutions

Melbourne
28 August 2018

Independent Auditor's Report

To the Solicitor for Public Prosecutions of the Office of Public Prosecutions

Opinion	<p>I have audited the financial report of the Office of Public Prosecutions (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2018• comprehensive operating statement for the year then ended• cash flow statement for the year then ended• statement of changes in equity for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Solicitor for Public Prosecutions' responsibilities for the financial report	<p>The Solicitor for Public Prosecutions of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Solicitor for Public Prosecutions determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Solicitor for Public Prosecutions is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Solicitor for Public Prosecutions
- conclude on the appropriateness of the Solicitor for Public Prosecutions' 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 authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the office to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Solicitor for Public Prosecutions 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.

MELBOURNE
31 August 2018


Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive operating statement for the financial year ended 30 June 2018

(\$ thousand)			
	Notes	2018	2017
Continuing operations			
Income from transactions			
Government grants	2.1	70,816	65,984
Total income from transactions		70,816	65,984
Expenses from transactions			
Employee expenses	3.1.1	(44,150)	(41,505)
Depreciation and amortisation	4.1.1	(1,335)	(1,265)
Interest expense	6.1.2	(22)	(28)
Other operating expenses	3.2	(25,427)	(22,880)
Total expenses from transactions		(70,934)	(65,678)
Net result from transactions (net operating balance)		(118)	306
Other economic flows included in net result			
Other gains/(losses) from other economic flows (a)	8.1	138	(258)
Total other economic flows included in net result		138	(258)
Net result from continuing operations		20	48
Net result		20	48
Other economic flows – other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.3	–	147
Total other economic flows – other comprehensive income		–	147
Comprehensive result		20	195

The accompanying notes form part of these financial statements.

Note:

(a) Includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets except when these are taken through the asset revaluation surplus.

Balance sheet as at 30 June 2018

			(\$ thousand)
	Notes	2018	2017
Assets			
Financial assets			
Cash and deposits	6.3	218	218
Receivables	5.1	17,882	15,647
Total financial assets		18,100	15,865
Non-financial assets			
Non-financial asset held for sale	8.2	41	10
Other non-financial assets	5.3	430	2,136
Property, plant and equipment	4.1	11,127	9,203
Intangible assets	4.2	228	288
Total non-financial assets		11,826	11,637
Total assets		29,926	27,502
Liabilities			
Payables	5.2	7,560	5,116
Borrowings	6.1	677	631
Employee related provisions	3.1.2	10,966	11,250
Total liabilities		19,203	16,997
Net assets		10,723	10,505
Equity			
Accumulated deficit		(6,843)	(6,863)
Physical asset revaluation surplus	8.3	1,542	1,542
Contributed capital		16,024	15,826
Net worth		10,723	10,505

The accompanying notes form part of these financial statements.

Cash flow statement for the financial year ended 30 June 2018

			(\$ thousand)
	Notes	2018	2017
Cash flows from operating activities			
Receipts			
Receipts from government		68,581	67,023
Total receipts		68,581	67,023
Payments			
Payments to suppliers and employees		(65,527)	(66,073)
Interest and other costs of finance paid		(22)	(28)
Total payments		(65,549)	(66,101)
Net cash flows from/(used in) operating activities	6.3.1	3,032	922
Cash flows from investing activities			
Purchases of non-financial assets		(3,062)	(731)
Net cash flows from/(used in) investing activities		(3,062)	(731)
Cash flows from financing activities			
Owner contributions by State Government		198	–
Repayment of finance leases		(168)	(190)
Net cash flows from/(used in) financing activities		30	(190)
Net increase/(decrease) in cash and cash equivalents		0	1
Cash and cash equivalents at beginning of financial year		218	217
Cash and cash equivalents at end of financial year	6.3	218	218

The accompanying notes form part of these financial statements.

Statement of changes in equity for the financial year ended 30 June 2018

					(\$ thousand)
	Notes	Physical asset revaluation surplus	Accumulated Deficit	Contributed Capital	Total
Balance at 1 July 2016		1,395	(6,911)	15,829	10,313
Net result for the year		–	48	–	48
Revaluation increment		147	–	–	147
Capital appropriations		–	–	(3)	(3)
Balance at 30 June 2017		1,542	(6,863)	15,826	10,505
Net result for the year		–	20	–	20
Revaluation increment		–	–	–	–
Capital appropriations		–	–	198	198
Balance at 30 June 2018		1,542	(6,843)	16,024	10,723

The accompanying notes form part of these financial statements.

Notes to the financial statements for the financial year ended 30 June 2018

1. About this report

The Office of Public Prosecutions (OPP) is an independent statutory authority of the State of Victoria, established under the *Public Prosecutions Act 1994*.

A description of the nature of the OPP's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Its principal address is:

Office of Public Prosecutions
565 Lonsdale Street
Melbourne VIC 3000

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

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

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

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

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. Funding delivery of our services

Introduction

The OPP provides an independent, effective and efficient prosecutions service on behalf of the Director of Public Prosecutions. In addition to the prosecution of serious crimes, the OPP also provides professional support to prosecution witnesses and victims of crime involved in its cases.

2.1 Income from transactions

The OPP is predominately funded by a grant from the Department of Justice and Regulation.

2.1.1 Grants

	(\$ thousand)	
	2018	2017
Government grant		
Grants from the Department of Justice and Regulation	70,816	65,984
Total government grants	70,816	65,984

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Department of Justice and Regulation without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value.

3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by the OPP in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the costs associated with provision of services are recorded.

3.1 Expenses incurred in delivery of services

(\$ thousand)			
	Notes	2018	2017
Employee benefit expenses	3.1.1	44,150	41,505
Other operating expenses	3.2	25,427	22,880
Total expenses incurred in delivery of services		69,577	64,385

3.1.1 Employee benefits in the comprehensive operating statement

(\$ thousand)			
		2018	2017
Defined contribution superannuation expense		2,787	2,575
Defined benefit superannuation expense		446	508
Termination benefits		100	167
Salaries and wages, annual leave and long service leave		40,817	38,255
Total employee expenses		44,150	41,505

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

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

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the OPP is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 Employee benefits in the balance sheet

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

	(\$ thousand)	
	2018	2017
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	2,032	2,098
Unconditional and expected to settle after 12 months	290	318
Long service leave		
Unconditional and expected to settle within 12 months	544	585
Unconditional and expected to settle after 12 months	5,195	5,524
Provisions for on-costs		
Unconditional and expected to settle within 12 months	645	614
Unconditional and expected to settle after 12 months	944	942
Total current provisions for employee benefits	9,650	10,081
Non-current provisions:		
Employee benefits	1,138	1,027
On-costs	178	142
Total non-current provisions for employee benefits	1,316	1,169
Total provisions for employee benefits	10,966	11,250

Reconciliation of movement in on-cost provision	(\$ thousand)	
	2018	2017
Opening balance	1,698	1,747
Additional provisions recognised	1,110	909
Reductions arising from payments/other sacrifices of future economic benefits	(1,041)	(958)
Closing balance	1,767	1,698
Current	1,589	1,556
Non-current	178	142

Liabilities for annual leave are recognised in the provision for employee benefits as current liabilities. Those liabilities that are expected to be settled within 12 months of the reporting period are measured at nominal values. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

Unconditional LSL is disclosed as a current liability; even where the OPP does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if the OPP expects to wholly settle within 12 months; or
- present value – if the OPP does not expect to wholly settle within 12 months.

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.3 Superannuation contributions

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

As noted before, the defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the OPP.

(\$ thousand)				
	<i>Paid contribution for the year</i>		<i>Contribution outstanding at the end of the year</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Defined benefit plans (a)				
State Superannuation Fund	431	500	15	8
Defined contribution plans				
VicSuper	1,919	1,813	79	33
Other	756	709	33	20
Total	3,106	3,022	127	61

Note:

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

3.2 Other operating expenses

	(\$ thousand)	
	2018	2017
Supplies and services		
Professional services and witness payments	16,592	14,373
Property maintenance	776	588
Information technology	2,012	1,693
Printing, stationery & library	590	724
Postage, communication & OPP expenses	952	889
Interpreters	382	442
Other – travel, personal exp claims, motor vehicles	917	967
Audit services	49	50
Total supplies and services	22,270	19,726
Operating lease rental expenses		
Lease payments	3,157	3,154
Total operating lease rental expenses	3,157	3,154
Total other operating expenses	25,427	22,880

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

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Operating lease payments (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

The Department of Justice and Regulation provides certain governance, executive and support services and resources to the OPP. The value of these services which includes the use of the Department's financial and payroll systems is not recognised in the financial statements of the OPP, as the Department is centrally funded to provide these services and the fair value of such services cannot be reliably determined.

4. Key assets available to support output delivery

Introduction

The OPP controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the OPP to be utilised for delivery of those outputs.

4.1 Total property, plant and equipment

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018	2017	2018	2017	2018	2017
Land at fair value	1,617	1,617	–	–	1,617	1,617
Buildings at fair value	121	121	(34)	(17)	87	104
Leasehold improvements at fair value	6,092	4,525	(1,615)	(1,106)	4,477	3,419
Plant and equipment at fair value	6,215	4,395	(1,901)	(1,688)	4,314	2,707
Motor vehicles at fair value	843	958	(211)	(341)	632	617
Assets under construction at cost	–	739	–	–	–	739
Net carrying amount	14,888	12,355	(3,761)	(3,152)	11,127	9,203

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Also noted that certain assets are acquired under finance leases, which may form part of a service concession arrangements (public private partnership).

Subsequent measurement: Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Specialised land and specialised buildings: The market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value, is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. See note 7.3.2.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

For the majority of the OPP's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current replacement cost method. The OPP acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the OPP who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

4.1.1 Depreciation and amortisation

	(\$ thousand)	
Charge for the period	2018	2017
Buildings	17	14
Plant and equipment	588	594
Motor vehicles	165	189
Leasehold improvements	509	415
Intangible produced assets	56	53
	1,335	1,265

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under operating leases, assets held for sale and land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

	(years)
Asset	Useful life
Leasehold improvements	3 to 10
Plant and equipment	4 to 10
Motor vehicles	5
Buildings	5 to 40
Intangible assets	7 to 15

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

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

Impairment: Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

Classification by 'Public safety and environment' purpose group – Movements in carrying amounts (i)

(\$ thousand)														
	Land at fair value		Buildings at fair value		Leasehold improvements at fair value		Assets under construction at cost		Plant, equipment at fair value		Motor vehicles at fair value		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Opening balance	1,617	1,470	104	84	3,418	3,867	740	-	2,707	3,268	617	672	9,203	9,361
Additions	-	-	-	-	1,104	-	-	740	1,938	36	370	237	3,412	1,013
Disposals	-	-	-	(3)	-	3	-	-	(19)	(3)	(190)	(103)	(209)	(106)
Revaluation	147	-	-	-	-	-	-	-	-	-	-	-	0	147
Depreciation	-	-	(17)	(14)	(509)	(415)	-	-	(588)	(594)	(165)	(189)	(1,279)	(1,212)
Reclassification	-	-	-	37	463	(37)	(740)	-	276	-	-	-	(1)	0
Closing balance	1,617	1,617	87	104	4,476	3,418	0	740	4,314	2,707	632	617	11,126	9,203

Note:

(i) Fair value assessments have been performed for all classes of assets within this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2021.

4.2 Intangible assets

	(\$ thousand)			
	Computer software		Total	
	2018	2017	2018	2017
Gross carrying amount				
Opening balance	523	491	523	491
Additions		32		32
Disposals	(20)	–	(20)	–
Closing balance	503	523	503	523
Accumulated depreciation, amortisation and impairment				
Opening balance	(235)	(182)	(235)	(182)
Amortisation (a)	(40)	(53)	(40)	(53)
Closing balance	(275)	(235)	(275)	(235)
Net book value at end of financial year	228	288	228	288

Note:

(a) The consumption of intangible produced assets is included in 'amortisation' line item.

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives, are depreciated as an 'expense from transactions' on a straight line basis over their useful lives. Produced intangible assets have useful lives of between 7 and 15 years.

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 4.1.1.

Significant intangible assets

The OPP's most significant intangible asset is software relating to its records management system, (\$0.177M). Other software include upgrades to Operating, Scanning and Performance Management Systems. These costs are subject to annual depreciation.

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the OPP's controlled operations.

5.1 Receivables

	(\$ thousand)	
	2018	2017
Contractual		
Other receivables	389	395
Statutory		
Amounts owing from the Department of Justice and Regulation (i)	17,493	15,252
Total receivables	17,882	15,647
<i>Represented by</i>		
Current receivables	16,744	14,356
Non-current receivables	1,138	1,291

Note:

(i) The amounts recognised from the Department of Justice and Regulation represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due. [Appropriations are amounts owed by the Department as legislated in the Appropriations Act. Due to the existence of a legislative instrument, the appropriation receivable to an entity is statutory in nature, and hence not in the scope of the financial instrument standards.]

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Movement in the provision for doubtful debts

	(\$ thousand)	
	2018	2017
Balance at beginning of the year	–	–
Increase in provision recognised in the net result	(180)	–
Balance at the end of the year	(180)	–

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Ageing analysis of contractual receivables

(\$ thousand)						
	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years
2018						
Receivables: (i)						
Other receivables	389	109	0	130	17	133
Total	389	109	0	130	17	133
2017						
Receivables: (i)						
Other receivables	395	2	2	128	–	263
Total	395	2	2	128	–	263

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Regulation, and GST input tax credit recoverable).

No interest is charged and the average credit period for sales of goods/services and for other receivables is 30 days. There are no material financial assets that are individually determined to be impaired. Currently the OPP does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2 Payables

(\$ thousand)		
	2018	2017
Contractual		
Supplies and services	7,534	5,085
	7,534	5,085
Statutory		
FBT payable	26	31
Total payables	7,560	5,116
<i>Represented by:</i>		
Current payables	7,373	4,744
Non-current payables	187	372

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the first 30 days from the date of the invoice. Generally, no interest is charged on the outstanding balance.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

Maturity analysis of contractual payables (i)

(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years
2018						
Supplies and services	7,534	7,534	7,162	185	–	187
Total	7,534	7,534	7,162	185	–	187
2017						
Supplies and services	5,085	5,085	4,530	183	–	372
Total	5,085	5,085	4,530	183	–	372

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

5.3 Other non-financial assets

(\$ thousand)		
	2018	2017
Current other assets		
Prepayments	430	2136
Total current other assets	430	2,136
Non-current other assets		
Other	–	–
Total non-current other assets	–	–
Total other assets	430	2,136

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6. How we financed our operations

Introduction

This section provides information on the sources of finance utilised by the OPP during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the OPP.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provide additional, specific financial instrument disclosures.

6.1 Borrowings

	(\$ thousand)	
	2018	2017
Current borrowings		
Finance lease liabilities (i)	275	335
Total current borrowings	275	335
Non-current borrowings		
Finance lease liabilities	402	296
Total non-current borrowings	402	296
Total borrowings	677	631

Note:

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

'Borrowings' refer to interest bearing liabilities mainly in connection with finance leases.

6.1.1 Maturity analysis of borrowings

(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years
2018						
Finance lease liabilities	677	706	73	36	183	414
Total	677	706	73	36	183	414
2017						
Finance lease liabilities	631	656	93	27	231	305
Total	631	656	93	27	231	305

6.1.2 Interest expense

(\$ thousand)		
	2018	2017
Interest on finance leases	22	28
Total interest expense	22	28

'Interest expense' includes costs incurred in connection with the interest component of finance leases.

Interest expense is recognised in the period in which it is incurred.

The OPP recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

6.2 Leases

6.2.1 Finance lease liabilities (OPP as lessee)

(\$ thousand)				
	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2018	2017	2018	2017
Finance lease liabilities payable (ii)				
Not longer than one year	292	351	275	335
Longer than one year and not longer than five years	414	305	402	296
Minimum future lease payments	706	656	677	631
Less future finance charges	(29)	(25)	–	–
Present value of minimum lease payments	677	631	677	631
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.1)			275	335
Non-current borrowings lease liabilities (Note 6.1)			402	296
Total		-	677	631

Note:

(i) Minimum future leases payments include the aggregate of all base payments and any guaranteed residual.

(ii) Other finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating and lease commitments are disclosed in Note 6.5.

Finance leases relate to motor vehicles with lease terms of three years. The OPP has the option to purchase the motor vehicles for a nominal amount at the conclusion of the lease agreements.

6.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents, are included as a financial asset on the balance sheet, as indicated in the reconciliation below.

	(\$ thousand)	
	2018	2017
Cash and deposits disclosed in the balance sheet	75	75
Funds held in trust (i)	143	143
Balance as per cash flow statement	218	218

Note:

(i) These funds represent the balance in OPP's trust funds at the end of each reporting period (see Note 6.4).

Due to the State's investment policy and funding arrangements, the OPP does not hold a large cash reserve in its bank accounts. The OPP expenditure, including in the form of cheques drawn for the payments to its suppliers and creditors are made via Department of Justice and Regulation (DJR) public account. The public account remits to DJR the cash required upon presentation of cheques by the OPP's suppliers or creditors.

6.3.1 Reconciliation of net result for the period to cash flow from operating activities

	(\$ thousand)	
	2018	2017
Net results for the period	20	48
Non-cash movements:		
Depreciation and amortisation of non-current assets	1,335	1,265
Loss on asset write off		–
Movements in assets and liabilities:		
(Increase)/decrease in receivables	(2,235)	1,039
(Increase)/decrease in prepayments	1,707	(1,685)
(Decrease)/increase in payables	2,489	104
(Decrease)/increase in provisions	(284)	151
Net cash inflow from/(used in) operating activities	3,032	922

6.4 Trust account balances

(\$ thousand)								
	2018				2017			
Cash and cash equivalents	Opening balance as at 1 July 2017	Total receipts	Total payments	Closing balance as at 30 June 2018	Opening balance as at 1 July 2016	Total receipts	Total payments	Closing balance as at 30 June 2017
Controlled trust								
Treasury trust fund (i)	143	–	–	143	143	–	–	143
Total controlled trust	143	–	–	143	143	–	–	143

Note:

- (i) *Treasury Trust Fund*
Financial Management Act 1994 (No. 18/1994), Part 4
Working account for the OPP

6.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.5.1 Total commitments payable

(\$ thousand)			
Nominal amounts			
2018	Less than 1 year	1–5 years	Total
Capital expenditure commitments payable	153	–	153
Operating and lease commitments payable (i)	4,168	230	4,398
Other commitments payable	86	80	166
Total commitments (inclusive of GST)	4,407	310	4,717
Less GST recoverable from the Australian Taxation Office	(401)	(28)	(429)
Total commitments (exclusive of GST)	4,006	282	4,288
2017			
Capital expenditure commitments payable	1653	–	1653
Operating and lease commitments payable (i)	3,672	92	3764
Other commitments payable	85	175	260
Total commitments (inclusive of GST)	5,410	267	5,677
Less GST recoverable from the Australian Taxation Office	(492)	(24)	(516)
Total commitments (exclusive of GST)	4,918	243	5,161

Note:

- (i) *Operating lease relating to 60 Brougham Street, Geelong expires in Feb 2019. The OPP does not have an option to purchase the leased asset at the expiry of the lease period. The OPP primary tenancy at 565 Lonsdale Street, Melbourne (owned by DTF) is occupied under an ongoing arrangement with DTF.*

6.5.2 Commitments

	(\$ thousand)	
	2018	2017
	Nominal value (incl. GST)	Nominal value (incl. GST)
Capital expenditure commitments		
Leasehold improvements	–	1,653
IT equipment	153	–
Total capital expenditure commitments	153	1,653
Operating and lease commitments		
MFD printing services	385	150
Rental leases	4,013	3,764
Total operating and lease commitments	4,398	3,914
Other commitments		
Computer software maintenance	166	260
Total other commitments	166	260
Total commitments	4,717	5,827

7. Risks, contingencies and valuation judgements

Introduction

The OPP is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the OPP related mainly to fair value determination.

7.1. Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the OPP's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial instruments

Loans and Receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The OPP recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The OPP recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the OPP retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the OPP has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets: At the end of each reporting period, the OPP assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. [AASB 139.58 70 AASB 7.B5(f)] In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Financial instruments: Categorisation

(\$ thousand)				
2018	Notes	Contractual financial assets – loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
Contractual financial assets				
Cash and deposits	6.3	218	–	218
Receivables (a)				
Other receivables		389	–	389
Total contractual financial assets		607	–	607
Contractual financial liabilities				
Payables (a)				
Supplies and services		–	7,534	7,534
Finance lease liabilities		–	677	677
Total contractual financial liabilities		–	8,211	8,211
2017				
Contractual financial assets				
Cash and deposits		218	–	218
Receivables (a)				
Other receivables		395	–	395
Total contractual financial assets		613	–	613
Contractual financial liabilities				
Payables (a)				
Supplies and services		–	5,085	5,085
Finance lease liabilities		–	631	631
Total contractual financial liabilities		–	5,716	5,716

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice and Regulation and taxes payable).

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The OPP's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the OPP. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the OPP's contractual financial assets is minimal because the main debtor is the Victorian Government.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the OPP will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the OPP's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the OPP's credit risk profile in 2017–18.

Credit quality of contractual financial assets that are neither past due nor impaired

	(\$ thousand)
2018	Financial institutions A–1+ credit rating
Cash and deposits	213
Total contractual financial assets	213
2017	
Cash and deposits	213
Total contractual financial assets	213

Note:

(a) The total amount disclosed here exclude cash floats which are not subjected to credit risk.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The OPP operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The OPP is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. The OPP's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed in the following table discloses the contractual maturity analysis for the OPP's contractual financial liabilities.

Financial instruments: Market risk

The OPP's exposures to market risk are primarily through interest rate risk.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The OPP does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The OPP has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

The OPP manages this risk by mainly undertaking interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank, as financial assets that can be left at floating rate without necessarily exposing the OPP to significant bad risk.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the table that follows.

Interest rate risk exposure of financial instruments

(\$ thousand)					
	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2018					
Financial assets					
Cash and deposits	–	218	–	–	218
Receivables:					
Other receivables	–	389	–	–	389
Total financial assets	–	607	–	–	607
Financial liabilities					
Payables:					
Supplies and services	–	7,534	–	–	7,534
Borrowings:					
Finance lease liabilities	3.34%	677	677	–	–
Total financial liabilities		8,211	677	–	7,534
2017					
Financial assets					
Cash and deposits	–	218	–	–	218
Receivables:					
Other receivables	–	395	–	–	395
Total financial assets	–	613	–	–	613
Financial liabilities					
Payables:					
Supplies and services	–	5,085	–	–	5,085
Borrowings:					
Finance lease liabilities	4.03%	631	631	–	–
Total financial liabilities		5,716	631	–	5,085

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Quantifiable contingent assets (arising from outside of government)

There are no quantifiable contingent assets for 2018 and 2017.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Quantifiable contingent liabilities

There are no quantifiable contingent liabilities for 2018 and 2017.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the OPP.

This section sets out information on how the OPP determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result;
- land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The OPP determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The OPP determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer General Victoria (VGV) is the OPP's independent valuation agency. The OPP monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The OPP currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2017–18 reporting period.

These financial instruments include:

Financial assets

- Cash and deposits
- Other receivables

Financial liabilities

Payables:

- For supplies and services
- Amounts payable to government and agencies

7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy for assets as at 30 June 2018

The fair value of all property plant and equipment (PPE) is categorised as level 3 for 2018. The same categorisation applied for 2017.

Specialised land and specialised building

The market approach is also used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As the adjustments are considered as significant unobservable inputs, specialised land is classified as Level 3 assets.

For OPP's specialised building, the depreciated replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the OPP's specialised land and specialised building was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for restrictions and limitations of use. The effective date of the valuation was 30 June 2016.

Leasehold improvements

Leasehold improvements are valued using the depreciated replacement cost method. This cost represents the replacement cost of leasehold improvement after applying depreciation rates based on the shorter of the lease term and useful life of the leasehold improvements.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2018.

For all assets measured at fair value, the current use is considered the highest and best use.

Vehicles

Vehicles are valued using the depreciated replacement cost method. The OPP acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the OPP who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Description of significant unobservable inputs to Level 3 valuations for 2018 and 2017

2018 and 2017	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised building	Depreciated replacement cost	Direct cost per square metre Useful life of specialised building
Leasehold improvements	Depreciated replacement cost	Direct cost per square metre Useful life of leasehold improvements
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles

8. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- Impairment of intangible assets

	(\$ thousand)	
	2018	2017
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of annual leave and long service liability (i)	(138)	258
Total other gains/(losses) from other economic flows	(138)	258

Notes:

(i) Revaluation gain/(loss) due to changes in bond rates.

8.2 Non-financial assets held for sale

Non-financial physical assets (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

	(\$ thousand)	
	2018	2017
Non-current assets:		
Motor vehicles held for sale	41	10
Total non-financial assets held for sale	41	10

8.3 Reserves

	(\$ thousand)	
	2018	2017
Physical asset revaluation surplus: (i)		
Balance at beginning of financial year	1,542	1,395
Revaluation increments/(decrements)	–	147
Balance at end of financial year	1,542	1,542

Note:

(i) The physical asset revaluation surplus arises on the revaluation of land and building.

8.4 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and the Accountable Officers in the OPP are as follows:

Attorney-General	The Hon. Martin Pakula, MP	1 July 2017 to 30 June 2018
Acting Attorney-General	The Hon. Lisa Neville, MP	23 September 2017 to 8 October 2017
	The Hon. Lisa Neville, MP	22 December 2017 to 7 January 2018
	The Hon. Lisa Neville, MP	23 January 2018 to 31 January 2018
	The Hon. Gayle Tierney, MP	13 May 2018 to 19 May 2018
	The Hon. Gayle Tierney, MP	22 June 2018 to 25 June 2018
	The Hon. Marlene Kairouz, MP	26 June 2018 to 30 June 2018
Solicitor for Public Prosecutions	John Cain	1 June 2017 to 30 June 2018

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the OPP during the reporting period was in the range:

\$390,000 – \$400,000 (\$380,000 – \$390,000 in 2016–17)

8.5 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

	(\$ thousand)	
	Total remuneration	
Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.6)	2018	2017
Short-term employee benefits	610	629
Post-employment benefits	53	51
Other long-term benefits	16	16
Termination benefits	–	–
Total remuneration (a)	680	696
Total number of executives	3	3
Total annualised employee equivalents (b)	3	3

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.6).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.6 Related parties

The OPP is a wholly owned and controlled entity of the State of Victoria.

Related parties of the OPP include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The OPP received funding of \$58.544 million (2017: \$65.98 million) by a grant from the Department of Justice and Regulation.

Key management personnel of the OPP includes the Attorney General, the Hon Martin Pakula and members of the OPP Executive, which includes:

- Solicitor for Public Prosecutions, John Cain
- Legal Practice Manager, Vicky Prapas
- Legal Practice Manager, Michael Hoyle
- General Manager Corporate Services, Sam Jones

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements

Outside of normal citizen type transactions with the OPP, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

	(\$ thousand)	
Compensation of KMPs	2018	2017
Short-term employee benefits	910	984
Post-employment benefits	68	71
Other long-term benefits	25	26
Total (a)	1,003	1,081

Notes:

(a) KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.5).

8.7 Remuneration of auditor

	(\$ thousand)	
	2018	2017
Victorian Auditor-General's Office		
Audit of the financial statements	24	24
	24	24

8.8 Subsequent events

No events have occurred subsequent to the date of the financial report that would require adjustment to or disclosure in the financial report (2017: nil).

8.9 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated:

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises the OPP of their applicability and early adoption where applicable. As at 30 June 2018, the AAS listed below has been issued by the AASB but not effective. It becomes effective for the first financial statement for reporting periods commencing after the stated operative dates as follows:

<i>Standard/ Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on the OPP financial statements</i>
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.	1-Jan-2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1-Jan-2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1-Jan-2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 <ul style="list-style-type: none"> ■ Statutory receivables are recognised and measured similarly to financial assets AASB 15 <ul style="list-style-type: none"> ■ The “customer” does not need to be the recipient of goods and/or services; ■ The “contract” could include an arrangement entered into under the direction of another party; ■ Contracts are enforceable if they are enforceable by legal or “equivalent means”; ■ Contracts do not have to have commercial substance, only economic substance; and ■ Performance obligations need to be “sufficiently specific” to be able to apply AASB 15 to these transactions.

<i>Standard/ Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on the OPP financial statements</i>
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1-Jan-2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.</p> <p>Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>No change for lessors.</p>
AASB 1058 Income of Not-for-Profit Entities	<p>AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,</p> <p>AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	1-Jan-2019	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets.</p> <p>The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.</p> <p>The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>

The following accounting pronouncements are also issued but not effective for the 2017–18 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle

8.10 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an other economic flow.

Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest bearing advances from government that are acquired for policy purposes.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefit expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

A contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Financial statements

Financial statements in the Model Report comprises:

- (a) balance sheet as at the end of the period;
- (b) comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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

Intangible produced assets

Refer to produced assets in this glossary.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; and
- fair value changes of financial instruments.

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows – other comprehensive income include changes in physical asset revaluation surplus.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start up costs associated with capital projects).

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Statutory appointment

The appointment of officers made by the Governor-in-Council. These include the Director of Public Prosecutions, Chief Crown Prosecutor and Crown Prosecutors.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the OPP.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

8.11 Style conventions

Figures in the table and in the text have been rounded. Discrepancies in the tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

–	zero, or rounded to zero
(xxx.x)	negative numbers
200x	year period
200x–0x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2017–18 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the OPP's annual reports.

Appendixes Contents

Appendix 1	Output and performance measures	70
Appendix 2	Legal functions of the DPP report	71
Appendix 3	Crown appeals under s. 287 of the <i>Criminal Procedure Act 2009</i>	74
Appendix 4	OPP activity data	75
Appendix 5	Crown Prosecutor activity data	77
Appendix 6	Freedom of information report	78
Appendix 7	Protected Disclosures report	81
Appendix 8	The OPP workforce	82
Appendix 9	Occupational health and safety report	84
Appendix 10	Environmental report	86
Appendix 11	Supplementary information	90
Appendix 12	Statement of availability of other information	91
Appendix 13	Attestation	92
Appendix 14	Disclosure index	93

Appendix 1

Output and performance measures

	2017/18		2016/17		2015/16		2014/15	
Budget Paper 3 Measures	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>
Judicial Officer sitting days requiring prosecutors	10,500 – 12,500	12,227	9,500 – 10,500	11,916	9,500 – 10,500	11,464	9,500 – 10,500	9,542
Number of briefs prepared and hearings attended	69,500 – 75,500	79,501	68,500 – 73,500	76,075	68,500 – 73,500	72,610	68,500 – 73,500	70,100
Number of victim and witness consultations	11,000 – 13,000	14,002	9,500 – 10,500	10,717	9,000 – 10,000	10,620	9,750 – 10,750	10,482
Guilty outcomes (guilty pleas and trial convictions) as a percentage of case completions	87.0	91.8	86.0	90.1	86.0	89.6	85.0	89.0
Proportion of trials listed which did not proceed to adjournment on application of the Crown %	99.0	99.0	99.0	98.7	99.0	98.6	99.0	98.9

Note on measures:

- These measures are reported by the Office of Public Prosecutions to the Department of Justice and Regulation as part of the Budget Paper 3 Output and Performance Measures reporting process.

Appendix 2

Legal functions of the DPP report

Conviction and Sentence Appeals

Appeals against conviction or sentence by the person convicted or on whom the sentence was imposed have a preliminary stage: an application for leave to appeal pursuant to s. 315 of the *Criminal Procedure Act 2009*.

These applications are heard by a single judge of the Court of Appeal; the DPP represents the Crown in such applications. Conviction and sentence leave applications may proceed with or without an oral hearing, by choice of the applicant. Where an application is refused by a single judge, the applicant may nevertheless elect to have the matter further heard by the court, whether or not an oral hearing was held.

Sentence Leave Applications 2017/18:

- 135 Sentence leave applications
- 59 were granted
- 69 were refused
- Five were abandoned
- Two are pending judgment.

Conviction Leave Applications 2017/18:

- 51 Conviction leave applications
- 21 were granted
- 26 were refused
- One was abandoned
- Three are pending judgment.

Supreme Court Judicial Reviews and Appeals

Certain types of appeals or reviews of criminal proceedings are conducted in the civil jurisdiction of the Supreme Court in the Judicial Reviews and Appeals List. This includes:

- appeals to the Supreme Court on a question of law under s. 272 of the *Criminal Procedure Act 2009*, where the DPP is required to act on behalf of the police in any appeal to the Supreme Court on a question of law
- the Judicial Review procedure provided by Order 56 of the *Supreme Court (General Civil Procedure) Rules 2015* provides a means of seeking correction of error in the nature of *certiorari*, *mandamus* or prohibition. The DPP uses the Order 56 procedure to review decisions in the Magistrates' Court and the County Court, where the decision infringes jurisdiction and is not amenable to other forms of appeal. This esoteric procedure is used to review the orders or actions of a judicial officer usually on the basis of error as to jurisdiction, failure to exercise jurisdiction or denial of procedural fairness. The Order 56 procedure is also used by unsuccessful appellants to review a County Court Appeal pursuant to s. 254 of the *Criminal Procedure Act 2009*, as this is the only avenue available for further appeal in respect of such proceedings
- s. 104 *Sentencing Act 1991* applications, where in a situation where a sentence passed is invalid due to jurisdictional error, an application is made to the Supreme Court for relief or remedy in the nature of *certiorari* to remove the proceeding into the Supreme Court where the sentence may be substituted with a sentence which the sentencing court had the power to impose.

In 2017/18 in relation to these appeals and reviews the DPP:

- received eight requests from the police for an appeal on a question of law pursuant to s. 272(2) of the *Criminal Procedure Act 2009* (six requests were accepted and two were refused)
- acted for Respondent Police Informants in 13 Appeals on a question of law and 13 Order 56 Judicial Reviews of Magistrates' Court decisions brought by or on behalf of Accused persons
- received two County Court Appeal decisions for consideration for review pursuant to Order 56 of the *Supreme Court (General Civil Procedure) Rules 2015*
- acted for Victoria Police in eight Order 56 Judicial Reviews of County Court Appeals which were commenced by convicted persons.

The outcomes of these appeal and review processes are subject to appeal. In 2017/18:

- seven applications for leave to appeal to the Court of Appeal against the outcomes of Order 56 Judicial Reviews were filed (three applications for leave to appeal were refused and the other four matters are listed for hearing)
- three High Court Applications were filed in respect of Court of Appeal proceedings arising out of appeals on a question of law or Order 56 Judicial Reviews. One of these applications was refused and the other two were to be abandoned.

Discontinuance of prosecutions

Discontinuance of prosecutions were entered in 136 cases. Some of those cases involved more than one accused and more than one count/charge on the presentment/indictment.

Indemnities from prosecution, undertakings or letters of comfort

No indemnities were provided by the DPP.

Two letters of comfort were provided by the DPP.

Undertakings were provided by the DPP to seven witnesses in relation to five accused persons.

Consents to prosecute

The DPP, or their delegates, granted:

- seven consents to file an indictment, involving one or more accused, under s. 321 of the *Crimes Act* 1958 (conspiracy)
- 17 consents to prosecute under s. 50 or 69 of the *Crimes Act* (gross indecency)
- 10 consents to prosecute under s. 47A of the *Crimes Act* (maintaining a sexual relationship/persistently sexually abusing a child under 16)
- 84 consents to prosecute under subclause 4A(12) of schedule 1 to the *Criminal Procedure Act* 2009 (course of conduct charges)
- one consent to prosecute under s. 7(1)(b) of the *Criminal Procedure Act* 2009
- two consents to prosecute under s. 24(4) of the *Racial and Religious Tolerance Act* 2001
- four consents to prosecute under s. 90 of the *Estate Agents Act* 1980
- one consents to prosecute under s. 132 of the *Occupational Health and Safety Act* 2004
- no consents to prosecute under s. 186 of the *Aboriginal Heritage Act* 2006
- no consents to prosecute under the *Judicial Proceedings Act* 1958
- no consents to prosecute under the *Legal Profession Act* 1958
- no consents to prosecute under s. 195A(4) of the *Crimes Act* 1958
- no consents to prosecute under s. 129 of the *Adoption Act* 1984.

Continued detention applications

During the 2017/18 financial year, the DPP:

- commenced one detention order review which remains before the Supreme Court; and
- commenced two detention order applications in respect of two offenders, referred to the DPP by the Secretary to the Department of Justice and Regulation in the 2016/17 financial year.

On 14 March 2018, the DPP filed a review application in respect of JPH's three year detention order which was made on 14 April 2017. The application is listed for hearing in the Supreme Court on 22–24 August 2018. Unless it is revoked at this hearing, the detention order will continue until 14 April 2020.

On 11 August 2017, the DPP filed an application in the Supreme Court for a detention order in respect of DGB. The application was heard and determined on 5 September 2017 by the Honourable Acting Chief Justice Weinberg. DGB consented to a 12 month detention order through his counsel and a detention order was made, the Court having been satisfied that DGB posed an unacceptable risk of committing a relevant offence if a detention order was not made and DGB was in the community. The detention order commenced operation on 10 September 2017, upon DGB's sentence expiry, and will remain in operation for a period of one year.

On 27 July 2017, the DPP filed an application in the Supreme Court for a detention order and an interim detention order in respect of JDD. As JDD was serving a custodial sentence, which was due to expire on 19 August 2017, the interim detention order application proceeded before the Honourable Justice Coghlan on 17 August 2017. The Court was satisfied that the making of an interim detention order was justified and was in the public interest and an interim detention order was made for a period not exceeding four months. The hearing for the substantive detention order application then proceeded on 15, 16 and 21 November 2017 before the Honourable Justice Riordan. The Court was satisfied that JDD posed an unacceptable risk of committing a relevant offence if a detention order was not made and JDD was in the community, and a detention order was subsequently made on 15 December 2017, commencing operation on that day for a duration of one year.

As noted in the 2016/17 annual report, CGM had been subject to a detention order since 16 October 2014. That order expired on 15 October 2017 after the DPP determined not to apply for a renewal of the detention order due to significant treatment and behavioural gains over the previous 12 months and a decreased risk assessment. The matter was referred back to the Secretary to the Department of Justice and Regulation for his consideration as to the making of an application for a supervision order.

As at the time of writing JPH, JDD and DGB are the only unconvicted prisoners subject to a detention order in the state of Victoria.

The DPP continues to assume the responsibility for breach of supervision order proceedings initiated by Victoria Police under s. 172(3) of the *Serious Sex Offenders (Detention and Supervision) Act 2009*. During the 2017/18 financial year, 19 breach of supervision order proceedings were finalised by the DPP in the County Court.¹

Direct presentments/indictments

The DPP directly indicted an accused person on 19 occasions on one or more counts.

Conflicts of Interest

No matters were referred to the Attorney-General pursuant to s. 29(1) of the *Public Prosecutions Act 1994* as the result of a possible conflict of interest.

¹ Note: in previous annual reports we have reported on the number of breach proceedings that were worked on throughout the year. To reduce double-counting a breach proceeding that carried over into consecutive financial years, this year we have reported only those matters that have finalised between 1 July 2017 and 30 June 2018 and therefore, the numbers reported this year are lower than previous years.

Appendix 3

Crown appeals under s. 287 of the *Criminal Procedure Act 2009*

In 2017/18, 22 Director's Appeals against Sentence to the Court of Appeal under s. 287 of the *Criminal Procedure Act 2009* were completed. Of those 22 appeals that were completed, 15 were allowed, three were dismissed, and four were abandoned by the DPP.

No	Name	Status of Appeal	Date of Completion
1	HANSON, Lakyn	Abandoned	18/08/2017
2	COURTNEY, Robert Edward	Allowed	01/09/2017
3	LADE, Jackson*	Allowed	21/09/2017
4	SEMAAN, Alexander John	Allowed	21/09/2017
5	SWINGLER, Ryan Alan	Allowed	24/10/2017
6	WOODFORD, Harley David	Dismissed	31/10/2017
7	DAVIS, Christopher Ian	Allowed	23/11/2017
8	BARRY, Guy Anthony	Allowed	24/11/2017
9	DALGLIESH, Charlie*	Allowed	07/12/2017
10	MCINNES, Jacob Kerr Thomas	Dismissed	13/12/2017
11	BASIC, Dennis	Allowed	15/12/2017
12	MEHARRY, Fabian Roy	Allowed	21/12/2017
13	COOPER, Jonothan	Allowed	12/02/2018
14	ARTHUR, Peter James	Allowed	27/02/2018
15	TEWKSBURY, Charlie*	Allowed	27/02/2018
16	BERGIN, Jacob*	Abandoned	05/03/2018
17	L'EVEILLE, Louis	Allowed	19/03/2018
18	DOOLAN, Jacob*	Abandoned	18/04/2018
19	ROTH, Agnes*	Abandoned	18/04/2018
20	WEYBURY, Ebonie	Allowed	14/05/2018
21	HUTCHINSON, Dylan*	Dismissed	12/06/2018
22	OSBORNE, Clinton James	Allowed	21/06/2018

*Denotes name is anonymised

Appendix 4

OPP activity data

Briefs prepared and hearings attended

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Briefs prepared and hearings attended	69,465	70,837	70,783	70,238	70,254	70,100	72,610	76,075	79,501

Judge sitting days serviced by OPP staff

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Supreme Court	1,000	1,133	983	817	937	879	1,021	929	976
County Court	5,966	6,142	6,085	6,126	5,700	5,927	5,683	5,908	5,867
Circuit County and Supreme Courts	1,657	1,850	1,669	1,672	1,866	1,580	1,521	1,434	1,405
Total	8,623	9,125	8,737	8,615	8,503	8,386	8,225	8,271	8,248

Magistrates' Court sitting days serviced by OPP staff

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Magistrates' Court	1,037	1,056	949	1,199	918	1,156	3,239	3,645	3,979

Case outcomes as a percentage of total case completions

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Guilty pleas pre-trial	60	64	61.7	63	66.8	63	65.7	68.7	68.7
Guilty pleas listed as trial	11.4	11.8	12.1	12	9.8	12	11.2	10.2	11.7
Total guilty pleas	71.8	75.3	73.8	74.8	76.6	75.2	77.0	78.9	80.4
Trial convictions	13.5	13	14.6	12.8	11.9	13.8	12.6	11.2	11.4
Trial acquittals	12.3	10.1	8.6	9.3	8.9	9.4	8.9	9.0	7.5
Total trials	25.9	23.1	23.2	22.2	20.8	23.2	21.5	20.2	18.9
Other case completions	2.3	1.6	3	3	2.6	1.6	1.5	0.9	0.7
Total guilty (pleas and convictions)	85.3	88.3	88.4	87.6	88.5	89	89.6	90.1	91.8

Trial Conviction Rate

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Convictions as a percentage of all trial verdicts	52.3	56.3	62.9	57.9	57.2	59.6	58.6	55.6	60.5

Trials completed

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Melbourne County Court	278	286	299	323	282	278	264	249	229
Melbourne Supreme Court	30	29	32	24	28	26	40	22	20
Circuit County and Supreme Courts	91	96	81	102	123	109	100	78	102
Total	399	411	423	449	433	413	404	349	351

*The total excludes trials that resolved as guilty pleas. If these are included the total for 2017/18 is 531, the total for 2016/17 is 492 and the total for 2015/16 is 565. The total also excludes discontinuances.

Plea hearings conducted

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Summary Pleas	–	–	–	497	584	448	465	475	523
Melbourne County Court	1,202	1,298	1,492	1,444	1,512	1,503	1,511	1,526	1,537
Melbourne Supreme Court	58	80	59	77	71	65	72	81	52
Circuit County and Supreme Courts	186	373	415	423	406	426	457	447	505
Total	1,446	1,751	1,966	2,441	2,573	2,442	2,505	2,529	2,617

* Note that the total prior to 2012/13 does not include Summary Pleas.

Victim and witness referrals

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of referrals	958	929	1,016	999	921	985	1,090	1,268	1,512

County Court appeals completed

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of appeals	2,014	2,188	2,287	2,197	2,337	2,664	2,666	2,531	2,566

Appeals to Court of Appeal, Supreme Court and High Court completed

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Court of Appeal / Supreme Court	272	457	424	178	161	177	166	192	231
High Court	7	10	12	6	3	13	13	12	13
Total	279	467	436	184	164	190	179	204	244

Appendix 5

Crown Prosecutor activity data

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of Crown Prosecutors (FTE)*	25.7	28.1	25.4	21.8	20.4	20.3	19.5	19.3	18.7
Days in court total	2,709	2,873	2,290	1,933	1,912	2,047	1,832	1,589	1,746
Days in court per Crown Prosecutor	105	102	90	89	94	101	94	83	93
Court appearance %	50.0%	47.6%	45.5%	43.5%	46.0%	46.8%	45.7%	41.0%	46.3%
Presentments/indictments total	2,879	2,916	2,855	2,844	2,687	2,750	2,801	2,788	1,965
Presentments / indictments per Crown Prosecutor	112	104	112	130	132	136	143	145	105
Total plea offer advisings	2,077	2,257	2,095	2,215	2,052	2,226	2,239	2,477	1,655
Plea offer advisings per Crown Prosecutor	81	80	83	101	101	110	115	129	88
Total discontinuance of charges advisings	492	495	640	698	684	640	611	571	312
Discontinuance of charges advisings per Crown Prosecutor	19	18	25	32	34	32	31	30	17
General advice total	3,876	4,694	4,213	3,749	3,200	2,880	3,427	3,659	3,607
General advice per Crown Prosecutor	151	167	166	172	157	142	175	190	193
All advice total	6,445	7,446	6,948	6,662	5,936	5,746	6,277	6,707	5,574
All advice per Crown Prosecutor	251	265	274	305	292	284	321	348	298

* Note that for this data set, Crown Prosecutor FTE (full-time equivalent) is calculated across the financial year.

Appendix 6

Freedom of information report

Compliance with the *Freedom of Information Act 1982*

The OPP is subject to the *Freedom of Information Act 1982* (the Act).

Particulars of the functions and organisation of the OPP are set out elsewhere in this Annual Report. The OPP's website (www.opp.vic.gov.au) provides additional information including the OPP's statement pursuant to Part II of the Act.

Further information can be obtained about the Act, and the various regulations made under that Act by visiting www.foi.vic.gov.au

Exemption of the Director of Public Prosecutions

The *Freedom of Information Regulations 2009* exempt the DPP from the application of the Act. The Regulations Review Subcommittee approved the exemption on 7 October 2009. These regulations will sunset on 7 April 2019.

Freedom of Information requests during 2017/18

The OPP received 53 requests under the Act from 1 July 2017 to 30 June 2018. 49 requests were finalised in this period with the remaining four requests to be finalised within the next reporting period. An outline of the results of these requests is as follows (note that some requests may fall into more than one category):

Requests transferred to other departments	2
Requests transferred to other agencies	5
Requests relating to documents that do not exist or cannot be located	7
Access granted in full	1
Access granted in part	16
Access denied in full	3
Requests outstanding from 2016/17	6
Requests received but not finalised in 2017/18	4
Requests withdrawn/not proceeded with/Act does not apply to	4
Requests not processed	10
FOIC/OVIC reviews (however FOIC/OVIC did not make a decision)	2

Categories of documents held by the OPP

The types of documents the OPP handles include case files, policies and procedures, administrative records and audio-visual material. Documents are organised under the following categories according to the OPP's business classification scheme:

- Audio-Visual Management
- Communications Management
- Contract Establishment
- Facilities Management
- Fleet Management
- Government Relations
- Human Resources Management
- Information Management
- Systems Management
- Learning and Development Management
- Legal Matter Management

- Legal Services Management
- Occupational Health and Safety Management
- Stationery and Supplies Management
- Strategic Management

Access to documents

The *Freedom of Information Act* 1982 aims to make the maximum amount of information available to Victorians, promptly and inexpensively. To facilitate this aim, requests for access to documents held by the OPP should specify the matter to which their request relates and identify the documents or types of documents requested, to enable the OPP to identify the document/s that fall within the terms of the request.

Requests for access to documents held by the OPP must be submitted in writing to the OPP's Freedom of Information Officer. The request should include a contact telephone number and/or email address to enable the Freedom of Information Officer to contact the applicant to clarify or discuss matters relating to the request.

Upon receipt of a valid request, the OPP will process the request and may refuse to disclose all or part of a document if it contains information that is exempt under the Act. The Act outlines general categories of information that are exempt, including internal working documents, law enforcement documents, privileged documents, documents containing information relating to the personal affairs of a person and documents containing information communicated in confidence.

Where the OPP decides to deny access to all or part of a document, it will inform the applicant of the decision and give reasons in support of the decision in writing. If the applicant wishes to challenge a decision of the OPP, they may apply to the Victorian Information Commissioner for a review of the decision. If the applicant is dissatisfied with the outcome of that review, they may lodge an application for review to the Victorian Civil and Administrative Tribunal (VCAT).

An applicant may also make a complaint to the Victorian Information Commissioner about the way the request has been handled or if they are informed that the documents requested do not exist or cannot be located.

In 2017/18, two matters were referred to the Victorian Information Commissioner, neither of which was subject to any review determination by the Victorian Information Commissioner.

Charges under the Act

The Act specifies that access to information be provided at the lowest reasonable cost. Current charges are:

- application fee – a request must be accompanied by payment of \$28.40 (effective 1 July 2017 to 30 June 2018) and thereafter \$28.90
- search fee – \$21.30 per hour or part thereof (effective 1 July 2017 to 30 June 2018) and thereafter \$21.70
- supervision fee – \$21.30 per hour to be calculated per quarter hour or part of a quarter hour, where a document is inspected by an applicant at the OPP (effective 1 July 2017 to 30 June 2018) and thereafter \$21.70
- photocopy fee – \$0.20 per A4 page
- deposits – a deposit of \$25 may be requested before the OPP will grant access if the calculated charge does not exceed \$100. If the calculated charge exceeds \$100, a deposit of 50 per cent of the calculated charge may be requested.

The application fee may be waived on financial hardship grounds.

Access charges may also be waived in certain circumstances, for example, where the applicant is impecunious, intends to use the document sought for general public interest or benefit or seeks to access documents relating to their personal affairs.

Amendment of personal records

After a document containing information relating to the personal affairs of a person has been released to that person, or in the case of a deceased person, that person's next of kin, the applicant can request the correction of any information held on the file where it is considered that this information is inaccurate, incomplete, out of date or gives a misleading impression. In the 2017/18 period no requests to amend a personal record were received by the OPP.

Requests for amendments must be made in writing and must specify:

- an address for service of notices
- particulars of why the applicant believes the information to be incomplete, incorrect, out-of-date or misleading
- the amendments that the applicant wishes to be made.

If the OPP agrees to the request, the record may be either altered or amended by an appropriate notation. If the OPP refuses to make the amendment, it must notify the applicant in writing of the decision and of:

- the findings on any material questions of fact, the material on which those findings were based and the reasons for the decision
- the name and designation of the person making the decision
- the applicant's right to a review of the decision by the Victorian Information Commissioner.

If, on further review to VCAT, the OPP's decision is affirmed, the applicant may, by written notice, insist that a notation be made to the record specifying why the applicant claims the information it contains is incomplete or otherwise inaccurate. The notation then becomes part of the document and may be disclosed according to the Act.

Nominated officer/contact officer

Requests for access to documents in the possession of the Office of Public Prosecutions under the *Freedom of Information Act 1982* may be directed to:

Freedom of Information Officer
Office of Public Prosecutions
565 Lonsdale Street
MELBOURNE VIC 3000

Or via email to: foi@opp.vic.gov.au

Or via an online request and payment/request for fee waiver at: www.foi.vic.gov.au

Appendix 7

Protected Disclosures report

The OPP is committed to the aims and objectives of the *Protected Disclosures Act 2012* (the Act). It does not tolerate improper conduct by its employees and officers or the taking of reprisals against those who come forward to disclose such conduct.

The OPP recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

The OPP will take all necessary steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Reporting procedures

Disclosures of improper conduct or detrimental action by the OPP or its employees and officers, the Solicitor for Public Prosecutions or a Crown Prosecutor may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC). Disclosures of improper conduct or detrimental action by the DPP or the Chief Crown Prosecutor must be made directly to the IBAC.

IBAC
Level 1, North Tower, 459 Collins Street
MELBOURNE VIC 3000
Tel: (03) 1300 735 135
Website: www.ibac.vic.gov.au

Further information

Further information about protected disclosure reporting procedures are available on the OPP's website: www.opp.vic.gov.au

Appendix 8

The OPP workforce

OPP staff are employed by the Solicitor for Public Prosecutions, who has the functions of a public service body Head under the *Public Administration Act 2004* (the Act).

The OPP workforce numbers have remained relatively stable during the 2017/18 financial year, with a small increase in staff from 2016/17. At 30 June 2018 we had a total of 360 employees, 70 per cent are female, 30 per cent male.

	Jun-18						
	All Employees		Ongoing Employees			Fixed term / Casual	
	Number HC	FTE	Full Time HC	Part Time HC	FTE	Number HC	FTE
Gender							
Male/Man	108	105.6	85	3	87.4	20	18.2
Female/Woman	252	232.3	145	48	177.3	59	55
Self Described	0	0	0	0	0	0	0
Total	360	337.9	230	51	264.7	79	73.2
Age							
15–24	23	19.9	4	1	4.6	18	15.3
25–34	157	151.8	98	7	102.9	52	48.9
35–44	79	70.2	49	27	67.2	3	3
45–54	53	50	40	9	46	4	4
55–64	43	41	34	7	39	2	2
65+	5	5	5	0	5	0	0
Total	360	337.9	230	51	264.7	79	73.2
Classification							
VPS 1	2	1.8	0	0	0	2	1.8
VPS 2	70	63.6	26	3	28.1	41	35.5
VPS 3	64	63.1	43	4	46.1	17	17
VPS 4	69	67.5	51	5	54.6	13	12.9
VPS 5	66	58.7	45	19	56.7	2	2
VPS 6	84	78.2	64	20	78.2	0	0
STS	1	1	1	0	1	0	0
PS	0	0	0	0	0	0	0
SMA	0	0	0	0	0	0	0
SRA	0	0	0	0	0	0	0
Executives	4	4	4	0	4	0	0
Other	18	18	0	0	0	18	18
Total	378	355.9	234	51	268.7	93	87.2

Employment and conduct principles

The Act describes public sector values (s. 7) and employment principles (s. 8).

The Office is committed to applying the principle of merit when appointing staff. Selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. This commitment is reflected in our values, particularly those of respecting others, acting fairly and acting with integrity. All of our people management systems and procedures have been designed to ensure that these standards are consistently met.

The Code of Conduct for Victorian Public Sector Employees is provided to all new employees and is available on the OPP intranet. Our formal induction program highlights the importance of the Code and the values expected of our staff.

<i>Jun-17</i>							
<i>All Employees</i>		<i>Ongoing Employees</i>			<i>Fixed term / Casual</i>		
	<i>Number HC</i>	<i>FTE</i>	<i>Full Time HC</i>	<i>Part Time HC</i>	<i>FTE</i>	<i>Number HC</i>	<i>FTE</i>
Gender							
Male/Man	110	109.6	93	2	94.6	15	15
Female/Woman	234	215.3	136	50	168.7	47	46.3
Self Described	N/A						
Total	344	324.9	229	52	263.3	62	61.3
Age							
15–24	16	16	5	0	5	11	11
25–34	145	140.6	91	9	96.8	45	43.8
35–44	80	70.8	50	28	68.8	2	2
45–54	54	50.5	41	9	46.7	4	3.8
55–64	42	40	35	6	39	1	1
65+	7	7	7	0	7	0	0
Total	344	324.9	229	52	263.3	63	61.6
Classification							
VPS 1	0	0	0	0	0	0	0
VPS 2	56	55.1	23	1	23.8	32	31.3
VPS 3	58	57.5	42	3	44.5	13	13
VPS 4	66	63.7	49	7	53.8	10	9.9
VPS 5	70	61.3	45	21	57.9	4	3.4
VPS 6	90	83.3	69	20	82.3	1	1
STS	1	1	1	0	1	0	0
PS	0	0	0	0	0	0	0
SMA	0	0	0	0	0	0	0
SRA	0	0	0	0	0	0	0
Executives	3	3	0	0	0	3	3
Other	19	19	0	0	0	19	19
Total	363	343.9	229	52	263.3	82	80.6

Appendix 9

Occupational health and safety report

The OPP OH&S Committee is comprised of staff representatives from designated workgroups, management representatives and an Executive chair. Under the leadership of the new Executive representative, Sam Jones, the committee continued to identify hazards, review incidents, assess risks, implement controls and conduct quarterly site safety inspections.

The highlight from the committee this year is our new inspection process and checklist. The checklist is able to be completed electronically and to date has resulted in quicker resolution of OH&S issues.

The Office introduced a 2017/18 wellbeing calendar with a variety of initiatives, based on feedback obtained through a staff wellbeing survey. Our monthly themes included positive thinking, healthy sleep, active April, Mindful May, mental health, healthy eating and the season of giving. The programs run throughout this year were aimed at improving physical and mental health and wellbeing. Activities included lunchtime pilates classes, soccer, netball, fun runs, team entry in the Premier's Active April challenge, financial awareness sessions, healthy eating demonstrations, mindfulness seminars and clothing and blood drives.

During 2017/18 the Office has continued to focus on our priority areas as outlined in our Health, Safety and Wellbeing Strategy 2016–2018. These areas are:

- Integrating health and safety compliance into everyday business practice;
- Promoting safe, respectful and health workplaces; and
- Supporting staff with injuries and illnesses.

In October 2017, the Office appointed a new Employee Assistance Program (EAP) provider, Converge International Pty Ltd. In addition to the EAP we have continued to offer our staff annual wellbeing checks, undertaken confidentially with a qualified clinical psychologist.

The OPP's performance against OH&S management measures

The number of reported incidents across the Office decreased to 3.55 per 100 FTE.

<i>Measure</i>	KPI	<i>2017/18</i>	<i>2016/17</i>
Incidents	No. of incidents	12	13
	Rate per 100 FTE	3.55	4
	No. of incidents requiring first aid and/or further medical treatment	10	10
Workcover*	No. of standard claims	1	4
	Rate per 100 FTE	0.3	1.23
	No. of lost time claims	0	4
	Rate per 100 FTE	0	1.23
	No. of claims exceeding 13 weeks	1	4
	Rate per 100 FTE	0.3	1.23
Fatalities	Fatality claims	0	0
Claim costs	Average cost per standard claim (includes amount paid and estimate)**	\$65,866	\$203,927
Risk management	Percentage of internal audits/inspections conducted as planned	70.45%	Not reported
	No. of Improvement Notices issued across the OPP by WorkSafe Inspector	0	0
Training	Percentage of new staff that have received OH&S induction training	100%	Not reported
	Percentage of HSR's trained:		
	• Acceptance of role	100%	Not reported
	• Re-training (refresher)	0%***	Not reported

The OPP has changed the way our data is presented to align to the new annual report format.

* Updated claim numbers for 2016/17, sourced from Victorian WorkCover Authority (VWA).

** Data sourced from Victorian WorkCover Authority (VWA)

*** Re-training is scheduled for HSR's in August/September 2018

Appendix 10

Environmental report

Commitment to sustainable practices

The OPP is committed to reducing energy consumption, using environmentally sustainable products and implementing environmentally sustainable strategies. The OPP reduces the environmental impact of its operations by implementing initiatives that have an environmental payback. Actions which have been undertaken by the OPP during the last financial year include:

- working with the Department of Treasury and Finance as part of a joint project management team, the upgraded building plant and equipment in 565 Lonsdale Street has been commissioned which will reduce energy consumption
- undertaking waste audits and implementing a waste management strategy to allow the separation of waste into several streams for more recycling
- donating redundant furniture to charities and sporting organisations to avoid landfill
- employing building contractors who had waste management processes in place to reduce building waste.

Environmental report for 2017/18

Environmental reporting pertaining to energy and waste is based on data from the Melbourne CBD OPP office locations where 97 per cent of office-based staff members are located. Reporting elements relating to paper and transport cover all OPP office locations and staff. This information has been prepared in accordance with the Financial Reporting Directions issued by the Minister for Finance (FRD 24).

ENERGY

Indicator	2017/18				2016/17			
	Electricity	Natural Gas	Green Power	Total	Electricity	Natural Gas	Green Power	Total
Total energy usage segmented by primary source (MJ)	4,490,463	2,310,826	0	6,801,289	4,902,102	2,480,129	0	7,382,231
Greenhouse gas emissions associated with energy use (t CO ₂ -e)	1,871	127	0	1,998	2,023	135	0	2,158
Percentage of electricity purchased as Green Power	0			0	0			0
Units of energy used per FTE (MJ/FTE)	12,649			12,649	15,129			15,129
Units of energy used per unit of office area (MJ/m ²)	576			576	620			620

Notes on energy data:

- Energy data was provided by Jones Lang LaSalle, on behalf of Department of Treasury and Finance.
- Department of Treasury and Finance as landlord does not purchase green power for 565 Lonsdale Street.
- The OPP's average FTE during 2017/18 is used for energy reporting.

WASTE

The waste generated by processes within the OPP is divided into three general classes – landfill, compost and recycling.

<i>Indicator</i>	<i>2017/18</i>				<i>2016/17</i>			
	<i>Landfill</i>	<i>Recycled</i>	<i>Compost</i>	<i>Total</i>	<i>Landfill</i>	<i>Recycled</i>	<i>Compost</i>	<i>Total</i>
Total units of waste disposed of by destination (kg/year)	26,784	32,812	4,416	64,012	14,221	56,240	2,830	73,291
Units of waste disposed of per FTE by destinations (kg/FTE)	75	92	12	179	44	173	9	226
Recycling rate (per cent of total waste)	51			51	77			77
Greenhouse gas emissions associated with waste disposal (t CO ₂ -e)	29			29	16			16

Notes on waste data:

- OPP waste disposal data was provided by Jones Lang LaSalle, on behalf of Department of Treasury and Finance. Jones Lang LaSalle was appointed as the whole of Victorian Government property manager for office accommodation in December 2017, they have estimated some of the waste data.
- The reduction on recycled waste in 2017/18 is attributed to the OPP Paperless Project. A 42 per cent reduction in paper consumption has been achieved across the organisation.
- OPP occupies 95 per cent of 565 Lonsdale Street, the 2017/18 data includes the total waste for the building including tenancy and base building consumption. Previously waste data only included OPP tenancy waste.

Actions taken to reduce waste consumption:

- To minimise waste going to landfill, redundant office equipment and furniture was offered to various charity organisations and auction houses.
- As part of the accommodation refurbishment project undertaken during 2017/18, the OPP and Department of Treasury and Finance employed contractors who actively engaged in a waste separation program resulting in around 80 per cent of building waste being recycled.

PAPER

<i>Indicator</i>	<i>2017/18</i>	<i>2016/17</i>
Total units of copy paper used (reams)	10,336	17,773
Units of copy paper used per FTE (reams/FTE)	29	55
Percentage of 75–100% recycled content copy paper purchased (%)	100	99.9
Percentage of 50–75% recycled content copy paper purchased (%)	0	0
Percentage of 0–50% recycled content copy paper purchased (%)	0	0.1

Notes on paper consumption:

- The paper consumption data was provided by Corporate Office Solutions.

Actions taken to reduce paper consumption:

- The implementation of the OPP Paperless Project has delivered significant reductions to paper usage across the organisation.
- While the range of paper used by the OPP is mandated by the Victorian Government Purchasing Board under the Whole of Victorian Government stationery panel arrangement, for general office usage the OPP has selected a standard white A4 paper with a high recycled content and continues to ensure that where possible all paper purchased is made in Australia to minimise the environmental impact of importation.
- Default printing is double sided.

WATER

<i>Indicator</i>	<i>2017/18</i>	<i>2016/17</i>
Total units of metered water consumed (kilolitres)	4,236	2,487
Units of metered water consumed in offices per FTE (kilolitres/FTE)	11.9	7.6
Units of metered water consumed in offices per unit of office area (kilolitres/m ²)	0.53	0.30

Notes on water consumption data:

- Data was provided by Jones Lang LaSalle on behalf of the Department of Treasury and Finance, owner of 565 Lonsdale Street. The 2016/17 data was apportioned from total building water consumption based on the ratio of the OPP tenancy area to the building's total net lettable area. Consumption figures include a pro rata allocation of water used as part of the running of the base building, for example in cooling towers, cleaning, sprinkler system, showers and toilet use.
- OPP occupies 95 per cent of 565 Lonsdale Street, the 2017/18 data includes the total water consumption for the building including tenancy and base building consumption.

TRANSPORT

The OPP's fleet comprises 28 vehicles, 71 per cent of which are operational vehicles, and the remainder executive fleet. Of the operational vehicles 80 per cent are four cylinder petrol fuelled, and 20 per cent are six cylinder petrol fuelled.

The executive fleet comprised 37.5 per cent six cylinder diesel fuelled, 12.5 per cent six cylinder petrol fuelled, 12.5 per cent hybrid fuelled, 37.5 per cent four cylinder petrol fuelled vehicles.

	2017/18			2016/17		
Operational Vehicles	4 cyl	6 cyl	Total	4 cyl	6 cyl	Total
Total energy consumption by vehicles (MJ)	585,610	410,058	995,668	388,917	610,794	999,711
Total vehicle travel associated with entity operations (km)	197,899	132,096	329,995	113,963	232,330	346,293
Total greenhouse gas emissions from vehicle fleet (t CO ₂ -e)	33	27	60	18.23	46	64.23
Greenhouse gas emissions from vehicle fleet per 1,000km travelled (t CO ₂ -e)	0.16	0.20	0.36	0.16	0.20	0.36

	2017/18	2016/17
Indicator	Total greenhouse gas emissions (t CO₂-e)	Total greenhouse gas emissions (t CO₂-e)
Total travelled by aeroplane	151	112

Indicator	2017/18	2016/17
Percentage of CBD employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking, or car pooling to and from work or working from home	90	87

Notes on transportation data:

- Vehicle fuel data was supplied by the Department of Treasury and Finance's VicFleet unit.
- Over 90 per cent of all air travel relates to the movement of witnesses for trial preparation or giving evidence at court – as such, distance of travel can vary significantly.

Actions taken to reduce vehicle emissions:

- Ongoing program of replacing vehicles with more fuel efficient models.
- As part of the refurbishment program for 565 Lonsdale Street, the OPP and the Department of Treasury and Finance have upgraded the 'end of trip' facilities to encourage more staff to walk, run or cycle to work. The refurbishment project included the installation of additional bike storage and lockers.
- Public transport tickets are purchased for staff travel to and from external meetings and also between the Melbourne and Geelong offices.

Appendix 11

Supplementary information

Audit Committee membership and roles

The Audit Committee consists of the following members:

- H Burjorjee, Chairperson (independent member)
- L Woolmer (independent member)
- S Jones, General Manager Corporate Services

The main responsibilities of the Audit Committee are to:

- review and report independently to the Solicitor for Public Prosecutions and Minister on the annual report and all other financial information published by the OPP;
- assist the Solicitor and the Minister in reviewing the effectiveness of the OPP's internal control environment covering:
 - effectiveness and efficiency of operations;
 - reliability of financial reporting; and
 - compliance with applicable laws and regulations
- determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, including coordination with the external auditors;
- maintain effective communication with the external auditors and review the implementation of actions to resolve issues raised; and
- oversee the effective operation of the risk management framework.

Consultancies

Details of consultancies over \$10,000

In 2017/18, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017/18 in relation to these consultancies is \$33,000 (excluding GST). Details of individual consultancies are outlined below:

<i>Consultant</i>	<i>Purpose</i>	<i>Start date</i>	<i>End date</i>	<i>Total approved project fee (\$ ex GST)</i>	<i>Expenditure 2017/18 (\$ ex GST)</i>	<i>Future expenditure (\$ ex GST)</i>
Monash University	Witness Assistance Service Multidisciplinary Pilot Development and Evaluation Report	1/10/2017	10/05/2018	\$15,000	\$15,000	Nil
Corporate Capability Pty Ltd	Review of Corporate Services	15/01/2018	19/09/2018	\$28,000	\$18,000	\$10,000

Details of consultancies under \$10,000

In 2017/18, there were no consultancies where the total fees payable to the consultants were less than \$10,000.

Information and Communication Technology (ICT) expenditure

For the 2017/18 reporting period, the Office had a total ICT expenditure of \$5,902,665 with the details shown below.

<i>(\$ thousand)</i>			
All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (Non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
Total	Total = Operational expenditure and Capital expenditure		
3,811	2,091	739	1,353

Appendix 12

Statement of availability of other information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details on the information items listed below have been retained by the OPP and are available to the relevant Ministers, Members of Parliament and the public (subject to Freedom of Information requirements, if applicable). However, in adopting best practice disclosure policies and to ensure that the OPP discharges its accountability obligations, where relevant, details about some of the following items have been disclosed within this Report of Operations.

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers of the OPP.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by the OPP about itself, and how these can be obtained.
- Details of changes in prices, fees, charges, rates and levies charged by the OPP.
- Details of any major external reviews carried out on the OPP.
- Details of major research and development activities undertaken by the OPP.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by the OPP to develop community awareness of the office and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- A general statement on industrial relations within the OPP and details of time lost through industrial accidents and disputes.
- A list of major committees sponsored by the OPP, the purposes of each committee and the extent to which the purposes have been achieved.
- Details of all consultancies and contractors including:
 - consultants/contractors engaged;
 - services provided; and
 - expenditure committed to for each engagement.

This information is available from:

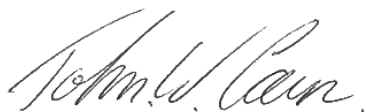
Projects and Performance Unit
Office of Public Prosecutions
565 Lonsdale Street
MELBOURNE VIC 3000
Telephone: (03) 9603 7615
Email: pp.info@opp.vic.gov.au

Appendix 13

Attestation

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I, John Cain, certify that the Office of Public Prosecutions has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, reading "John W. Cain". The signature is written in a cursive style with a large, stylized 'J' and 'C'.

John Cain
Solicitor for Public Prosecutions
Office of Public Prosecutions

Appendix 14

Disclosure index

The annual report of the Office of Public Prosecutions is prepared in accordance with all relevant Victorian legislations and pronouncements.

This index has been prepared to facilitate identification of the Office's compliance with statutory disclosure requirements.

<i>Legislation</i>	<i>Requirement</i>	<i>Page Reference</i>
Ministerial Directions		
Report of operations – FRD Guidance		
<i>Charter and Purpose</i>		
FRD 22H	Manner of establishment and the relevant Ministers	60
FRD 22H	Purpose, functions, powers and duties	3
FRD 8D	Office objectives, indicators and outputs	70
FRD 22H	Initiatives and projects	1, 18–19
FRD 22H	Nature and range of services provided	11–19
<i>Management and structure</i>		
FRD 22H	Organisational structure	10
<i>Financial and other information</i>		
FRD 8D	Performance against output performance measures	70
FRD 8D	Budget portfolio outcomes	22
FRD 10A	Disclosure index	93–94
FRD 15D	Executive officer disclosures	61–62
FRD 22H	Employment and conduct principles	83
FRD 22H	Occupational health and safety policy	84–85
FRD 22H	Summary of the financial results for the year	22
FRD 22H	Significant changes in financial position during the year	29
FRD 22H	Major changes or factors affecting performance	11–19
FRD 22H	Subsequent events	63
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	78–80
FRD 22H	Application and operation of the <i>Protected Disclosure 2012</i>	81
FRD 22H	Details of consultancies over \$10,000	90
FRD 22H	Details of consultancies under \$10,000	90
FRD 22H	Disclosure of ICT expenditure	90
FRD 22H	Statement of availability of other information	91
FRD 24C	Reporting of office-based environmental impacts	86–89
FRD 29B	Workforce Data disclosures	82–83

Legislation	Requirement	Page Reference
SD 5.2	Attestation for compliance with Ministerial Standing Direction 5.2	Inside front cover
<i>Compliance attestation and declaration</i>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	92
SD 5.2.3	Declaration in report of operations	Inside front cover
Financial Statements		
Declarations		
SD 5.2.2	Declaration in financial statements	26
<i>Ministerial Directions & Financial Reporting Directions</i>		
Other requirements under Standing Directions 5.2		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	29–40
SD 5.2.1 (a)	Compliance with Ministerial Directions	26
SD 5.2.1 (b)	Compliance with Model Financial Report	26
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	60–62
FRD 103F	Non-Financial Physical Assets	59
FRD 110A	Cash Flow Statements	31
FRD 112D	Defined Benefit Superannuation Obligations	37
<i>(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure</i>		
Legislation		
<i>Freedom of Information Act 1982</i>		78–80
<i>Protected Disclosure Act 2012</i>		81
<i>Financial Management Act 1994</i>		23–68

FRD is a Financial Reporting Direction issued by the Minister for Finance according to s. 8 of the Financial Management Act 1994 and Regulation 16 of the Financial Management Act 2004. Compliance with FRDs is mandatory.

SD is a Standing Direction under the Financial Management Act 2004. Compliance with SDs is mandatory.

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Office of Public Prosecutions
565 Lonsdale Street, Melbourne VIC 3000
Phone No: (03) 9603 7666 Fax No: (03) 9603 7430
www.opp.vic.gov.au

