



CDPP

Australia's Federal Prosecution Service



CDPP

Australia's Federal Prosecution Service

ANNUAL REPORT 2013/14



CDPP

Australia's Federal Prosecution Service

30 September 2014

Attorney-General
Parliament House
Canberra

Dear Attorney

I have the honour to submit my report on the operations of the Office of the Commonwealth Director of Public Prosecutions for the year ended 30 June 2014, in accordance with section 33(1) of the *Director of Public Prosecutions Act 1983*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bromwich', written in a cursive style.

Robert Bromwich SC
Commonwealth Director of Public Prosecutions

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Compliance statement

This report has been prepared for the purpose of section 33 of the *Director of Public Prosecutions Act 1983*.

Section 33(1) requires that the Director of Public Prosecutions shall, as soon as practicable after 30 June each year, prepare and furnish a report to the Attorney-General with regard to the operations of the Office during the year. Section 33(2) provides that the Attorney-General shall cause a copy of the report to be laid before each House of the Parliament within 15 days of receipt.

This report has been prepared in accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* issued on 29 May 2014 by the Department of the Prime Minister and Cabinet.

The report incorporates several aids to access, including a table of contents, a list of abbreviations and an alphabetical index.

Anyone interested in knowing more about the CDPP should refer to the following documents:

- *Prosecution Policy of the Commonwealth*
- *Strategic Directions for Australia's Federal Prosecution Service*
- Portfolio Budget Statements for the Attorney-General's portfolio.

The CDPP homepage can be accessed at www.cdpp.gov.au and our email address is inquiries@cdpp.gov.au.

For additional inquiries, phone the Communications Manager at CDPP Canberra Office on (02) 6206 5708.

Director's overview



Introduction—30 years of an independent federal prosecution service

This year's annual report follows the 30th anniversary of the establishment of the Office of the Commonwealth Director of Public Prosecutions (CDPP). The CDPP was established second only to the Office of the Victorian Director of Public Prosecutions which began a few years earlier. Independent prosecution services for the Commonwealth and all eight states and territories are recognised as an essential part of the criminal justice system.

Strategic review and reform—a new national model

As foreshadowed in my overview in the 2012–13 annual report, last year we commenced a strategic review of the way we operate. The aim was to provide a more effective, efficient and nationally consistent federal prosecution service, to address better the increasing complexity and expanded coverage of Commonwealth criminal law, and to align better with the way in which most of our partner investigating agencies now operate.

As part of the review, we released a new Strategic Directions statement on 5 March 2014, coinciding with our 30th anniversary, designating us for the first time explicitly as 'Australia's Federal Prosecution Service': see Chapter 1. Importantly, this statement specifically recognises the partnership we have with the investigative agencies who refer matters to us for consideration of prosecution action, of which there are more than 40, including nine police forces. We acknowledge them all as partner agencies, whilst recognising the importance of our independent role in making the final decisions in relation to prosecutions.

On 2 June 2014, we moved to a national practice group model consisting of six nationally organised and run practice groups based on compatible crime types. This transformed us from a regional model with largely autonomous offices in each state and territory. Further details about this new model can be found at Chapter 1 and Figure 3 in Chapter 2.

A Deputy Director now leads each of the six national practice groups. This has already delivered quicker decision making as this structure operates to support appropriate devolution of responsibility to and by practice group leaders. It is also leading to better national sharing of expertise and experience within the CDPP.

For our partner agencies the new model is already providing better access to our expertise in offence analysis, evidentiary issues and criminal litigation and has helped to further develop and improve our liaison relationships. It is also enabling us to make a stronger contribution to law reform with the Attorney-General's Department and relevant investigative agencies.

The new model provides substantial scope to enhance further the partnership between prosecutors and investigators. Important steps have already been taken to increase prosecutor involvement with investigators. As and when resources permit, I anticipate this will grow and develop further, with greater involvement and better engagement by prosecutors, especially earlier in investigations, to provide expert and practical legal advice. This will have a twofold benefit: it will help to maximise the targeting of investigations and thereby minimise wasted investigative effort; and it will build our understanding of a case at an early stage, which assists in quicker prosecution decision-making, fewer problems with the viability of cases and streamlining of the court process. Moreover, by becoming more strategically engaged with investigators over time we will be in a better position to anticipate future workflows and therefore better able to plan and allocate resources within our budget.

We are also undertaking a nationwide review of our staffing levels, workforce profile and organisational structures in all three work areas of legal, administrative support and corporate management. This will modernise the way we operate and help to ensure that resources are appropriately allocated to optimise the support for our core prosecution and related business.

CDPP website—Public engagement

On 17 December 2013 we launched our new website. This was an important step towards improving communication with the legal profession, investigative agencies and the Australian public. Over time, this will enable us to share the collective knowledge and experience of our lawyers more broadly, with case reports, sentence results and more general information about federal offences and prosecutions being made more readily available in aid of deterrence and public education.

The role of the prosecutor in sentencing

In February 2014 the High Court handed down a landmark decision on sentencing in the CDPP case of *Barbaro & Zirilli v The Queen* (2014) 305 ALR 323; [2014] HCA 2, in which the High Court overturned the Victorian Court of Appeal decision of *R v MacNeil-Brown* (2008) 20 VR 677; [2008] VSCA 190 (24 September 2008). *Barbaro* limits the scope for prosecution submissions to express a view as to what the final sentence outcome should be. The decision therefore dictates how prosecutors, Commonwealth, state and territory, must approach the conduct of sentence hearings. The full meaning and final impact of *Barbaro* awaits decisions of intermediate appeal courts.

Acknowledgements

I extend my thanks for the support of the Attorney-General, Senator the Honourable George Brandis QC, and the Minister for Justice, the Honourable Michael Keenan MP. I also express my thanks to each of the heads of our partner agencies. I single out for particular mention the Commissioner of the Australian Federal Police (AFP), Tony Negus APM, for his assistance and the support provided to us by the AFP, including by the Deputy and Assistant Commissioners. I wish Commissioner Negus all the best for the future following the end of his term on 7 September 2014 and look forward to working with the new Commissioner. I also make particular reference to the assistance of the Secretary of the Attorney-General's Department, Roger Wilkins AO, and of officers of his Department. I similarly wish Mr Wilkins all the best in his new role as President of the Financial Action Taskforce, following the end of his term on 31 August 2014, and look forward to working with the new Secretary, Chris Moraitis PSM.

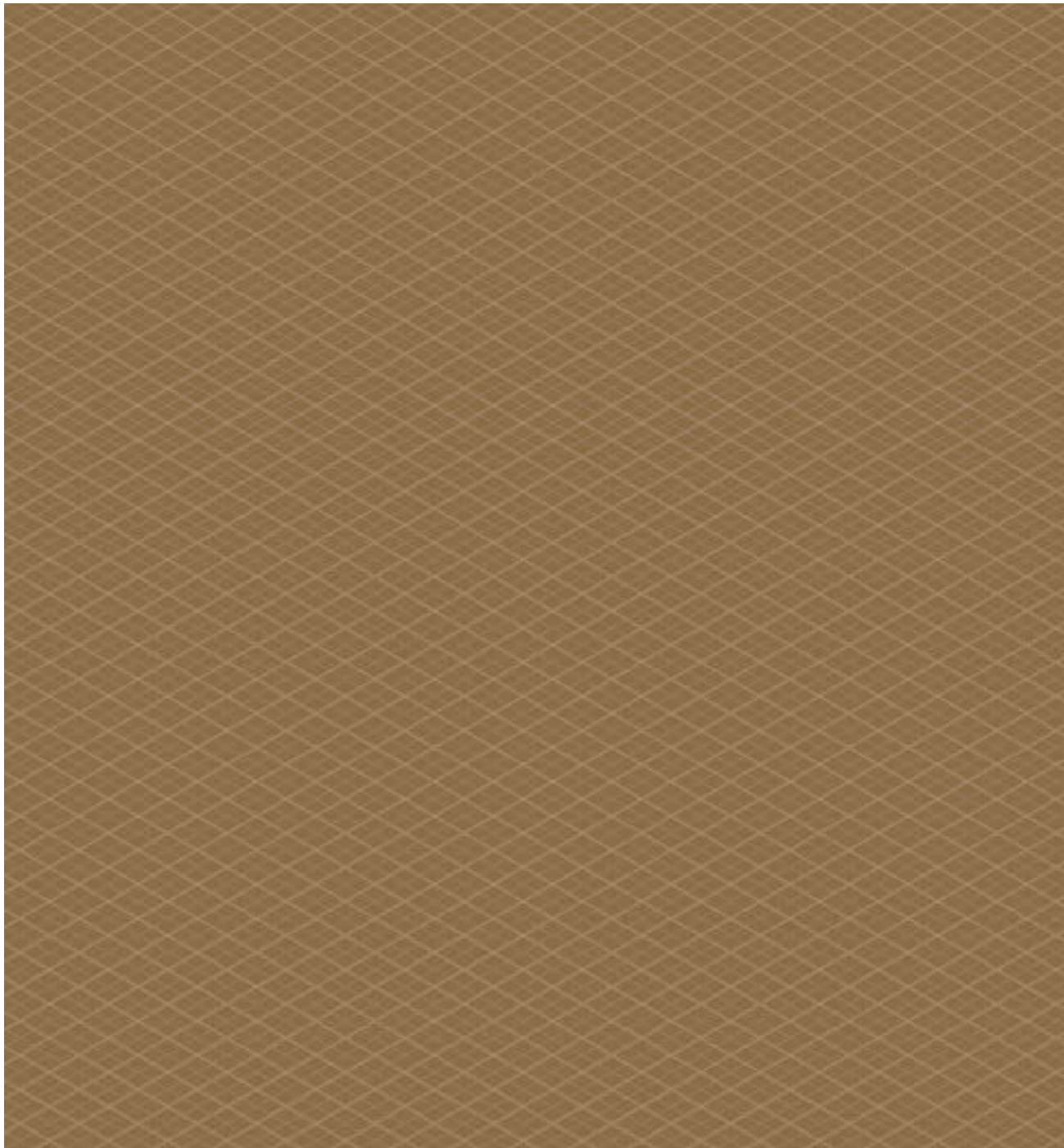
I also thank specifically other key agency heads with whom I have dealt directly in the past year, namely the Chairman of the Australian Securities and Investments Commission, Greg Medcraft, the Chairman of the Australian Competition and Consumer Commission, Rod Sims, the new Chief Executive Officer of the Australian Crime Commission, Chris Dawson and the Commissioner of Taxation, Chris Jordan. My thanks extend to the senior officers of those agencies whom I have had the privilege of working with during the year. I also acknowledge the strong and developing relationships we have with other key agencies such the Department of Human Services in relation to benefits fraud, and the state and territory police forces in relation to burgeoning child sexual exploitation offences via the internet. Our relationships with a wide range of smaller agencies are also being actively addressed with a practice group dedicated to serving their needs.

Most importantly, I record my sincere thanks and appreciation for the efforts of our staff, often well beyond the call of duty. We are currently undergoing what is the most substantial transformation in our 30-year history. It is the dedication of our staff and their support for these changes that is putting us in a stronger position to face the future with confidence.

I am pleased to present the CDPP Annual Report 2013–14.

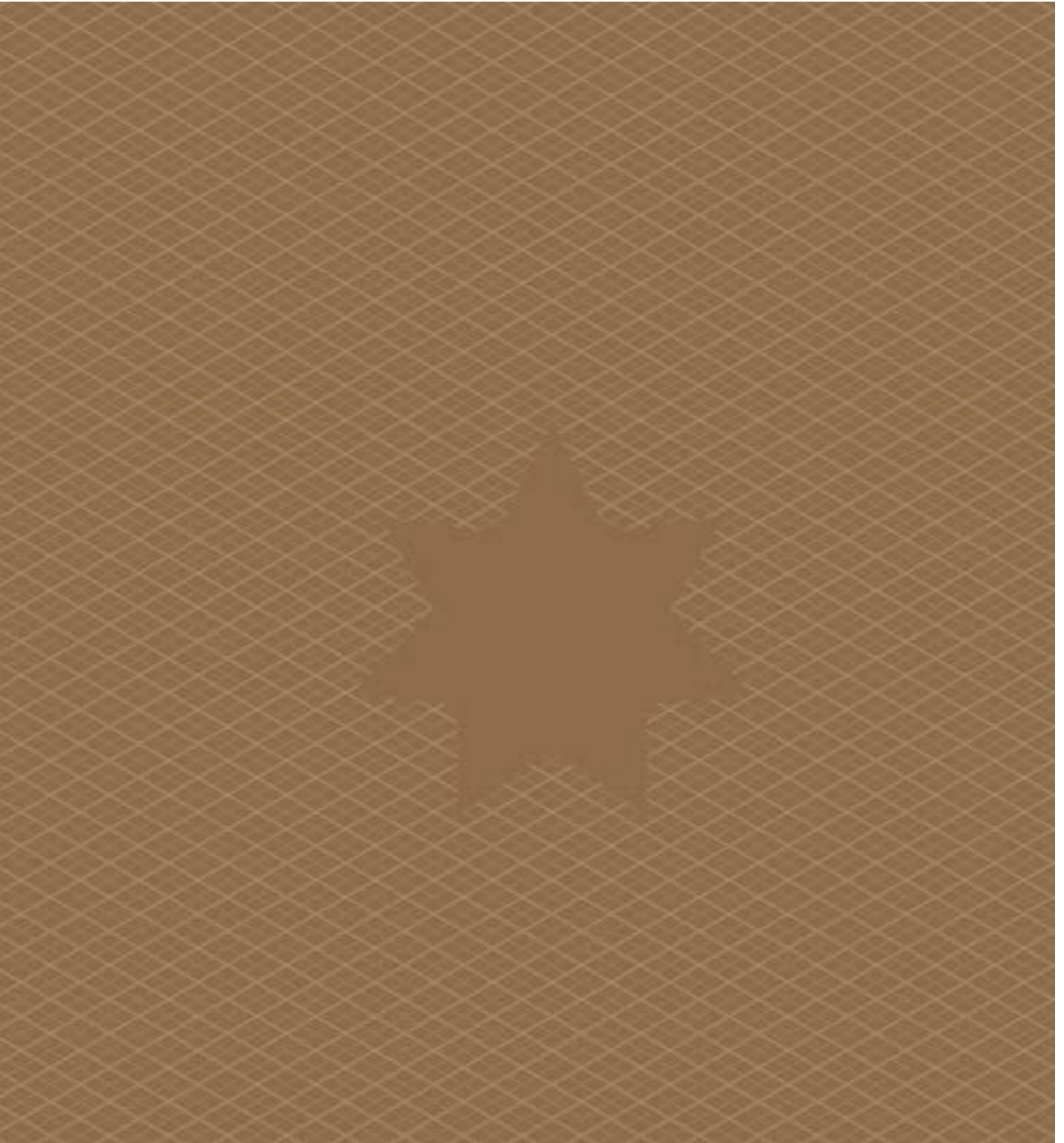


Robert Bromwich SC
Commonwealth Director of Public Prosecutions



1.

About us



CHAPTER 1 : ABOUT US

The Office of the Commonwealth Director of Public Prosecutions (CDPP) is an independent prosecution service established by Parliament to prosecute alleged offences against Commonwealth law. Our new Strategic Directions statement was released on 5 March 2014.

Strategic Directions for Australia's Federal Prosecution Service

Our aims:

We aim to provide an effective and efficient independent prosecution service that contributes to a fair, safe and just Australia where Commonwealth laws are respected, offenders are brought to justice and potential offenders are deterred.

We will:

- be fair, consistent and professional in everything we do
- recognise, value and develop the knowledge, skills and commitment of our people
- work with our partner agencies to assist them in advancing their goals and priorities in accordance with the *Prosecution Policy of the Commonwealth*
- treat victims of crime with courtesy, dignity and respect
- provide information to the public about Commonwealth criminal law and prosecutions.

Our establishment

The CDPP was established under the *Director of Public Prosecutions Act 1983* (the *DPP Act*) and began operations on 5 March 1984. The Office is under the control of the Director, who is appointed for a term of up to seven years. Our current Director, Robert Bromwich SC, was appointed on 17 December 2012 for a term of five years.

The CDPP is within the Commonwealth Attorney-General's portfolio, but we operate independently of the Attorney-General and the political process. The Commonwealth Attorney-General has power under section 8 of the *DPP Act* to issue directions or guidelines to the Director. Directions or guidelines must be in writing and tabled in Parliament, and there must be prior consultation between the Attorney-General and the Director. On 4 March 2014 the Attorney-General, Senator the Honourable George Brandis QC, issued a section 8 direction to the Director revoking the direction issued to the Director on 27 August 2012 under section 8 of the *DPP Act* regarding prosecutions for people-smuggling offences under section 233C of the *Migration Act 1958*. The revocation does not apply to any proceedings, including appeals, which commenced prior to 4 March 2014.

Our work

The role of the CDPP is to prosecute offences against Commonwealth law and to confiscate the proceeds of crime, the latter being done in accordance with administrative arrangements with the Australian Federal Police (AFP). We are also responsible for prosecuting offences against the laws of Jervis Bay and Australia's external territories, other than Norfolk Island.

The CDPP has a wide and varied practice. As Commonwealth criminal activity continues to evolve and expand, so does the variety of offences incorporated into Commonwealth criminal law.

The work of the Office is carried out in six national practice groups based on compatible crime types. The six practice groups and the crimes covered by those practice groups are:

Practice group name	Crimes types covered
1. Commercial, Financial & Corruption	<ul style="list-style-type: none"> • ASIC market offences, director and officer offences • ASIC regulatory matters • Project Wickenby and other large scale tax fraud • Large-scale, finance crime-related money laundering • Overseas bribery and other major corruption cases • Cartels
2. Revenue & Benefits Fraud	<ul style="list-style-type: none"> • General tax fraud and tax compliance, including income tax and GST fraud • Social Security and Medifraud • All other frauds on the federal government including internal fraud and counterfeit currency • Fraud-related money laundering • Identity fraud • Child support offences
3. International Assistance & Specialist Agencies	<ul style="list-style-type: none"> • Extradition and Mutual Assistance • Coordination of proceeds of crime litigation and freedom of information requests • All work from all agencies that is low in volume, usually specialised in nature and compliance focussed including: <ul style="list-style-type: none"> – Bankruptcy – Fisheries – Aviation compliance – Marine safety – Environmental – Enforcement powers prosecutions – Intellectual property – Electoral offences – Postal offences – Occupational Health and Safety – Defence – Specific regulatory offences – Administration of justice offences – Secrecy and browsing offences – Offences against Commonwealth officials or property – Crimes at sea – Very high-profile, less serious offences

Practice group name	Crimes types covered
4. Organised Crime & Counter Terrorism	<ul style="list-style-type: none"> • Large-scale and cross-border organised crime and related offences, commonly investigated on a multi-agency basis, for example: <ul style="list-style-type: none"> – crime group drug, illegal substance or firearm trafficking – related offences such as money laundering and facilitating corruption • all counter-terrorism offences, including qualified advising • war crimes • security of the Commonwealth prosecutions
5. Illegal Imports & Exports	<ul style="list-style-type: none"> • General drug and precursor importation offences • Drug crime-related money laundering • General money laundering • Quarantine offences • Wildlife import and export and other Department of Agriculture referrals • Other import and export offences • Custom duty offences
6. Human Exploitation & Border Protection	<ul style="list-style-type: none"> • People smuggling • Child grooming and procuring, and child pornography importing, access and transmission including related state offences of possession, and postal offences • Sexual offences against children outside Australia • Human trafficking (including sexual servitude and slavery) • Passport, visa and other migration offences • Immigration detention offences • Telecommunications offences • Cybercrime offences • Bigamy • Federal community policing (including behaviour on aircraft offences)

Our work is not limited to litigation in court. Commonwealth offending can often involve very large and complex briefs of evidence which may take significant time and expertise to consider and formulate strategies to prosecute. Our case officers assess evidence, draft charges and provide legal advice and assistance to investigators.

CDPP prosecutors appear in all levels of the courts around Australia and we are involved at all stages of the prosecution process.

Most Commonwealth prosecutions are conducted by the CDPP. However, the following agencies conduct summary prosecutions for straightforward regulatory offences by arrangement with the CDPP:

- the Australian Taxation Office (ATO) conducted more than 1700 prosecutions of over 1400 individuals and 300 companies. Fines, costs and reparation orders totalling more than \$13 million were imposed
- the Australian Securities and Investments Commission (ASIC) conducted more than 600 prosecutions of over 300 defendants. Fines and costs totalling more than \$760,000 were imposed
- the Australian Electoral Commission (AEC) prosecutes some electoral offences
- some cases where a state or territory agency conducts a Commonwealth prosecution, usually for reasons of convenience.

Our partnerships

The CDPP serves the public interest by maintaining effective partnerships with Commonwealth law enforcement agencies. Effective investigation–prosecution partnerships and well-targeted prosecutions create and maintain the Australian public’s confidence in Commonwealth law enforcement and regulatory frameworks. Through ongoing dialogue and liaison relationships, we aim to help agencies meet their enforcement and compliance strategy objectives.

We make decisions independently of those responsible for the investigation of Commonwealth offences. We have no investigative function and we can only prosecute where there has been an investigation by another agency. In 2013–14, we received briefs of evidence from 33 Commonwealth investigative agencies as well as state and territory police.

The recent formation of the CDPP’s national practice groups provides us with new opportunities to collaborate with and support partner agencies. Our Organised Crime & Counter Terrorism practice group, for instance, has recently moved to strengthen its organised crime liaison relationships across Australia to ensure that we are better placed to provide pre-brief advice which can be of most value during complex and sensitive investigations.

The pre-brief advice we provide to partner agencies is often for matters that are:

- significant, complex or major
- sensitive
- of particular importance for the investigative agency’s enforcement strategy, or
- likely to have an impact on a broader class of cases

as agreed by the partner agency and the CDPP, and as resources permit for both agencies.

We also provide assistance to partner agencies through our Partner Agencies website which makes available aids, guides and manuals on topics such as:

- obtaining search warrants
- warrants for listening device or telephone interception
- detailed offence guides
- the use of surveillance devices to gather evidence.

Prosecution Policy of the Commonwealth

The *Prosecution Policy of the Commonwealth* underpins all of the decisions made by the CDPP throughout the prosecution process and promotes consistency in decision making. It is a public document and applies to all Commonwealth prosecutions. The *Prosecution Policy* is available at www.cdpp.gov.au.

The *Prosecution Policy* outlines the relevant factors and considerations which are taken into account when our prosecutors are exercising their discretion. The *Prosecution Policy* also serves to inform the public and practitioners of the principles which guide the decisions made by the CDPP.

The *Prosecution Policy* provides a two-stage test that must be satisfied before a prosecution is commenced:

- there must be **sufficient evidence** to prosecute the case, and
- it must be evident from the facts of the case, and all the surrounding circumstances, that the prosecution would be in the **public interest**.

In determining whether there is sufficient evidence to prosecute a case, the CDPP must be satisfied that there is *prima facie* evidence of the elements of the offence and a reasonable prospect of obtaining a conviction. The existence of a *prima facie* case is not sufficient.

In making this decision, our prosecutors must evaluate how strong the case is likely to be when presented in court. They must take into account matters such as the availability, competence and credibility of witnesses, their likely effect on the arbiter of fact, and the admissibility of any alleged confession or other evidence. The prosecutor should also have regard to any lines of defence open to the alleged offender and any other factors that could affect the likelihood or otherwise of a conviction.

Prosecutors should also take into account the possibility that any evidence might be excluded by a court. If that evidence is crucial to the case, this may substantially affect the decision whether or not to institute or proceed with a prosecution. Prosecutors need to look beneath the surface of the evidence in a matter, particularly in borderline cases.

Having been satisfied that there is sufficient evidence to justify the initiation or continuation of a prosecution, the prosecutor must then consider whether the public interest requires a prosecution to be pursued. In determining whether this is the case, prosecutors will consider all of the provable facts and all of the surrounding circumstances. The public interest factors to be considered will vary from case to case, but they may include:

- whether the offence is serious or trivial
- any mitigating or aggravating circumstances
- the youth, age, intelligence, physical health, mental health or special vulnerability of the alleged offender, witness or victim
- the alleged offender's antecedents and background
- the passage of time since the alleged offence
- the availability and efficacy of any alternatives to prosecution
- the prevalence of the alleged offence and the need for general and personal deterrence
- the attitude of the victim
- the need to give effect to regulatory or punitive imperatives
- the likely outcome in the event of a finding of guilt.

These are not the only factors—other relevant factors are contained in the *Prosecution Policy*.

Generally, the more serious the alleged offence is, the more likely it will be that the public interest will require that a prosecution be pursued.

The decision to prosecute must be made impartially and must not be influenced by any inappropriate reference to race, religion, sex, national origin or political association. The decision to prosecute must not be influenced by any political advantage or disadvantage to the government.

Joint trials—state and territory DPPs

The Director is empowered to prosecute indictable offences against state and territory laws where the Director holds an authority to do so under the laws of the relevant jurisdiction. In addition, the Director is empowered to conduct committal proceedings and summary prosecutions for offences against state or territory law where a Commonwealth officer is the informant.

The CDPP has arrangements in place with each of the Directors of Public Prosecutions in Australia concerning procedures for conducting trials which involve both Commonwealth and state or territory offences.

Other functions

The Director also has a number of miscellaneous functions, including to:

- provide legal advice to Commonwealth investigators
- apply for superannuation forfeiture orders under Commonwealth law.

The CDPP does not conduct proceedings under Part XIV of the *Customs Act 1901*, which are called Customs prosecutions, but which are enforced by a quasi-criminal process. The responsibility for prosecuting those matters rests with the Australian Government Solicitor. However, we do prosecute all criminal matters arising under the *Customs Act*, including offences of importing and exporting narcotic goods and offences of importing and exporting 'Tier 1' and 'Tier 2' goods.

Figure 1: Outcome and programme chart 2013–14

Commonwealth Director of Public Prosecutions
Director: Robert Bromwich SC

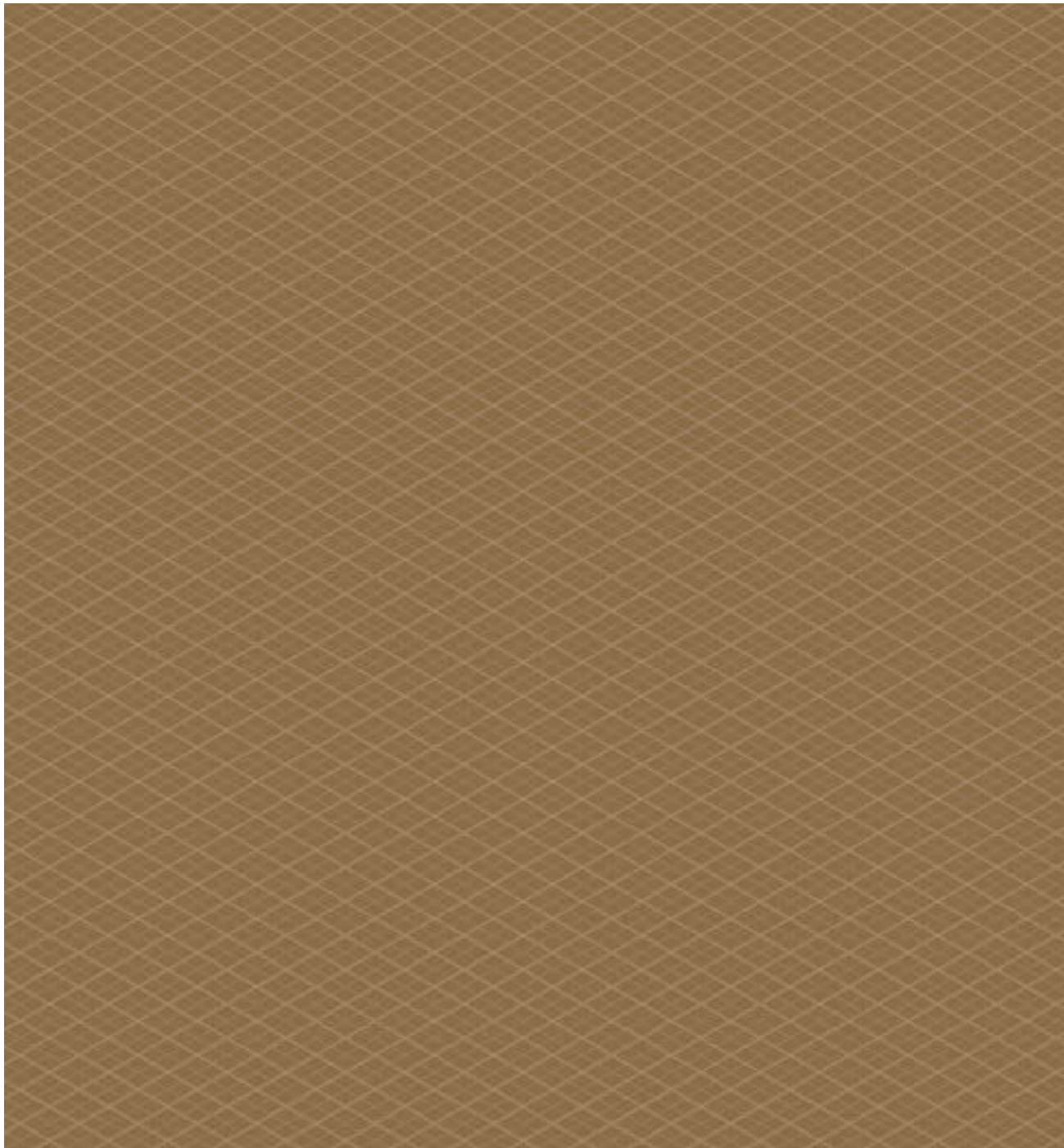
Outcome 1:

Maintenance of law and order for the Australian community through an independent and ethical prosecution service in accordance with the *Prosecution Policy of the Commonwealth*.

Programme 1.1:

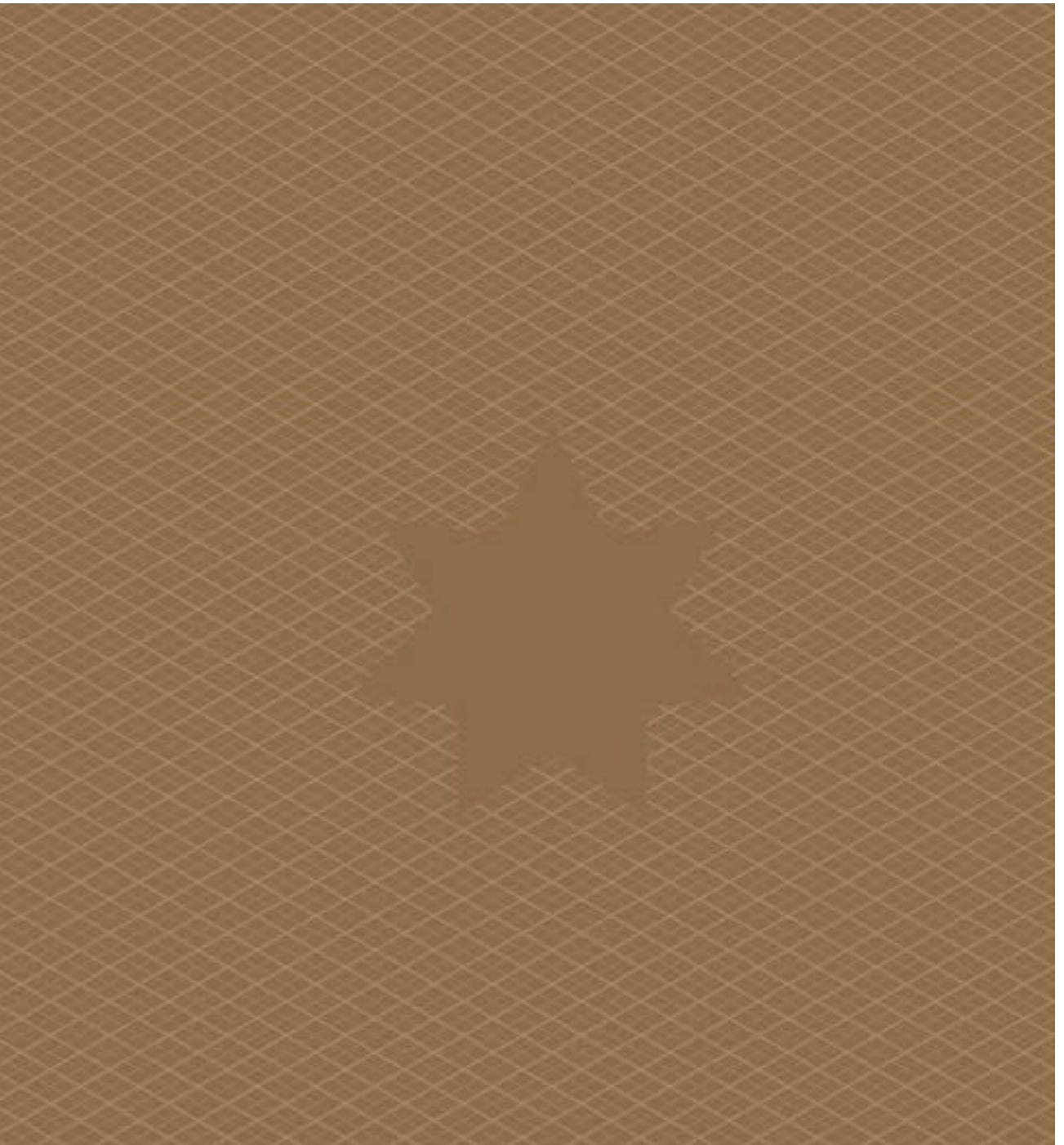
An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity.

* The CDPP began operations on 5 March 1984, and not on 8 March 1984 as reported on page 17 of our 2012–13 Annual Report.



2.

Our national
practice



CHAPTER 2 : OUR NATIONAL PRACTICE

Our organisation

The CDPP is Australia's federal prosecution service: we operate in each state and territory of Australia. We have offices in Canberra, Sydney, Melbourne, Perth, Adelaide, Hobart, Darwin, Brisbane, Townsville and Cairns. Our partner agencies refer briefs of evidence to the CDPP Office where it is expected that a prosecution will take place, which is generally where the alleged offence occurred.

The larger offices (Sydney, Melbourne, Brisbane and Perth) each have a Senior Management Committee which meets on a regular basis. There is a less formal structure within the other offices, which reflects the size of those offices.

The Executive Leadership Group (ELG) is the key advisory group to the Director. The ELG comprises Deputy Directors and the Chief Corporate Officer and advises on:

- strategy
- policy
- planning
- practice management
- corporate management
- performance reporting
- significant issues of national interest to the Office.

The ELG meets monthly to advance current priorities and determine future directions.



Executive Leadership Group

Back row (left to right): Scott Bruckard, Deputy Director, Practice Group Leader Organised Crime & Counter Terrorism; David Adsett, Deputy Director, Practice Group Leader Illegal Imports & Exports; James Carter, Deputy Director, Practice Group Leader Revenue & Benefits Fraud.

Front Row (left to right): Stela Walker, Chief Corporate Officer; Ellen McKenzie, Deputy Director, Practice Group Leader Human Exploitation & Border Protection; Robert Bromwich SC, Director; Shane Kirne, Deputy Director, Practice Group Leader Commercial, Financial & Corruption; Graeme Davidson, Deputy Director, Practice Group Leader International Assistance & Specialist Agencies.

National practice

The formation of national practice groups enables us to further build expertise within the CDPP and develop national consistency. These benefits include the facilitation of information sharing around the country, establishment of networks for prosecutors working in specialised areas, provision of online legal resources and nationwide meetings. The new practice group model is also likely to result in more efficient and consistent assessment of the work of specialist agencies whose referrals are lower in volume with the ability to dedicate staff in a single location to these referrals.

Each of the Deputy Directors is a practice group leader (PGL) for the particular crime types covered by their practice group across Australia. The PGLs deal with a broad range of legal, policy and liaison responsibilities in relation to the prosecution work of their practice group. This includes providing legal and strategic advice in significant and sensitive prosecutions; responsibility for national liaison with partner agencies; co-ordinating the review of national policies and issuing guidelines relevant to the work of the practice group.

The PGLs also provide high-level legal advice to the Director on matters within their practice groups and the exercise of the Director's statutory functions in accordance with the *Prosecution Policy of the Commonwealth*. Statutory functions include consideration of no Bills, *ex officio* indictments, appeals against sentence, reference appeals, conspiracy consents and taking over and discontinuing prosecutions. Responsibility for a number of statutory functions has been delegated to PGLs or senior staff within a practice group and this is supporting efficient and effective decision making in the course of litigation. The feedback received from our partner agencies indicates that the changes made by the CDPP are a welcome development and are conducive to improving collaborative efforts.

The newly established Director's Co-ordination Unit is responsible for developing organisational strategy and planning to support the effective and efficient delivery of prosecutorial services and to advise the Director on national issues that fall outside the practice group areas. It also provides co-ordination support to the Deputy Directors in their capacity as PGLs.

Figure 2: Practice Group Leaders






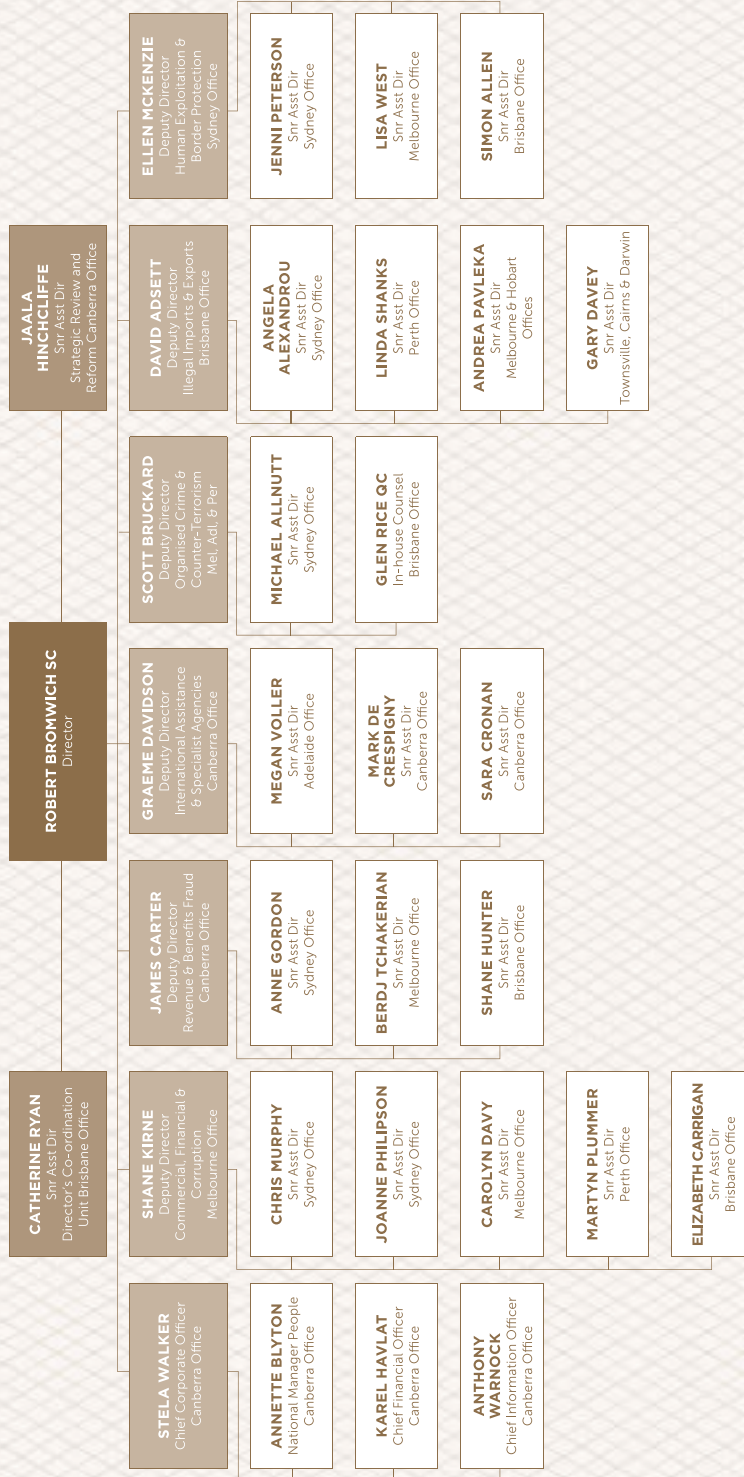
	<p>1. COMMERCIAL, FINANCIAL & CORRUPTION</p> <p>Practice Group Leader: Shane Kirne, Deputy Director</p> <p>E: CFC@cdpp.gov.au Ph: 03 9605 4333</p> <p>Postal address Street address GPO Box 21, Melbourne VIC 3001 Level 16, 460 Lonsdale Street, Melbourne VIC 3000</p>
	<p>2. REVENUE & BENEFITS FRAUD</p> <p>Practice Group Leader: James Carter, Deputy Director</p> <p>E: RBF@cdpp.gov.au Ph: 02 6206 5666</p> <p>Postal address Street address GPO Box 3104, Canberra City ACT 2601 4 Marcus Clarke Street, Canberra City ACT 2601</p>
	<p>3. INTERNATIONAL ASSISTANCE & SPECIALIST AGENCIES</p> <p>Practice Group Leader: Graeme Davidson, Deputy Director</p> <p>E: IASA@cdpp.gov.au Ph: 02 6206 5666</p> <p>Postal address Street address GPO Box 3104, Canberra City ACT 2601 4 Marcus Clarke Street, Canberra City ACT 2601</p>
	<p>4. ORGANISED CRIME & COUNTER TERRORISM</p> <p>Practice Group Leader: Scott Bruckard, Deputy Director</p> <p>E: OCCT@cdpp.gov.au Ph: 03 9605 4333</p> <p>Postal address Street address GPO Box 21, Melbourne VIC 3001 Level 16, 460 Lonsdale Street, Melbourne VIC 3000</p>
	<p>5. ILLEGAL IMPORTS & EXPORTS</p> <p>Practice Group Leader: David Adsett, Deputy Director</p> <p>E: IIE@cdpp.gov.au Ph: 07 3224 9444</p> <p>Postal address Street address GPO Box 847, Brisbane QLD 4001 Level 19, 15 Adelaide Street, Brisbane QLD 4000</p>
	<p>6. HUMAN EXPLOITATION & BORDER PROTECTION</p> <p>Practice Group Leader: Ellen McKenzie, Deputy Director</p> <p>E: HEBP@cdpp.gov.au Ph: 02 9321 1100</p> <p>Postal address Street address Locked Bag A4020, Sydney South NSW 1235 Level 10, 175 Liverpool Street, Sydney NSW 2000</p>

Figure 3 (opposite) is a senior management chart that shows our Deputy Directors, their practice group or areas of responsibility, and the branch heads who are their direct reports. The work of practice groups which do not have branches in a particular location may be allocated to case officers in other branches. Further detail is provided in Chapter 4 of this report.

Figure 3: Senior Management organisational chart – 30 June 2014



Note: The work of practice groups which do not have branches in a particular location may be allocated to case officers in other branches.



CDPP

Australia's Federal Prosecution Service

National Best Practice Committee

The identification and implementation of best legal practice is fundamental to the national operations of our Office and in meeting our Strategic Directions. The National Best Practice Committee (NBPC) is an advisory group to the ELG on practice management and identifies best legal practice improvements and efficiencies directed towards our operating as an effective, efficient and independent federal prosecution service. The NBPC contributes to the development of policies, National Legal Directions (NLDs) and Practice Group Instructions (PGIs) with a view to continuously improving our approach to our national practice and litigation procedures by improving consistency and co-ordination between regions and now between practice groups. The NBPC is comprised of senior CDDP lawyers from several practice groups, located across several regions, and as at 30 June 2014 is chaired by James Carter, Deputy Director based in Canberra and PGL for the Revenue & Benefits Fraud Practice Group.

With our move to a national practice group model in June 2014, Director's Litigation Instructions (DLIs), dealing with issues ranging from the prosecution of juveniles for people-smuggling offences to dishonesty offences under the *Criminal Code*, and papers in our *Guidelines and Directions Manual*, have been or will be replaced by NLDs for issues that are relevant across all practice groups, and PGIs for issues specific to the work of a particular practice group.

Social justice and equity

We advance the interests of social justice and equity by working with partner agencies to enforce the criminal law for the benefit of the community. We recognise the importance of adopting the highest professional and ethical standards in prosecutions and in seeking orders under proceeds of crime legislation. The *Prosecution Policy* underpins all of the decisions we make throughout the prosecution process and promotes consistency in decision making.

We work to ensure that alleged offenders and other people affected by the criminal justice process are treated fairly. To support our contribution to the criminal justice system, we take action to promote and maintain an internal culture which values fairness, equity and respect. We expect conduct from our employees that reflects high ethical standards. We have issued *Guidelines on Official Conduct* for CDDP employees setting out the ethical standards expected of them, and all CDDP employees have signed a copy of this document.

Victims

Traditionally, in terms of numbers of prosecutions, much of our work has not involved crime directed at individual victims. As the nature of Commonwealth crime changes we are prosecuting an increasing number of matters that involve individual victims of crime. Commonwealth offences involving individual victims concern areas such as child sex offences committed overseas by Australians, online child sexual exploitation, and human trafficking, servitude and slavery. Victims of offences against Commonwealth law have an important place in the criminal justice system and we have implemented a *Victims of Crime Policy*.

We recognise the importance of keeping victims informed about matters and providing appropriate support to victims participating in the criminal justice process.

The *Prosecution Policy* states that it is important in all prosecution action that victims are treated with respect for their dignity. In the context of the *Prosecution Policy* a victim of crime is an identified individual who has suffered harm as the direct result of an offence or offences committed against Commonwealth law or prosecuted by Commonwealth authorities. 'Harm' includes physical or mental injury, emotional suffering and economic loss.

The *Prosecution Policy* provides for the views of any victims—where those views are available, and where it is appropriate—to be considered and taken into account when deciding whether it is in the public interest to:

- commence a prosecution
- discontinue a prosecution
- agree to a charge negotiation
- decline to proceed with a prosecution after a committal.

The *Prosecution Policy* also requires us to comply with our *Victims of Crime Policy* in our dealings with victims.

We have produced a number of documents about the prosecution process which may be of assistance to victims, such as a step-by-step guide to the prosecution process, a guide to witnesses giving evidence in court, a glossary of commonly used terms, and questions and answers for victims and witnesses.

We have two Witness Assistance Service (WAS) officers located in our Sydney Office. These officers are a national resource providing assistance to vulnerable witnesses, victims and their caregivers who are involved in matters being prosecuted by the Office. The WAS officers provide a range of information and support services to those who have been referred to the service, including updates concerning the progress of a prosecution, general information concerning the prosecution process, court tours, referrals to support services, support at court and during conferences with legal staff, and information and assistance concerning victim impact statements. WAS Referral Guidelines are contained in a NLD requiring that all identifiable child victims and victims of slavery, sexual servitude and forced marriage offences be referred to the WAS.

The resources for victims and the NLD for WAS Referral Guidelines are available at www.cdpp.gov.au.

Links with state and territory DPPs

Liaison between Commonwealth and state prosecuting authorities occurs at both the national and regional levels. The Conference of Australian Directors of Public Prosecutions provides a forum for Directors to discuss best practice in prosecuting, professional standards, training and liaison. The National Executive Officers' Meeting of the heads of legal practice and corporate services of the Commonwealth and state and territory prosecution services provides a valuable opportunity to share information and discuss the management of prosecuting agencies.

Other areas

Information technology

During this financial year, the CDPP Information Technology (IT) Branch has undergone a significant organisational transformation from a state-based support model to a full national co-ordinated approach to the provision of IT services and support. As a result we have removed areas of duplication and achieved a more efficient use of resources.

Components of the transformation include a new national service desk that responds to all incidents and service requests; an enterprise architecture that improves alignment between the development of IT solutions and the business needs of the CDPP, an IT Strategic Plan that provides executive-level endorsement of all IT programmes and investment; and improved portfolio management processes to ensure the efficient and effective use of IT resources nationally.

We have implemented the first phase of a remote access solution to support the needs of the legal practice. Remote access to CDPP resources and information is particularly important when staff are attending court or interacting with partner agencies. It also supports more flexible working arrangements for staff who work part time or at a location away from the office. By improving the mobility of legal staff, and their access to information, we have improved the efficiency and effective use of legal resources.

As part of the IT Strategic Plan, we initiated a Digital Transition Programme to ensure we remain compliant with government Information and Communication Technology (ICT) Policy and the compulsory move to digital management of information and records. This programme includes the implementation of an Electronic Document Records Management System (EDRMS) which is a joint project with the Information Management section of our Office.

Information management

Our Information Management section provides library services and is responsible for records management.

Every CDPP officer has access to all of the Office's information resources. In addition, the Information Management section organises access to an extensive range of online legal resources and provides prosecutors with access to print materials.

Our information access advisers provide valuable research support services and provide legal research training. There is an online request management system for legal staff to use to request assistance.

A range of current awareness services are provided to inform prosecutors of legal developments and legislative changes. Information about key subject areas is available for prosecutors on the CDPP portal legal resources pages maintained by Information Management staff.

The provision of library services is guided by the *CDPP Library Strategic Directions and Information Access Policy*.

Public relations

The position of Communications Manager was established in March 2014. The Manager is responsible for developing and implementing the CDPP's internal and external communications strategy. All media inquiries are handled by the Communications Manager who is located in the Canberra office and can be contacted on (02) 6206 5708 during office hours. The CDPP will provide accurate information on any matter that is on the public record but will not disclose information on cases that are yet to come before the courts.

The Communications Manager also provides a daily media summary to CDPP officers via our computer network. The summary forms the basis of a database that can be used for research purposes.

Ecologically sustainable development and environmental performance

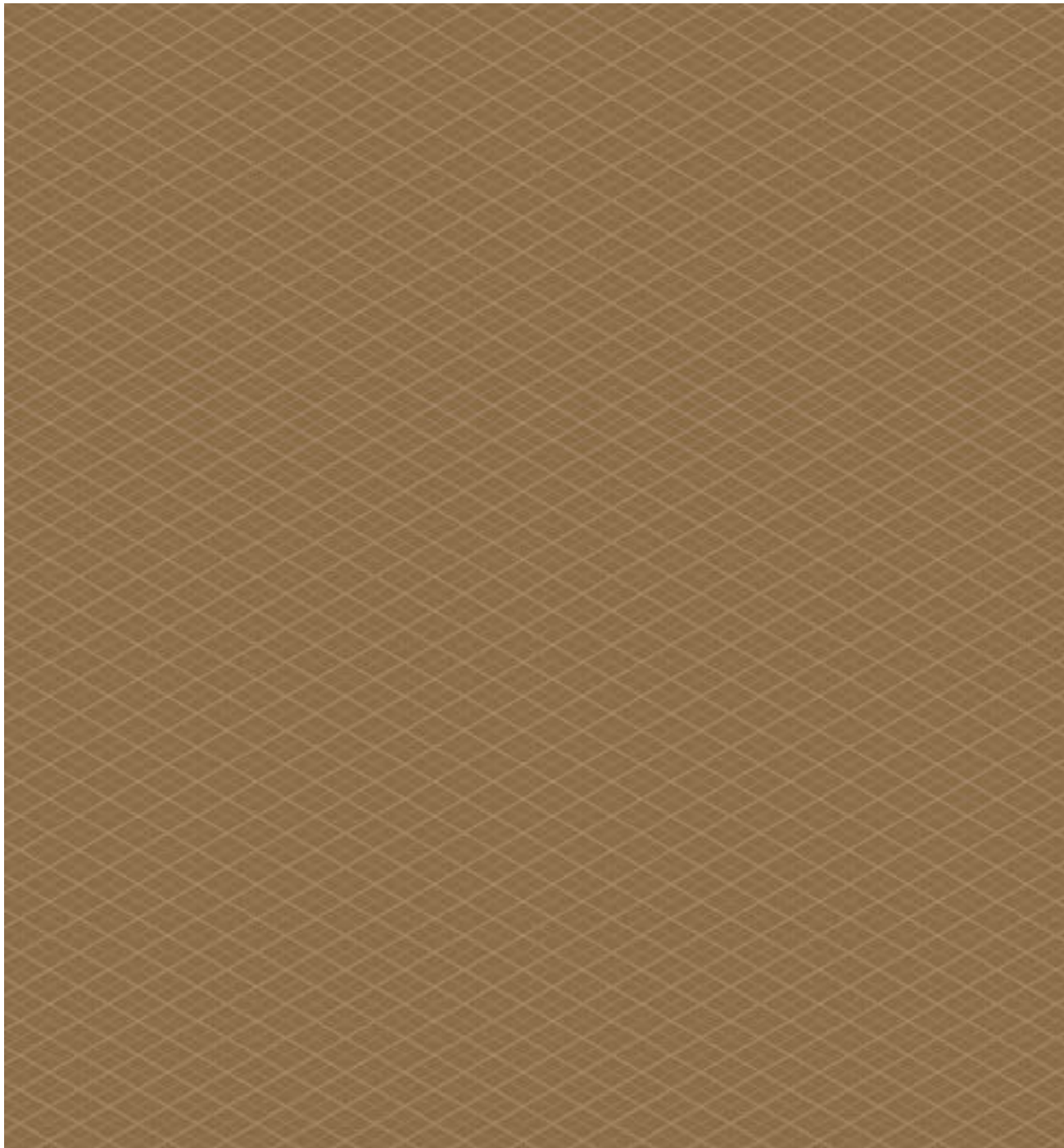
Information about our ecologically sustainable development and environmental performance is at **Appendix 4** to this report.

Business regulation

We have no direct role in business regulation other than to prosecute criminal offences in appropriate cases. Our activities in the area of Commercial, Financial and Corruption Prosecutions are reported in Chapter 4 of this report.

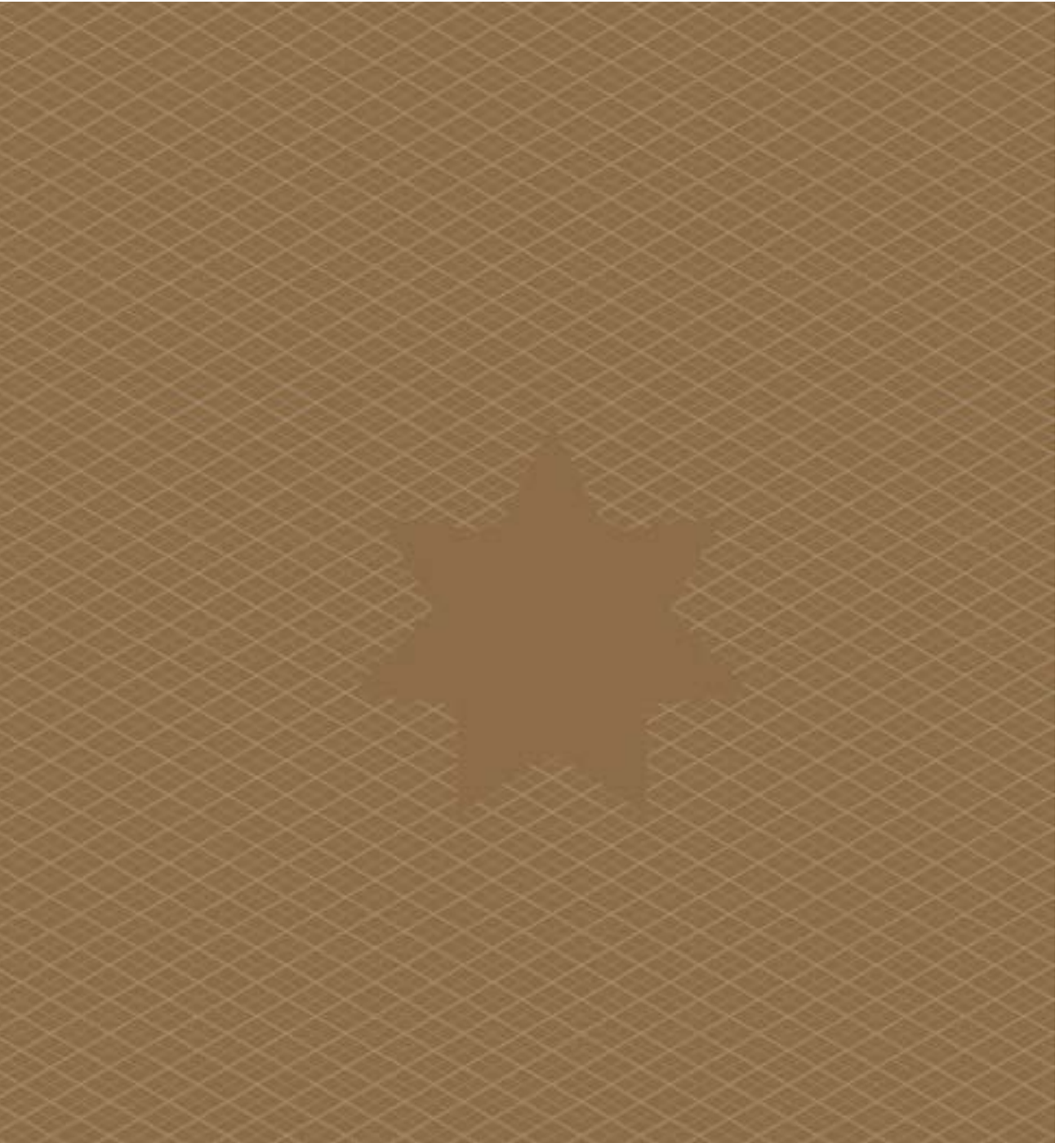
Public comment

Any person is free to write to us at the addresses shown at the front of this report. Alternatively, they can email any comments, suggestions or queries about the Office of the CDPP and our functions to inquiries@cdpp.gov.au.



3.

Our partnerships



CHAPTER 3 : OUR PARTNERSHIPS

Working with our partner agencies

The CDPP serves the public interest by maintaining effective partnerships with Commonwealth law enforcement agencies. We rely upon Commonwealth investigative agencies to provide briefs of evidence and we work closely together to prepare and present cases in court.

Effective investigation–prosecution partnerships resulting in well-targeted prosecutions create and maintain the Australian public’s confidence in Commonwealth law enforcement and regulatory frameworks. Through ongoing dialogue and liaison relationships, we aim to help agencies meet their enforcement and compliance strategy objectives. Better collaboration with our partner agencies enables key priority areas to be more effectively addressed through the development and refinement of enforcement strategies that have prosecutions as an integral part.

We make decisions independently of those responsible for the investigation of federal offences. We have no investigative function and we can only prosecute where there has been an investigation by another agency. In 2013–14 we received briefs of evidence from 33 Commonwealth investigative agencies as well as from state and territory police.

Pre-brief advice

We recognise the benefits of pre-brief advice to our partner agencies. Advice at this stage of a matter helps investigators to focus their efforts and more efficiently gather admissible evidence to address the elements that must be established to prove an offence beyond reasonable doubt. In the last year we increased the level of support provided in relation to pre-brief advice. The feedback from partner agencies has been very positive.

We continue, as resources permit and as agreed between agencies, to provide pre-brief advice in matters that are:

- significant, complex or major
- sensitive
- of particular importance for our partner agency’s enforcement strategy
- likely to have an impact on a broader class of cases.

Our move to a national practice group model provides an opportunity to improve our ability to effectively and efficiently provide pre-brief advice across Australia.

Brief assessment and preparation

There is a great deal of work involved in effectively prosecuting a federal offence. Our prosecutors specialise in the assessment, preparation and effective presentation of Commonwealth prosecutions. This work includes:

- providing sound and independent legal advice
- sharing specialist knowledge and experience of the prosecution process
- undertaking brief assessment (including identification of legal issues, evidentiary deficiencies and relevant public interest considerations)
- framing and presenting the prosecution case effectively
- addressing the international aspects of prosecuting (such as mutual assistance and extradition)
- dealing with complex legal, evidentiary, practical and logistical issues.

It is essential that evidence is carefully assessed in accordance with the *Prosecution Policy* in order to ensure admissible, substantial and reliable evidence substantiates any case presented in court.

Liaison with partner agencies

We work hard to maintain effective working relationships with partner agencies. Our new national practice group model supports improved alignment between national liaison with partner agencies and oversight of cases referred by them. Future engagement with partner agencies will involve reviews of liaison arrangements at both the national and regional level. Each practice group leader is responsible for liaison in relation to the crime types covered by the practice group. For some partner agencies whose referrals cross practice groups, there is a lead practice group:

- the Commercial, Financial & Corruption (CFC) Practice Group is the lead practice group for Australian Crime Commission (ACC) liaison
- the Revenue & Benefits Fraud (RBF) Practice Group is the lead practice group for Australian Taxation Office (ATO) liaison
- the Illegal Imports & Exports (IIE) Practice Group is the lead practice group for Australian Customs and Border Protection Service (ACBPS) liaison.

We have in place *General Guidelines for Dealing with Investigative Agencies* and also memoranda of understanding with a range of partner agencies. We contribute, to the extent that our resources allow, to training courses for investigative officers conducted by our partner agencies.

We have developed a number of statistical reports to help our partner agencies monitor their enforcement action and we are working with agencies to enhance the provision of advice as a national resource.

Manuals

We continue to maintain and update the *Search Warrants Manual*, the *Telecommunications Interception and Stored Communications Warrants Manual* and the *Surveillance Devices Manual*. These manuals provide guidance on the legal requirements for obtaining and executing warrants under Commonwealth law.

Given the technical nature of this area of law, we have an important role in ensuring that investigators are provided with clear and appropriate advice in relation to the exercise of powers under the relevant legislation and case law. Each of these manuals is reviewed on a regular basis and is available electronically to CDPP officers and relevant Commonwealth investigators.

Online resources

We provide an Information Service to our partner agencies via the CDPP Partner Agencies portal on our website, to update them on criminal law issues. The portal covers Commonwealth criminal cases, new legislation, and recently published books, articles, conference papers and government reports. This is in addition to our online manuals for search warrants and electronic surveillance warrants.

This portal also includes offence breakdowns and draft charges so that investigators are able to readily identify the physical and fault elements that must be proven in order to establish an offence, tailor their investigation or evidence gathering and to assist in charges being formulated.

The Commonwealth Sentencing Database is a joint project of the CDPP, the National Judicial College of Australia and the Judicial Commission of New South Wales, based on sentencing information we provide. The purpose of this database is to provide judicial officers and other users with rapid and easy access to information about sentencing for federal offences and to assist judicial officers with their sentencing decisions. The Commonwealth

Sentencing Database is designed to provide primary research sources (such as judgments and legislation) linked to secondary resources (including commentary on sentencing principles and sentencing statistics).

Contemporary prosecuting increasingly involves the management and presentation to courts of voluminous evidential material, and we use electronic resources to support this work. In complex and protracted litigation we have adopted the Ringtail computer litigation support system to handle electronic briefs of evidence containing large numbers of documents.

Disclosure

An important and ongoing issue in our practice and our work with partner agencies is ensuring proper disclosure in prosecutions, as provided for in our *Statement on Prosecution Disclosure*. We continue to work with agencies to help them meet disclosure obligations by producing resources for investigators. Our *Statement on Prosecution Disclosure* is available at www.cdpp.gov.au and is currently under review.

Statistics

Relevant legislation and referring agencies

Tables 1 and 2 provide the following statistics:

- **Table 1** shows the legislation under which charges were dealt with in 2013–14
- **Table 2** shows the referring agencies and the number of defendants dealt with in 2013–14.

Table 1: Legislation under which charges were dealt with in 2013–14

Legislation	Summary (charges)	Indictable (charges)
<i>Air Navigation Regulations 1947</i>	1	0
<i>Airports (Control of On-Airport Activities) Regulations 1997</i>	12	0
<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i>	57	10
<i>Australian Citizenship Act 1948</i>	2	0
<i>Australian Citizenship Act 2007</i>	4	0
<i>Australian Crime Commission Act 2002</i>	0	24
<i>Australian Federal Police Act 1979</i>	1	0
<i>Australian Passports Act 2005</i>	57	27
<i>Australian Securities and Investments Commission Act 2001</i>	1	0
<i>Aviation Transport Security Act 2004</i>	18	0
<i>Aviation Transport Security Regulations 2005</i>	34	0
<i>Bankruptcy Act 1966</i>	182	12
<i>Census and Statistics Act 1905</i>	33	0
<i>Child Support (Assessment) Act 1989</i>	1	0
<i>Child Support (Registration and Collection) Act 1988</i>	121	0

Legislation	Summary (charges)	Indictable (charges)
<i>Civil Aviation Act 1988</i>	14	22
<i>Civil Aviation Regulations 1988</i>	68	9
<i>Civil Aviation Safety Regulations 1998</i>	2	0
<i>Classification (Publications, Films and Computer Games) Act 1995</i>	3	0
<i>Common law offence</i>	0	1
<i>Commonwealth Electoral Act 1918</i>	2	0
<i>Copyright Act 1968</i>	34	0
<i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i>	58	2
<i>Corporations Act 2001</i>	165	107
<i>Crimes (Aviation) Act 1991</i>	48	2
<i>Crimes (Currency) Act 1981</i>	41	24
<i>Crimes (Foreign Incursions and Recruitment) Act 1978</i>	0	1
<i>Crimes (Internationally Protected Persons) Act 1976</i>	1	0
<i>Crimes Act 1914</i>	42	88
<i>Criminal Code</i>	4280	1750
<i>Customs Act 1901</i>	199	107
<i>Defence Act 1903</i>	5	0
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	39	5
<i>Environment Protection and Biodiversity Conservation Regulations 2000</i>	19	0
<i>Excise Act 1901</i>	2	0
<i>Family Law Act 1975</i>	3	7
<i>Financial Management and Accountability Act 1997</i>	78	0
<i>Financial Transaction Reports Act 1988</i>	3	0
<i>Fisheries Management Act 1991</i>	71	0
<i>Fisheries Management Regulations 1992</i>	1	0
<i>Foreign Passports (Law Enforcement and Security) Act 2005</i>	6	6
<i>Great Barrier Reef Marine Park Act 1975</i>	12	0
<i>Great Barrier Reef Marine Park Regulations 1983</i>	7	0
<i>Health Insurance Act 1973</i>	272	43
<i>Historic Shipwrecks Act 1976</i>	1	0
<i>Imported Food Control Act 1992</i>	1	0
<i>Law Enforcement Integrity Commissioner Act 2006</i>	1	0
<i>Maritime Transport and Offshore Facilities Security Regulations 2003</i>	1	0

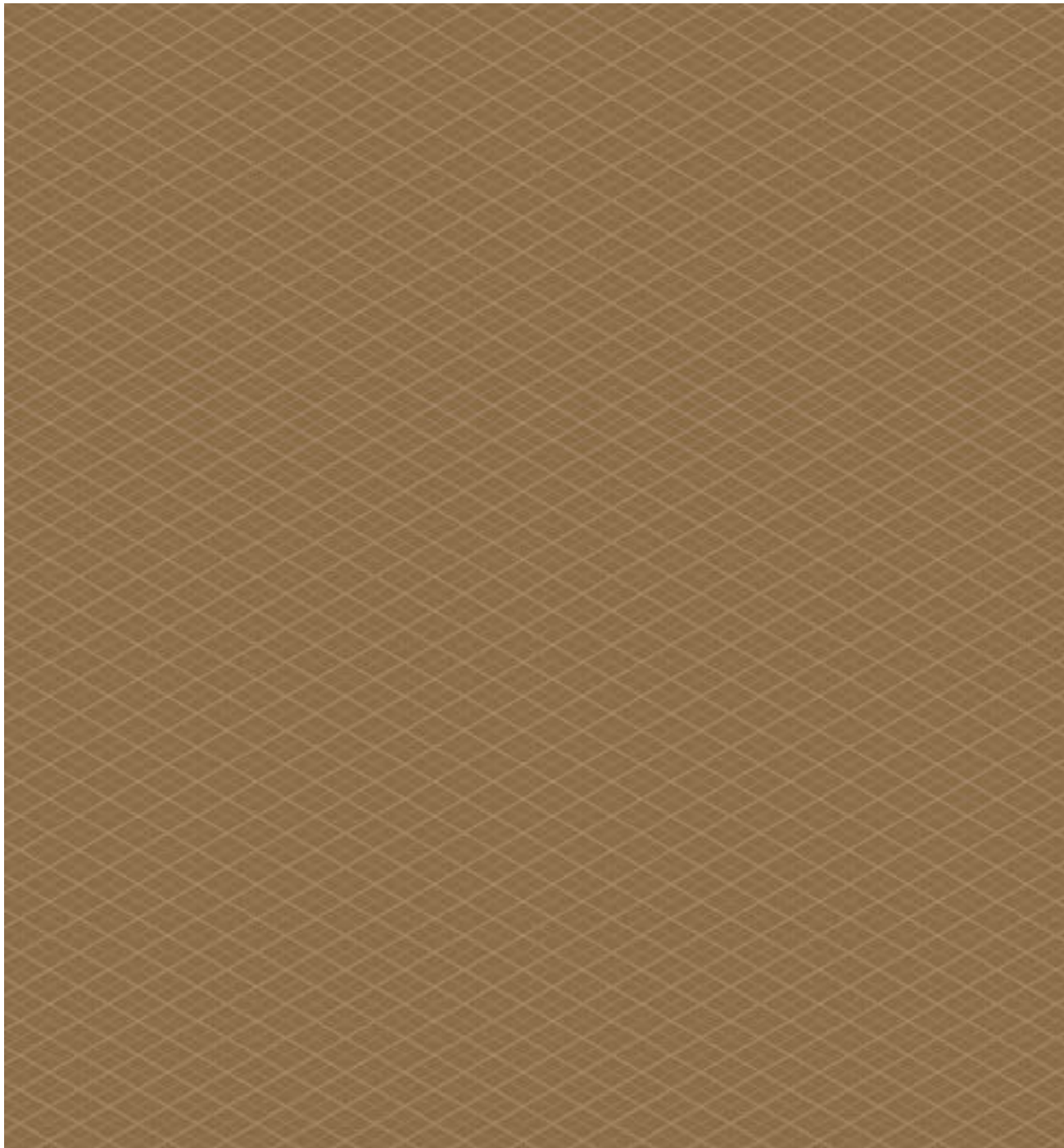
Legislation	Summary (charges)	Indictable (charges)
<i>Marriage Act 1961</i>	1	0
<i>Migration Act 1958</i>	124	109
<i>National Consumer Credit Protection Act 2009</i>	5	10
<i>Passports Act 1938</i>	13	0
<i>Primary Industries Levies and Charges Collection Act 1991</i>	9	0
<i>Public Order (Protection of Persons and Property) Act 1971</i>	2	0
<i>Quarantine Act 1908</i>	65	8
<i>Radiocommunications Act 1992</i>	4	0
<i>Social Security Act 1991</i>	5	0
<i>Social Security (Administration) Act 1999</i>	204	0
<i>Statutory Declarations Act 1959</i>	1	0
<i>Taxation Administration Act 1953</i>	367	0
<i>Telecommunications (Interception and Access) Act 1979</i>	0	1
<i>Therapeutic Goods Act 1989</i>	188	0
<i>Trade Marks Act 1995</i>	94	0
<i>Non-Commonwealth legislation</i>	435	391
Total	7520	2766

Table 2: Referring agencies: defendants dealt with in 2013–14

Referring agency	Defendants	
	Summary	Indictable
AFP/ACLEI Joint Taskforce	2	7
Australian Bureau of Statistics	7	0
Australian Commission for Law Enforcement Integrity	1	0
Australian Communications and Media Authority	1	0
Australian Crime Commission	0	12
Australian Customs and Border Protection Service	45	82
Australian Electoral Commission	1	0
Australian Federal Police	433	448
Australian Financial Security Authority	140	4
Australian Fisheries Management Authority	43	0
Australian Postal Corporation	41	1
Australian Securities and Investments Commission	27	27

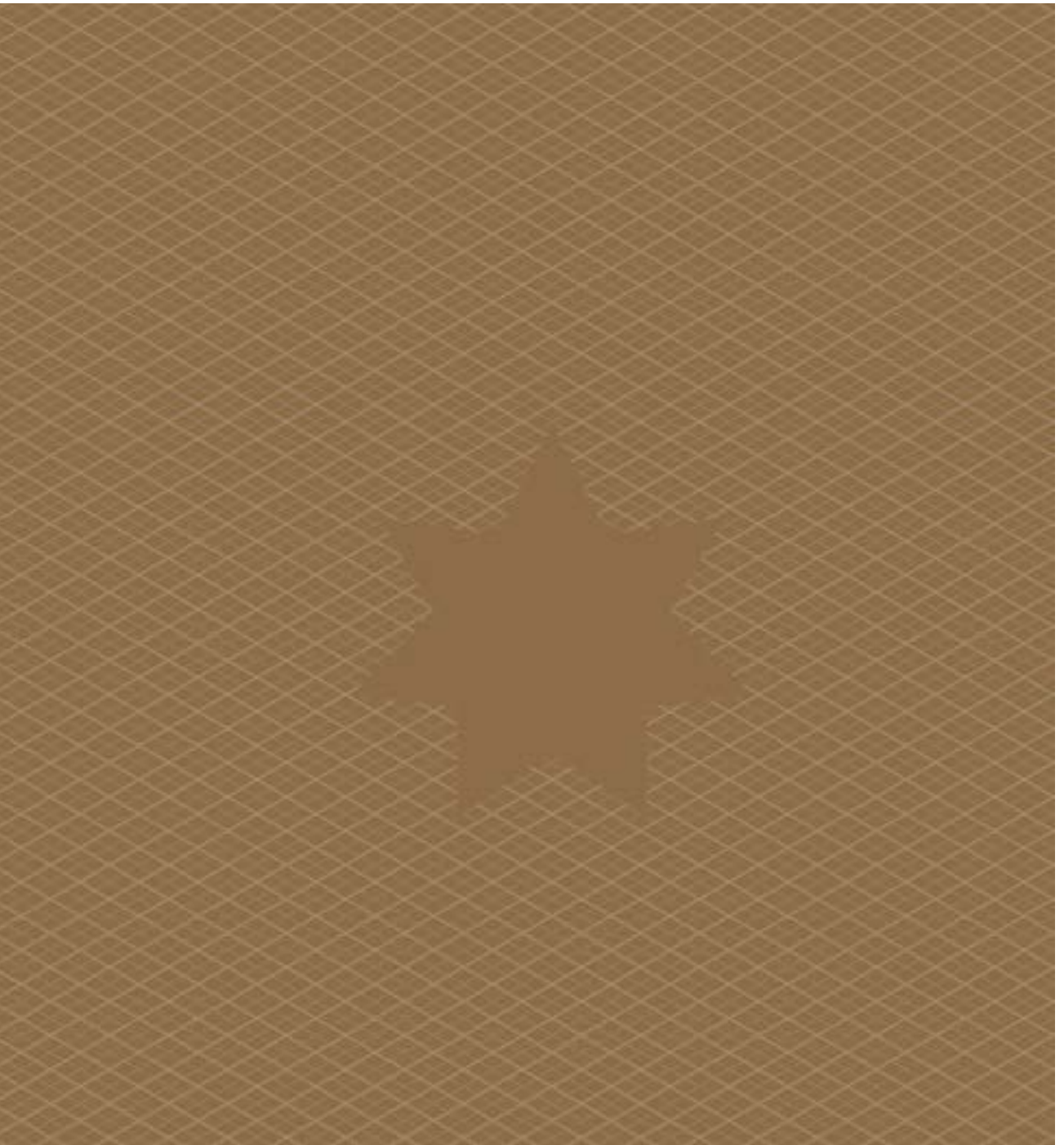
Referring agency	Defendants	
	Summary	Indictable
Australian Taxation Office	72	14
Civil Aviation Safety Authority	7	1
Comcare	1	0
Department of Agriculture	19	2
Department of Defence	10	0
Department of Education	2	0
Department of Employment	6	0
Department of Foreign Affairs and Trade	33	1
Department of Human Services	4	0
Department of Human Services—Centrelink	1139	41
Department of Human Services—Child Support Agency	22	0
Department of Human Services—Medicare	22	3
Department of Immigration and Border Protection	20	1
Department of Industry	8	1
Department of Social Services	3	0
Department of the Environment	9	0
Department of Veterans' Affairs	0	4
Fair Work Building and Construction	2	0
Great Barrier Reef Marine Park Authority	19	0
International Police	0	1
Office of the Registrar of Indigenous Corporations	41	1
Therapeutic Goods Administration	5	0
Non-Commonwealth agencies	98	133
Total	2283	784

Note: This list contains names of only current Commonwealth agencies at 30 June 2014. Where an agency's name has changed over time, all the cases emanating from that agency, whatever its name, are included under the most current agency that has assumed the function.



4.

Our areas
of practice



CHAPTER 4 : OUR AREAS OF PRACTICE

Our practice

The CDPP is created by statute with the Director's functions and powers derived from legislation. Those functions and powers are found in sections 6 and 9 of the *Director of Public Prosecutions Act 1983* (the *DPP Act*) and in specific legislation.

The main function of the CDPP is to prosecute offences against Commonwealth law. Prosecution of criminal offences is essential to the effectiveness of law enforcement and public confidence in achieving a fair, safe and just society.

Our practice is diverse, reflecting the wide and expanding scope of Commonwealth criminal law.

Practice groups

The new practice group model came into effect near the end of the financial year on 2 June 2014.

Our practice is carried out in six national practice groups based on compatible crime types. The six practice groups are:

- Commercial, Financial & Corruption
- Revenue & Benefits Fraud
- International Assistance & Specialist Agencies
- Organised Crime & Counter Terrorism
- Illegal Imports & Exports
- Human Exploitation & Border Protection.



Commercial, Financial & Corruption (CFC)

Practice Group Leader: Shane Kirne, Deputy Director

The CFC Practice Group is responsible for the assessment of briefs and prosecution of offences relating to what is often referred to as 'white collar crime'. Crime types covered by the work of the practice group include:

- all referrals from the Australian Securities and Investments Commission (ASIC). Amongst the commercial prosecutions matters referred by ASIC that are dealt with by our specialist prosecutors are offences under the *Corporations Act 2001*, the *Australian Securities and Investments Commission Act 2001*, the *National Consumer Credit Protection Act 2009* and related state or territory offences
- large-scale tax fraud matters investigated by the Australian Federal Police (AFP) and the Australian Crime Commission (ACC), including Project Wickenby matters
- foreign bribery and other major corruption matters
- serious cartel matters investigated by the Australian Competition and Consumer Commission (ACCC). We are responsible for prosecuting offences under the *Competition and Consumer Act 2010*, including any briefs that the ACCC might refer in relation to the serious cartel offences in sections 44ZZRF and 44ZZRG. The ACCC is responsible for receiving and managing applications for immunity from criminal prosecution for a serious cartel offence. We play an important role in this process. Where the ACCC makes a recommendation to the Director that an applicant for conditional immunity under the ACCC's *Immunity*

Policy for Cartel Conduct should be granted immunity, the Director decides whether to grant an undertaking under section 9(6D) of the *DPP Act* by applying the criteria in Annexure B of the *Prosecution Policy of the Commonwealth* (the *Prosecution Policy*). No briefs in relation to alleged cartel conduct have been referred to the CDPP at this stage

- large-scale, finance-related money laundering matters.

Practice group

As at 30 June 2014 the CFC Practice Group comprised five branches across Australia which dealt with the work of the practice group, being two branches in Sydney, one in Melbourne, one in Brisbane and one in Perth. The respective branch heads are directly supervised by the practice group leader. Other offices across Australia that can receive work of the CFC Practice Group are located in Adelaide, Hobart and Canberra.

Partner agencies

The partner agencies that refer work to the CFC Practice Group are ASIC, AFP, ACC and the ACCC. The CFC Practice Group is the lead practice group for liaison with the ACC.

Developments this year

Major issues from the past year which impact on the work of the practice group are outlined below:

Project Wickenby

In its eighth year Project Wickenby continued to deliver results. Since it was established in 2006 as a Commonwealth cross-agency taskforce, we have played an important role in assisting and advising investigators and prosecuting referred matters.

In 2013–14 we continued this work receiving five new matters, completing 11 and ending the year with 33 Wickenby matters open.

As with other areas of our work, Wickenby has provided significant challenges, both technical and logistical. Complex legal and factual scenarios are matched by the large volume of evidence such cases often require. Other issues such as the obtaining and use of evidence from overseas jurisdictions are also a regular feature. Achieving results requires the dedication of resources over extended periods, sometimes years. The trials in such matters are often lengthy with many lasting months. For example, one matter has spanned some six years since prosecution proceedings were commenced and has involved committal proceedings, a trial, appeals to the Court of Criminal Appeal and an appeal to the High Court.

The allocation of special funding for Wickenby (which comes to an end in the 2014–15 financial year) has allowed us to meet the challenges posed by these matters. It has allowed us to devote appropriate resources over the long term without impacting on our ability to carry on our other prosecution work.

Money laundering

Since 2003 the Commonwealth has criminalised the dealing in proceeds of crime and the dealing in instruments intended or at risk of use in future crime. While the offences provided for by Part 10.2 of the *Criminal Code* cover conduct traditionally referred to as money laundering, they also deal with a wider range of conduct. The application of Part 10.2 can be very complex with difficult legal and factual issues. Each case we conduct helps clarify and confirm the proper application of the relevant law. During the year appellate courts dealt with a number of matters which have helped refine the application of Part 10.2.

Other offences are also an important part of the fight against money laundering. The offence provisions contained in the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the *AML*) are important both directly and in terms of being predicate offences in relation to the Part 10.2 offences. We continue to make use of the combined application of the *AML* offences and Part 10.2.

Cases being prosecuted by us ranged from matters involving the remitting of large sums of money suspected of being the proceeds of crime out of Australia, to ones involving dealing in the proceeds of complex tax frauds. Money laundering is no longer confined to simple cases about the proceeds of a drug deal.

During the year we have continued to champion the appropriate use of relevant money laundering offences in the fight against serious criminal activity. The wide application of the money laundering offences means that they can attack not just one segment of criminal activity but any serious crime which produces financial profits. It is now clear to potential offenders that dealing in the proceeds of crime, or instruments of future crime, places them at risk of a long term of imprisonment.

Negotiated pleas

There is a growing trend for some agencies to refer matters to us with a view to exploring whether an accused person may enter an early guilty plea. This trend, together with an increased focus by us in providing pre-brief advice to partner agencies in certain circumstances, has enabled us to work with agencies at the pre-brief stage to identify appropriate charges which adequately reflect the overall criminality alleged. This early engagement also enables early resolution of some matters, thereby resulting in a significant saving in time and money to both the referring agency and the CDPP.

Reparation orders

We have seen an increase in requests for reparation orders on behalf of third parties as a result of an amendment made in 2013 to section 21B(1)(d) of the *Crimes Act 1914*, providing a court power to order an offender to make reparation to any person in respect of any loss suffered or any expense incurred by the person by reason of a federal offence.

The impact of the decision in *Lee*

On 21 May 2014 the High Court delivered judgment in the matter of *Lee v The Queen*,¹ relating to the provision of the appellants' evidence before the New South Wales Crime Commission to the New South Wales Office of the Director of Public Prosecutions. The High Court held that what occurred in that matter affected the trial in a fundamental respect as it altered the position of the prosecution *vis a vis* the accused. The precise implications of this judgment in relation to compulsory examinations conducted by various Commonwealth agencies, such as ASIC, the ACCC and the ACC, are yet to be determined but may be significant.

International assistance and engagement

In January 2014 Shane Kirne, Deputy Director and CFC Practice Group Leader attended and presented at the International Symposium on Prosecuting Fraud in Toronto, Canada. He also facilitated a visit by a delegation from the Tianjin Prosecutors Office of the People's Republic of China to our office and to the Victorian County Court, Melbourne in October 2013.



Revenue & Benefits Fraud (RBF)

Practice Group Leader: James Carter, Deputy Director

The RBF Practice Group is responsible for the prosecution of fraud against the federal government, including general tax fraud, social security fraud, internal fraud and identity fraud. The RBF Practice Group is also responsible for the prosecution of fraud-related money laundering, counterfeit currency and child support offences.

¹ *Lee v The Queen* (2014) 88 ALJR 656; [2014] HCA 20.

The prosecution of fraud offences is a major part of the CDPP's overall practice. These prosecutions are fundamental in protecting the resources of the Commonwealth for the benefit of all Australians. Fraud prosecutions are diverse: frauds can be committed in numerous ways and span the broad range of Commonwealth programmes and assistance available to the Australian community, as well as the Australian taxation system. Frauds can range from making false statements to very sophisticated and highly structured offending designed to evade tax obligations.

Commonwealth revenue and benefit systems rely heavily on the integrity and honesty of all Australians. Government agencies are increasingly relying on online services to interact with customers. There has been considerable innovation with customers now able to claim benefits and provide information through technology, such as voice recognition systems, mobile apps and electronic facilities. As a consequence, a large proportion of revenue and benefits fraud is now committed online. This has changed the evidence involved in prosecuting fraud offences as there is now considerably less reliance on paper records. Evidence of electronic systems and their operation form an important part of briefs of evidence.

General deterrence is particularly important when considering the prosecution of revenue and benefits fraud and is fundamental in protecting these systems and public resources.

Prosecutions may involve significant sums of money, particularly where there has been a continuing fraud over many years or the use of multiple identities. Prosecutions can be very complex and demanding and involve technical evidence from our partner agencies about the operation of their electronic systems to support and explain the evidence necessary to prosecute. We work closely with our partner agencies to seek to achieve best practice in investigating and prosecuting in this important area.

Revenue fraud

Prosecuting tax frauds continued to be a significant part of our practice this year. As in previous years, there were a significant number of cases of fraud relating to income tax and the goods and services tax (GST). We prosecute tax frauds referred by the Serious Non-Compliance area of the Australian Taxation Office (ATO) as well as the AFP.

We also prosecute regulatory offences under tax legislation. By arrangement with us, the ATO prosecutes straightforward regulatory offences, but if a matter becomes a defended hearing it is referred to us to continue the prosecution. This cooperative relationship helps the ATO with its compliance programme by enabling the efficient and effective prosecution of regulatory offences relating to the proper administration of Australia's tax laws.

The GST is a key element of the Australian tax system. Prosecutions relating to GST vary in sophistication from small-scale fraud to large, complex schemes. Prosecuting people who exploit that system—for example, by failing to report cash income they receive or by falsifying claims for GST credits—is an important way in which we help to maintain acceptable levels of voluntary compliance with tax laws.

Benefits fraud

The Department of Human Services (DHS) refers the largest number of briefs of any agency to the CDPP. The Department provides a range of health, social and welfare payments and services including Centrelink, Medicare and Child Support. Our prosecutions play an essential role in protecting Commonwealth resources and thereby ensuring that support is provided where it is most needed in our community. Briefs typically relate to allegations that people have intentionally engaged in conduct and, as a result, received social, health or welfare services or payments, knowing that they were not entitled to receive them.

Centrelink prosecutions typically involve a person receiving benefits that have been calculated on a false premise. For example, a person might say they are unemployed when, in fact, they are receiving income from paid employment; or they might fail to advise the Department that they have become a member of a couple. Cases can also involve fraud where someone has received benefits on behalf of a person who has died, or where multiple identities are used to obtain multiple benefits.

Child Support fraud includes claims for child support by someone who is not entitled to that support, parents who do not correctly declare their income or relationship status, and employers who fail to deduct an amount from a paying parent's salary or wage or fail to forward an amount that has been deducted.

Medicare fraud may involve the making of claims for services that were not provided. This can range from a person using their own name to claim services to service providers or their employees who use patients' identities to make fraudulent claims.

Department of Veterans' Affairs

The Department of Veterans' Affairs (DVA) refers briefs of evidence to us relating to a range of fraudulent activity. This includes claiming benefits to which one is not entitled, fraud through over-servicing by service providers, and deceased beneficiary cases.

Department of Social Services

The Department of Social Services (DSS) is responsible for programmes relating to families and children, housing support, disability and carers including disability support, and senior citizens. A range of frauds are investigated including the misuse of government grants for specific purposes.

Practice group

The RBF Practice Group comprises branches in our Sydney, Melbourne and Brisbane offices. The respective branch heads are directly supervised by the practice group leader. All 10 of our offices across Australia can receive work of the RBF practice group.

Partner agencies

The RBF Practice Group has regular liaison with our partner agencies. As noted earlier, we work with many of the CDPP's partner agencies, including DHS, the AFP and state and territory police, the ATO, DSS, DVA and Comcare. It is the lead practice group for liaison with the ATO.



International Assistance & Specialist Agencies (IASA)

Practice Group Leader: Graeme Davidson, Deputy Director

The IASA Practice Group is responsible for dealing with a wide array of Commonwealth criminal laws, with specific responsibility for international assistance and engagement with specialist agencies.

International assistance (including mutual assistance and extradition)

The CDPP views international assistance as an important tool in the successful prosecution of transnational crime. Cases with an international aspect require assistance and cooperation from other countries in order to effectively investigate and prosecute serious offences such as terrorism, people smuggling, drug trafficking, sexual servitude, bribery of foreign officials, money laundering and offences relating to child exploitation and abuse material.

Increasingly, we seek cooperation from other countries to assist in the prosecution of transnational crime and to apprehend and extradite fugitives. This involves mutual assistance and extradition. While the primary responsibility for these areas rests with the Attorney-General's Department (AGD), Australia's central authority for mutual assistance in criminal matters and extradition, we play an important part in assisting with requests.

Based on our expertise and practical experience in prosecuting, we also contribute internationally, particularly within the region, to legal capacity programmes to strengthen effective investigation and prosecution of criminal activities such as people smuggling, human trafficking and terrorism. This contribution is significant in building international and regional linkages, which are important given the increasingly transnational nature of criminal activity.

Mutual assistance

Mutual assistance is a formal process used by countries to provide assistance to each other to investigate and prosecute criminal offences and to recover the proceeds of crime.

The formal mutual assistance regime runs parallel with the less formal system of international cooperation between investigating agencies, known as 'agency-to-agency' assistance. Formal mutual assistance channels are most commonly used when the request for assistance involves the use of coercive powers or when the material requested is required to be in a form that is admissible in criminal proceedings.

The mutual assistance regime rests on a network of international relations and obligations together with the willingness of participating countries to provide assistance to each other. This international network is underpinned by a number of bilateral treaties and multilateral conventions. Australia has ratified 29 bilateral mutual assistance treaties and a number of multilateral conventions, which bind the signatories to provide mutual assistance to each other. These include the:

- *United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances*
- *United Nations Convention against Transnational Organised Crime*
- *Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime.*

Countries that are not signatories to mutual assistance treaties or conventions may also request mutual assistance from, and provide mutual assistance to, each other. This is done under the principle of reciprocity whereby countries agree to provide assistance to each other on a case-by-case basis on the understanding that each will receive similar assistance in return.

We are responsible for drafting mutual assistance requests to foreign countries to support Australian criminal proceedings for federal offences where charges have been laid against the alleged offender. By arrangement with the AGD, in drug-related matters we provide detailed information to the AGD to facilitate the making of mutual assistance requests. This year we were involved in the preparation of 79 outgoing requests made by Australia to 33 foreign countries in relation to matters where charges were laid by a Commonwealth investigative agency or where we received specific funding to draft mutual assistance requests in respect of a particular matter or type of matter. These outgoing requests were generally made in conjunction with Commonwealth investigative agencies or joint taskforces comprising law enforcement officers from Commonwealth, state and territory agencies.

Extradition

Extradition is a formal process whereby offenders who are outside the jurisdiction are returned to the country requesting extradition to be prosecuted or to serve a sentence of imprisonment. Extradition is both an important and effective mechanism in law enforcement.

AGD has sole responsibility for international extradition for all countries except New Zealand. Our role in extradition is confined to requesting that extradition be sought in Commonwealth matters and the execution of incoming requests from New Zealand.

In the case of outgoing extradition requests, we prepare documents in support of requests for extradition in serious cases where a person is wanted for prosecution for an offence against Commonwealth law or to serve a sentence of imprisonment, and is found to be in a foreign country.

Outgoing requests

During the course of the year we asked the AGD to make seven extradition requests to foreign countries in relation to prosecutions we were conducting. The requests resulted in one person being surrendered to Australia following extradition proceedings in the foreign country. A further nine persons were surrendered to Australia in the course of the year as a result of extradition requests made in previous years. A further six requests from previous years remain ongoing, including one request to New Zealand.

Incoming requests

Requests from New Zealand are made on a police-to-police basis and are referred to us by the AFP. We appear on behalf of New Zealand in extradition proceedings before a Magistrate to determine whether a person will be surrendered, and in any review or appeal arising from those proceedings.

In the past year we appeared on behalf of New Zealand in relation to one new request for extradition. Those proceedings resulted in the person consenting to surrender. We also continued to appear in one ongoing matter.

Specialist agencies

The Specialist Agencies aspect of IASA arises out of the breadth of Commonwealth criminal legislation, a consequence of which is that the CDPP receives referrals from a wide variety of partner agencies whose work does not fall within the specific crime types covered by the other practice groups. Much of this work is specialised in nature and compliance focused. We recognise the importance of these partner agencies by allocating their work to a dedicated practice group. The subject matters and matters referred by specialist agencies to IASA include:

- Aboriginal & Torres Strait Islander corporations
- administration of justice offences
- aviation compliance
- bankruptcy
- communications
- defence
- electoral offences
- enforcement power prosecutions
- environmental
- fisheries
- high-profile, less serious offences
- intellectual property
- marine safety
- offences against Commonwealth officials and property
- offences relating to the administration of government
- postal offences
- occupational health and safety
- secrecy and browsing offences
- therapeutic goods.

An advantage of IASA's focus on these offences is that prosecutors develop expertise dealing with these specialised crime types.

Freedom of information

IASA also coordinates our proceeds of crime work and our obligations under the *Freedom of Information Act 1982*.

Proceeds of crime

In relation to proceeds of crime, following the establishment of the AFP-led Criminal Assets Confiscation Taskforce (the taskforce) in January 2012, our role in criminal confiscation under the *Proceeds of Crime Act 2002* (POC Act 2002) was, by agreement, limited to taking criminal confiscation action in matters where restraint of property is not required to preserve the property for confiscation and the person is convicted of an offence. IASA coordinates our ongoing role.

IASA also coordinates our approach to matters under the old *Proceeds of Crime Act 1987* (POC Act 1987) as these matters do not fall within the responsibility of the taskforce.

Practice group

The IASA Practice Group is led by Graeme Davidson, Deputy Director, with branches from the Australian Capital Territory and southern New South Wales prosecution group and the Adelaide office. If required, specified branches in our offices can also be allocated IASA work.

Partner agencies

As noted above, the specialist agencies that IASA deals with are many and varied. Our strategy is to foster expertise in specialist agency matters and to enhance our liaison relationship so that we can work efficiently and effectively with these agencies in order to assist them to achieve their strategic objectives. The agencies include:

- Australian Bureau of Statistics
- ACCC, ACC, Australian Commission for Law Enforcement Integrity on enforcement powers prosecutions
- Australian Communications and Media Authority
- Australian Electoral Commission
- Australian Fisheries Management Authority
- AFP and state and territory police
- Australian Financial Security Authority
- AGD on mutual assistance and extradition
- Australian Maritime Safety Authority
- Australian Prudential Regulation Authority
- Australian Pesticides and Veterinary Medicines Authority
- Australia Post
- Civil Aviation Safety Authority
- Comcare
- Commonwealth Departments of Environment, Health, Industry, Employment and Education
- Department of Defence
- Great Barrier Reef Marine Park Authority
- National Offshore Petroleum Safety and Environmental Management Authority
- Office of the Director of Military Prosecution
- Office of the Registrar of Indigenous Corporations
- Therapeutic Goods Administration.



Organised Crime & Counter Terrorism (OCCT)

Practice Group Leader: Scott Bruckard, Deputy Director

Counter terrorism

In 2002 the *Criminal Code* was amended to include a range of special offences designed to criminalise terrorism, terrorist organisations and the financing of terrorism. In the 12 years that have passed since that time, we have worked closely with our partner agencies to support counter-terrorism investigations and prosecute those found to have a case to answer in accordance with the *Prosecution Policy*.

To date, 40 persons have been prosecuted for counter-terrorism related offences. Whilst a number of these cases are still to be resolved, 24 people have been convicted of these offences. All of the 24 people were sentenced to terms of imprisonment, ranging from four to 28 years imprisonment.

Australia's terrorism laws target preparatory acts and are designed to operate in a way which allows criminal responsibility to arise at a much earlier stage than is usually the case for other kinds of criminal conduct. Whilst this unique feature of these laws helps to protect the community from the harm that could result from a terrorist act, the prosecution of preparatory acts is often more challenging than the prosecution of completed crimes. Almost all of our counter-terrorism prosecutions have been vigorously contested in litigation which has spanned several years. Whilst relatively small in number, these cases remain some of the most costly and resource-intensive matters in our legal practice.

We support counter-terrorism investigations through the provision of pre-brief legal advice to partner agencies. The provision of this advice is highly specialised work. The pre-brief advice we provide is of considerable value to our partner agencies. It contributes to reducing costs and improving investigation and prosecution outcomes. In national security matters, our pre-brief advice plays an important role in ensuring that Australia's terrorism laws are used effectively and in appropriate cases. Our legal expertise and independence make us a valuable and essential contributor to the joint agency model.

Our practice group responds to requests for assistance from the AGD with respect to proposed legislative reforms relating to national security. We also respond to requests for information from the Independent National Security Legislation Monitor and other government-appointed bodies tasked with overseeing or reviewing the operation of our terrorism laws.

Organised crime

Our organised crime referrals cover a broad range of criminal conduct but predominantly involve large-scale international drug trafficking, money laundering, tax evasion and corruption. Typically these matters involve cross-border and transnational conduct. Much of this work comes to us from the AFP and the various multi-agency taskforces commissioned to combat and disrupt organised crime on the waterfront in Australia. These taskforces comprise Taskforce Polaris (New South Wales), Taskforce Trident (Melbourne) and Taskforce Jericho (Brisbane). Our practice group also holds a number of referrals in which it is alleged that Commonwealth officers have acted corruptly in the course of their duties. A number of these matters are now before the courts.

International assistance and engagement

Many of our counter-terrorism and organised crime matters are transnational and require evidence to be obtained from overseas in order to support these prosecutions. The key means of obtaining foreign evidence is via the formal mutual assistance process through which the AGD makes a request to a foreign country on behalf of the CDPP and the relevant investigative agencies. Some foreign evidence can also be obtained with the cooperation of foreign governments through police-to-police channels. The different legal systems and practices that operate in countries around the world can make the task of obtaining foreign evidence in a form likely to render it admissible in Australian proceedings challenging.

Where funding has been available from external sources, some of our prosecutors have been able to share some of their considerable experience and expertise in the prosecution of counter-terrorism matters with relevant overseas agencies. A number of our staff have contributed to capacity-building initiatives in Asia and Africa at the invitation of the United Nations or the Global CounterTerrorism Forum.

Practice group

The OCCT Practice Group comprises two specialist branches of prosecutors practising in Sydney and Melbourne. In addition, another five branches of prosecutors located across Australia receive work from the OCCT practice group.

Partner agencies

Our key partner agencies in this work are the AFP, Australian Security Intelligence Organisation (ASIO), the ACC and relevant officers within the state and territory police services. We also continue to enjoy a close working relationship with the AGD.

Developments this year

In 2014 our practice group received a number of counter-terrorism referrals which relate to persons suspected of committing criminal offences in an effort to support or participate in the conflict in Syria and Iraq. A number of these 'foreign fighter' matters are already before the courts in New South Wales, Queensland and Victoria. Further prosecutions are likely. We continue to support a number of current and ongoing police counter-terrorism investigations through the provision of pre-brief advice.

In August 2013 the New South Wales Court of Criminal Appeal heard appeals arising out of the Operation Pendenis-Eden prosecutions. Judgment is yet to be delivered in these matters. These appeals took place almost eight years after the appellants were first arrested and charged with conspiring to do an act in preparation for a terrorist act in Australia. Appeals arising from the Operation Neath prosecutions also concluded in April 2014 when the High Court refused applications for leave to appeal against conviction and sentence.² These prosecutions arose out of a plan to carry out an armed attack on the Holsworthy Army Barracks in New South Wales in 2009.

The creation of a CDPP national practice group with a focus on organised crime has provided us with new opportunities to support our partner agencies undertaking this work. We have recently moved to strengthen our organised crime liaison relationships across Australia to ensure that we are better placed to provide the specialised pre-brief advice which can be of most value during these complex and sensitive investigations. This initiative is strongly supported by our partner agencies. Independent and timely advice from experienced prosecutors can help ensure that law enforcement resources are used wisely and are most effectively focused on gathering the evidence that is required to support a successful prosecution.



Illegal Imports & Exports (IIE)

Practice Group Leader: David Adsett, Deputy Director

The IIE Practice Group is primarily responsible for the prosecution of offences which involve the introduction or removal of prescribed items across Australia's borders. The crime types covered by the practice group include:

- general drug and precursor importation offences
- drug crime-related money laundering
- general money laundering

² *Aweys v The Queen* [2014] HCATrans 87 (11 April 2014).

- quarantine offences
- wildlife imports and exports
- other import and export offences, e.g. *Customs Act 1901*, the *AML*, cross-border movements of money
- Customs duty offences.

Drug importation

We conduct a significant amount of work in relation to prosecutions of serious drug offences, particularly importation offences. The interception of illicit drugs and drug precursors at the border prevents them from entering the Australian community. Precursors are an essential part of the production process for illicit drugs. Drug offences are amongst the most serious Commonwealth offences and attract substantial penalties, including imprisonment for life for offences involving commercial quantities of serious drugs. There are a range of serious drug offences in the *Criminal Code* including trafficking and the commercial manufacture of drugs. We also prosecute state and territory drug offences usually where the investigation involves a Commonwealth agency and it is appropriate for us to conduct the prosecution.

Over the past five years we have seen an increase in serious drug prosecutions. This year we dealt with 514 serious drug charges. There has also been an increase in the number of precursor matters we have dealt with, particularly involving importation of pseudoephedrine, a precursor required in the manufacture of methamphetamine or 'ice'. This year we dealt with 57 precursor charges under the *Criminal Code*. These figures do not include the large number of matters involving precursors that we have prosecuted under the *Customs Act 1901 (Customs Act)* or state and territory legislation. We are seeing a wide spectrum of importation methodologies relating to precursors—ranging from quantities being imported through the mail (often several kilograms at a time) through to sophisticated planning of importations of hundreds of kilograms or several tonnes of precursors imported via shipping containers.

Money laundering

The IIE Practice Group is also responsible for prosecuting drug-related money laundering crimes. The offences are defined in Part 10.2 of the *Criminal Code* and encompass a very wide range of criminal activity. Money laundering involves hiding, disguising or legitimising the true origin and ownership of money used in or derived from committing crimes. Money laundering is a diverse activity that is carried out at all levels of sophistication and plays an important role in organised crime. There is no single method of laundering money although use of the banking system and money transfer services is common. Money launderers are constantly creating schemes to attempt to circumvent measures designed to detect them.

Other importation and exportation matters

Our partner agency, the Department of Agriculture, administers a wide range of legislation and is responsible for investigations of other importation and exportation offences. The referrals we receive follow investigations relating to quarantine offending, breaches of food import controls, forgery of exportation documentation and breaches of export control legislation involving the exportation of live cattle.

Practice group

The IIE Practice Group is made up of three branches in our Sydney, Melbourne and Perth offices. There is also a branch aligned with the IIE Practice Group in northern Australia which encompasses our Townsville, Cairns and Darwin offices. Other branches in Adelaide, Brisbane, Canberra, Hobart, Melbourne and Sydney offices receive work from the IIE Practice Group.

Partner agencies

The partner agencies of the IIE Practice Group include the Australian Customs and Border Protection Service (ACBPS) and the Department of Agriculture, both of which have important responsibilities in relation to the import and export of goods from Australia. The IIE Practice Group is the lead practice group for liaison with ACBPS. The AFP also continues its significant involvement in policing our borders and investigating drug-related crime.

Developments this year

One issue that has emerged is the increasing use of the postal service to import drugs. Many prosecutions conducted throughout the year included cases where the post had been utilised as a method of importation. Another issue which has continued from previous years includes the importation of precursor chemicals from which serious drugs are manufactured. Principal amongst these are ephedrine and pseudoephedrine.

During the year a number of serious cases were concluded. One of these was *Barbaro & Zirilli v The Queen*,³ which resulted in a lengthy gaol term being imposed and the consideration by the High Court of the prosecution's role in the sentencing process.



Human Exploitation & Border Protection (HEBP)

Practice Group Leader: Ellen McKenzie, Deputy Director

The HEBP Practice Group prosecutes a wide variety of offence types criminalised by several different statutes. Crime types covered by the work of the practice group include:

- child sex exploitation offences. These include offences relating to child pornography material, child abuse material, and grooming and procuring persons under the age of 16 to engage in, or submit to, sexual activity, or to cause a child to engage in sexual activity with another person, whether by use of the internet, email, telephone or other telecommunications applications, or postal or similar services. They also include importation of child pornography and child abuse material, and child sex offences committed overseas by Australian citizens and permanent residents
- people smuggling. Offences for people smuggling apply to both the organisers of ventures to bring to Australia people who are not Australian citizens and have no lawful right to come to Australia, and the crew of the vessels. Other offences include concealing a non-citizen who has illegally entered or intends to enter Australia, and the making or use of false documents
- human trafficking and slavery. This encompasses a range of offences including where people are moved across Australia's borders through coercion, threat or deception for the purposes of exploitation. It also includes offences in which people already in Australia are subjected to exploitative practices such as slavery, servitude, forced labour, forced marriage or debt bondage. To date, the majority of victims have involved women working in the sex industry. However, increasingly, victims of other forms of labour exploitation are being identified including in the agricultural, construction and hospitality industries
- passport, visa and other migration offences
- telecommunications offences. These offences include using a carriage service to make a threat or a hoax threat; menace, harass or cause offence to another person; and make improper use of the emergency call service ('000')
- cybercrime offences. In Australia, 'cybercrime' is used to describe both crimes directed at computers or other information communications technologies (ICTs) such as hacking and denial of service attacks, and traditional crimes where computers or ICTs are an integral part of the offence such as online fraud, money laundering and identity theft

³ (2014) 305 ALR 323; [2014] HCA 2.

- immigration detention offences
- federal community policing. This includes offences committed on airlines, ships, at airports or other federal places
- bigamy.

Partner agencies

The HEBP Practice Group works closely with a number of partner agencies including the AFP, the Department of Immigration and Border Protection, ACBPS, the Department of Foreign Affairs and Trade, the Australian Passport Office and state and territory police.

Practice group

There are three dedicated branches within the practice group nationwide which are located in Brisbane, Melbourne and Sydney. A further five branches located in Adelaide, Canberra, Hobart, Perth and Townsville also perform work in this practice area.

The CDPP's Witness Assistance Service is a national service embedded within the Sydney branch and assists victims, vulnerable witnesses and their caregivers in matters being prosecuted by us.

Developments this year

Child sex exploitation practice

Child exploitation is a burgeoning area of practice for the CDPP. The number of referrals and victims of crime in this practice area is increasing over time, as is the technical complexity of the work. These offences are becoming more sophisticated through the use of networks to distribute material, the protection of material by encryption and storage of material online in the 'Cloud'.

An emergent crime in this practice area involves Australians contacting children overseas, usually via brokers, using Skype or other online applications and paying them to perform sexual acts which the accused observes in real time. The courts have responded with significant sentences in many of these cases such as the matters of *Rivo v The Queen*⁴ and *DPP v Hickey*.⁵

Human trafficking

On 7 March 2013 significant amendments were made to the *Criminal Code* to expand the reach of the existing slavery and trafficking offences, but also to introduce new offences of forced labour, forced marriage, harbouring and organ trafficking. We have been increasingly engaging with partner agencies to provide early pre-brief advice on investigations in these areas and to provide training to agencies investigating these offences.

Victims of crime

The HEBP Practice Group is experiencing an increasing number of referrals involving victims and vulnerable witnesses. Prosecutions involving victims and vulnerable witnesses present unique challenges and can also require engagement with Commonwealth, state and territory Witness Assistance Services, as well as various non-government agencies involved in the support of victims, such as the Red Cross.

Engagement in international agencies and forums

Given the transnational nature of the crimes prosecuted within the practice group, there have been numerous occasions on which we have participated, in conjunction with the AGD, in international and national forums

4 [2012] VSCA 117.

5 [2013] VCC 1319.

as part of our contribution to law reform, Australia's obligations under international law, and to enhancing the relationships with our partner agencies, non-government organisations and other bodies supporting victims, including presenting training. Several of our engagements in this area over the past year include:

- attendance and presentation at Expert Group Meetings at the United Nations Office of Drugs and Crime in Vienna, Austria, in February and May 2014, convened to discuss the prosecution of human trafficking cases and the Trafficking in Persons Protocol
- attendance and presentation at workshops for Sri Lankan magistrates and prosecutors on people smuggling and mutual legal assistance in October 2013 and July 2014
- attendance and presentation at the Child Sex Exploitation in Travel and Tourism Symposium in Sigatoka, Fiji, in 2013
- attendance and participation in panel discussion at the Youth, Technology and Virtual Communities Conference, hosted by the Queensland Police Service (Taskforce Argos) at Bond University in April 2014
- presentation of training regarding the amendments to the slavery and trafficking offences at the AFP Human Trafficking Investigators' course in July 2013 and May 2014
- filming an interview for the joint AFP/Victoria Police Information and Awareness Package 'Look a Little Deeper' for first responder law enforcement and the judiciary on human trafficking in June 2014
- membership and attendance at the Operational Working Group on Human Trafficking, at the Senior Officials' Committee on people smuggling crew prosecutions, and at the Parliamentary Roundtable on Human Trafficking throughout 2013–14.

Case reports

Case reports highlighting the areas of practice of the different practice groups are available at www.cdpp.gov.au. These case reports are a valuable resource reflecting the diversity of our work across all the jurisdictions in which we practice. Information is provided about individual cases showing the evolution of these practice areas and developments in the practice of Commonwealth criminal law. Case reports from the previous five years are also available.

Law reform

As the CDPP is responsible for conducting prosecutions against the laws of the Commonwealth in all Australian jurisdictions, we are in a unique position to provide feedback to policy formulators and law makers about the operation of Commonwealth criminal law and our experience working with these laws in the courts.

Where a law reform issue relates to crimes covered by one of the six national practice groups, the practice group leader for that practice group co-ordinates this work. Where the issue falls outside the specific areas of the practice groups, the work is coordinated by the Director's Co-ordination Unit.

We contribute to law reform by:

- commenting on legislative proposals
- raising practical issues with criminal laws that may require consideration for legislative amendment
- contributing to reviews
- considering and commenting on discussion papers
- making submissions to and appearing before Parliamentary Committees
- maintaining liaison relationships with government departments and agencies.

We provided comment on a wide range of legislative proposals and draft legislation during the course of the year, including:

- Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014 consequential amendments proposed to the *Director of Public Prosecutions Act 1983*
- Crimes Legislation Amendment (Psychoactive Substances and Other Measures) Bill 2014 proposed new offences in relation to psychoactive substances in *the Criminal Code*
- proposed amendments to trafficable quantities in the controlled drugs list in the *Criminal Code Amendment (Drugs) Regulation 2014*.

We also contributed, through the provision of information and comments to the AGD, to the policy development of a number of law reform proposals which have not at this stage been introduced into Parliament.

We contributed to a number of reviews and inquiries throughout this year. For example, we contributed submissions to the New South Wales Law Reform Commission Inquiry on Criminal Appeals and to the National Commission of Audit in relation to its report *Towards responsible government: the report of the National Commission of Audit*.

We provided submissions to and appeared before the following two committees of the Australian Parliament:

- Senate Economics References Committee on Performance of the Australian Securities and Investments Commission
- Senate Legal & Constitutional Affairs Reference Committee on current investigative processes and powers of the Australian Federal Police in relation to non-criminal matters.

We appeared before the Independent National Security Legislation Monitor (INSLM) in relation to the *Crimes (Foreign Incursions and Recruitment) Act 1978* and provided a practical account of the operation of Australia's terrorism laws.

Statistics

The tables below provide the following statistics:

- **Table 3** shows *Crimes Act 1914* charges dealt with in 2013–14
- **Table 4** shows *Criminal Code* charges dealt with in 2013–14
- **Table 5** shows charges dealt with involving extensions of criminal responsibility under the *Crimes Act 1914* and the *Criminal Code*.

Table 3: *Crimes Act 1914*—charges dealt with in 2013–14

Sections	Description	Summary (charges)	Indictable (charges)
3LA(5)	Person fails to comply with order as described in s3LA(1)—s3LA(4)	1	2
3UN(1)	Offence by suspect—failure to comply with requests made under s3UM	2	0
20A(1)	Failure to comply with a condition of discharge or release	1	0
29(1)	Destroying or damaging Commonwealth property	12	2
29A(1)	Obtaining money by false pretences (repealed)	4	0
29D	Defraud the Commonwealth (repealed)	1	32
36A(a)	Threatens, intimidates or restrains witnesses	2	2

Sections	Description	Summary (charges)	Indictable (charges)
39(1)	Destroying or rendering illegible document to be used in evidence	0	1
47	Escaping from arrest, custody or detention	0	1
47B(1)	Person unlawfully at large	1	0
67(b)	Forging or uttering any document issuable by or deliverable to a Department of the Commonwealth (repealed)	2	0
70(1)	Disclosure of information by current Commonwealth officer	1	0
71(1)	Stealing Commonwealth property (repealed)	4	0
76B(2)(b)(v)	Unlawful access to data in Commonwealth and other computers—access personal affairs of any person (repealed)	0	48
85U	Obstructing or hindering the carriage by post of any article	8	0
89(1)	Trespassing on Commonwealth land	2	0
89(2)	Being found on prohibited Commonwealth land refusing to furnish name and address	1	0
Total		42	88

Table 4: *Criminal Code*—charges dealt with in 2013–14

Sections	Description	Summary (charges)	Indictable (charges)
Chapter 4—The integrity and security of the international community and foreign governments		0	1
70.2(1)	Bribing a foreign public official	0	1
Part 7.2—Theft and other property offences		18	4
131.1(1)	Theft of Commonwealth property	18	3
132.1(1)	Dishonestly receiving stolen property	0	1
Part 7.3—Fraudulent conduct		3088	659
134.1(1)	Obtaining Commonwealth property by deception	3	59
134.2(1)	Obtaining a financial advantage by deception	184	460
135.1(1)	Dishonestly intending to obtain a gain	43	28
135.1(3)	Dishonestly intending to cause a loss	0	6
135.1(5)	Dishonestly causing a loss or risk of loss	40	85
135.1(7)	Dishonestly intending to influence a Commonwealth public official	7	6
135.2(1)	Obtains financial advantage from a Commonwealth entity	2806	2
135.2(2)	Obtaining a financial advantage for another person	4	0
135.4(3)	Conspiracy to defraud	0	12
135.4(7)	Conspire to dishonestly influence Commonwealth official	1	1

Sections	Description	Summary (charges)	Indictable (charges)
Part 7.4—False or misleading statements		527	0
136.1(1)	Make false or misleading statement in applications	495	0
137.1(1)	False or misleading information	22	0
137.2(1)	False or misleading documents	10	0
Part 7.6—Bribery and related offences		11	14
141.1(1)	Giving a bribe to a Commonwealth public official	0	7
141.1(3)	Receiving a bribe by a Commonwealth public official	0	1
142.1(1)	Giving a corrupting benefit	0	2
142.1(3)	Receiving a corrupting benefit	0	3
142.2(1)	Abuse of public office	11	1
Part 7.7—Forgery and related offences		39	19
144.1(1)	Making forged document with intention that is accepted as genuine by Commonwealth public official	8	0
145.1(1)	Using forged document with intention that is accepted as genuine by Commonwealth public official	30	16
145.1(5)	Using forged Commonwealth document with intention that is accepted as genuine by a third person	0	2
145.2(5)	Possession of forged document	0	1
145.4(1)	Falsification of Commonwealth documents etc.	1	0
Part 7.8—Causing harm to, and impersonation and obstruction of, Commonwealth public officials		63	2
147.1(1)	Cause harm to Commonwealth official etc.	8	1
147.2(1)	Threatening to cause serious harm to a Commonwealth public official	9	0
147.2(2)	Threatening to cause harm	7	0
148.1(1)	Impersonation of public official	1	0
148.1(2)	False representation of being a public official	6	0
148.1(3)	Impersonation of public official with intent	2	0
148.2(2)	Commonwealth public official falsely representing himself to be another official	2	0
149.1(1)	Obstruction of Commonwealth public officials	28	1
Chapter 8—Offences against humanity and related offences		8	28
270.6(1)	Sexual servitude	0	1
270.6(2)	Sexual servitude businesses	0	2
271.2(1B)	Trafficking in persons	0	7
271.8(1)	Offence of debt bondage	8	0
272.14(1)	Procuring child to engage in sexual activity outside Australia	0	2
272.15(1)	'Grooming' child to engage in sexual activity outside Australia	0	2

Sections	Description	Summary (charges)	Indictable (charges)
273.5(1)(a)(i)	Possessing or controlling child pornography material outside Australia	0	2
273.5(1)(a)(ii)	Producing, distributing or obtaining child pornography material outside Australia	0	12
Part 9.1—Serious drug offences		41	473
302.2(1)	Trafficking commercial quantities of controlled drugs	0	18
302.3(1)	Trafficking marketable quantities of controlled drugs	0	16
302.4(1)	Trafficking controlled drugs	1	15
305.3(1)	Manufacture commercial quantity controlled drugs	0	5
305.5(1)	Manufacturing controlled drugs	0	1
307.1(1)	Importing or exporting commercial quantities of border controlled drugs or border controlled plants	0	83
307.2(1)	Importing or exporting marketable quantities of border controlled drugs or border controlled plants	1	122
307.3(1)	Importing or exporting border controlled drugs or border controlled plants	7	37
307.4(1)	Importing or exporting border controlled drug or plants, no commercial intent	17	8
307.5(1)	Possess commercial quantity unlawfully imported border controlled drug or plants	0	55
307.6(1)	Possessing marketable quantities of unlawfully imported border controlled drugs or plants	0	34
307.7(1)	Possessing unlawfully imported border controlled drugs or border controlled plants	0	1
307.8(1)	Possessing commercial quantities of border controlled drugs/plants, suspected unlawful importation	0	3
307.9(1)	Possessing marketable border controlled drugs or plants suspected of having been unlawfully imported	0	6
307.10(1)	Possessing border controlled drugs or border controlled plants suspected of being illegally imported	2	3
307.11(1)	Importing and exporting commercial quantities of border controlled precursors	0	16
307.12(1)	Importing and exporting marketable quantities of border controlled precursors	0	41
308.1(1)	Possessing controlled drugs	13	5
310.2(1)	Danger from exposure to unlawful manufacturing	0	4
Part 9.5—Identity crime		25	0
372.3(1)	Possess equipment used to make identification documentation	2	0
376.2(1)	Using false identification information at Constitutional airport	10	0
376.3(1)	Using a carriage service with false information to obtain air passenger ticket	5	0
376.4(1)	Using false information to obtain an air passenger ticket to obtain a Constitutional flight	4	0
376.4(2)	Using false information to obtain an air passenger ticket to take a Constitutional flight	4	0
Part 10.2—Money laundering		56	70
400.3(1)	Dealing in proceeds of crime etc.—money or property worth \$1,000,000 or more: knowing/believing	0	4

Sections	Description	Summary (charges)	Indictable (charges)
400.3(2)	Dealing in proceeds of crime etc.—money or property worth \$1,000,000 or more: reckless	0	1
400.4(1)	Dealing in proceeds of crime etc.—money or property worth \$100,000 or more: knowing/believing	0	9
400.4(2)	Dealing in proceeds of crime etc.—money or property worth \$100,000 or more: reckless	1	4
400.4(3)	Dealing in proceeds of crime etc.—money or property worth \$100,000 or more: negligence	1	0
400.5(1)	Dealing in proceeds of crime etc.—money or property worth \$50,000 or more: knowing/believing	0	1
400.5(2)	Dealing in proceeds of crime etc.—money or property worth \$50,000 or more: reckless	3	1
400.6(1)	Dealing in proceeds of crime etc.—money or property worth \$10,000 or more: knowing/believing	10	3
400.6(2)	Dealing in proceeds of crime etc.—money or property worth \$10,000 or more: reckless	12	2
400.6(3)	Dealing in proceeds of crime etc.—money or property worth \$10,000 or more: negligence	0	1
400.7(1)	Dealing in proceeds of crime etc.—money or property worth \$1,000 or more: knowing/believing	2	0
400.7(2)	Dealing in proceeds of crime etc.—money or property worth \$1,000 or more: reckless	3	1
400.8(1)	Dealing in proceeds of crime etc.—money or property of any value	1	0
400.9(1)	Dealing with money or other property reasonably suspected of being proceeds of crime worth \$100,000+	13	38
400.9(1)(a)	Possession etc. of property reasonably suspected of being proceeds of crime etc. (Repealed)	1	0
400.9(1A)	Dealing with money or other property reasonably suspected of being proceeds of crime under \$100,000	9	5
Part 10.5—Postal services		121	13
471.1(1)	Theft of mail receptacles, articles or postal messages	32	0
471.3(a)	Taking or conceals a mail-receptacle	49	0
471.3(b)	Taking or concealing of mail receptacles, articles or postal messages in the course of posting	6	0
471.6(1)	Damaging or destroying mail receptacles, articles or postal messages	4	0
471.7(1)(a)	Dishonestly opening a mail-receptacle	2	0
471.7(1)(b)	Dishonestly tampering with a mail-receptacle	2	0
471.8	Dishonestly obtaining delivered articles	1	0
471.12	Using a postal service to menace/harass/cause offence	25	13
Part 10.6—Telecommunications services		258	420
474.15(1)	Using a carriage service to make a threat to kill	23	1

Sections	Description	Summary (charges)	Indictable (charges)
474.15(2)	Use carriage service to threaten serious harm	26	0
474.16	Using a carriage service for a hoax threat	27	0
474.17(1)	Use carriage service to menace, harass or cause offence	154	18
474.18(1)	Improper use of emergency call service	9	0
474.18(2)	Vexatious call to emergency service number	5	3
474.19(1)	Use a carriage service to access child pornography material	0	241
474.20(1)(a)(i)	Possess/control/produce/supply/obtain child pornography material for use through carriage service	0	2
474.22(1)(a)(i)	Using a carriage service to access child abuse material	0	5
474.22(1)(a)(iii)	Using carriage service to transmit, make avail, publish or distribute child abuse material	0	1
474.24A(1)	Aggravated offence—offence involving conduct on 3 or more occasions and 2 or more people	0	3
474.25A(1)	Engaging in sexual activity with child using a carriage service	0	5
474.26(1)	Use carriage service to procure person under 16 years of age (with sender)	0	43
474.26(2)	Use carriage service to procure person under 16 years of age (with another person)	0	1
474.27(1)	Use carriage service to 'groom' person under 16 years of age	0	39
474.27A(1)	Using a carriage service to transmit indecent communication to person under 16 years of age	14	58
Part 10.7—Computer offences		11	41
477.1(1)	Intention to commit a serious Commonwealth, state or territory offence	0	1
477.1(1)(a)(i)	Causing any unauthorised access to data held in a computer	0	1
477.1(4)	Intention to commit serious Commonwealth offence	4	12
477.2(1)	Unauthorised modification of data to cause impairment	0	14
478.1(1)	Unauthorised access to, or modification of, restricted data	6	12
478.2(1)	Causes unauthorised impairment of data held on computer disk or credit card or another device	1	0
478.3(1)	Possession or control of data with intent to commit a computer offence	0	1
Part 10.8—Financial information offences		2	0
480.6	Import thing to obtain/deal in personal financial information	2	0
Total		4268	1744

Note: Some of the charges shown as dealt with summarily were indictable charges discontinued at an early stage. Some other charges shown as dealt with summarily were indictable charges which resulted in a warrant for the arrest of the defendant. Some summary charges were dealt with on indictment as they were scheduled under s16BA of the *Crimes Act 1914*.

Table 5: Charges dealt with involving extensions of criminal responsibility under the *Crimes Act 1914* and *Criminal Code*

Extension of criminal responsibility Act and section		Principal Act and section		Charges	
Act	Section	Act	Section	Summary	Indictable
<i>Crimes Act 1914</i>	5(1)	<i>Crimes Act 1914</i>	29D	0	3
	86(1)	<i>Crimes Act 1914</i>	29D	0	3
<i>Criminal Code</i>	11.1(1)	<i>Australian Crime Commission Act 2002</i>	35(1)(a)	0	1
		<i>Australian Passports Act 2005</i>	35(1)	2	0
		<i>Aviation Transport Security Act 2004</i>	55(1)	1	0
		<i>Child Support (Registration and Collection) Act 1988</i>	72F	1	0
		<i>Crimes (Currency) Act 1981</i>	7(a)	0	3
		<i>Crimes Act 1914</i>	39(1)	0	1
		<i>Criminal Code</i>	134.2(1)	16	21
			135.1(5)	1	0
			135.2(1)	8	0
			135.2(2)	1	0
			302.3(1)	0	2
			305.5(1)	0	1
			307.1(1)	0	3
			307.2(1)	0	5
			307.5(1)	0	40
			307.6(1)	0	24
			307.7(1)	0	1
	307.8(1)	0	3		
	307.9(1)	0	2		
	400.6(1)	1	0		
	400.9(1)	2	0		
	474.17(1)	1	0		
	474.25A(1)	0	2		
	<i>Customs Act 1901</i>	233(1)(b)	2	0	

Extension of criminal responsibility Act and section		Principal Act and section		Charges	
Act	Section	Act	Section	Summary	Indictable
			233BAA(4)	1	0
			233BABAD(2)	0	2
		<i>Environment Protection and Biodiversity Conservation Act 1999</i>	303CC(1)	1	0
			303DD(1)	0	3
			303GP(2)	0	2
		<i>Foreign Passports (Law Enforcement and Security) Act 2005</i>	22(1)	0	2
		<i>Taxation Administration Act 1953</i>	14R	1	0
	11.2(1)	<i>Australian Passports Act 2005</i>	32(1)	0	4
		<i>Corporations Act 2001</i>	1308(2)	1	0
		<i>Crimes (Currency) Act 1981</i>	6	0	1
		<i>Crimes Act 1914</i>	29(1)	0	1
			29D	0	2
		<i>Criminal Code</i>	131.1(1)	0	1
			134.2(1)	0	10
			135.1(5)	0	2
			137.2(1)	1	0
			145.1(1)	1	0
			302.2(1)	0	1
			302.3(1)	0	3
	11.2A(1)	<i>Criminal Code</i>	302.3(1)	0	3
			307.1(1)	0	5
	11.2(1)	<i>Criminal Code</i>	307.1(1)	0	12
			307.2(1)	0	1
	11.2A(1)	<i>Criminal Code</i>	307.2(1)	1	2
	11.2(1)	<i>Criminal Code</i>	307.3(1)	0	19

Extension of criminal responsibility Act and section		Principal Act and section		Charges	
Act	Section	Act	Section	Summary	Indictable
	11.2A(1)	<i>Criminal Code</i>	307.5(1)	0	2
	11.2(1)	<i>Criminal Code</i>	307.6(1)	0	1
			471.12	0	1
		<i>Customs Act 1901</i>	233BAA(4)	0	1
		<i>Migration Act 1958</i>	243(3)	1	0
			197A	1	0
		<i>Quarantine Act 1908</i>	67(3)	0	1
			70C(1)	8	0
			70C(3)	2	2
			70D(3)	0	1
	11.3	<i>Criminal Code</i>	307.1(1)	0	1
			307.2(1)	0	1
	11.4(1)	<i>Criminal Code</i>	137.2(1)	1	0
	11.5(1)	<i>Corporations Act 2001</i>	1002G(2)(a)	0	3
			1043A(1)	0	5
		<i>Criminal Code</i>	70.2(1)	0	1
			135.1(3)	0	1
			135.4(3)	0	2
			302.2(1)	0	3
			305.3(1)	0	5
			307.1(1)	0	5
			307.2(1)	0	5
			307.11(1)	0	3
			Totals	56	235

Note: These charges are also included in tables 1, 3 and 4.

Criminal confiscation

Up until 1 January 2012 we had sole responsibility for conducting criminal confiscation action under Commonwealth legislation. On 1 January 2012 the Criminal Assets Confiscation Taskforce (the taskforce), which is led by the AFP and includes the ATO and the ACC, was established. At the same time legislative amendments to the *POC Act 2002* came into force to enable the Commissioner of the AFP to take criminal confiscation action under that Act.

Following the establishment of the taskforce operated by the AFP, the AFP has taken responsibility for the majority of proceedings under the *POC Act 2002*, and our role in criminal confiscation action is now limited. Since 2 April 2012 we have not commenced criminal confiscation action in non-conviction based matters, or conviction-based matters commenced by restraining order.

We retain responsibility for taking criminal confiscation action in matters where the restraint of property is not required to preserve the property for confiscation and the person has been convicted of an offence. All other matters are conducted by the taskforce.

The Director also has a function under section 6(1)(g) of the *DPP Act* to recover pecuniary penalties in matters specified in an instrument signed by the Attorney-General. On 3 July 1985 an instrument was signed giving the CDPP a general power to recover pecuniary penalties under Commonwealth law.

Between 1 July 2013 and 30 June 2014 \$4,860,009 was recovered through action we took under the *POC Act 2002*.

A number of restraining orders made under the *POC Act 2002* and the *POC Act 1987* to secure property to pay pecuniary penalty orders remain on foot as recovery action by the Official Trustee is ongoing.

Other legislation

The *POC Act 1987* applies to cases in which confiscation action was commenced prior to 1 January 2003. There is only a minimal amount of residual litigation under the *POC Act 1987*. No amendments have been made to the *POC Act 1987* to enable the Commissioner of the AFP to conduct matters under this Act.

The CDPP also has statutory duties under the *Crimes (Superannuation Benefits) Act 1989* and Part VA of the *Australian Federal Police Act 1979*. We have the function of bringing applications to forfeit the employer-funded component of superannuation payable to Commonwealth and AFP employees who have been convicted of corruption offences. No superannuation orders were made in this financial year.

We have two further responsibilities in this area which are now used infrequently following the enactment of proceeds of crime legislation. These are:

- under Division 3 of Part XIII of the *Customs Act*, the CDPP is vested with power to bring proceedings to recover profits earned from 'prescribed narcotic dealings'
- under the *DPP Act*, the CDPP has power to take traditional civil remedies action on behalf of the Commonwealth in cases where there is a connection with a prosecution.

No orders were made in this financial year under these Acts.

Each state and territory in Australia has legislation dealing with the confiscation of property derived from state and territory offences. The CDPP is not involved in proceedings brought pursuant to state and territory proceeds of crime legislation.

Table 6: *POC Act 2002*—performance indicators

Description	Number	Target	Outcome
Applications for pecuniary penalty orders that succeeded in 2013–14	0	90%	100%
Figures for 2012–13	4	90%	100%
Figures for 2011–12	11	90%	100%
Figures for 2010–11	14	90%	100%

Description	Number	Target	Outcome
Applications for forfeiture orders that succeeded 2013–14	18	90%	100%
Figures for 2012–13	33	90%	100%
Figures for 2011–12	80	90%	97.5%
Figures for 2010–11	107	90%	100%
Damages awarded against undertakings in 2013–14	0		\$0
Figures for 2012–13	0		\$0
Figures for 2011–12	0		\$0
Figures for 2010–11	0		\$0

Table 7: *POC Act 2002*—orders and forfeitures in 2013–14

	Number	Value
Restraining orders	-	-
Pecuniary penalty orders	0	\$0
Forfeiture orders	18	\$896,627
Automatic forfeiture under section 92	0	\$0
Literary proceeds orders	-	-

Table 8: *POC Act 2002*—restraining orders in force at 30 June 2014

	Number	Value
Number of restraining orders in force	9	\$3,187,160

Table 9: *POC Act 2002*—money recovered in 2013–14

	Amount recovered
Pecuniary penalty orders	\$152,984
Forfeiture orders	\$4,161,610
Automatic forfeiture under section 92	\$545,415
Literary proceeds orders	—
Matters where money recovered but no formal orders made	—
Total recovered:	\$4,860,009

Table 10: *POC Act 1987*—orders and forfeitures in 2013–14

	Number	Value
No new orders	-	-

Table 11: *POC Act 1987*—restraining orders in force at 30 June 2014

	Number	Value
Number of restraining orders in force	1	\$88,613

Table 12: *POC Act 1987*—money recovered in 2013–14

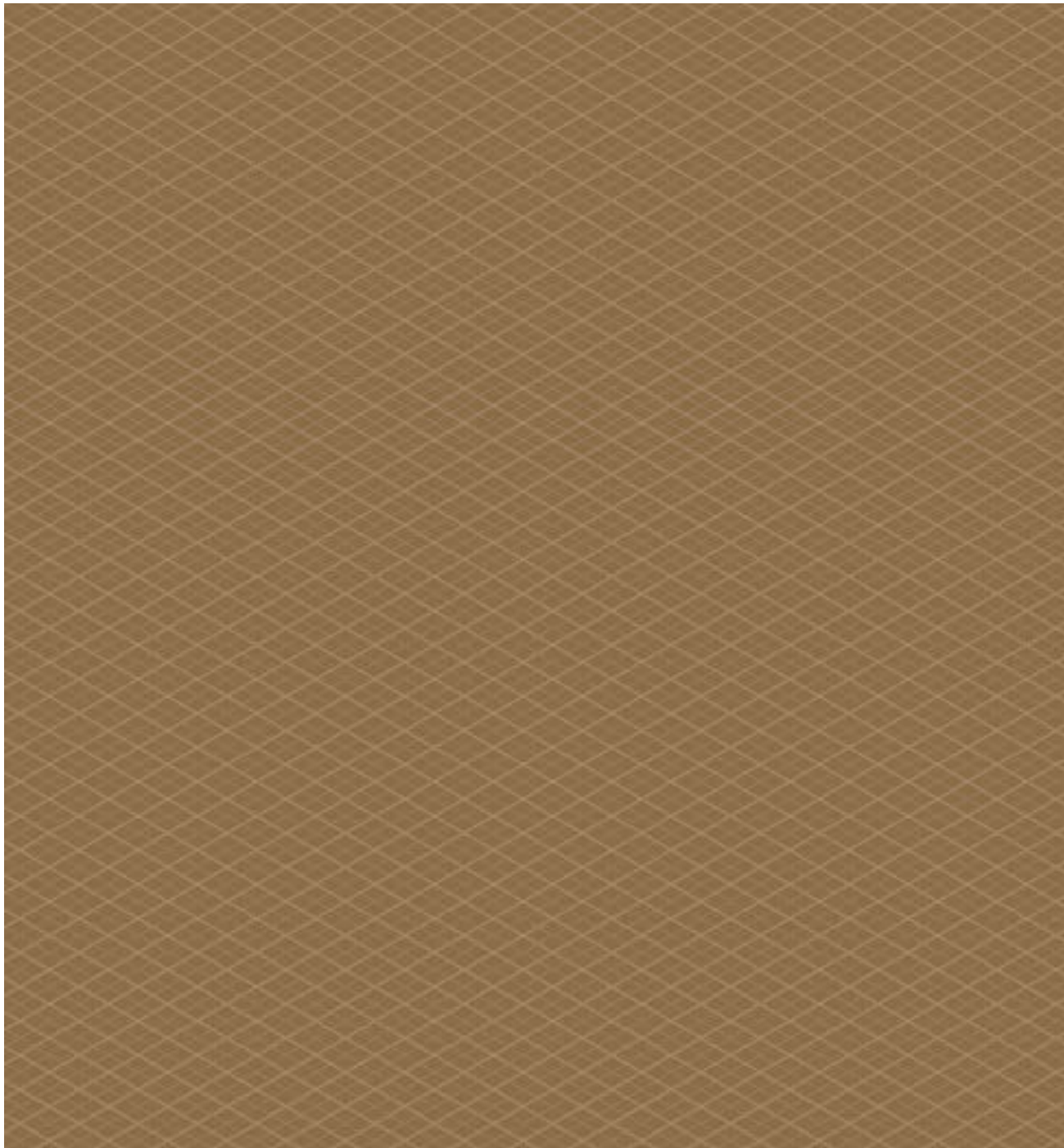
	Amount recovered
Pecuniary penalty orders	-
Forfeiture orders	-
Automatic forfeiture under section 30	-
Matters where money recovered but no formal orders made	-
Total recovered	-

Table 13: Criminal Assets: summary of recoveries for 2013–14

	Amount recovered
<i>POC Act 1987</i> pecuniary penalty orders	-
<i>POC Act 1987</i> forfeiture orders	-
<i>POC Act 1987</i> automatic forfeiture	-
Matters where money recovered but no formal orders made	-
<i>POC Act 1987</i> total	-
<i>POC Act 2002</i> pecuniary penalty orders	\$152,984
<i>POC Act 2002</i> forfeiture orders	\$4,161,610
<i>POC Act 2002</i> automatic forfeiture	\$545,415
Literary proceeds orders	-
Matters where money recovered but no formal orders made	-
<i>POC Act 2002</i> total	\$4,860,009
<i>Customs Act</i> condemnation	-
<i>Customs Act</i> total	-
Grand total	\$4,860,009

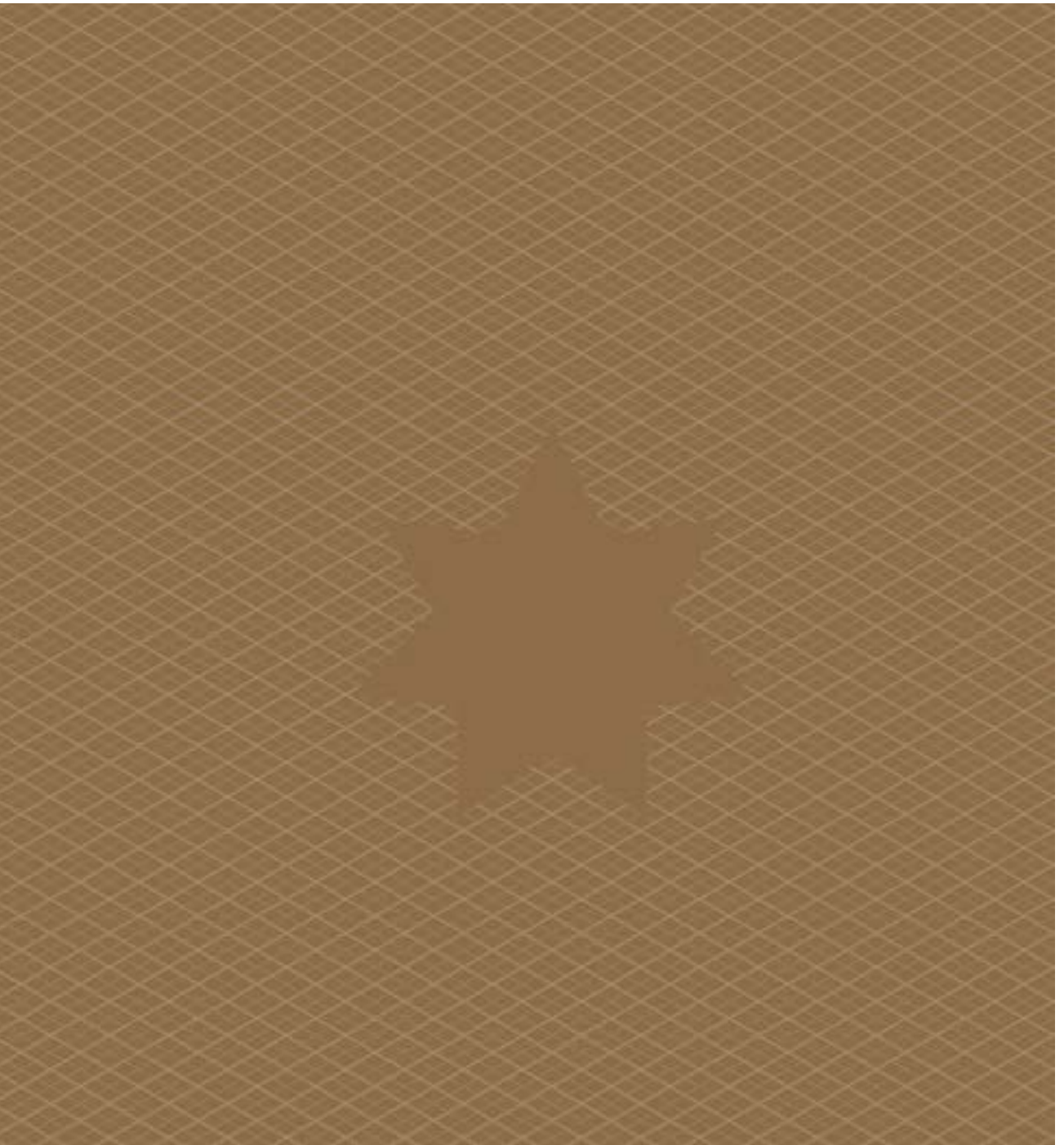
Table 14: *Crimes (Superannuation Benefits) Act 1989*—orders made in 2013–14

	State	Date
No orders made in 2013–14	-	-



5.

Our performance



CHAPTER 5 : OUR PERFORMANCE

Exercise of statutory powers

The Director has a number of powers which can be exercised as part of the conduct of a prosecution. These include the power to 'no Bill' a prosecution, to grant an indemnity, to take over a private prosecution, to file an *ex officio* indictment and to consent to conspiracy charges being laid in a particular case.

'No Bill' applications

After a defendant has been committed for trial, the question sometimes arises whether the prosecution should continue. This can arise either as a result of an application by the defendant or on our own initiative. A submission made to the Director to discontinue such a matter is known as a 'no Bill' application.

In the past year there were 16 no Bill applications received from defendants or their representatives decided by the Director. Of these, 11 were granted and five were refused. A further 24 prosecutions were discontinued on the basis of a recommendation from a prosecutor without prior representations from the defendant. The total number of prosecutions discontinued following decisions by the Director was 35. The Director's power to discontinue is delegated to Practice Group Leaders (PGLs) and branch heads who make these decisions in certain circumstances. This power was exercised by the Director's delegates in relation to a number of prosecutions during the year.

Of the 35 prosecutions discontinued following decisions by the Director, in 20 the primary reason for discontinuing was because there was insufficient evidence. Nine were discontinued because the public interest did not warrant the continuation of the prosecution. In the remaining six, the reason for discontinuing the prosecution was both the insufficiency of evidence and the public interest.

One of the 35 involved fraud offences, 13 involved drugs offences, three involved corporations offences, four involved people smuggling offences and 14 involved other types of offences. Four of the 35 were discontinued after a previous trial.

Indemnities

The *Director of Public Prosecutions Act 1983* (the *DPP Act*) empowers the Director to give an undertaking – referred to as an indemnity – to a potential witness.

- section 9(6) authorises the Director to give an indemnity to a potential witness in Commonwealth proceedings that any evidence the person may give, and anything derived from that evidence, will not be used in evidence against the person, other than in proceedings for perjury
- section 9(6D) empowers the Director to give an indemnity to a person that he or she will not be prosecuted under Commonwealth law in respect of a specified offence or specified conduct
- section 9(6B) empowers the Director to give an indemnity to a person that any evidence he or she may give in proceedings under state or territory law will not be used in evidence against them in a Commonwealth matter.

In the past year, we provided indemnities to 83 people under sections 9(6) and 9(6D). We gave no indemnities under section 9(6B). One witness was indemnified in a drug prosecution, 61 in prosecutions for fraud, 18 in prosecutions for a corporations offence, two in prosecutions for people-smuggling offences and one in a prosecution for illegal importation of endangered species.

Taking matters over—private prosecutions

Traditionally it has been open to any person to bring a private prosecution for a criminal offence. That right is protected in Commonwealth matters by section 13 of the *Crimes Act 1914* and is expressly preserved under section 10(2) of the *DPP Act*.

Under section 9(5) of the *DPP Act*, the Director has the power to take over a prosecution for a Commonwealth offence that has been instituted by another person. The Director is empowered to either carry on the prosecution or, if appropriate, to discontinue it. The Director exercised this power in 2013–14 in relation to three people who had commenced the prosecution of three defendants.

Ex officio indictments

The Director has powers under section 6(2A)–(2D) of the *DPP Act* to institute prosecutions on indictment referred to as *ex officio* indictments. These powers are used in circumstances where a defendant consents to a prosecution on indictment without being examined or committed for trial or a defendant stands trial on different charges from those on which he or she was committed, whether under Commonwealth, state or territory law. Section 6(2D) of the *DPP Act* provides that in any other case where the Director considers it appropriate to do so, the Director may institute a prosecution of a person on indictment for an indictable offence against the laws of the Commonwealth in respect of which the person has not been examined or committed for trial.

In 2013–14 the Director exercised his *ex-officio* powers on 13 occasions. The decision to present an *ex officio* indictment is in certain circumstances delegated to PGLs and branch heads. The Director's delegates exercised these powers in relation to a number of prosecutions during the year.

Consent to conspiracy proceedings

The consent of the Director is required before proceedings for Commonwealth conspiracy offences can be commenced. In 2013–14 the Director consented to the commencement of conspiracy proceedings against 62 defendants in relation to 33 alleged conspiracies. Twenty-three of the alleged conspiracies related to drugs offences, four of the alleged conspiracies related to a fraud offence, one of the alleged conspiracies related to a foreign bribery offence and five of the alleged conspiracies related to other offences.

Consent under section 121(8) of the *Family Law Act 1975*

The consent of the Director is required before proceedings are commenced for an offence against section 121 of the *Family Law Act 1975* which restricts publication of court proceedings. In 2013–14 the Director refused consent in one matter on public interest grounds.

Prosecution performance indicators 2013–14

In 2013–14 we met all prosecution performance indicators.

Table 15: Prosecution performance indicators for 2013–14—national totals

Description	Target	Outcome	Details [successful (total)]
Prosecutions resulting in a conviction*	90%	98%	2399 (2457)
Defendants in defended summary hearings resulting in conviction	60%	68%	53 (78)
Defendants in defended committals resulting in a committal order	80%	98%	383 (391)
Defendants tried on indictment and convicted	60%	74%	96 (129)
Prosecution sentence appeals in summary prosecutions upheld	60%	100%	3 (3)
Prosecution sentence appeals in a prosecution on indictment upheld	60%	65%	11 (17)

* The conviction rate is calculated by taking the number of defendants convicted as a percentage of defendants convicted or acquitted. The calculation does not include defendants where the CDPP discontinued the prosecution against them in its entirety or where a prosecution has commenced and the defendant failed to appear before a court.

Table 16: Prosecution performance indicators for 2010–13—national totals

Description	Target	2010–11 outcome	2011–12 outcome	2012–13 outcome
Prosecutions resulting in a conviction	90%	99%	96%	98%
Defendants in defended summary hearings resulting in conviction	60%	70%	75%	74%
Defendants in defended committals resulting in a committal order	80%	99%	99%	98%
Defendants tried on indictment and convicted	60%	80%	59%	75%
Prosecution sentence appeals in summary prosecutions upheld	60%	100%	0%	33%
Prosecution sentence appeals in a prosecution on indictment upheld or otherwise successful	60%	61%	56%	59%

Notes:

1. The conviction rate is calculated by taking the number of defendants convicted as a percentage of defendants convicted or acquitted. The calculation does not include defendants where the CDPP discontinued the prosecution against them in its entirety or where a prosecution has commenced and the defendant failed to appear before a court.
2. A prosecution sentence appeal is regarded as otherwise successful if the court finds that the sentence imposed at first instance was too lenient but in the exercise of its discretion declined to allow the appeal.

In Table 16 the number of cases on which the percentages were calculated is published in our annual reports for those years. Copies of the reports are available on our website at www.cdpp.gov.au.

Prosecution appeals against sentence

The *Prosecution Policy of the Commonwealth* provides that the prosecution right to appeal against sentence should be exercised with appropriate restraint. In deciding whether to appeal, consideration is to be given as to whether there is a reasonable prospect that the appeal will be successful. Factors which may be considered when deciding to appeal include whether:

- the sentence is manifestly inadequate
- the sentence reveals an inconsistency in sentencing standards
- the sentence proceeded on the basis of a material error of law or fact requiring appellate correction
- the sentence is substantially and unnecessarily inconsistent with other relevant sentences
- an appeal to a Court of Appeal would enable the court to lay down some general principles for the governance and guidance of sentencers
- an appeal will enable the court to establish and maintain adequate standards of punishment for crime
- an appeal will ensure, so far as the subject matter permits, uniformity in sentencing
- an appeal will enable an appellate court to correct an error of legal principle.

Prosecution appeals against sentence in 2013–14

In 2013–14 there were 17 prosecution appeals against sentence in indictable matters decided. Eleven of the 17 CDPP appeals were upheld, while six of our appeals were dismissed. In two of the dismissed appeals, the appeal court considered the sentences imposed at first instance, although not manifestly inadequate, were lenient, and in a third that the sentence was *prima facie* too merciful.

One appeal⁶ concerned the immediate release aspect of a sentence of imprisonment imposed upon a defendant convicted of child exploitation offences. Mazza JA, with whom the other members of the Western Australia Court of Appeal agreed, stated: *'I unreservedly accept that the offending was very serious, involving as it did the respondent inducing multiple child complainants to engage in sexual activity. It is plainly aggravating that he did so over a period of time and by the use of threatening behaviour. ... For my part, because of the seriousness of the offending and the need for general deterrence, if I had sentenced the respondent at first instance I would probably have ordered him to serve some of the sentence in prison. His Honour's decision to release the respondent immediately was a lenient, some would say a very lenient, disposition.'* Notwithstanding this the Appeal Court was not persuaded that the decision was erroneous, particularly having regard to the respondent's age, immaturity, naivety and mental state at the time he committed the offences.

The second appeal⁷ involved sentences for drug offences imposed upon two defendants. Bellew J, with whom the other members of the New South Wales Court of Criminal Appeal agreed, stated, 'The sentences imposed upon each of the respondents could well be described as lenient. They fell at the very bottom of what might be regarded as the appropriate sentencing range.'

The third appeal⁸ also involved sentences for drug offences. The Victorian Court of Appeal stated: *'Putting aside the requirements of parity, we would accept that the sentence imposed in this case was inadequate. Despite the substantial mitigatory considerations which operated in favour of [the respondent], the nature and gravity of her offending, the high level of her moral culpability and the undoubted need for general deterrence of this kind of criminality would ordinarily demand a significantly more punitive penalty. Judged as best we can by comparison to otherwise comparable cases, a sentence of nine years' imprisonment with a non-parole period of five years for the nature and gravity of offending here involved presents as prima facie too merciful. ... In the end, this case may be finely balanced but, giving due weight to the requirements of parity, we are not persuaded that a sentence of nine years' imprisonment with a non-parole period of five years is so inadequate as to be "an affront to the administration of justice which risks undermining public confidence in the criminal justice system".'*

6 *R v Leask* [2013] WASCA 243 (21 October 2013).

7 *Director of Public Prosecutions (Cth) v Blackman* [2014] NSWCCA 90 (27 May 2014).

8 *Director of Public Prosecutions (Cth) v Thai* [2014] VSCA 122 (16 June 2014).

Prosecution appeals against sentence in 2012–13

In 2012–13 there were 17 prosecution appeals against sentence in indictable matters decided. Our appeals were upheld in seven of these, while our appeals were dismissed in the other 10 appeals. In three of the dismissed appeals, the appeal court agreed with us that the sentences imposed at first instance were too lenient but declined to allow the appeals.

In one appeal⁹ involving a defendant convicted of drug offences, the New South Wales Court of Appeal stated the sentence imposed should have been higher, but declined to intervene. In deciding to exercise its discretion not to re-sentence, the court received evidence on the positive steps the defendant had taken towards rehabilitation since being released from custody and the effects incarceration had on her bond with her youngest child.

Similarly, the Victorian Court of Appeal considered the good prospects of rehabilitation of the defendant in another appeal¹⁰ concerning drug offences. Priest JA emphasised that this was not a case that ought to be regarded as a guide for the imposition of sentences in other cases of this kind. In deciding not to exercise its discretion to re-sentence, the Court of Appeal considered that there was a causal connection between the defendant's mental health issues and drug addiction, and that since being sentenced the defendant had embarked on a rehabilitation process and was assessed as having good prospects. Priest JA noted that the sentence was lenient, but it was open for the trial judge to pass the sentence that she did.

Priest JA detected one error in the trial Judge's approach to sentence: the sentence she would have passed had the defendant not pleaded guilty, as the sentence indicated would have equated to a discount of 70% on the sentence that was actually passed. He concluded that even if the sentence was thought to be inadequate, he would still dismiss the appeals in the exercise of discretion. Neave JA stated that he considered the sentence to be manifestly inadequate and was of the view that the sentence imposed did not adequately reflect the maximum penalties of 15 years imprisonment and 10 years imprisonment for charges 1 and 2. Nevertheless, he dismissed the appeal because of the Judge's view that the respondent had good prospects of rehabilitation and had begun to address the addiction which had contributed to the offending.

The other appeal¹¹ concerned the sentence imposed on a defendant for corporation offences. The New South Wales Court of Appeal held that terms of full-time custody should have been imposed. However, the court acknowledged the discretion to decline to interfere with a sentence, even if it is 'erroneously lenient'. Given the nature of the respondent's conduct after sentencing, and compliance with the conditions of the Intensive Correction Orders, the Court of Appeal determined that the discretion to decline to interfere with sentences should be exercised in this case.

Prosecution appeals against sentence in 2011–12

In 2011–12, 18 prosecution appeals against sentence in indictable matters were decided. In eight out of the 18 indictable appeals, the CDPP's appeals were upheld and in the other ten appeals, our appeals were dismissed.

In two of the dismissed appeals, the appeal court agreed with the CDPP that the sentences imposed at first instance were too low but declined to allow the appeals because of the principle of double jeopardy and other factors.

In one of the appeals¹² concerning a defendant convicted of drug offences, the Victorian Court of Appeal found that notwithstanding that the original sentence was manifestly inadequate, the circumstances of the case were such that the appeal should not be allowed. The court 'declined to now require the respondent to serve an immediate period of imprisonment' given that the respondent had been at liberty since the original sentence was imposed. The court was satisfied that this was an appropriate case in which to exercise the court's residual discretion to decline to intervene and accordingly dismissed the appeal.

9 *R v Considine* [2013] NSWCCA 97 (2 May 2013).

10 *Director of Public Prosecutions (Cth) v Edge* [2012] VSCA 289 (5 December 2012).

11 *R v Pogson* (2012) 82 NSWLR 60; [2012] NSWCCA 225 (22 October 2012).

12 *Director of Public Prosecutions (Cth) v Coory* (2011) 214 A Crim R 301; [2011] VSCA 316 (26 October 2011).

The South Australian Court of Appeal also considered the sentence imposed upon a defendant convicted of child exploitation offences.¹³ The Court found that although the sentencing Judge erred in making the original sentence the Court was persuaded to dismiss the appeal on the grounds of the hardship to the respondent if he were to be immediately imprisoned.

The figures for dismissed prosecution appeals dealt with on indictment in the 2011–12 year were affected by a joint prosecution sentence appeal¹⁴ in which the Queensland Court of Appeal considered sentences for drug offences imposed upon four defendants. Muir JA, with whom White JA agreed, stated that although the respondents had each been dealt with leniently, the CDPP's appeals should be dismissed due to mitigating factors. Atkinson J in Her Honour's dissenting judgment was of the opinion that 'the sentences were so manifestly inadequate that an error in the exercise of the sentencing discretion is demonstrated'.

Prosecution appeals against sentence in 2010–11

In 2010–11, appeal courts decided 23 prosecution appeals against sentence in indictable matters. In 10 out of the 23 indictable appeals, the CDPP's appeals were upheld, and in the other 13 appeals the CDPP's appeals were dismissed.

In two of the dismissed appeals the appeal court agreed with the CDPP that the sentences imposed at first instance were manifestly inadequate but declined to allow the appeals. In one appeal¹⁵ involving a defendant convicted of drug offences, the Court of Criminal Appeal of Northern Territory found that notwithstanding that the original sentence was manifestly inadequate, the circumstances of the case were such that the appeal should not be allowed. The Court noted that this was a case where the purposes of the Crown appeal can be satisfactorily achieved by the Court indicating that the sentence was manifestly inadequate and should not be regarded as a precedent. The other appeal¹⁶ concerned the sentence imposed upon a defendant who was a prominent solicitor and conspirator in a scheme to evade tax described by the original sentencing judge as a 'sophisticated deceit'. The Supreme Court of Victoria Court of Appeal found that the original sentence that the defendant be released after serving 12 months imprisonment was manifestly inadequate. However, the Court was satisfied that this was an appropriate case in which to exercise the Court's residual discretion to decline to intervene and accordingly dismissed the appeal.

In a joint prosecution sentence appeal¹⁷ the New South Wales Court of Criminal Appeal considered sentences for drugs offences imposed upon two defendants. Simpson J, with whom the other members of the Court of Criminal Appeal agreed, stated, 'I am left with the uncomfortable feeling that the sentences here imposed were inadequate. But to allow a Crown appeal and increase a sentence involves a very serious step, and one which this Court does not undertake lightly.' Her Honour stated that it was unnecessary finally to decide that as Her Honour concluded that the Crown appeal should be dismissed given the Court's discretion to dismiss a Crown appeal, even where error, whether by manifest inadequacy or otherwise, is established. Her Honour referred to the unusual history of the case and that the respondents, through no fault of their own, had suffered an inordinate delay in the resolution of the appeals and that their potential release date was a few months away.

Prosecution statistics

In the course of the year, apart from ongoing matters, we dealt with 3067 people in court. The cases were referred by 33 Commonwealth investigative agencies, as well as state and territory police. The following tables set out details of prosecutions conducted in 2013–14.

13 *R v O'Connor* [2012] SASCFC 15 (1 March 2012).

14 *R v Hill; Ex parte Director of Public Prosecutions* (Cth) (2011) 212 A Crim R 359; [2011] QCA 306 (28 October 2011).

15 *R v Messel* (2010) 28 NTLR 49; [2010] NTCCA 12 (20 July 2010).

16 *Director of Public Prosecutions (Cth) v Gregory* (2011) 34 VR 1; [2011] VSCA 145 (17 May 2011).

17 *R v Cheung* (2010) 203 A Crim R 398; [2010] NSWCCA 244 (28 October 2010).

Table 17: Outcomes of successful prosecutions in 2013–14

Description	Number
Defendants convicted of offences prosecuted summarily	1721
Defendants convicted of offences prosecuted on indictment	678
Defendants committed for trial or sentence	775

Table 18: Summary prosecutions in 2013–14

Description	Number
Defendants convicted after a plea of guilty	1668
Defendants convicted after a plea of not guilty	53
Total defendants convicted	1721
Defendants acquitted after a plea of not guilty	25
Total	1746

Table 19: Committals in 2013–14

Description	Number
Defendants committed after a plea of guilty	392
Defendants committed after a plea of not guilty	383
Total defendants committed	775
Defendants discharged after a plea of not guilty	8
Total	783

Table 20: Prosecutions on indictment in 2013–14

Description	Number
Defendants convicted after a plea of guilty	582
Defendants convicted after a plea of not guilty	96
Total defendants convicted	678
Defendants acquitted after a plea of not guilty	33
Total	711

Table 21: Prosecutions on indictment—duration of trials in 2013–14

Length	Number
1–5 days	32
6–10 days	43
11–15 days	12
16–20 days	8
21–25 days	3
26–30 days	6
over 31 days	10
Total	114

Note: Prosecutions resulting in convictions in tables 15–21 may have been subsequently quashed following a defence appeal against conviction.

Table 22: Prosecution appeals against sentence in 2013–14

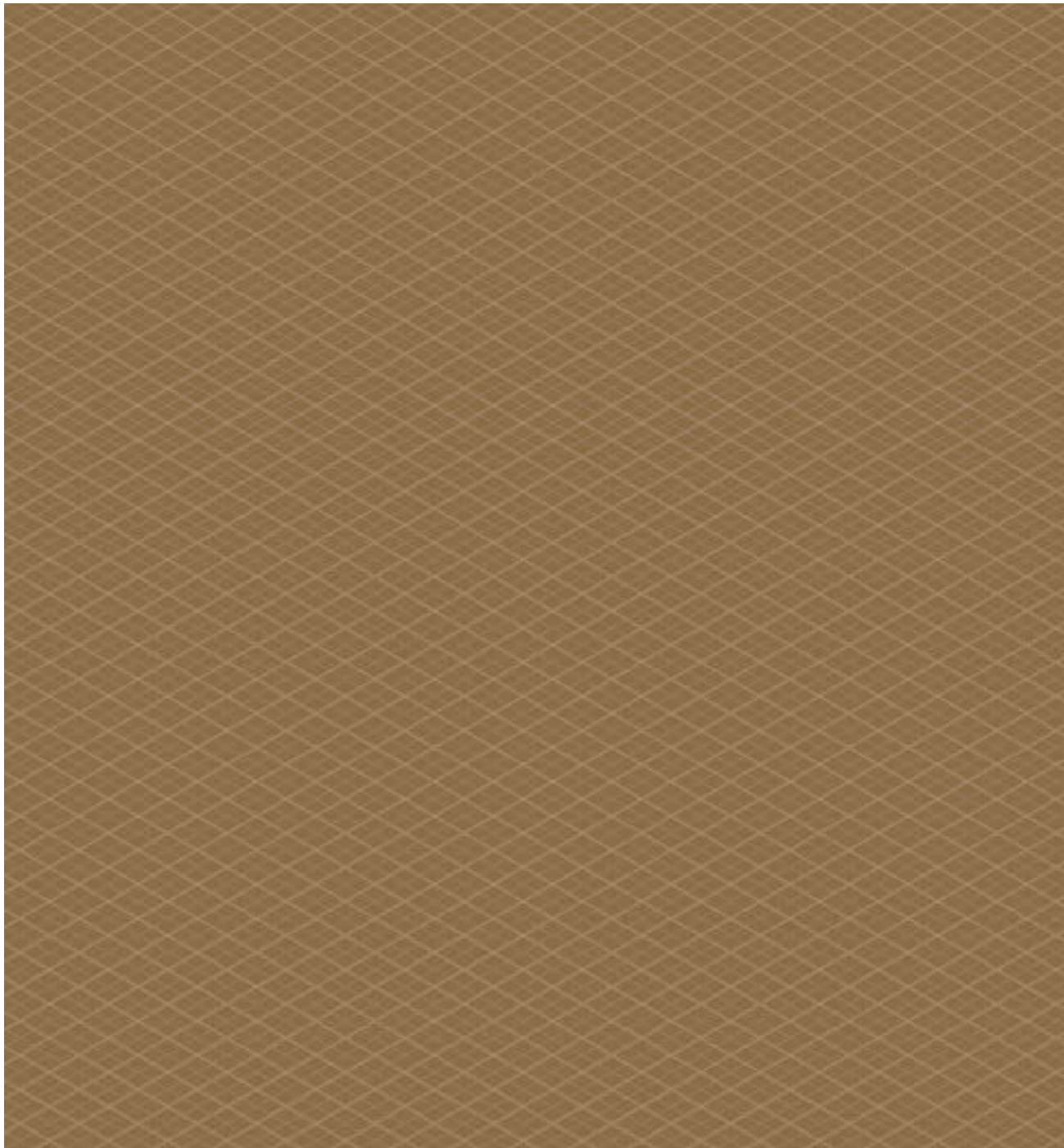
Appeal type	Outcome	Summary	Indictable
Appeals against sentence	Upheld	3	11
	Dismissed	0	6
Total		3	17

Table 23: Defence appeals in 2013–14

Appeal type	Outcome	Summary	Indictable
Against conviction only	Upheld	4	1
	Dismissed	3	6
Against sentence only	Upheld	61	14
	Dismissed	15	21
Conviction & sentence	Upheld	5	0
	Dismissed	1	9
Total		89	51

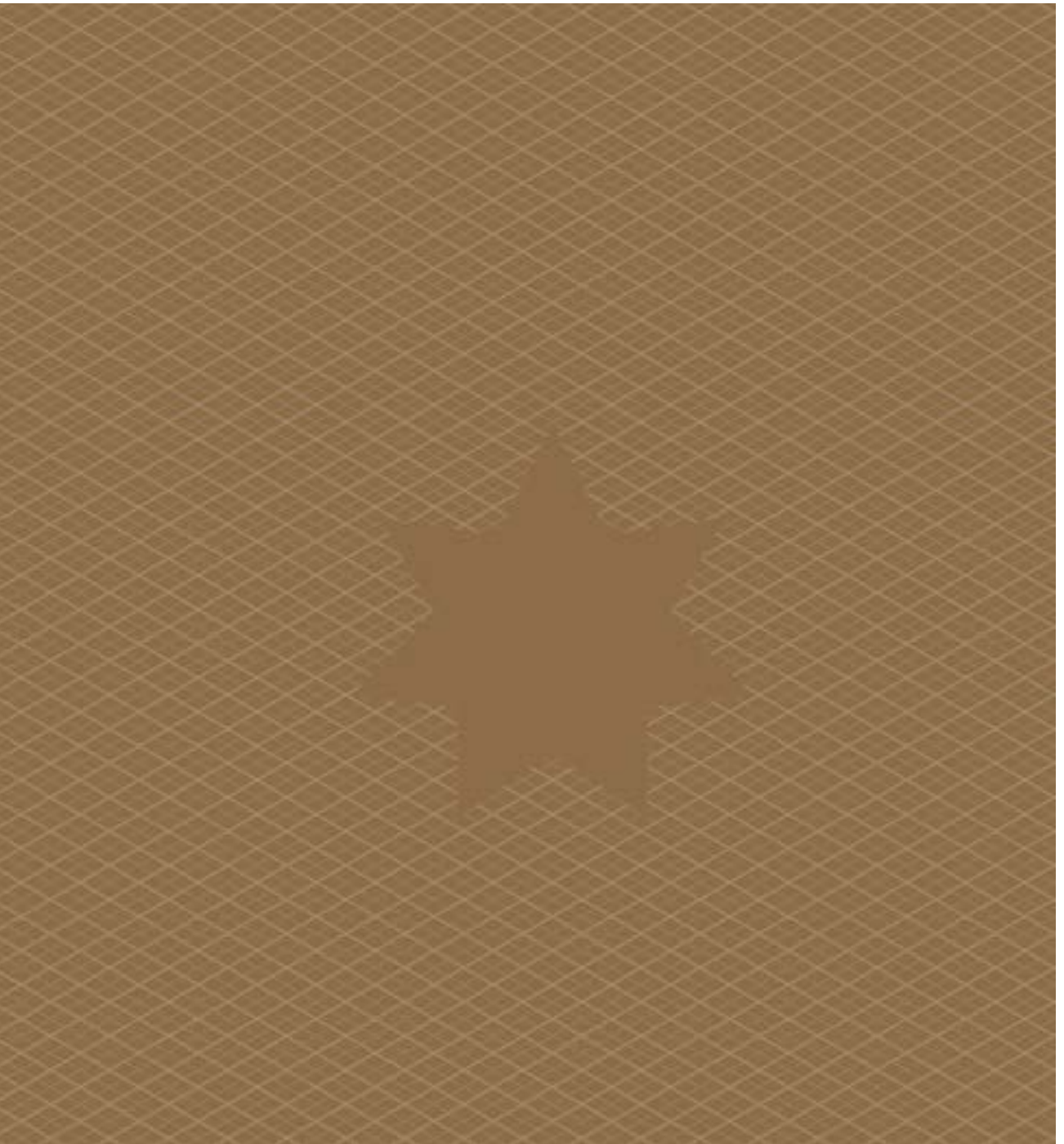
Table 24: Reparation orders and fines

	Actual 2013–14 \$'000	Actual 2012–13 \$'000
Reparation orders made	31,477	23,642
Fines and costs orders made	3,811	3,958



6.

Our people



CHAPTER 6 : OUR PEOPLE

Corporate overview

In 2013–14 there was an emphasis on efficient and effective corporate services delivery. The move from regionally based human resource management, financial management, office support, information management and other ancillary functions to a national structure continued. This arrangement will result in greater national consistency and responsiveness, and an alignment with the needs of a national legal practice.

Human resources

At 30 June 2014 the CDPP comprised 496 people (on a headcount basis) with the average staffing level for the year being 450.28 employees. Most staff members are lawyers. The remaining staff provide a range of services, including litigation support, accountancy, information technology services, information management services, people services, finance and administrative support.

All staff members were employed under the *Public Service Act 1999* or section 27 of the *Director of Public Prosecutions Act 1983 (DPP Act)*.

A breakdown of staffing figures appears in the following tables.

Table 25: CDPP staff at 30 June 2014

	ACT	NSW	VIC	QLD	SA	WA	TAS	NT	TOTAL
Director	1								1
SES Band 2	3	1	2	1					7
SES Band 1	6	6	4	5	1	2			24
Principal Legal Officer	12	30	18	17	4	16	1	1	99
Senior Legal Officer	6	34	20	13	5	8	1	3	90
Legal Officer 2	1	21	14	10	4		4		54
Legal Officer 1	1	9	3	12		1			26
Executive Level 2	11	2			1		1		15
Executive Level 1	11	6	2	1	2	1		1	24
APS Level 6	11	2	3	1	2	2		1	22
APS Level 5	5	5	7	2		3			22
APS Level 4	5	11	2	11	1	12		1	43
APS Level 3	2	28	13	8	2	5	3	1	62
APS Level 2		2	1			3			6
APS Level 1		1							1
TOTAL	75	158	89	81	22	53	10	8	496

Notes

1. This table includes inoperative staff
2. Staff on Temporary Assignment of Duties (TAD) for three months or more at 30 June 2014 are reported at their TAD classification.

Correction

In table 25 on page 89 of our 2012–13 Annual Report we reported that there were no APS6 staff in South Australia. This was incorrect. There were 2 APS6 staff in South Australia. The total of 25 staff we reported for South Australia was correct.

Table 26: Staffing summary 2013–14

Category	Number
Total staff employed under the <i>Public Service Act 1999</i>	463
Total staff employed under the <i>Director of Public Prosecutions Act 1983</i>	32
Statutory Office holders	1
TOTAL	496

Notes:

1. This table includes inoperative staff.
2. The total number of non-ongoing staff reflected in this table is 64.

Table 27: Staff at 30 June 2014 by gender and category

Category	Full-time		Part-time		TOTAL
	Female	Male	Female	Male	
Director		1			1
SES Band 2	1	5	1		7
SES Band 1	11	11	2		24
Legal Officers	129	73	62	5	269
Executive Level Officers	21	14	3	1	39
APS Level 1–APS Level 6	92	39	24	1	156
TOTAL	254	143	92	7	496

Notes:

1. This table includes inoperative staff.
2. Staff on TAD for three months or more at 30 June 2014 are reported at their TAD classification.

Table 28: Staffing by region

Region	Actual average staffing 2013–14
ACT	72.04
NSW	145.66
VIC	77.68
QLD	73.43
SA	19.16
WA	47.00
TAS	7.61
NT	7.70
TOTAL	450.28

Workplace agreements

Enterprise Agreement

The CDPP Enterprise Agreement for 2011–14 came into effect on 21 December 2011, and reached its nominal expiry date on 30 June 2014. The agreement continues to have effect and provides the terms and conditions of employment for employees, except for members of the Senior Executive Service (SES).

At 30 June 2014 there were 471 employees covered by the agreement.

Table 29: Salary scales at 30 June 2014

Classification	Salary range	
SES Band 3	\$253,129	\$301,591
SES Band 2	\$216,496	\$279,246
SES Band 1	\$183,054	\$205,969
Principal Legal Officer	\$122,323	\$130,117
Executive Level 2	\$112,110	\$126,894
Senior Legal Officer	\$93,044	\$113,220
Executive Level 1	\$93,044	\$101,545
APS Level 6	\$73,461	\$84,389
Legal Officer 2	\$67,271	\$82,513
APS Level 5	\$66,835	\$72,232
Legal Officer 1	\$59,996	\$66,371
APS Level 4	\$59,996	\$66,371

Classification	Salary range	
APS Level 3	\$ 53,904	\$ 59,274
APS Level 2	\$ 48,697	\$ 53,542
APS Level 1	\$ 25,299	\$ 47,240

Common law contracts

The terms and conditions of employment for each substantive SES employee are provided under an individual common law contract. At 30 June 2014 there were 24 of these contracts in place.

Section 24(1) determination

In 2013–14 we made four determinations pursuant to section 24(1) of the *Public Service Act 1999*.

Workplace participation

Our enterprise agreement includes provision for employees and their representatives to be consulted in relation to the implementation of major change. Consultation occurs mainly through regular workplace participation meetings and special purpose meetings that are called to discuss specific issues.

Learning and development

We are committed to developing skilled people through course work, on the job experience, mentoring and good performance management. An analysis of all roles and responsibilities across the CDPP is underway. A key outcome of this review is to document roles, responsibilities and delegations, ensure appropriate work level standards are applied and to identify nationally consistent learning and development requirements to meet current and future capability.

In 2013–14 learning and professional development and continuing legal education (CLE) opportunities were offered on a wide range of topics across the Office. CLE sessions were delivered by internal and external speakers and were also conducted with partner agencies, including the Australian Federal Police (AFP), sharing knowledge and experience in relation to a range of topics of mutual interest. Advocacy training, moot courts and tours of partner agency facilities also formed part of the programme. A National Legal Learning and Professional Development Group has been established following the introduction of the practice group model to deliver a national training programme for lawyers directed to building individual and organisational capacity.

In early 2014 we introduced an informal mentoring programme as part of a commitment made in our current Enterprise Agreement. The informal programme comprises a register of our staff willing to act as mentors, information for people about mentoring and a guide to assist the establishment and maintenance of a successful mentor relationship. Staff may also identify a mentor outside of the CDPP.

Four mentors and six mentees from across the country were selected to take part in the 2014 Women in Law Enforcement Strategy (WILES) Mentor Program. Sponsored by the Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA), this formal mentoring programme is designed to encourage women to pursue careers and senior positions within Australian law enforcement and regulatory agencies. The programme matches participants with senior mentors who provide advice on career progression and share insights into the profession.

During the year we also contracted Lynda.com, an online professional development resource, to provide professional and personal development courses to all our staff. Lynda.com has over 2000 courses which are available for staff to use at work or home.

Total expenditure on training for 2013–14 was \$225,189.16.

Employee Wellbeing

The Employee Wellbeing Program (EWP) establishes a framework that aims to strengthen and synchronise wellbeing policy and practice across the CDPD and adopts a holistic approach to include general wellbeing, emotional and social wellbeing, as well as psychological wellbeing.

We recognise that a critical issue is building employee resilience against potential psychological harm from exposure to potentially distressing case materials and provide a work environment which encourages individuals to identify psychological issues early and access appropriate help.

A number of presentations were held throughout the year to assist staff to cope with the changes brought about by a move to a prosecution service run on national lines. These included presentations conducted by our Employee Assistance Programme provider on embracing change, career planning and developing resilience. Other activities such as Heart Week and Men's Health Week were well received and supported by staff.

The EWP is an integral part of the work health and safety arrangements in our Office.

Work health and safety

There is information in Appendix 2 about our work health and safety arrangements (in accordance with Schedule 2, Part 4 of the *Work Health and Safety Act 2011*).

Workplace diversity

The Workplace Diversity Plan is scheduled to be reviewed during the 2014 calendar year. The current programme builds on earlier workplace diversity plans and programmes and recognises and incorporates developments and progress that the Office has made as an organisation in this area. It aims to integrate the principles of workplace diversity into all aspects of human resource management. This involves raising awareness of, and promoting, core values and standards of behaviour among all our staff. It further involves embedding those principles into all human resource management policies and practices, including the performance management scheme and selection and induction processes.

Our workplace diversity profile is shown in the table below. The table is based on information volunteered by staff, who may choose not to disclose their status and as a result the information may not be complete.

Table 30: Workplace diversity profile at 30 June 2014

Classification	Female	Male	Aboriginal and Torres Strait Islander	Person with a disability	First language English plus another	First language other than English
Director		1				
SES Band 2	2	5				1
SES Band 1	13	11			2	1
Legal Officers	191	78	2	7	34	20
Executive Level Officers	24	15		1	4	5
APS Level 1—APS Level 6	116	40	1	5	20	19
TOTAL	346	150	3	13	60	46

Notes:

1. This table includes inoperative staff.
2. Staff on TAD for three months or more at 30 June 2014 are reported at their TAD classification.

Reconciliation Action Plan

Our Reconciliation Action Plan was launched by the Director in 2010. This followed a period of development and consultation with employees, management and Reconciliation Australia. The working group tasked with developing the plan included representatives from our Aboriginal and Torres Strait Islander employees, human resources and senior management, with support from the Director.

Our Reconciliation Action Plan contains achievable targets and it is scheduled for review during the 2014 calendar year.

Agency Multicultural Plan

On 1 July 2013 the Director launched the Agency Multicultural Plan (AMP) which directs the implementation of our multicultural and equity obligations for 2013–15. The AMP is published on our website and is also available to our staff on an internal website.

To coincide with the launch, key documents for victims and witnesses were translated into eight priority languages and made available on our website. Following a review of the priority languages in 2014, a further two languages were added. A suite of documents are now available in the following languages: Arabic, Dari, Hazaragi, Indonesian, Mandarin, Persian, Punjabi, Spanish, Thai and Vietnamese.

We have in the year under review developed key performance indicators (KPIs) that can be used for future reporting. Further, we have built reporting capability into our Case Reporting and Information Management System (CRIMS) system to capture information on culturally and linguistically diverse (CALD) clients.

In 2013–14 the available data shows we provided services to 815 clients who had been determined as meeting the criteria of CALD clients. Full-year reporting data will be available in the 2014–15 report.

Status of women

At 30 June 2014 women were 70% of our employees and 71% of our lawyers.

Of the 28 full-time members of the SES, 12, or 43% were women. There were also three part-time members of the SES, all of whom were women. At 30 June 2014 there were 62 women working as legal officers on a part-time basis.

National Disability Strategy

Since 1994 Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy.

In 2007–08 reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at www.apsc.gov.au.

From 2010–11 departments and agencies were no longer required to report on these functions.

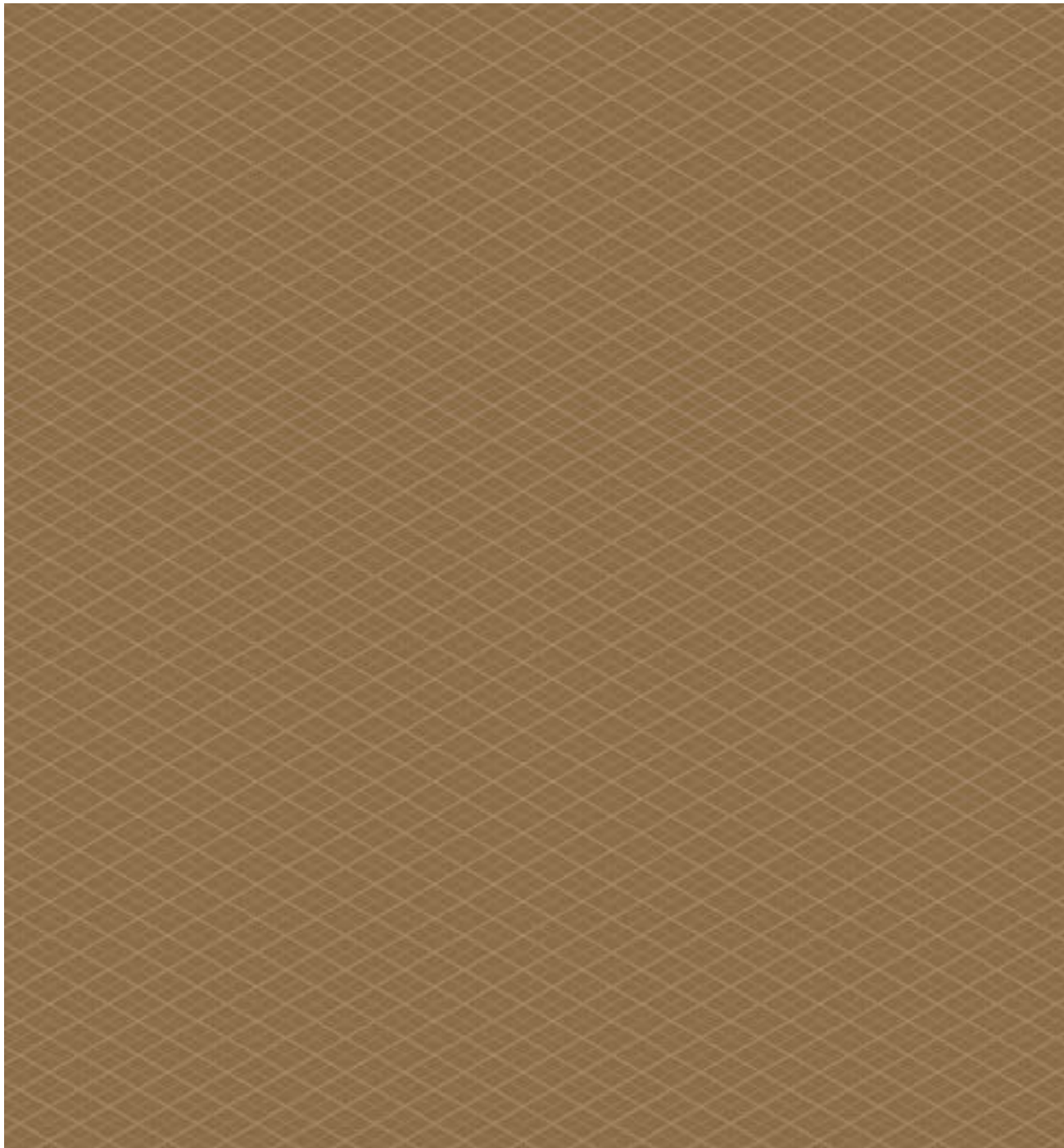
The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a 10-year national policy framework for improving life for Australians with disability, their families and carers. A high-level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services and presented to the Council of Australian Governments. The report will be available at www.dss.gov.au.

Privacy

There were no reports served on the CDPP by the Privacy Commissioner under section 30 of the *Privacy Act 1988* in 2013–14.

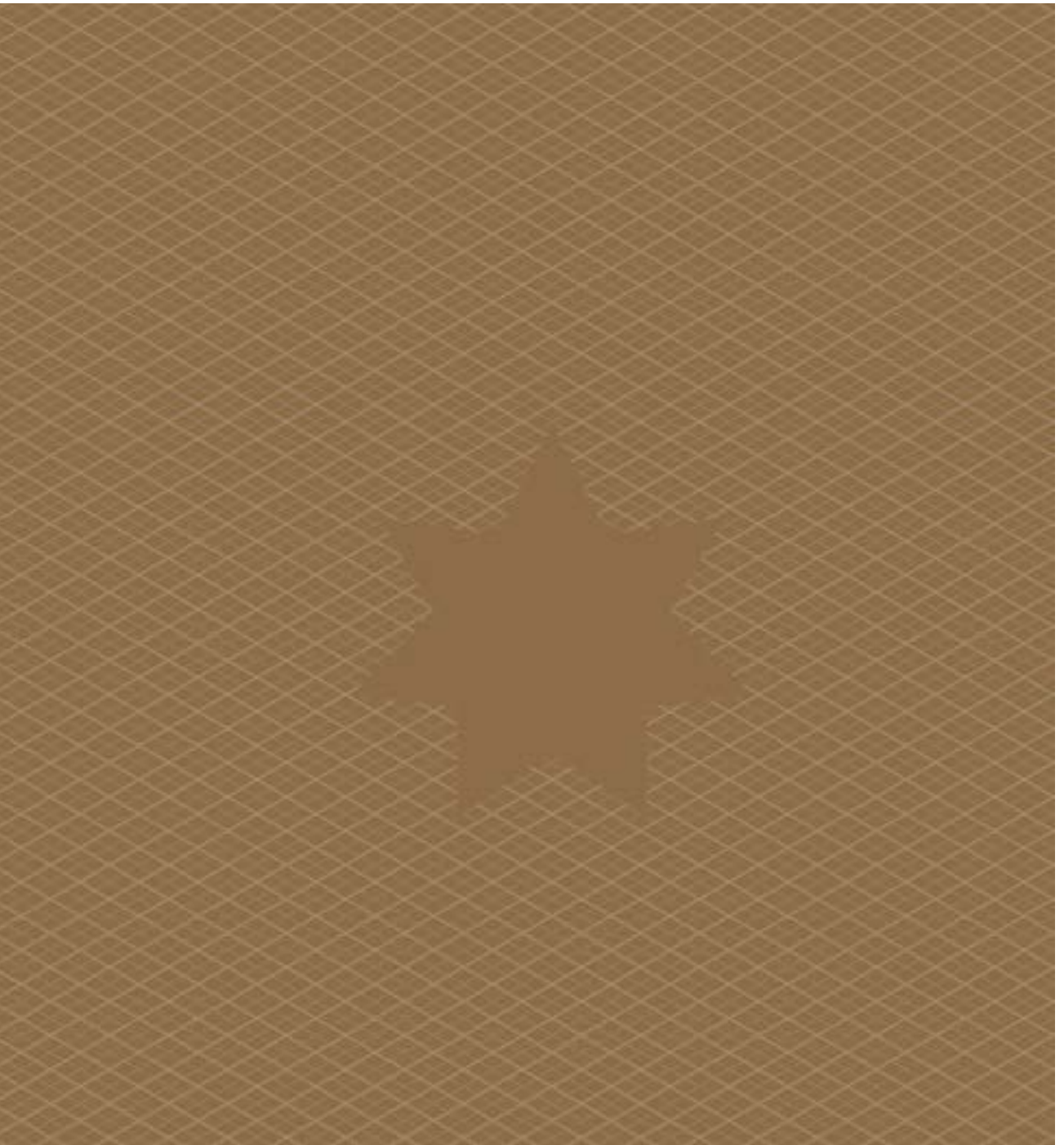
Performance pay

We do not pay performance pay.



7.

Our finances



CHAPTER 7 : OUR FINANCES

Financial statements

The audited financial statements included in this report were prepared in accordance with the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 1 July 2011) Orders* issued by the Minister for Finance. Detailed information on the accounting policies used to prepare the audited financial statements is at Note 1 in the financial statements.

Under current budget arrangements, the CDPP has one government Outcome with one programme of activities to achieve this outcome. Further information about our budget can be found in the Attorney-General's Portfolio Budget Statements.

Financial performance

Our operations are primarily funded through parliamentary appropriations but we also receive a small component (4.1%) of revenue independently. This is accounted for under an arrangement pursuant to section 31 of the *Financial Management and Accountability Act 1997* (the *FMA Act*), as agency revenue, and retained for our use.

Operating results

Operating revenue for 2013–14 was \$83.454 million which is \$11.182 million (11.8%) less than operating revenue in 2012–13. This decrease is largely due to the ceasing of funding for prosecution of organisers for people-smuggling ventures (\$8.767 million) and a reduction in tax compliance prosecution funding (\$0.746 million).

Operating expenses for 2013–14 were \$90.052 million (excluding depreciation and amortisation expenses). This is a decrease of \$2.452 million (2.4%) compared to 2012–13. The decrease was mainly due to a reduction in staffing numbers across the 2013–14 financial year and a reduction in legal expenses largely due to fewer people-smuggling prosecutions.

The operating result for 2013–14 was a deficit of \$6.598 million, excluding depreciation and amortisation expenses (in line with the Australian Government's net cash appropriation arrangements). The deficit is due to workloads continuing for people-smuggling prosecutions (people-smuggling funding ceased on 30 June 2013), increased property expenses associated with the implementation of three new property leases and costs associated with corporate and legal reorganisation. The CDPP received approval from the Minister for Finance for a \$7 million operating deficit in 2013–14.

Cost recovery arrangements

We have a memorandum of understanding with the Australian Taxation Office (ATO). The ATO transfers part of its appropriation to us to cover the cost of prosecutions for offences under goods and services tax (GST) legislation. The amount received in 2013–14 under this arrangement was \$3.2 million.

Purchasing

We adhere to the core purchasing policies and principles of value for money. We encourage competition among actual and potential suppliers, promote the use of resources in an efficient, effective, economical and ethical manner and are accountable and transparent during the procurement process. These policies and principles are set out in the Commonwealth Procurement Rules.

Competitive tendering and contracting

Competitive tendering and contracting is the contracting out of the delivery of government activities, previously performed by a Commonwealth agency, to another organisation. It may be undertaken for the provision of either goods or services.

We did not enter into any such contracts during the year.

Consultancy services

Many individuals, partnerships and corporations provide services to agencies under contracts for services. However, not all such contractors are categorised as consultants for the purposes of annual reporting. Consultants are distinguished from other contractors by the nature of the work they perform.

As a general rule, consultancy services involve the development of an intellectual output that assists us with our decision making and reflects the independent views of the service provider. For more information on what constitutes a consultancy, refer to <http://www.finance.gov.au/procurement/>.

The methods of selection used for consultancies are categorised as follows:

Open tender:	A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are sought from the Australian Government AusTender internet site.
Prequalified tender:	A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders (this includes tenders submitted through multi-use lists). This procurement process may only be used under defined circumstances.
Limited tender:	A form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or their special ability to supply the goods and/or services sought.

All consultancies with a value over \$80,000 are publicly advertised, while consultancies with a value of less than \$80,000 can be either publicly advertised or sought by quote. Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website www.tenders.gov.au.

During 2013–14, we entered into twelve new consultancy contracts with a total actual expenditure of \$907,509 (including GST). In addition, we had one ongoing consultancy contract active during the 2013–14 year, with total actual expenditure of \$237,520 (including GST).

We engage consultants where we lack specialist expertise or when independent research, review or assessment is required. Typically, we engage consultants to investigate or diagnose a defined issue or problem, carry out defined reviews or evaluations, or provide independent advice, information or creative solutions to assist in our decision making.

Before we engage consultants, we take into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. We make decisions to engage a consultant in line with the *FMA Act* and related regulations (including the Commonwealth Procurement Rules and relevant internal policies).

Australian National Audit Office access clauses

During the reporting period we did not let any contracts for \$100,000 or more (including GST) that do not provide for the Auditor-General to have access to the contractor's premises.

Exempt contracts

We have exempted the publication of details of legal counsel on the basis that to do so would disclose exempt matters under the *Freedom of Information Act 1982*.

Asset management

Our major assets are office fit-out, office furniture, computer equipment, purchased software and library holdings. We conducted an annual stocktake to ensure the accuracy of asset records.

The leases for the three largest offices of Melbourne, Brisbane and Sydney expired in the first half of 2014. As a result of open market reviews the Sydney Office relocated to new premises and the Melbourne and Brisbane Offices remained at existing premises. The new lease arrangements resulted in downsizing of each of the offices with a total reduction of 4,754m² in floor space (38.2%) which will deliver cost savings over the forward years. Significant lease incentives were negotiated which covered the majority of costs related to capital works for the three premises. We did not undertake any additional major asset acquisitions or replacement projects in 2013–14.

Audit Committee

The *FMA Act* requires Chief Executives to establish an audit committee to assist them in the financial governance of their agency. Our Audit Committee reviews, monitors and recommends improvements to our governance framework, with a focus on risk management, internal controls, compliance and financial reporting. As part of this role, it oversees our internal and external audit processes. Through internal audits, the committee reviews key processes, systems and financial accountabilities across the whole Office.

Our Audit Committee is appointed by the Director. At 30 June 2014 it comprised five members: the Deputy Director Revenue & Benefit Fraud, the Chief Corporate Officer, the Deputy Director Human Exploitation & Border Protection, the Deputy Director Illegal Imports & Exports and an independent Audit Committee member. In addition, we have issued a standing invitation to our external auditors, the Australian National Audit Office, and our internal auditors, Ernst and Young, to observe committee meetings.

Internal audit

To assist the Director in discharging his accountability, an internal audit programme is carried out each year. Internal audit work is outsourced to provide an independent review of our key risk areas.

Three internal audits were performed during the year. They were:

- Procurement and Contract Management Framework
- Human Resource Management Information System
- Rehabilitation Management System.

The results of these audits highlighted some areas for improvement including the need to revise internal policy and procedure documents. We are in the process of implementing the recommendations of these internal audits.

Fraud control

In 2013–14 we finalised our risk management framework that standardises risk assessment methods and documentation. Using this framework we have prepared and implemented a Fraud Risk Assessment and Fraud Control Plan in accordance with the *Commonwealth Fraud Control Guidelines 2011* (Guidelines). During the year the CDPP Fraud Risk Assessment and Fraud Control Plan was updated and promulgated in accordance with the Guidelines.

We have in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet our specific needs. We have also taken all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of fraud.

All fraud control-related material is made available to all staff via our internal web portal.

Report on fraud risk and fraud control measures

A requirement of the Guidelines is for Chief Executives to report annually on fraud risk and fraud control measures undertaken by their agency. During the period 1 July 2013 to 30 June 2014 we:

- undertook no new fraud initiatives
- had no planned fraud initiatives
- did not report any incidents of fraud.

Certification of fraud control arrangements

In accordance with the *Commonwealth Fraud Control Guidelines*, I, Robert Bromwich SC, certify that I am satisfied that for the year ended 30 June 2014, the Office of the Commonwealth Director of Public Prosecutions has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the CDPP
- taken all reasonable measures to minimise the incidence of fraud in the CDPP and to investigate and recover the proceeds of fraud against the CDPP.



Robert Bromwich SC
Commonwealth Director of Public Prosecutions

External scrutiny

The Auditor-General issued an unqualified audit report for the CDPP's 2013–14 financial statements.

No reports that included information on our operations were issued by the Auditor-General, a Parliamentary committee, or the Commonwealth Ombudsman. There was no agency capability review of our operations during the reporting period.

During the reporting period there were no decisions of administrative tribunals or the Australian Information Commissioner that have had or may have a significant impact on the operations of our Office.

Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, we are required to disclose payments of \$12,400 or more (including GST) for advertising and market research.

Our expenditure for 2013–14 is reported in Appendix 3 to this report.

Legal services expenditure

The *Legal Services Directions 2005* require agencies to report expenditure on legal services.

These directions are not intended to cover the handling of criminal prosecutions and related proceedings (see General Note 4 to the Directions). Therefore, our report relates to our administrative activities only.

Our total expenditure on legal services (excluding the handling of criminal prosecutions and related proceedings) during 2013–14 was \$115,997. Further details are in Table 33 at the end of this chapter.

Sustainability and environmental issues

Information about our ecologically sustainable development and environmental performance can be found in Appendix 4 to this report.

Statistics

Following are some statistics on our staffing, resources and expenses for 2013–14.

Table 31: Agency resource statement

	Actual available appropriation for 2013–14 \$'000 (a)	Payments made 2013–14 \$'000 (b)	Balance remaining 2013–14 \$'000 (a)–(b)
Ordinary annual services departmental appropriation			
Prior-year departmental appropriation	12,488	12,488	0
Departmental appropriation ¹	85,794	75,801	9,993
s.31 relevant agency receipts	4,258	4,258	0
Total	102,540	92,547	9,993

Note 1: *Appropriation Act (No. 1) 2013–14* and *Appropriation Bill (No. 4) 2013–14* includes an amount of \$2.677 million in 2013–14 for our departmental capital budget. For accounting purposes this amount has been designated as 'contributions by owners'.

Table 32: Expenses by outcome
Expenses and Resources for Outcome 1

	Budget 2013–14 \$'000 (a)	Actual expenses 2013–14 \$'000 (b)	Variation 2013–14 \$'000 (a)–(b)
Outcome 1: Maintenance of law and order for the Australian community through an independent and ethical prosecution service in accordance with the <i>Prosecution Policy of the Commonwealth</i> .			
Programme 1.1: An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity.			
Price of departmental outputs	90,081	92,682	(2,601)
Programme 1.1: Revenue from government (appropriations) for departmental outputs ¹			
Expenses not requiring appropriation ²	8,067	7,196	871
Total price of departmental outputs	98,148	99,878	(1,730)

Notes:

1. Departmental outputs combine revenue from government and revenue from independent sources (s31).
2. Departmental expenses not requiring appropriation in the budget year are made up of services received free of charge, depreciation and amortisation.

Table 33: Legal services expenditure

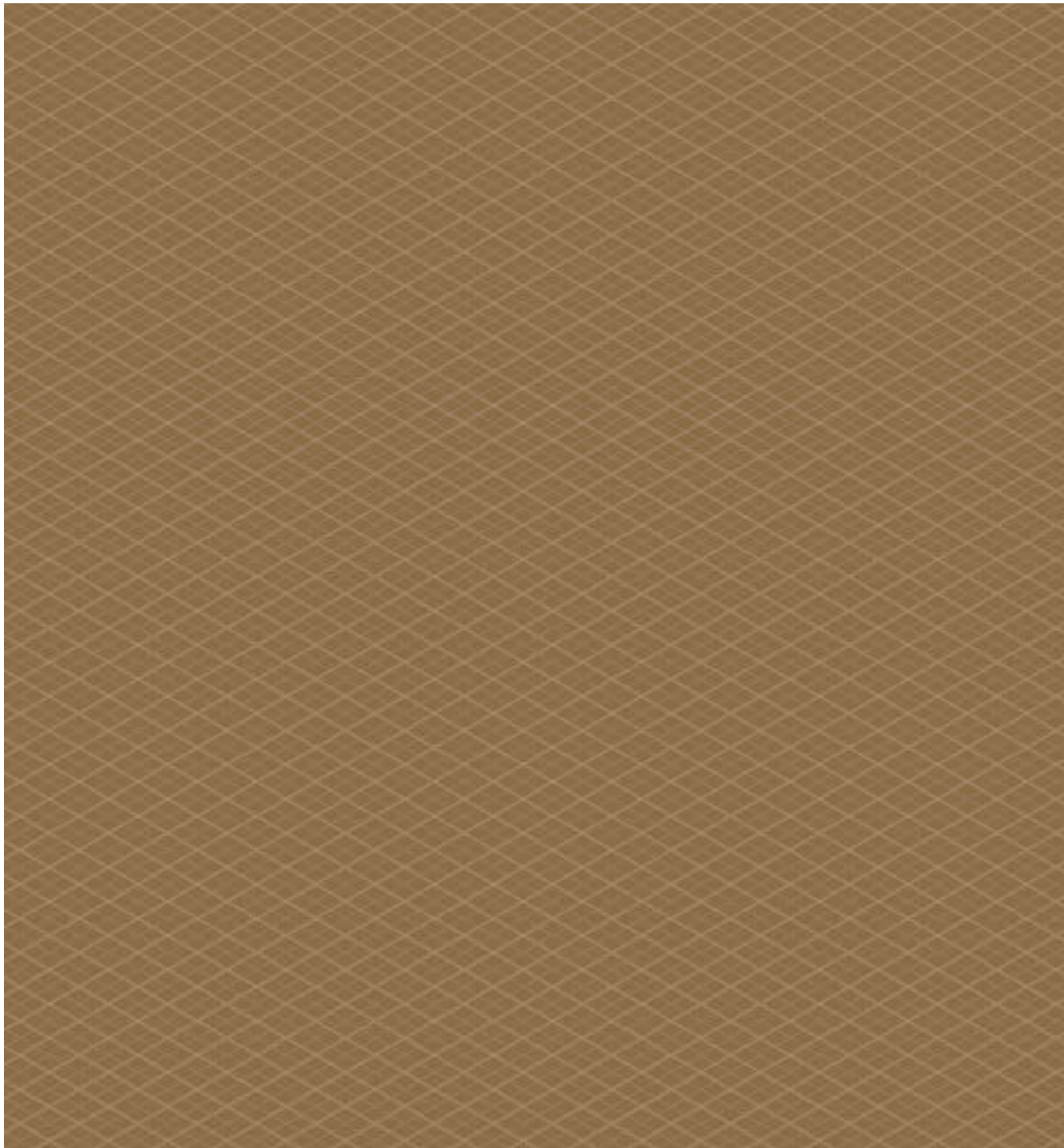
This is a statement of legal services expenditure published in compliance with paragraph 11.1(ba) of the *Legal Services Directions 2005*.

Description	Amount
Total expenditure	
Total costs recovered	\$0
Total external legal services expenditure	\$115,997
Total internal legal services expenditure	\$0
Total (external plus internal) expenditure	\$115,997
Summary of external legal services expenditure	
Total value of briefs to counsel (A)	\$0
Total value of disbursements (excluding counsel) (B)	\$0
Total value of professional fees paid (C)	\$115,997
Total external legal services expenditure (A + B + C)	\$115,997
Counsel	
Number of briefs to male counsel	0
Number of briefs to female counsel	0
Total number of briefs to counsel	0
Number of direct briefs to male counsel	0

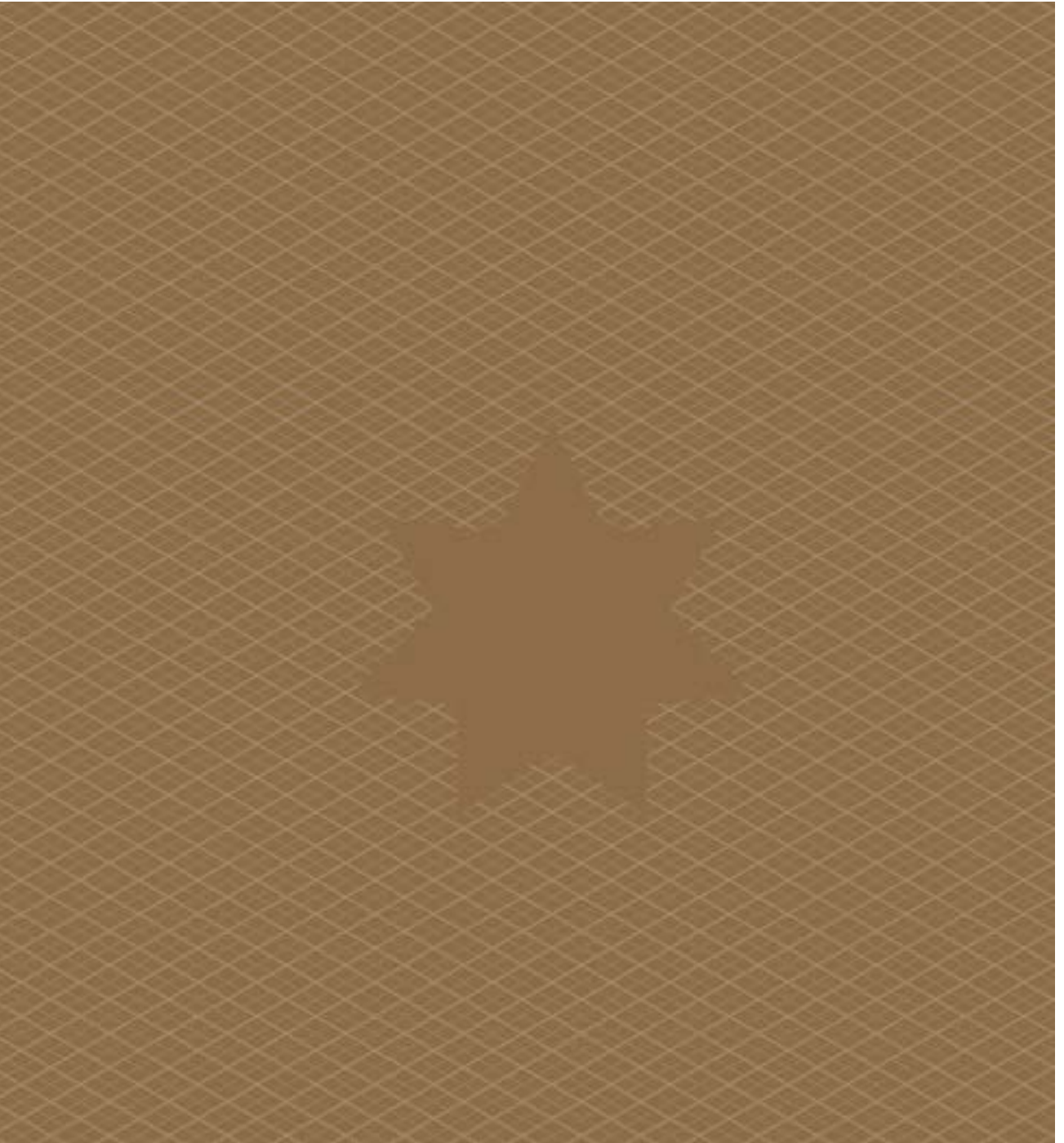
Table 33: Legal services expenditure (continued)

Description	Amount
Number of direct briefs to female counsel	0
Total number of direct briefs to counsel	0
Total value of briefs to male counsel (including direct briefs)	\$0
Total value of briefs to female counsel (including direct briefs)	\$0
Total value of briefs to Counsel (A)	\$0
Disbursements	
Total value of disbursements (excluding counsel) (B)	\$0
Professional fees	
Australian Government Solicitor	\$115,997
Total value of professional fees paid (C)	\$115,997

Note: Excludes the handling of criminal prosecutions and related proceedings.



Appendixes



APPENDIXES

Appendix 1 Information Publication Scheme

The CDPP is subject to the *Freedom of Information Act 1982 (FOI Act)* and is required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the *FOI Act* and has replaced the former requirement to publish a section 8 statement in an annual report. The CDPP displays on its website a plan showing what information is published in accordance with the IPS requirements.

Appendix 2 Work health and safety

Following the implementation of a Work Health and Safety Management System (WHS Management System) in 2012–13 we identified areas where additional policy and procedure material would support and enhance the WHS Management System. As a result, policy and procedure documents on manual handling and personal safety were made available to all staff. During the development process, there was wide consultation with health and safety representatives, CDPP WHS Committee members, the Executive Leadership Group and more broadly with CDPP staff and other workers. Other materials that have been drafted and are proceeding through the consultation process include the new Employee Wellbeing Program and Travel Safety Procedures.

We undertook a review of our rehabilitation policies and procedures in 2013–14. As a result, the previous Rehabilitation and Return to Work Arrangements were redeveloped into a comprehensive Rehabilitation Management System (RMS). The RMS provides the framework for efficient rehabilitation management in the CDPP. It includes elements of current good practice in injury management, recognises the CDPP's legislative obligations and identifies the key processes and procedures required to support sustainable return-to-work outcomes for all staff.

One of the key principles of the RMS is a managed process involving early intervention with appropriate and timely services based on assessed needs. Injury management and rehabilitation is provided for both compensable and non-compensable injuries and illnesses.

The dedicated WHS intranet site continues to be reviewed and updated to ensure that it provides a central, accessible location for WHS policies and procedures, WHS contacts, WHS committee meeting minutes, incident notification and a wide range of WHS and mental health resources.

The national corporate reorganisation project has seen the formation of a national WHS team. The formation of this team has provided staff with a central point of contact to receive expert advice and assistance with WHS issues. Work has commenced on automating the incident-reporting process through the Human Resources Management Information System and developing more detailed WHS metrics.

We are not aware of any notifiable incidents during 2013–14 that arose out of the conduct of our businesses or undertakings. There were no investigations conducted during 2013–14 that relate to the businesses or undertakings conducted by the CDPP, nor any notices given to the CDPP during the year under Part 10 of the *Work Health and Safety Act 2011*.

Appendix 3

Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, the CDPP is required to disclose payments of \$12,400 or more (including GST) for advertising and market research.

No advertising campaigns were undertaken during 2013–14. We did not use the services of any creative advertising agencies to develop advertising campaigns. We also did not use the services of market research organisations, polling organisations or direct mailing organisations.

Appendix 4

Ecologically sustainable development and environmental performance

One of the CDPP's priorities is the ongoing efficient and effective management of resources. In this context, we are in the process of developing a number of initiatives that will contribute to a more sustainable environment.

We use various energy-saving methods in our operations, as follows:

- we use technology to minimise energy use, including automatic power-down devices on electrical equipment
- all our computer equipment is energy star-enabled
- we source a component of the electricity costs for Sydney, Melbourne and Canberra Office from green energy options
- we recycle waste paper and give preference to environmentally sound products when purchasing office supplies
- we provide staff with access to video and teleconferencing facilities in our offices to reduce the overall amount of air travel undertaken.

Environmental performance

The following table summarises the environmental performance of our sites during 2012–13:

	Performance for 2012–13
Office—tenant light and power	
Electricity	1,382,563 (kWh)
Green power	227,433 (kWh)
Total	4,977.2 (GJ)
Total electricity consumed per employee	10,047.9 (MJ)
Passenger vehicles	
Petrol	13,670 (L)
Total	467.5(GJ)
Distance	154,896 (km)
MJ/km	3.0
Total agency consumption	5,444.5 (GJ)

Note: CDPP sites for the reporting period include Canberra, Sydney, Melbourne, Brisbane, Perth, Adelaide, Hobart, Darwin, Townsville and Cairns.

Appendix 5

List of requirements

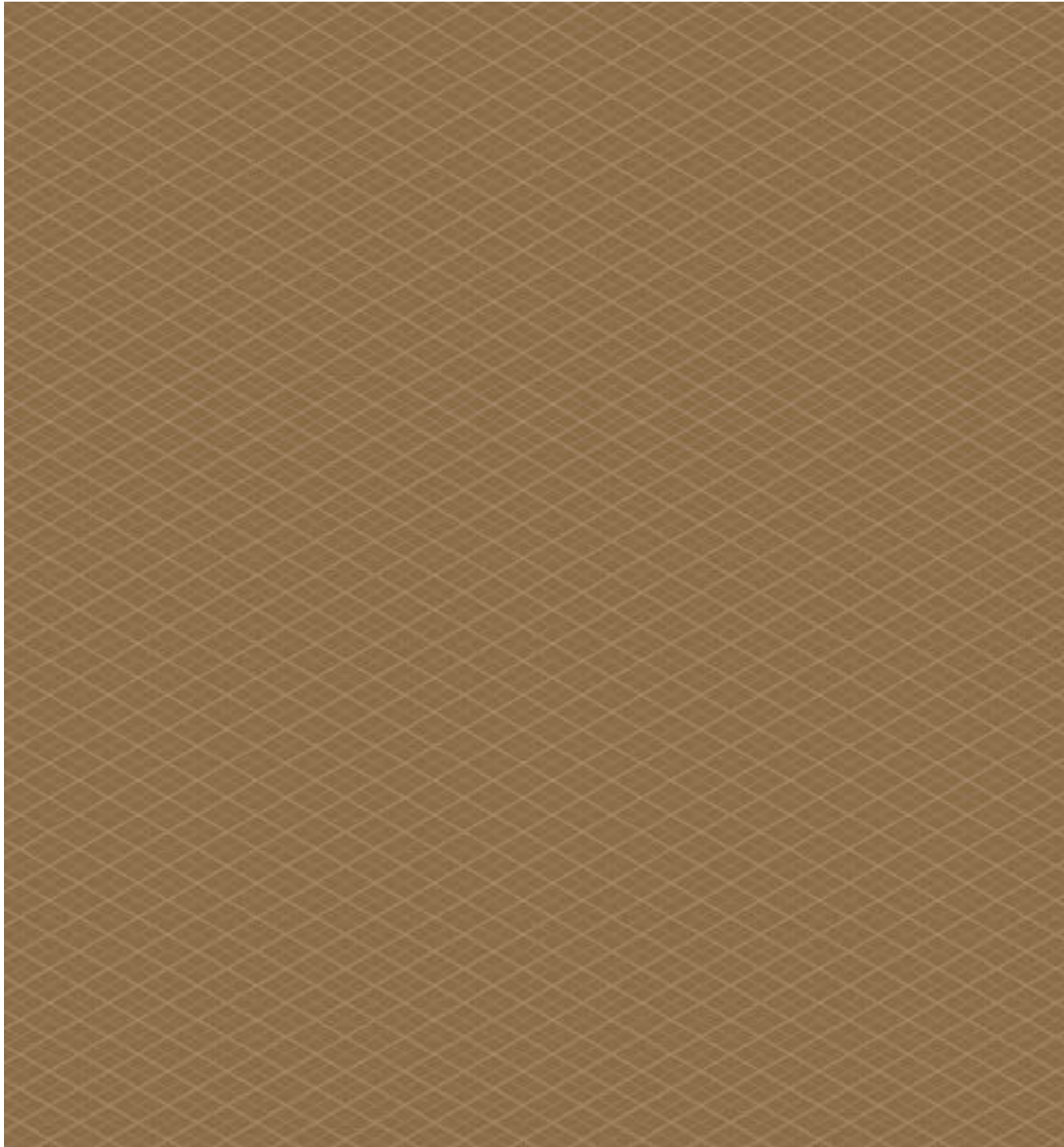
Ref*	Location of information	Description	Requirement
8(3) & A.4	<i>Preliminary</i>	Letter of transmittal	Mandatory
A.5	<i>Preliminary</i>	Table of contents	Mandatory
A.5	<i>Following Financials</i>	Index	Mandatory
A.5	<i>Following Financials</i>	Glossary	Mandatory
A.5	<i>Compliance Statement—Preliminary & Chapter 2</i>	Contact officer(s)	Mandatory
A.5	<i>Compliance Statement—Preliminary</i>	Internet home page address and Internet address for report	Mandatory
Review by Secretary			
9(1)	<i>Director's Overview—Preliminary</i>	Review by departmental secretary	Mandatory
9(2)	<i>Director's Overview & Chapters 1–7</i>	Summary of significant issues and developments	Suggested
9(2)	<i>Chapters 5 & 7</i>	Overview of department's performance and financial results	Suggested
9(2)	<i>Director's Overview</i>	Outlook for following year	Suggested
9(3)	<i>Not applicable</i>	Significant issues and developments—portfolio	Portfolio departments—suggested
Departmental Overview			
10(1)	<i>Chapters 1–4</i>	Role and functions	Mandatory
10(1)	<i>Chapter 2</i>	Organisational structure	Mandatory
10(1)	<i>Chapter 1</i>	Outcome and programme structure	Mandatory
10(2)	<i>Not applicable</i>	Where outcome and programme structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory
10(3)	<i>Not applicable</i>	Portfolio structure	Portfolio departments—Mandatory
Report on Performance			
11(1)	<i>Chapter 7 and Financials</i>	Review of performance during the year in relation to programmes and contribution to outcomes	Mandatory
11(2)	<i>Chapter 5</i>	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory
11(2)	<i>Not applicable</i>	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory
11(2)	<i>Chapter 5</i>	Narrative discussion and analysis of performance	Mandatory

Ref*	Location of information	Description	Requirement
11(2)	<i>Chapters 3–5</i>	Trend information	Mandatory
11(3)	<i>Not applicable</i>	Significant changes in nature of principal functions/services	Suggested
11(3)	-	Performance of purchaser/provider arrangements	If applicable, suggested
11(3)	<i>Chapters 4 & 5</i>	Factors, events or trends influencing departmental performance	Suggested
11(3)	<i>Chapter 7</i>	Contribution of risk management in achieving objectives	Suggested
11(4)	<i>Not applicable</i>	Performance against service charter customer service standards, complaints data and the department's response to complaints	If applicable, mandatory
11(5)	<i>Chapter 7</i>	Discussion and analysis of the department's financial performance	Mandatory
11(6)	<i>Chapter 7</i>	Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory
11(7)	<i>Chapter 7</i>	Agency resource statement and summary resource tables by outcomes	Mandatory
Management and Accountability			
Corporate Governance			
12(1)	<i>Chapter 7</i>	Agency heads are required to certify that their agency complies with the <i>Commonwealth Fraud Control Guidelines</i>	Mandatory
12(2)	<i>Chapters 1, 2 & 6</i>	Statement of the main corporate governance practices in place	Mandatory
12(3)	<i>Chapter 2</i>	Names of the senior executive and their responsibilities	Suggested
12(3)	<i>Chapter 2</i>	Senior management committees and their roles	Suggested
12(3)	<i>Chapter 2</i>	Corporate and operational plan and associated performance reporting and review	Suggested
12(3)	<i>Chapter 7</i>	Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested
12(3)	<i>Chapters 1 & 2</i>	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested
12(3)	-	How nature and amount of remuneration for SES officers is determined	Suggested
External Scrutiny			
12(4)	<i>Chapter 7</i>	Significant developments in external scrutiny	Mandatory
12(4)	<i>Chapters 4, 5 & 7</i>	Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory
12(4)	<i>Chapter 7</i>	Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory

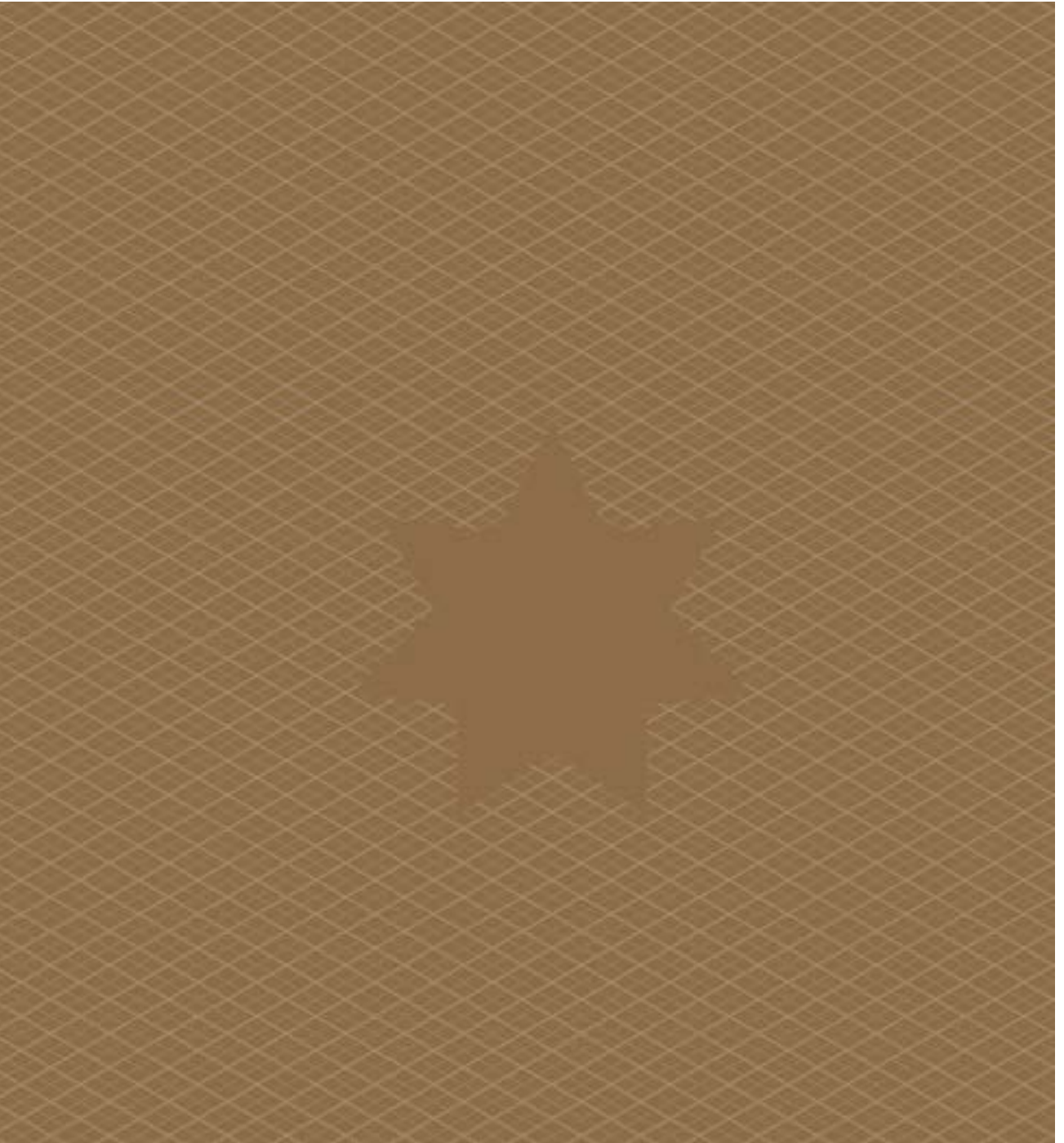
Ref*	Location of information	Description	Requirement
Management of Human Resources			
12(5)	<i>Director's Overview & Chapter 6</i>	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory
12(6)	<i>Chapter 6</i>	Workforce planning, staff retention and turnover	Suggested
12(6)	<i>Chapter 6</i>	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested
12(6)	<i>Chapters 2 & 6</i>	Training and development undertaken and its impact	Suggested
12(6)	<i>Appendix 2</i>	Work health and safety performance	Suggested
12(6)	-	Productivity gains	Suggested
12(7)	<i>Chapter 6</i>	Statistics on staffing	Mandatory
12(8)	<i>Chapter 6</i>	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory
12(9) & B	<i>Chapter 6</i>	Performance pay	Mandatory
Assets Management			
12(10)-(11)	<i>Chapter 7</i>	Assessment of effectiveness of assets management	If applicable, mandatory
Purchasing			
12(12)	<i>Chapter 7</i>	Assessment of purchasing against core policies and principles	Mandatory
Consultants			
12(13)-(22)	<i>Chapter 7</i>	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory
Australian National Audit Office Access Clauses			
12(23)	<i>Chapter 7</i>	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory
Exempt Contracts			
12(24)	<i>Chapter 7</i>	Contracts exempted from publication in AusTender	Mandatory
Financial Statements			
13	<i>Financials</i>	Financial Statements	Mandatory

Ref*	Location of information	Description	Requirement
Other Mandatory Information			
14(1)& C.1	<i>Appendix 2</i>	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory
14(1)& C.2	<i>Appendix 3</i>	Advertising and market research (section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory
14(1)& C.3	<i>Appendix 4</i>	Ecologically sustainable development and environmental performance (section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory
14(1)	<i>Not applicable</i>	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory
14(2)& D.1	<i>Not applicable</i>	Grant programmes	Mandatory
14(3)& D.2	<i>Chapter 6</i>	Disability reporting—explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory
14(4) & D.3	<i>Appendix 1</i>	Information Publication Scheme statement	Mandatory
14(5)	<i>Chapters 1 & 6</i>	Correction of material errors in previous annual report	If applicable, mandatory
E	<i>Chapter 7</i>	Agency Resource Statements and Resources for Outcomes	Mandatory
F	<i>Appendix 5</i>	List of Requirements	Mandatory

* The reference is to the location of the item in the Department of Prime Minister and Cabinet *Requirements for Annual Reports*.



Financial statements



**OFFICE OF THE COMMONWEALTH DIRECTOR OF
PUBLIC PROSECUTIONS**

FINANCIAL STATEMENTS 2013-2014

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**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC
PROSECUTIONS**

FINANCIAL STATEMENTS 2013-2014

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Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Cash Flow Statement
Schedule of Commitments
Schedule of Contingencies
Notes to and forming part of the Financial Statements

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**OFFICE OF THE COMMONWEALTH DIRECTOR OF
PUBLIC PROSECUTIONS**

INDEPENDENT AUDIT REPORT 2013-2014



INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

I have audited the accompanying financial statements of the Office of the Commonwealth Director of Public Prosecutions for the year ended 30 June 2014, which comprise: a Statement by the Chief Executive and Chief Financial Officer; the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and Forming Part of the Financial Statements comprising a Summary of Significant Accounting Policies.

Chief Executive's Responsibility for the Financial Statements

The Commonwealth Director of Public Prosecutions, as Chief Executive, is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office of the Commonwealth Director of Public Prosecutions' preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Commonwealth Director of Public Prosecutions' internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commonwealth Director of Public Prosecutions, as well as evaluating the overall presentation of the financial statements.

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

Independence

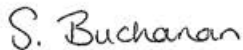
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Office of the Commonwealth Director of Public Prosecutions:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders, including the Office of the Commonwealth Director of Public Prosecutions' financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Serena Buchanan
Executive Director

Delegate of the Auditor-General

Canberra
25 September 2014

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**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed 

Robert Bromwich
Director
(Chief Executive)

24 September 2014

Signed 

Karel Havlat
Chief Financial Officer

24 September 2014

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 30 June 2014

		2014	2013
	Notes	\$'000	\$'000
NET COST OF SERVICES			
EXPENSES			
Employee benefits	3A	54,291	57,759
Supplier	3B	33,538	32,489
Depreciation and amortisation	3C	6,838	4,729
Finance costs	3D	93	111
Write-down and impairment of assets	3E	1,186	157
Other	3F	944	1,988
Total expenses		<u>96,890</u>	<u>97,233</u>
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	3,341	3,409
Other	4B	265	272
Total own-source revenue		<u>3,606</u>	<u>3,681</u>
Gains			
Sale of assets	4C	-	2
Other	4D	731	249
Total gains		<u>731</u>	<u>251</u>
Total own-source income		<u>4,337</u>	<u>3,932</u>
Net cost of (contribution by) services		<u>92,553</u>	<u>93,301</u>
Revenue from Government	4E	79,117	90,704
Surplus (Deficit) attributable to the Australian Government		<u>(13,436)</u>	<u>(2,597)</u>
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		-	4,147
Total comprehensive income (loss) attributable to the Australian Government		<u>(13,436)</u>	<u>1,550</u>

The above statement should be read in conjunction with accompanying notes.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF FINANCIAL POSITION**

As at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	135	216
Trade and other receivables	6B	14,000	68,609
Total financial assets		<u>14,135</u>	<u>68,825</u>
Non-Financial Assets			
Land and buildings	7A, 7C	13,170	8,423
Property, plant and equipment	7B, 7C	4,984	6,985
Intangibles	7D, 7E	821	979
Other	7F	358	197
Total non-financial assets		<u>19,333</u>	<u>16,584</u>
Total Assets		<u>33,468</u>	<u>85,409</u>
LIABILITIES			
Payables			
Suppliers	8A	6,706	4,749
Other	8B	11,762	2,430
Total payables		<u>18,468</u>	<u>7,179</u>
Provisions			
Employee provisions	9A	17,141	17,645
Other	9B	3,656	4,273
Total provisions		<u>20,797</u>	<u>21,918</u>
Total Liabilities		<u>39,265</u>	<u>29,097</u>
Net Assets		<u>(5,797)</u>	<u>56,312</u>
EQUITY			
Parent Entity Interest			
Contributed equity		4,034	(2,643)
Reserves		18,479	18,479
Retained surplus		(28,310)	40,476
Total parent entity interest		<u>(5,797)</u>	<u>56,312</u>
Total Equity		<u>(5,797)</u>	<u>56,312</u>

The above statement should be read in conjunction with the accompanying notes.

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2014

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Opening balance								
Balance carried forward from previous period	40,476	43,070	18,479	14,332	(2,643)	(3,026)	56,312	54,376
Adjustment for errors	-	3	-	-	-	-	-	3
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted opening balance	40,476	43,073	18,479	14,332	(2,643)	(3,026)	56,312	54,379
Comprehensive income								
Other comprehensive income	-	-	-	4,147	-	-	-	4,147
Surplus (Deficit) for the period	(13,436)	(2,597)	-	-	-	-	(13,436)	(2,597)
Total comprehensive income	(13,436)	(2,597)	-	4,147	-	-	(13,436)	1,550
Transactions with owners	(55,350)						(55,350)	
Contributions by owners								
Appropriation (equity injection)	-	-	-	-	4,000	-	4,000	-
Departmental capital budget	-	-	-	-	2,677	383	2,677	383
Sub-total transactions with owners	(55,350)		-	-	6,677	383	(48,673)	383
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance as at 30 June	(28,310)	40,476	18,479	18,479	4,034	(2,643)	(5,797)	56,312

The above statement should be read in conjunction with the accompanying notes.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
CASH FLOW STATEMENT**

For the period ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		79,070	90,412
Sales of goods and rendering of services		107	3,596
Net GST received		2,806	2,973
Other		731	249
Total cash received		<u>82,714</u>	<u>97,230</u>
Cash used			
Employees		53,237	59,202
Suppliers		27,852	31,468
Other		944	1,988
Appropriation cash returned to the OPA		4,286	4,312
Total cash used		<u>86,319</u>	<u>96,970</u>
Net cash from (used by) operating activities	10	<u>(3,605)</u>	<u>260</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		-	2
Total cash received		<u>-</u>	<u>2</u>
Cash used			
Purchase of property, plant and equipment		3,153	647
Other		-	-
Total cash used		<u>3,153</u>	<u>647</u>
Net cash from (used by) investing activities		<u>(3,153)</u>	<u>(645)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		6,677	383
Total cash received		<u>6,677</u>	<u>383</u>
Cash used			
Total cash used		<u>-</u>	<u>-</u>
Net cash from (used by) financing activities		<u>6,677</u>	<u>383</u>
Net increase (decrease) in cash held		<u>(81)</u>	<u>(2)</u>
Cash and cash equivalents at the beginning of the reporting period		216	218
Cash and cash equivalents at the end of the reporting period	6A	<u>135</u>	<u>216</u>

The above statement should be read in conjunction with the accompanying notes.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
SCHEDULE OF COMMITMENTS**

As at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
BY TYPE			
Commitments receivable			
Sublease rental income		(316)	-
Net GST recoverable on commitments		<u>(6,038)</u>	<u>(2,450)</u>
Total commitments receivable		<u>(6,354)</u>	<u>(2,450)</u>
Commitments payable			
Capital commitments			
Property, plant and equipment ¹		<u>853</u>	-
Total capital commitments		<u>853</u>	-
Other commitments			
Operating leases ²		61,564	22,762
Goods and services		<u>4,002</u>	<u>4,185</u>
Total other commitments		<u>65,566</u>	<u>26,947</u>
Total commitments payable		<u>66,419</u>	<u>26,947</u>
Net commitments by type		<u>60,065</u>	<u>24,497</u>
BY MATURITY			
Commitments receivable			
Operating lease income			
Within 1 year		(98)	-
Between 1 to 5 years		<u>(218)</u>	-
Total operating lease income		<u>(316)</u>	-
Other commitments receivable			
Within 1 year		(1,175)	(1,058)
Between 1 to 5 years		<u>(3,171)</u>	<u>(1,201)</u>
More than 5 years		<u>(1,692)</u>	<u>(191)</u>
Total other commitments income		<u>(6,038)</u>	<u>(2,450)</u>
Commitments payable			
Capital commitments			
Within 1 year		<u>853</u>	-
Total capital commitments		<u>853</u>	-
Operating lease commitments			
Within 1 year		9,335	9,821
Between 1 to 5 years		33,616	10,840
More than 5 years		<u>18,613</u>	<u>2,101</u>
Total operating lease commitments		<u>61,564</u>	<u>22,762</u>
Other commitments			
Within 1 year		2,732	1,814
Between 1 to 5 years		<u>1,270</u>	<u>2,371</u>
Total other commitments		<u>4,002</u>	<u>4,185</u>
Net commitments by maturity		<u>60,065</u>	<u>24,497</u>

Note: Commitments are GST inclusive where relevant.

1 Capital commitments relate to the fitout of the Brisbane office which was in progress at year end.

2 Operating leases to which the CDPP is a lessee were effectively non-cancellable and comprise:

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
SCHEDULE OF COMMITMENTS**

As at 30 June 2014

Leases for office accommodation

Lease payments are subject to annual increases in accordance with terms and conditions of each lease. The initial term of the leases vary, as do the options to renew. Some leases contain options to extend, and no purchase options are available to the CDPP. Two Sub-leases are in place

Leases for motor vehicles (for general office use)

No contingent rentals exist. There are no renewal or purchase options available to the CDPP.

This schedule should be read in conjunction with the accompanying notes.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
SCHEDULE OF CONTINGENCIES**

As at 30 June 2014

Details of each class of contingent liabilities and contingent assets are disclosed in Note 11: Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

The above schedule should be read in conjunction with the accompanying notes.

There are no contingencies in the 2013-14 and 2012-13 financial years.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014*

Note	Description
1	Summary of Significant Accounting Policies
2	Events After the Reporting Period
3	Expenses
4	Own-Source Income
5	Fair Value Measurements
6	Financial Assets
7	Non-Financial Assets
8	Payables
9	Provisions
10	Cash Flow Reconciliation
11	Contingent Assets and Liabilities
12	Senior Executive Remuneration
13	Remuneration of Auditors
14	Financial Instruments
15	Financial Assets Reconciliation
16	Appropriations
17	Special Accounts
18	Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund
19	Compensation and Debt Relief
20	Reporting of Outcomes
21	Net Cash Appropriation Arrangements

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies**1.1 Objectives of the Office of the Director of Public Prosecutions**

The Office of the Commonwealth Director of Public Prosecutions (CDPP) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of the CDPP is to provide a prosecution service to the Commonwealth and to the people of Australia which is fair, independent, accountable, effective and efficient in order to advance social justice by deterring and discouraging breaches of Commonwealth law and ensuring that serious offenders are brought to justice.

The CDPP is structured to meet one outcome:

Maintenance of law and order for the Australian community through an independent and ethical prosecution service in accordance with the Prosecution Policy of the Commonwealth.

The continued existence of the CDPP in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the CDPP's administration and programs.

The CDPP's activities contributing toward the outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by CDPP in its own right. Administered activities involve the management or oversight by CDPP, on behalf of the Government, of items controlled or incurred by the Government.

The CDPP ceased its role in reporting Administered fines and costs on 30 September 2011.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to CDPP or a future sacrifice

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the CDPP has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of property, plant and equipment and the related makegood has been taken to be the market value of similar items as determined by an independent valuer; and
- Employee provisions have been calculated based on the CDPP's specific probability factors as determined by the Australian Government Actuary and have been discounted using the 10 year government bond rate as at 30 June 2014.

No accounting assumptions and estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards***Adoption of New Australian Accounting Standard Requirements***

No accounting standard has been adopted earlier than the application date as stated in the standard. AASB 119 Employment Benefits and AASB 13 Fair Value Measurement started operations in 2013-14.

Future Australian Accounting Standard Requirements

The following new, revised or amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date, and are expected to have a financial impact on the CDPP for future reporting periods:

AASB 1055 Budgetary Reporting

All other new, revised or amending standards that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the CDPP's financial statements.

1.5 Commonwealth Expenditure

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams*

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

v Commonwealth [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

1.6 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- CDPP retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the CDPP.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to CDPP.

The stage of completion of contracts at the reporting date is determined by reference to services performed to date as a percentage of total services to be performed.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.8).

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the CDPP gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

1.7 Gains**Sale of Assets**

Gains from disposal of assets is recognised when control of the asset has passed to the buyer.

1.8 Transactions with the Government as Owner**Equity Injections**

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

There are no restructuring of administrative arrangements impacting CDPP in 2013-14.

Other Distributions to Owners

The FMO's require that distributions to owners be debited to contributed equity unless in the nature of a dividend. No distributions to owners occurred in 2013-14 (2012-13: \$Nil).

1.9 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the CDPP is estimated to be less than the annual entitlement for sick leave.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the CDPP's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2014. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Staff of the CDPP are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or employee nominated superannuation funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's *Administered schedules and notes*.

The CDPP makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the CDPP's employees. The CDPP accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.10 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

The CDPP has no finance leases.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

1.11 Borrowing Costs

All borrowing costs are expensed as incurred.

1.12 Fair Value Measurement

The CDPP deems transfers between input levels of the fair value hierarchy to have occurred at the end of the reporting period. Where there are changes in observable markets, assets may transfer between categories of fair value hierarchy.

There are no transfers between levels of fair value hierarchy in 2013-14 as this is the first year of adoption of AASB 13 Fair Value Measurement.

1.13 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- cash on hand;
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amount of cash and subject to insignificant risk of changes in value;
- cash held by outsiders; and
- cash in special accounts.

1.14 Financial Assets

The CDPP classifies its financial assets in the following categories:

- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

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

Income is recognised on an effective interest rate basis.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

- Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.
- Financial assets held at cost - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.15 Financial Liabilities

Financial liabilities are classified as 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

1.16 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

1.17 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.18 Property, Plant and Equipment*Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The \$2,000 threshold is not applied to fitout, which has a threshold of \$20,000 or 5% of fitout value.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the CDPP where there exists an obligation to restore the property to its original condition. These costs are included in the value of the CDPP's leasehold improvements with a corresponding provision for the 'makegood' recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Formal revaluations are carried out at least every three years.

Revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the asset and the asset was restated to the revalued amount.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the CDPP using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Leasehold improvements	Lease term	Lease term
Plant and equipment	2 to 30 years	2 to 30 years

Impairment

All assets are assessed for impairment at 30 June 2014. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the CDPP were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.19 Intangibles

The CDPP's intangibles comprise software licenses and configuration costs of purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases of intangibles are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the CDPP's software are 3 to 20 years (2012-2013: 3 to 20 years).

All software assets are assessed for indications of impairment as at 30 June 2014.

1.20 Taxation / Competitive Neutrality**Taxation**

The CDPP is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Competitive Neutrality

No part of the CDPP operations is subject to competitive neutrality arrangements.

1.21 Going Concern

The CDPP is part of the legal entity that is the Australian Government, which is ultimately responsible for all of CDPP's debts. In 2013-14, the CDPP's total liabilities exceeded its total assets. This is primarily due to the Statute Stocktake (Appropriation) Act 2013 resulting in a reduction in asset receivables of \$55.35 million. The existence of total liabilities in excess of total assets as reported in the balance sheet does not make the CDPP insolvent and has no bearing on whether the CDPP's debts will be met.

Australian Government Agencies have no separate legal personality but are part of the Australian Government and are 'wound up' only when the government decides that all their functions are to be performed by another entity or entities, or are not to be performed at all. This situation does not of itself mean that CDPP is not a going concern.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 2: Events After the Reporting Period

There were no subsequent events that have the potential to significantly affect the ongoing structure and financial activities of the CDPP.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 3: Expenses

	2014	2013
	\$'000	\$'000
Note 3A: Employee Benefits		
Wages and salaries	41,282	43,910
Superannuation:		
Defined contribution plans	3,378	3,039
Defined benefit plans	4,208	4,467
Leave and other entitlements	4,352	4,181
Separation and redundancies	526	1,686
Other employee benefits	545	476
Total employee benefits	54,291	57,759
Note 3B: Suppliers		
Goods and services supplied or rendered		
Prosecution legal costs	13,055	15,155
ICT	1,723	1,904
Property	4,135	1,559
Library	1,107	1,421
Services and Advice	1,877	945
Other	2,319	2,097
Total goods and services supplied or rendered	24,216	23,081
Goods supplied in connection with		
Related parties	22	3
External parties	1,530	2,080
Total goods supplied	1,552	2,083
Services rendered in connection with		
Related parties	931	1,065
External parties	21,733	19,933
Total services rendered	22,664	20,998
Total goods and services	24,216	23,081
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	8,538	8,638
Rental expense for sub-leases	78	64
Workers compensation expenses	706	706
Total other suppliers	9,322	9,408
Total suppliers	33,538	32,489

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014*

	2014 \$'000	2013 \$'000
<u>Note 3C: Depreciation and Amortisation</u>		
Depreciation:		
Leasehold improvements	4,852	2,721
Property, plant and equipment	1,643	1,590
Total depreciation	6,495	4,311
Amortisation:		
Intangibles	343	418
Total amortisation	343	418
Total depreciation and amortisation	6,838	4,729
<u>Note 3D: Finance Costs</u>		
Unwinding of discount	93	111
Total finance costs	93	111
<u>Note 3E: Write-down and Impairment of Assets</u>		
Disposal of property, plant and equipment	1,184	19
Revaluation decrement - property, plant and equipment	-	129
Other	2	9
Total write-down and impairment of assets	1,186	157
<u>Note 3F: Other Expenses</u>		
Costs awarded against the Commonwealth	944	1,988
Total other expenses	944	1,988

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS*For the period ended 30 June 2014***Note 4: Own-Source Income**

	2014	2013
OWN-SOURCE REVENUE	\$'000	\$'000

Note 4A: Sale of Goods and Rendering of Services**Rendering of services in connection with**

Related parties	3,278	3,379
External Parties	63	30
Total rendering of services	3,341	3,409
Total sale of goods and rendering of services	3,341	3,409

Note 4B: Other Revenue

Resources received free of charge - services from external parties	206	215
Resources received free of charge - services from related parties ¹	59	57
Total other revenue	265	272

GAINS**Note 4C: Gain from Sale of Assets****Property, plant and equipment**

Proceeds from sale	-	2
Net gain from sale of assets	-	2

Note 4D: Other Gains

Other	731	249
Total other gains	731	249

REVENUE FROM GOVERNMENT**Note 4E: Revenue from Government****Appropriations:**

Departmental appropriations	79,117	90,704
Total revenue from Government	79,117	90,704

1. Due to a change in the interpretation of the Australian Accounting Standards, some resources received free which were previously classified as Gains, now have been reclassified as Other Revenue. Comparative amounts for 2013 have been changed accordingly.

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For the period ended 30 June 2014

Note 5: Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014

	Fair value measurements at the end of the reporting period		
	Fair value \$'000	Level 1 inputs \$'000	Level 2 inputs \$'000
Non-financial assets:			
Leasehold improvements	12,181	-	7,725
Property, plant and equipment	4,649	-	1,383
Assets Under Construction	1,515	-	1,515
Total non-financial assets	18,345	-	10,623
Total fair value measurements of assets in the statement of financial position	18,345	-	10,623

Assets not measured at fair value in the statement of financial position

Non-financial assets ¹	626	-	-
Software ²	626	-	-
Total assets not measured at fair value in the statement of financial position	1,252	-	-

1. The entity did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2014.
2. Software is not revalued due to the absence of an active market and is valued at cost greater than 12 months old therefore is not an indication of fair value.

Fair value Measurement - Highest & Best Use

CDPP's non-financial assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of these assets is considered the highest and best use.

Note 5B: Level 1 and Level 2 transfers for recurring fair value measurements

There were no transfers between levels in the current financial year.

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For the period ended 30 June 2014

Note 5C: Valuation technique and inputs for Level 2 and Level 3 fair value measurements

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets and liabilities in 2014		Inputs used	Range (weighted average) ²
Category (Level 2 or Level 3)	Fair value	Valuation technique(s) ¹	
	\$'000		

Non-financial assets

Leasehold improvements	7,725	Market Approach	Adjusted market transactions	N/A
Leasehold improvements	4,456	Depreciated replacement cost (DRC)	Replacement cost new (price per square metre)	N/A
			Consumed economic benefit / obsolescence of asset	11.54% - 4.62% (7.44%) per annum
		Net Present Value	Current obligation costs (price per square metre)	\$100 - \$250
			Indexation rates	0.55% - 2.76% per annum
			Discount rate	4.02%
Property, plant and equipment	1,383	Market Approach	Adjusted market transactions	N/A
Property, plant and equipment	3,266	Depreciated replacement cost (DRC)	Replacement cost new (price per square metre)	N/A
			Consumed economic benefit / obsolescence of asset	25.00% - 3.12% (3.98%) per annum
Assets Under Construction	1,515	Market Approach	Market transactions	N/A

1. There has been no changes to valuation techniques.

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

There were no significant inter-relationships between unobservable inputs that materially affect fair value.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
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For the period ended 30 June 2014

Note 5C (Cont'd): Valuation technique and inputs for Level 2 and Level 3 fair value measurements

Recurring and non-recurring Level 3 fair value measurements - valuation processes

The CDPP procured the service of the Australian Valuation Office (AVO) to undertake a comprehensive valuation of all non-financial assets at 30 June 2013. The CDPP tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. CDPP has engaged Australian Valuation Solutions (AVS) to provide written assurance that the models developed comply with AASB 13.

There is no change in the valuation technique since the prior year.

Significant Level 3 inputs utilised by CDPP are derived and evaluated as follows:

Consumed economic benefit / obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

Current Restoration Costs, indexation rates and discount rate

Applicable makegood provisions have been determined in accordance with Australian Accounting Guidance Note 2010/1 Accounting for Decommissioning, Restoration and Similar Provisions ('Make Good'). Current restoration cost have been established based on analysed transactions, costing publications and industry sources. Current restoration costs have been indexed to the obligation date (generally the expiry of the lease term) using industry building cost indexes relevant to the assets' city and then discounted, where the time value of money is material using the Australian government 10-year bond rate. The estimated provision is depreciated in line with the corresponding leasehold improvement asset.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
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For the period ended 30 June 2014

Note 5C (Cont'd): Valuation technique and inputs for Level 2 and Level 3 fair value measurements

Recurring Level 3 fair value measurements - sensitivity of inputs

Consumed economic benefit / obsolescence of asset

The significant unobservable inputs used in the fair value measurement of CDPP's leasehold improvements and property, plant and equipment asset classes relate to changes in the consumed economic benefit / asset obsolescence. A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

Current Restoration Costs, indexation rates and discount rate

The significant unobservable inputs used in the fair value measurement of CDPP's leasehold restoration cost (make good) asset class relate to the current restoration costs, escalation rates and discount rates. A significant increase (decrease) in this cost new and (or) escalation rate and decrease (increase) in the discount rate would result in a significantly higher (lower) fair value measurement.

Recurring Level 3 fair value measurements - sensitivity analysis for financial assets and liabilities

CDPP has no level 3 financial assets or liabilities.

Note 5D: Reconciliation for recurring Level 3 fair value measurements**Recurring Level 3 fair value measurements - reconciliation for assets**

	Leasehold Improvements		Non-financial assets Property, Plant and Equipment		Total 2014 \$'000
	2014 \$'000	2014 \$'002	2014 \$'002	2014 \$'000	
Opening balance ¹	8,423	4,616	-	13,039	
Total gains/(losses) in accumulated depreciation ²	(4,852)	(529)	-	(5,381)	
Purchases	8,610	326	-	8,936	
Disposals	-	(1,147)	-	(1,147)	
Transfers into Level 3 ³	-	-	-	-	
Transfers out of Level 3 ³	-	-	-	-	
Closing balance	12,181	3,266	-	15,447	
Changes in unrealised gain/(losses) recognised	-	-	-	-	

1. Open balance as determined in accordance with AASB 13.

2. These gains/(losses) are presented in the Statement of Comprehensive Income under 'Depreciation and amortisation'

3. There have been no transfers between levels of the hierarchy during the year.

CDPP's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period ended 30 June 2014

Note 6: Financial Assets

	2014	2013
	\$'000	\$'000
Note 6A: Cash and Cash Equivalents		
Cash on hand or on deposit	135	216
Total cash and cash equivalents	135	216
Note 6B: Trade and Other Receivables		
Good and Services:		
Goods and services - related entities	1,586	287
Goods and services - external parties	1,936	1
Total receivables for goods and services	3,522	288
Appropriations receivable:		
For existing programs	9,858	67,838
Total appropriations receivable	9,858	67,838
Other receivables:		
GST receivable from the Australian Taxation Office	460	371
Other	160	112
Total other receivables	620	483
Total trade and other receivables (gross)	14,000	68,609
Less impairment allowance account		
Goods and services	-	-
Total impairment allowance account	-	-
Total trade and other receivables (net)	14,000	68,609
Receivables are expected to be recovered in:		
No more than 12 months	14,000	68,609
More than 12 months	-	-
Total trade and other receivables (net)	14,000	68,609
Receivables are aged as follows:		
Not overdue	12,053	68,609
Overdue by:		
0 to 30 days	12	-
31 to 60 days	1,935	-
61 to 90 days	-	-
More than 90 days	-	-
Total receivables (gross)	14,000	68,609

Credit terms for goods and services are within 30 days (2013: 30 days).

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 6: Financial Assets**

2014	2013
\$'000	\$'000

Note 6B (Con't): Trade and Other Receivables**Reconciliation of the Impairment Allowance Account:****Movements in relation to 2014**

	Goods and services \$	Other receivables \$
Opening balance	-	-
Amounts written off	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	-	-
Closing balance	-	-

Movements in relation to 2013

	Goods and services \$	Other receivables \$
Opening balance	(1)	-
Amounts written off	1	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	-	-
Closing balance	-	-

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 7: Non-Financial Assets**

	2014	2013
	\$'000	\$'000
Note 7A: Land and Buildings		
Leasehold improvements		
Work in progress	989	-
Fair value	14,473	8,423
Accumulated depreciation	(2,292)	-
Total leasehold improvements	<u>13,170</u>	<u>8,423</u>
Total land and buildings	<u>13,170</u>	<u>8,423</u>

No indicators of impairment were found for land and buildings.

The negotiation of alternative accommodation arrangements for Adelaide and Cairns was still underway at 30 June 2014. There is uncertainty on whether these leased premises are expected to be sold or disposed of within the next 12 months after the cessation of these leases.

Note 7B: Property, Plant and Equipment

Property, plant and equipment		
Work in progress	332	-
Fair value	6,046	7,216
Accumulated depreciation	(1,394)	(231)
Total property, plant and equipment	<u>4,984</u>	<u>6,985</u>

No indicators of impairment were found for property, plant and equipment.

A number of property, plant and equipment items are expected to be disposed of within the next 12 months as part of normal business operations.

Revaluations of non-financial assets

All revaluations were conducted in accordance with revaluation policy stated in Note 5 on 30 June 2013, an independent valuer conducted the revaluations.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
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For the period ended 30 June 2014

Note 7C: Reconciliation of the Opening and Closing Balances of Buildings, Property, Plant and Equipment (2013-14)

	Buildings \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2013			
Gross book value	8,423	7,216	15,639
Accumulated depreciation and impairment	-	(231)	(231)
Net book value 1 July 2013	8,423	6,985	15,408
Additions:			
By purchase	9,599	825	10,424
Depreciation expense	(4,852)	(1,642)	(6,494)
Impairments recognised in net cost of services	-	(1,184)	(1,184)
Net book value 30 June 2014	13,170	4,984	18,154
Net book value as of 30 June 2014 represented by:			
Gross book value	15,462	6,378	21,840
Accumulated depreciation	(2,292)	(1,394)	(3,686)
Net book value 30 June 2014	13,170	4,984	18,154

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 7C (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012-13)

	Buildings \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2012			
Gross book value	38,658	16,228	54,886
Accumulated depreciation and impairment	(32,386)	(7,636)	(40,022)
Net book value 1 July 2012	6,272	8,592	14,864
Additions:			
By purchase	90	157	247
Revaluations and impairments recognised in other comprehensive income	4,782	(9)	4,773
Revaluations recognised in the operating result	-	(129)	(129)
Depreciation expense	(2,721)	(1,590)	(4,311)
Other movements:			
By reclassification	-	(17)	(17)
Impairments recognised in net cost of services	-	(19)	(19)
Net book value 30 June 2013	8,423	6,985	15,408
Net book value as of 30 June 2013 represented by:			
Gross book value	8,423	7,216	15,639
Accumulated depreciation	-	(231)	(231)
Net book value 30 June 2013	8,423	6,985	15,408

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014*

	2014	2013
	\$'000	\$'000
Note 7D: Intangibles		
Computer software		
Work in progress - purchased	195	46
Purchased	2,520	2,484
Accumulated amortisation	(1,894)	(1,551)
Total computer software	821	979

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

**Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles
(2013-14)**

	Computer software purchased \$'000
As at 1 July 2013	
Gross book value	2,530
Accumulated amortisation and impairment	(1,551)
Net book value 1 July 2013	979
Additions:	
By purchase	223
Amortisation	(343)
Other movements:	
Transfer	(26)
Reclassification	(12)
Net book value 30 June 2014	821
Net book value as of 30 June 2014 represented by:	
Gross book value	2,715
Accumulated amortisation and impairment	(1,894)
Net book value 30 June 2014	821

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For the period ended 30 June 2014

Note 7E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles (2012-13)

	Computer software purchased \$'000	
As at 1 July 2012		
Gross book value	2,450	
Accumulated amortisation and impairment	(1,199)	
Net book value 1 July 2012	1,251	
Additions:		
By purchase	129	
Amortisation	(418)	
Other movements	-	
Reclassification	17	
Net book value 30 June 2013	979	
Net book value as of 30 June 2013 represented by:		
Gross book value	2,530	
Accumulated amortisation and impairment	(1,551)	
Net book value 30 June 2013	979	
	2014	2013
	\$'000	\$'000
<u>Note 7F: Other Non-Financial Assets</u>		
Prepayments	358	197
Total other non-financial assets	358	197
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	355	197
More than 12 months	3	-
Total other non-financial assets	358	197

No indicators of impairment were found for other non-financial assets.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 8: Payables

	2014	2013
	\$'000	\$'000
Note 8A: Suppliers		
Trade creditors and accruals	6,408	3,742
Operating lease rentals	298	1,007
Total supplier payables	6,706	4,749
Suppliers expected to be settled		
No more than 12 months	5,833	4,678
More than 12 months	873	71
Total Suppliers	6,706	4,749
Suppliers in connection with		
Related parties	73	635
External parties	6,633	4,114
Total Suppliers	6,706	4,749
Settlement was usually made within 30 days.		
Note 8B: Other Payables		
Wages and salaries	1,242	1,145
Superannuation	221	199
Leases ¹	9,843	777
Other	456	309
Total other payables	11,762	2,430
Other payables expected to be settled		
No more than 12 months	3,246	1,874
More than 12 months	8,516	556
Total other payables	11,762	2,430

1. Due to a reclassification, Lease liabilities have now been reclassified as Other Payables. This was previously classified as Interest Bearing Liabilities.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 9: Provisions**

	2014	2013
	\$'000	\$'000
<u>Note 9A: Employee Provisions</u>		
Leave	17,141	17,645
Total employee provisions	<u>17,141</u>	<u>17,645</u>
Employee provisions expected to be settled		
No more than 12 months	4,279	4,385
More than 12 months	12,862	13,260
Total employee provisions	<u>17,141</u>	<u>17,645</u>

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
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For the period ended 30 June 2014

	2014 \$'000	2013 \$'000
Note 9B: Other Provisions		
Provision for restoration ¹	1,853	3,480
Other ²	1,803	793
Total other provisions	3,656	4,273

Other provisions expected to be settled

No more than 12 months	2,603	3,013
More than 12 months	1,053	1,260
Total other provisions	3,656	4,273

	Provision for restoration \$'000	Other provisions \$'000	Total \$'000
Carrying amount 1 July 2013	3,480	793	4,273
Additional provisions made	-	1,618	1,618
Amounts used	(1,720)	(200)	(1,920)
Amounts reversed	-	(408)	(408)
Unwinding of discount or change in discount rate	93	-	93
Closing balance 30 June 2014	1,853	1,803	3,656

1 CDPP currently has 9 agreements (2013: 11 agreements) for the leasing of premises which have provisions requiring the CDPP to restore the premises to their original condition at the conclusion of the lease. CDPP has made a provision to reflect the present value of this obligation.

2 During the 2013-2014 financial year, the CDPP has made a provision (\$1,481k) to reflect the present value of its obligation on the surplus lease space at Level 26 Goulburn Street Sydney. The provision is currently being unwound on a straight-line basis over the remaining lease term.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 10: Cash Flow Reconciliation

	2014 \$'000	2013 \$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	135	216
Statement of Financial Position	135	216
Difference	<u>(0)</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(92,553)	(93,301)
Add revenue from Government	79,117	90,704
Adjustments for non-cash items		
Depreciation / amortisation	6,838	4,729
Net write down of non-financial assets	1,186	28
(Gain)/loss on disposal of assets	-	(2)
Resources received free of charge - services	265	272
Restoration - recognition of new	-	-
Changes in assets / liabilities		
(Increase) / decrease in net receivables	(741)	371
(Increase) / decrease in prepayments	(161)	772
Increase / (decrease) in employee provisions	(384)	(1,647)
Increase / (decrease) in other provisions	(617)	977
Increase / (decrease) in supplier payables	1,957	(2,492)
Increase / (decrease) in other payables	1,488	110
Increase / (decrease) in lease incentives	-	(261)
Net cash from (used by) operating activities	<u>(3,605)</u>	<u>260</u>

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
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For the period ended 30 June 2014

Note 11: Contingent Assets and Liabilities

	Claims for damages or costs	
	2014 \$'000	2013 \$'000
Contingent assets		
Balance from previous period	-	-
New contingent assets recognised	-	-
Re-measurement	-	-
Assets realised	-	-
Rights expired	-	-
Total contingent assets	-	-
Contingent liabilities		
Balance from previous period	-	102
New contingent liabilities recognised	-	-
Re-measurement	-	-
Liabilities realised	-	(102)
Obligations expired	-	-
Total contingent liabilities	-	-

Quantifiable Contingencies

The schedule of contingencies reports contingent liabilities in respect of claims for damages/costs of \$0 (2013: \$0). The amount represents an estimate of the CDPP's liability based on advice from the Courts.

Unquantifiable Contingencies

If a matter prosecuted by the CDPP is defended successfully, the court may order that the CDPP meet certain costs incurred by the defence.

If a matter is being prosecuted by the CDPP and assets are frozen under the *Proceeds of Crime Act 1987* or the *Proceeds of Crime Act 2002*, the CDPP gives an undertaking against potential losses in respect of assets administered by the Commonwealth. If the related prosecution is unsuccessful, damages can be awarded against the CDPP. Costs and damages so awarded are met from the CDPP or client organisation's annual appropriations.

Although costs and damages have been awarded against the CDPP and will continue to be awarded from time to time, the CDPP is unable to declare an estimate of liabilities not recognised nor undertakings due to the uncertainty of the outcome of matters, but more particularly, due to the sensitivity of the information related to matters still before the courts. Therefore, it is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims. These are not included in the Schedule of Contingencies.

Significant Remote Contingencies

The CDPP has a number of contracts with suppliers that include indemnities for any default by the CDPP or its agents. These are standard contract conditions and the CDPP is satisfied that there is no foreseeable risk of any of the indemnities being called upon.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
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For the period ended 30 June 2014

Note 12: Senior Executive Remuneration

**Note 12A: Senior Executive Remuneration
Expenses for the Reporting Period**

	2014	2013
	\$	\$
Short-term employee benefits:		
Salary	6,808,861	7,205,169
Bonuses	29,000	35,000
Other allowances	227,702	249,615
Total short-term employee benefits	<u>7,065,563</u>	<u>7,489,784</u>
Post-employment benefits:		
Superannuation	1,023,940	1,021,957
Total post-employment benefits	<u>1,023,940</u>	<u>1,021,957</u>
Other long-term benefits:		
Annual leave expensed	530,438	567,549
Long service leave	349,097	181,664
Total other long-term benefits	<u>879,535</u>	<u>749,213</u>
Termination benefits	<u>115,598</u>	-
Total senior executive remuneration expenses	<u>9,084,636</u>	<u>9,260,954</u>

Notes

- Note 12A is prepared on an accrual basis.
- Note 12A excludes acting arrangements and part-year service's where total remuneration expensed for a senior executive was less than \$195,000.
- Comparative figures for 2013 have been reviewed to restate the figures to reflect the change in the threshold as per the Finance Minister's Orders. No actual changes to the figures were required for the change in threshold. In 2012-13 the threshold was \$180,000, while in 2013-14 the threshold has been increased to \$195,000.

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2014

Note 12: Senior Executive Remuneration

Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration paid to substantive senior executives in 2014	Substantive senior executives					Total reportable remuneration
	No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	\$
Average annual reportable remuneration ¹						
Total remuneration (including part-time arrangements):						
less than \$195,000	2	62,008	7,018	-	500	69,526
\$195,000 - \$224,999	7	183,700	28,017	-	1,000	212,717
\$225,000 - \$254,999	14	201,573	30,038	-	1,000	232,612
\$255,000 - \$284,999	4	233,076	37,280	-	1,000	271,356
\$345,000 - \$374,999	1	346,618	16,056	-	1,000	363,674
\$405,000 - \$434,999	1	405,007	1,573	-	-	406,580
\$495,000 - \$524,999	1	451,949	59,297	-	-	511,246
Total number of substantive senior executives	30					

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2014

Note 12B: Substantive Senior Executives During the Reporting Period - cont'd

Average annual reportable remuneration paid to substantive senior executives in 2013	Substantive senior executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	Total reportable remuneration \$
Average annual reportable remuneration ¹						
Total remuneration (including part-time arrangements):						
less than \$195,000	4	131,929	18,251	-	750	150,930
\$195,000 - \$224,999	17	186,886	28,156	-	1,000	216,042
\$225,000 - \$254,999	7	213,051	26,505	-	1,000	240,556
\$255,000 - \$284,999	3	230,151	31,355	-	667	262,173
\$315,000 - \$344,999	1	282,593	32,382	-	1,000	315,975
Total number of substantive senior executives	32					

Notes

- These tables report substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
 - reportable employer superannuation contributions; and
 - exempt foreign employment income.
- The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2014

Note 12: Senior Executive Remuneration

Note 12C: Other Highly Paid Staff

	2014					Total
	Other highly paid staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	reportable remuneration \$
Average annual reportable remuneration ¹						
Total remuneration (including part-time arrangements):						
\$195,000 - \$224,999	4	181,250	28,431	-	750	210,431
Total number of other highly paid staff	4					

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2014

	2013					Total
Average annual reportable remuneration ¹	Other highly paid staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	reportable remuneration \$
Total remuneration (including part-time arrangements):						
\$195,000 - \$224,999	5	177,881	27,922	-	1,000	206,803
\$225,000 - \$254,999	1	200,330	31,695	-	1,000	233,025
Total number of other highly paid staff	6					

Notes

- These tables report staff:
 - who were employed by the entity during the reporting period;
 - whose reportable remuneration was \$195,000 or more for the financial period; and
 - were not required to be disclosed in Table B or director disclosures.
 Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
 - exempt foreign employment income; and
 - salary sacrificed benefits.
- The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 13: Remuneration of Auditors**

	2014	2013
	\$000	\$000

Financial statement audit services were provided free of charge to the CDPP by the Australian National Audit Office (ANAO).

Fair value of the services received

Financial statement audit services	<u>59</u>	<u>57</u>
Total fair value of services received	<u>59</u>	<u>57</u>

No other services were provided by the auditors of the financial statements.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 14: Financial Instruments

	2014	2013
	\$000	\$000
Note 14A: Categories of Financial Instruments		
Financial Assets		
Loans & Receivables:		
Cash & cash equivalents	135	216
Trade and other receivables	3,682	400
Total	<u>3,817</u>	<u>616</u>
Carrying amount of financial assets	<u>3,817</u>	<u>616</u>
Financial Liabilities		
At amortised cost:		
Suppliers payables	6,408	3,742
Total	<u>6,408</u>	<u>3,742</u>
Carrying amount of financial liabilities	<u>6,408</u>	<u>3,742</u>
Note 14B: Net Gains or Losses from Financial Assets		
Held-to-maturity		
Impairment	2	9
Net gain/(loss) held-to-maturity	<u>2</u>	<u>9</u>
Net gain/(loss) from financial assets	<u>2</u>	<u>9</u>

Note 14C: Net Gains or Losses from Financial Liabilities

There are no gains or losses from financial liabilities in 2013-14 or 2012-13.

Note 14D: Fair Value of Financial Instruments

The carrying value equals the fair value of the financial assets and liabilities in 2013-14 and 2012-13.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 14E: Credit Risk**

The CDPP was exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk was the risk that arises from potential default of a debtor. This amount was equal to the total amount of the trade receivables (2013-14: \$3,683,000 and 2012-2013: \$400,000). The CDPP has policies and procedures that guide debt recovery techniques that are to be applied. The CDPP held no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Cash and cash equivalents	135	216	-	-
Receivables for goods and services	1,735	391	-	-
Total	1,870	607	-	-

The CDPP has assessed the risk of the default on payment and no allocation to the impairment allowance account is necessary in 2013-14 (2012-13: \$6,000 was allocated to the impairment allowance account).

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2014

	Ageing of financial assets that were past due but not impaired for 2014				Total
	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	
Receivables for goods and services	12	1,935	-	-	1,947
Total	12	1,935	-	-	1,947

	Ageing of financial assets that were past due but not impaired for 2013				Total
	0 to 30 days \$000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	
Receivables for goods and services	400	-	-	-	400
Total	400	-	-	-	400

There are no financial assets which have been individually assessed as impaired.

Note 14F: Liquidity Risk

The CDPP's financial liabilities were payables and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that CDPP will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely as the CDPP is appropriated funding from the Australian Government and the CDPP manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the CDPP has policies in place to ensure timely payments were made when due and has no past experience of default.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 14F: Liquidity Risk - cont'd

Maturities for non-derivative financial liabilities 2014

	On demand \$000	within 1 year \$000	1 to 2 years \$000	2 to 5 years \$000	> 5 years \$000	Total \$000
Supplier payables	-	6,408	-	-	-	6,408
Interest bearing liabilities	-	-	-	-	-	-
Total	-	6,408	-	-	-	6,408

Maturities for non-derivative financial liabilities 2013

	On demand \$000	within 1 year \$000	1 to 2 years \$000	2 to 5 years \$000	> 5 years \$000	Total \$000
Supplier payables	-	3,742	-	-	-	3,742
Interest bearing liabilities	-	-	-	-	-	-
Total	-	3,742	-	-	-	3,742

The CDPP had no derivative financial liabilities in either 2013-14 or 2012-13.

14G: Market Risk

The CDPP held basic financial instruments that did not expose the CDPP to certain market risks, such as 'Currency risk' and 'Other price risk'.

There were no interest-bearing items in the Statement of Financial Position.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 15: Financial Assets Reconciliation**

	2014	2013
	\$'000	\$'000
Total financial assets as per statement of financial position	14,135	68,825
Less: non-financial instrument components		
Appropriations Receivable	9,858	67,838
Other Receivables	460	371
Total non-financial instrument components	10,318	68,209
Total financial assets as per financial instruments note	3,817	616

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
For the period ended 30 June 2014

Note 16: Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2014 Appropriations							Appropriation applied in 2014 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FIMA Act			Total Appropriation \$'000			
	Annual Appropriations Reduced \$'000	Advance to Finance Minister \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000				
DEPARTMENTAL									
Ordinary annual services	81,794	-	29	4,258	-	86,081	88,682	(2,601)	
Other services	4,000	-	-	-	-	4,000	4,000	-	
Equity Loans	-	-	-	-	-	-	-	-	
Total Departmental	85,794	-	29	4,258	-	90,081	92,682	(2,601)	
	2013 Appropriations							Appropriation applied in 2013 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FIMA Act			Total Appropriation \$'000			
	Annual Appropriations Reduced \$'000	Advance to Finance Minister \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000				
DEPARTMENTAL									
Ordinary annual services	93,167	(330)	147	4,492	(1,750)	95,726	95,489	237	
Other services	-	-	-	-	-	-	-	-	
Equity Loans	-	-	-	-	-	-	-	-	
Total Departmental	93,167	(330)	147	4,492	(1,750)	95,726	95,489	237	

OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period ended 30 June 2014

Table A (Cont'd): Annual Appropriations ('Recoverable GST exclusive')

Note:

1. *Appropriation Act (No.3) 2013-14*: s.10. On 9 April 2014, the Finance Minister determined a reduction in departmental appropriations for Targeted Savings measures. The amount of the reduction determined under *Appropriation Act (No. 3) of 2013-14* was \$156,000. As the determination has not been issued by the Department of Finance the appropriation is still legally available and not reduced by law. This amount has been quarantined but is still reflected in the annual appropriation value reported.
2. *Appropriation Act (No.4) 2013-14*: s.19. On 9 April 2014, the Finance Minister determined a re-appropriation after the *Statute Stocktake (Appropriation) Act 2013*. The amount of the increase determined under *Appropriation Act (No. 4) of 2013-14* was \$4,000,000.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
For the period ended 30 June 2014

Note 16: Appropriations - cont'd

Table B: Departmental Capital Budgets ('Recoverable GST exclusive')

	2014 Capital Budget Appropriations			Capital Budget Appropriations applied in 2014 (current and prior years)		
	<i>Appropriation Act</i>	<i>FIMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ² \$'000	Payments for other purposes \$'000	Total payments \$'000
	Annual Capital Budget \$'000	Appropriations Reduced \$'000				
DEPARTMENTAL Ordinary annual services - Departmental Capital Budget ¹	2,677	-	2,677	2,771	-	2,771 (94)

	2013 Capital Budget Appropriations			Capital Budget Appropriations applied in 2013 (current and prior years)		
	<i>Appropriation Act</i>	<i>FIMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ² \$'000	Payments for other purposes \$'000	Total payments \$'000
	Annual Capital Budget \$'000	Appropriations Reduced \$'000				
DEPARTMENTAL Ordinary annual services - Departmental Capital Budget ¹	383	-	383	647	-	647 (264)

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Table B (Cont'd): Departmental Capital Budgets ('Recoverable GST exclusive')

Note:

1. Departmental Capital Budgets are appropriated through *Appropriation Act (No. 1)*. They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which have been capitalised, and costs incurred to make good an asset to its original condition.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the period ended 30 June 2014

Note 16: Appropriations (cont'd)

Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2014 \$'000	2013 \$'000
DEPARTMENTAL		
Cash	135	216
Appropriation Act (No.1) 2013-14	9,100	-
Appropriation Act (No.1) 2013-14 - DCB	758	-
Appropriation Act (No.4) 2013-14	-	-
Appropriation Act (No.1) 2012-13	-	12,488
Appropriation Act (No.1) 2010-11	-	-
Appropriation Act (No.1) 2009-10	-	9,321
Appropriation Act (No.1) 2008-09	-	13,906
Appropriation Act (No.1) 2007-08	-	17,609
Appropriation Act (No.1) 2006-07	-	13,954
Appropriation Act (No.1) 2005-06	-	560
Total departmental	9,993	68,054

Note:

1. The Statute Stocktake (Appropriation) Act 2013 repealed all old annual appropriation Acts from 1 July 1999 to 30 June 2010. This resulted in a reduction in unspent appropriation of \$55.35 million. Appropriation Act (No. 4) of 2013-14 re-appropriated \$4 million back to CDPP.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 17: Special Accounts**

Services for Other Entities and Trust Moneys - Office of the Director of Public Prosecutions Special Account	2014	2013
	\$	\$

*Appropriation: Financial Management and Accountability Act 1997 section 20**Establishing Instrument: Financial Management and Accountability Determination 2009/29*

Purpose: (a) disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth; (b) disburse amounts in connection with services performed on behalf of other governments and bodies that are not FMA Act agencies; (c) repay amount where an Act or other law requires or permits the repayments of an amount received; and (d) reduce the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.

The Services for Other Entities and Trust Moneys - Office of the Director of Public Prosecutions Special Account was abolished on 22 November 2012 by the Minister of Finance.

There were no transactions during 2013-14 or 2012-13.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014*

**Note 18: Compliance with Statutory Conditions for Payments from the
Consolidated Revenue Fund**

During 2013-14 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The CDPP has reviewed its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The CDPP has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department. The CDPP is not aware of any specific breaches of Section 83 in respect of these items.

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 19: Compensation and Debt Relief**

	2014	2013
	\$	\$
Compensation and Debt Relief - Departmental		
No 'Act of Grace payments' were expended during the reporting period (2013-2014).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.(2013-2014)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2013-2014)	-	-
No ex-gratia payments were provided for during the reporting period. (2013-2014).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period (2013-2014).	-	-

**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 20: Reporting of Outcomes**

The CDPP has only one outcome.

Note 20A: Net Cost of Outcome Delivery

	Outcome 1	
	2014	2013
	\$'000	\$'000
Departmental		
Expenses	(96,890)	(97,233)
Own-source income	4,337	3,932
Net cost/(contribution) of outcome delivery	(92,553)	(93,301)

Note 20B: Major Classes of Departmental Expense, Income, Assets and Liabilities by

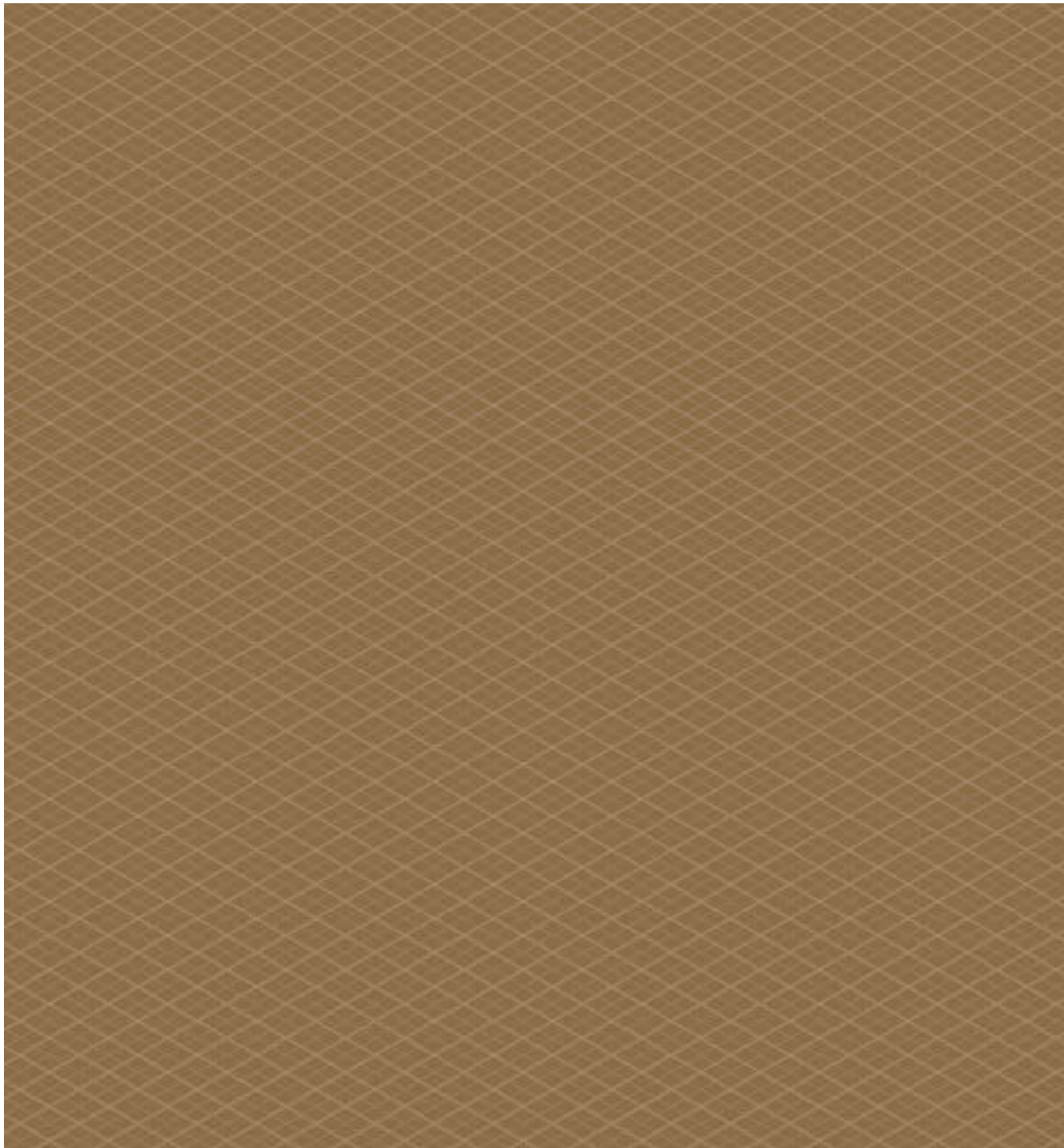
Expenses		
Employee benefits	(54,291)	(57,759)
Supplier	(33,538)	(32,489)
Depreciation and amortisation	(6,838)	(4,729)
Other	(2,223)	(2,256)
Total	(96,890)	(97,233)
Income		
Income from government	79,117	90,704
Sales of goods and services	3,341	3,409
Other non-taxation revenue	996	523
Total	83,454	94,636
Assets		
Cash and cash equivalents	135	216
Trade and other receivables	14,000	68,609
Land and buildings	13,170	8,423
Property, plant and equipment	4,984	6,985
Intangibles	821	979
Other non financial assets	358	197
Total	33,468	85,409
Liabilities		
Suppliers	6,706	4,749
Other payables	11,762	2,430
Lease incentives	-	-
Employee provisions	17,141	17,645
Other provisions	3,656	4,273
Total	39,265	29,097

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that were eliminated in calculating the actual Budget outcome.

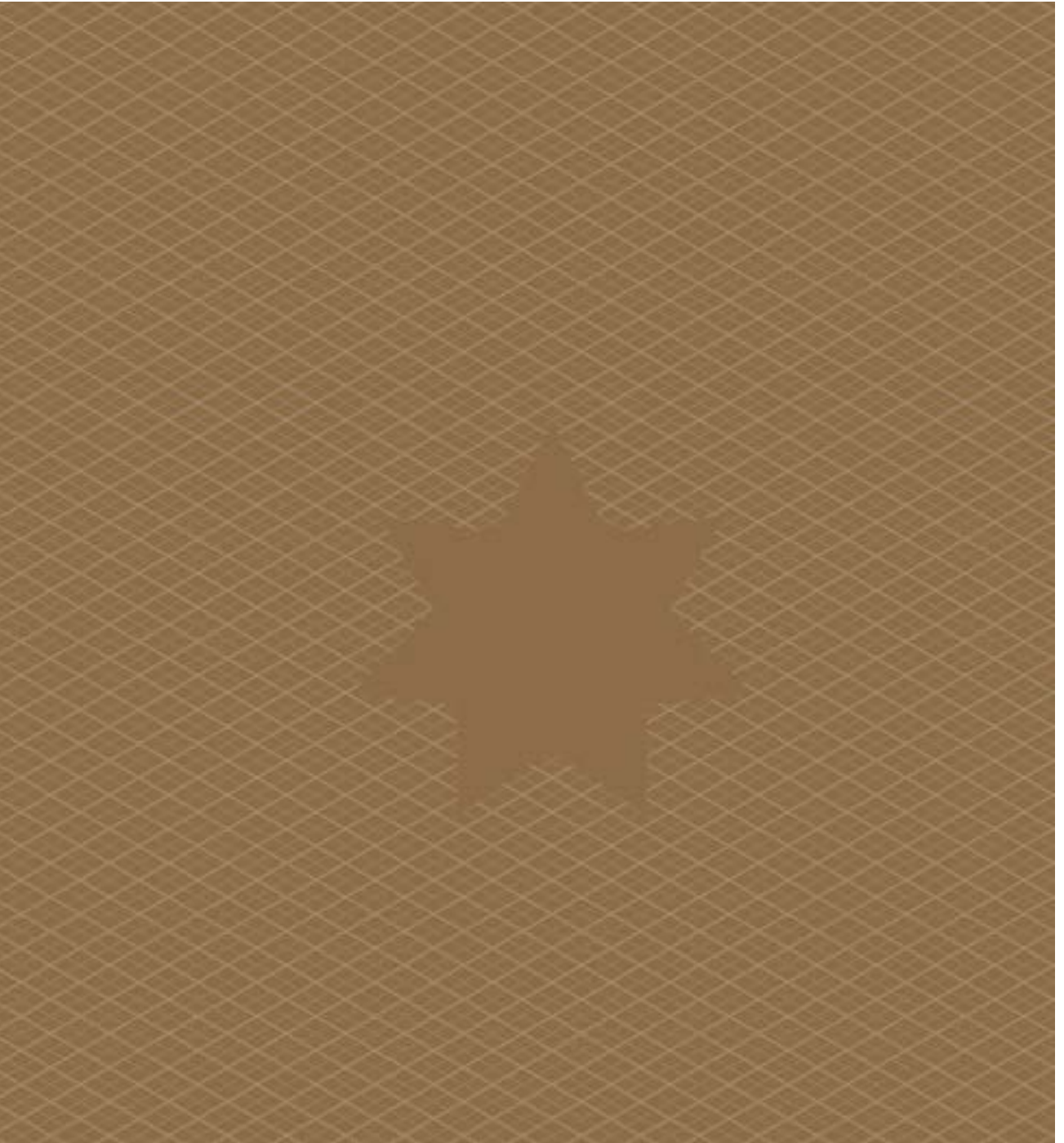
**OFFICE OF THE COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***For the period ended 30 June 2014***Note 21: Net Cash Appropriation Arrangements**

	2014	2013
	\$'000	\$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	(6,598)	2,132
<i>Plus: depreciation/amortisation expenses previously funded through revenue appropriation</i>	<u>(6,838)</u>	<u>(4,729)</u>
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	<u>(13,436)</u>	<u>(2,597)</u>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.



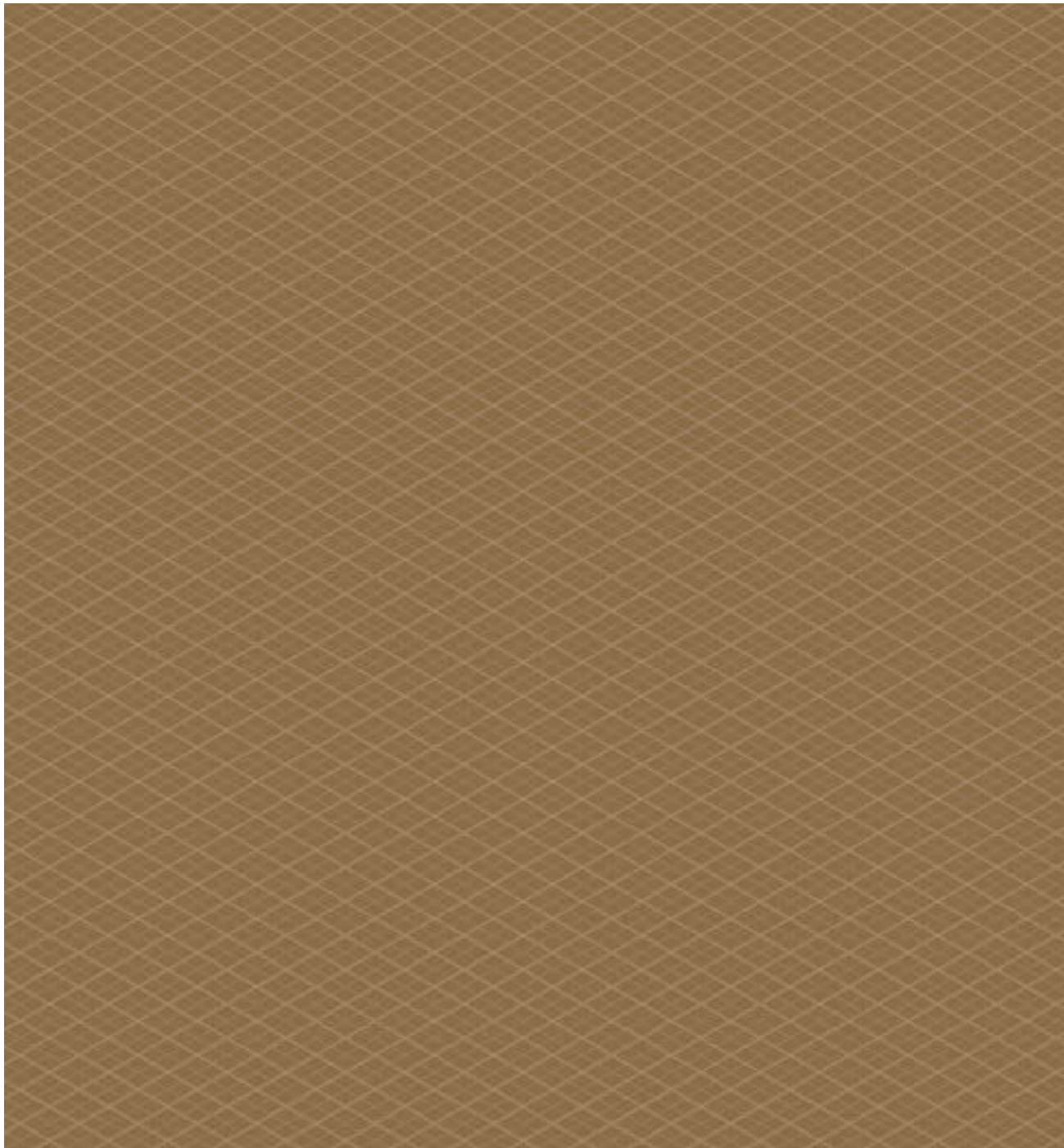
Acronyms and
abbreviations



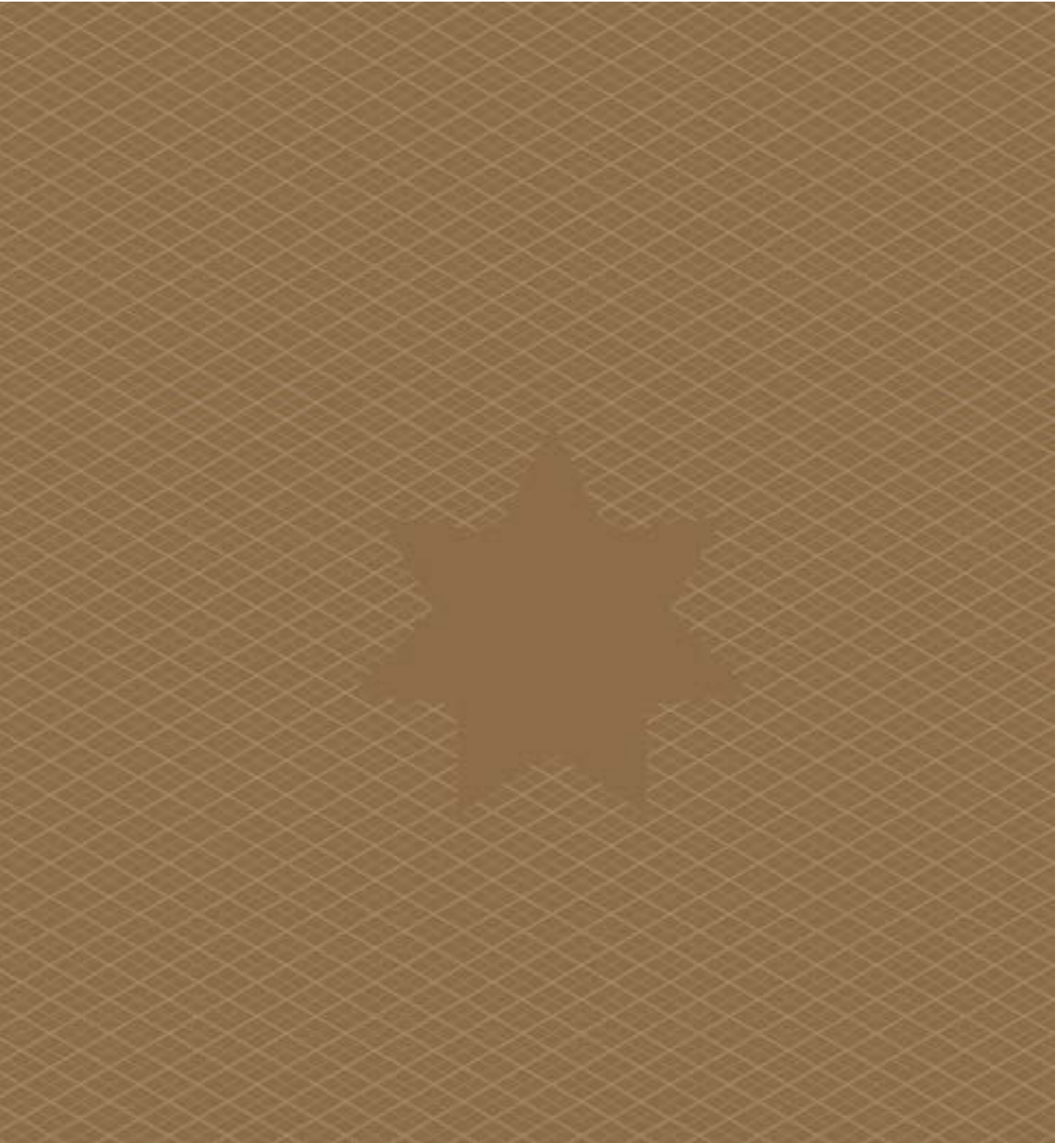
ACRONYMS AND ABBREVIATIONS

ACBPS	Australian Customs and Border Protection Service
ACC	Australian Crime Commission
ACCC	Australian Competition and Consumer Commission
ACLEI	Australian Commission for Law Enforcement Integrity
AEC	Australian Electoral Commission
AFP	Australian Federal Police
AGD	Attorney-General's Department
AML	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth)
AMP	Agency Multicultural Plan
APS	Australian Public Service
APSC	Australian Public Service Commission
ASIC	Australian Securities and Investments Commission
ASIO	Australian Security Intelligence Organisation
ATO	Australian Taxation Office
AWA	Australian Workplace Agreement
CALD	culturally and linguistically diverse (clients)
CDPP	Commonwealth Director of Public Prosecutions
CFC	Commercial, Financial & Corruption
CITES	Convention on International Trade in Endangered Species
CLE	continuing legal education
CPR	Commonwealth Procurement Rule
CRIMS	Case Reporting and Information Management System
<i>Customs Act</i>	<i>Customs Act 1901</i> (Cth)
Defendant	a person who has been charged with an offence
DHS	Department of Human Services
DLI	Director's Litigation Instruction
DPP	Director of Public Prosecutions
<i>DPP Act</i>	<i>Director of Public Prosecutions Act 1983</i> (Cth)
DSS	Department of Social Services
DVA	Department of Veterans' Affairs
EDRMS	Electronic Document Records Management System
ELG	Executive Leadership Group
EWP	Employee Wellbeing Program
<i>FOI Act</i>	<i>Freedom of Information Act 1982</i> (Cth)
<i>FMA Act</i>	<i>Financial Management and Accountability Act 1997</i> (Cth)
GST	goods and services tax
Guidelines	<i>Commonwealth Fraud Control Guidelines 2011</i>
HEBP	Human Exploitation & Border Protection
HOCOLEA	Heads of Commonwealth Operational Law Enforcement Agencies
HRMIS	Human Resource Management Information System
IASA	International Assistance & Specialist Agencies
ICT	Information and Communication Technology
IFA	individual flexibility arrangement
IIE	Illegal Imports & Exports
INSLM	Independent National Security Legislation Monitor

IPS	Information Publication Scheme
IT	Information Technology
KPI	key performance indicator
NBPC	National Best Practice Committee
NLD	National Legal Direction
NOPSA	National Offshore Petroleum Safety and Environmental Management Authority
NSW	New South Wales
NT	Northern Territory
OCCT	Organised Crime & Counter Terrorism
PAES	Portfolio Additional Estimates Statements
PB	Portfolio Budget
PGL	practice group leader
<i>POC Act 1987</i>	<i>Proceeds of Crime Act 1987 (Cth)</i>
<i>POC Act 2002</i>	<i>Proceeds of Crime Act 2002 (Cth)</i>
<i>Prosecution Policy</i>	<i>Prosecution Policy of the Commonwealth</i>
QLD	Queensland
RBF	Revenue & Benefits Fraud
RMS	Rehabilitation Management System
SES	Senior Executive Service
TAD	Temporary Assignment of Duties
The taskforce	Criminal Assets Confiscation Taskforce
VIC	Victoria
WA	Western Australia
WAS	Witness Assistance Service
WHS	work health and safety
WILES	Women in Law Enforcement Strategy



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ISBN 978-0-9923157-1-9



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