

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The strategic direction statement for the Office of the Director of Public Prosecutions (DPP) can be found in the 2018-19 Portfolio Budget Statements. There has been no change to the DPP's strategic direction as a result of Additional Estimates.

1.2 ENTITY RESOURCE STATEMENT

The entity resource statement details the resourcing for the DPP at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2018-19 Budget year, including variations through Appropriation Bill No. 3.

Table 1.1: Entity resource statement – additional estimates for 2018-19 as at Additional Estimates February 2019

| | Actual available appropriation 2017-18 \$'000 | Estimate as at Budget 2018-19 \$'000 | Proposed Additional Estimates 2018-19 \$'000 | Total estimate at Additional Estimates 2018-19 \$'000 |
|---|--|---|---|--|
| DEPARTMENTAL | | | | |
| Annual appropriations – ordinary annual services (a) | | | | |
| Prior year appropriations available (b) | 11,322 | 12,165 | – | 12,165 |
| Departmental appropriation (c) | 77,405 | 75,948 | 534 | 76,482 |
| s74 retained revenue receipts (d) | 9,293 | 8,984 | 240 | 9,224 |
| Departmental capital budget (e) | 4,135 | 2,118 | – | 2,118 |
| Total net resourcing for entity | 102,155 | 99,215 | 774 | 99,989 |
| | | | Actual 2017-18 | 2018-19 |
| Average staffing level (number) | | | 379 | 390 |

Prepared on a resourcing (appropriations available) basis.

Note: All figures shown above are GST exclusive and may not match figures in the cash flow statement.

- (a) *Appropriation Act No. 1 2018-19* and *Appropriation Bill No. 3 2018-19*.
- (b) Estimated adjusted balance carried forward from previous year for annual appropriation.
- (c) Excludes \$0.234m withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- (d) Estimated retained revenue receipts under section 74 of the *PGPA Act*.
- (e) Departmental capital budgets are not separately identified in *Appropriation Act No. 1* and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 ENTITY MEASURES

Table 1.2 summarises new government measures taken since the 2018-19 Budget.

Table 1.2: Entity 2018-19 measures since Budget

| Program | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | |
| Assistance for Victims of Child Sexual Abuse | | | | |
| Departmental expenses | 362 | 708 | 712 | 717 |
| Strengthening Enforcement Capability for Corporate Crime | | | | |
| Departmental expenses | 228 | 5,432 | 12,033 | 10,346 |
| Strengthening the Integrity of Welfare Payments – extension and amendments (a) | | | | |
| Departmental expenses | – | 2,467 | 2,484 | – |
| Total expense measures | 590 | 8,607 | 15,229 | 11,063 |

Prepared on a Government Financial Statistics (fiscal) basis.

- (a) The lead entity for this measure is the Department of Human Services. The full measure description and package details appear in the 2018-19 Mid-Year Economic and Fiscal Outlook under the Social Services portfolio.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for the DPP at Additional Estimates by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2018-19 Budget in Appropriation Bill No. 3.

Table 1.3: Additional estimates and other variations to outcomes since 2018-19 Budget

| | Program impacted | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| OUTCOME 1 | | | | | |
| DEPARTMENTAL | | | | | |
| Annual appropriations | | | | | |
| Assistance for Victims of Child Sexual Abuse | 1.1 | 362 | 708 | 712 | 717 |
| Strengthening Enforcement Capability for Corporate Crime | 1.1 | 228 | 5,432 | 12,033 | 10,346 |
| Strengthening the Integrity of Welfare Payments – extension and amendments | 1.1 | – | 2,467 | 2,484 | – |
| Other Variations | | | | | |
| Net decrease | 1.1 | (56) | (56) | (56) | (56) |
| Net impact on appropriations for Outcome 1 (departmental) | | 534 | 8,551 | 15,173 | 11,007 |
| Total net impact on appropriations for Outcome 1 | | 534 | 8,551 | 15,173 | 11,007 |

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.4 details the Additional Estimates sought for the DPP through Appropriation Bill No. 3.

Table 1.4: Appropriation Bill No. 3 2018-19

| | 2017-18 Available \$'000 | 2018-19 Budget \$'000 | 2018-19 Revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|--|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| DEPARTMENTAL PROGRAMS | | | | | |
| Outcome 1 | | | | | |
| Contribute to a fair, safe and just society by delivering an effective, independent prosecution service in accordance with the Prosecution Policy of the Commonwealth. | 81,540 | 78,066 | 78,600 | 590 | (56) |
| Total departmental | 81,540 | 78,066 | 78,600 | 590 | (56) |

Note: 2017-18 available appropriation is included as a comparison with this year's appropriation.

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Contribute to a fair, safe and just society by delivering an effective, independent prosecution service in accordance with the Prosecution Policy of the Commonwealth.

Budgeted expenses for Outcome 1

Table 2.1 shows how much the DPP intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program and departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

| | 2017-18 Actual expenses \$'000 | 2018-19 Revised estimated expenses \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|---|---|---|--|--|--|
| Program 1.1: An independent service to prosecute alleged offences against the criminal law of the Commonwealth | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 76,347 | 76,482 | 82,304 | 90,466 | 88,658 |
| s74 retained revenue receipts (a) | 7,317 | 9,224 | 5,875 | 5,887 | 5,586 |
| Expenses not requiring appropriation in the Budget year (b) | 3,983 | 4,832 | 5,053 | 4,548 | 4,666 |
| Total expenses for Outcome 1 | 87,647 | 90,538 | 93,232 | 100,901 | 98,910 |

| | 2017-18 | 2018-19 |
|--|---------|---------|
| Average staffing level (number) | 379 | 390 |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
- (b) Expenses not requiring appropriation in the budget year are made up of services received free of charge, depreciation and amortisation expenses, and write-down of debt liabilities.

Performance criteria for Outcome 1

There are no changes to the performance information for Outcome 1 reported in the 2018-19 Portfolio Budget Statements.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

3.1.1 Estimates of special account flows

The DPP has no special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Changes to the DPP's operating revenue since the 2018-19 Portfolio Budget Statements are due to:

- additional funding to expand the DPP's Witness Assistance Service, providing information and support services to victims of child sexual abuse and their families.
- additional funding to pursue a greater number of prosecutions of those responsible for misconduct in the Banking, Superannuation and Financial Services Industry.
- additional funding for prosecutions resulting from criminal and serious non-compliance in the social security payments system.
- reallocation of funding and resources from the DPP to the Attorney-General's Department to support the transfer of responsibility for mutual legal assistance matters.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Actual \$'000 | 2018-19 Revised budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 46,168 | 47,950 | 49,584 | 51,978 | 49,784 |
| Suppliers | 37,138 | 37,700 | 38,539 | 44,319 | 44,404 |
| Depreciation and amortisation | 3,598 | 4,318 | 4,539 | 4,034 | 4,152 |
| Write-down and impairment of non-financial assets | 23 | – | – | – | – |
| Other expenses | 720 | 570 | 570 | 570 | 570 |
| Total expenses | 87,647 | 90,538 | 93,232 | 100,901 | 98,910 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 7,317 | 9,224 | 5,875 | 5,887 | 5,586 |
| Other | 328 | 284 | 284 | 284 | 284 |
| Total own-source revenue | 7,645 | 9,508 | 6,159 | 6,171 | 5,870 |
| Gains | | | | | |
| Other gains | 569 | 230 | 230 | 230 | 230 |
| Total gains | 569 | 230 | 230 | 230 | 230 |
| Total own-source income | 8,214 | 9,738 | 6,389 | 6,401 | 6,100 |
| Net cost of/(contribution by) services | (79,433) | (80,800) | (86,843) | (94,500) | (92,810) |
| Revenue from government | 77,405 | 76,482 | 82,304 | 90,466 | 88,658 |
| Surplus/(deficit) attributable to the Australian Government | (2,028) | (4,318) | (4,539) | (4,034) | (4,152) |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Changes in asset revaluation | 12 | – | – | – | – |
| Total other comprehensive income | 12 | – | – | – | – |
| Total comprehensive income/(loss) attributable to the Australian Government | (2,016) | (4,318) | (4,539) | (4,034) | (4,152) |

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**Note: Impact of net cash appropriation arrangements**

| | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total comprehensive income/(loss) excluding depreciation and amortisation expenses previously funded through revenue appropriations | 1,582 | – | – | – | – |
| Less depreciation and amortisation expenses previously funded through revenue appropriations (a) | 3,598 | 4,318 | 4,539 | 4,034 | 4,152 |
| Total comprehensive income/(loss) as per the statement of comprehensive income | (2,016) | (4,318) | (4,539) | (4,034) | (4,152) |

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the government introduced net cash appropriation arrangements. This meant Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the departmental capital budget) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding departmental capital budgets, refer to Table 3.6: Departmental capital budget statement.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Actual \$'000 | 2018-19 Revised budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 486 | 486 | 486 | 486 | 486 |
| Trade and other receivables | 13,524 | 10,672 | 8,228 | 6,873 | 5,961 |
| Total financial assets | 14,010 | 11,158 | 8,714 | 7,359 | 6,447 |
| Non-financial assets | | | | | |
| Land and buildings | 9,712 | 10,438 | 12,829 | 11,717 | 10,547 |
| Property, plant and equipment | 3,220 | 3,904 | 4,206 | 3,308 | 2,387 |
| Intangibles | 2,700 | 3,083 | 2,566 | 2,424 | 2,256 |
| Other non-financial assets | 2,063 | 2,952 | 2,952 | 2,952 | 2,952 |
| Total non-financial assets | 17,695 | 20,377 | 22,553 | 20,401 | 18,142 |
| Total assets | 31,705 | 31,535 | 31,267 | 27,760 | 24,589 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 13,486 | 12,825 | 13,714 | 12,467 | 11,555 |
| Other payables | 316 | 506 | 886 | 1,056 | 1,056 |
| Total payables | 13,802 | 13,331 | 14,600 | 13,523 | 12,611 |
| Provisions | | | | | |
| Employee provisions | 14,539 | 15,259 | 16,437 | 16,437 | 16,437 |
| Other provisions | 821 | 1,159 | 1,114 | 836 | 836 |
| Total provisions | 15,360 | 16,418 | 17,551 | 17,273 | 17,273 |
| Total liabilities | 29,162 | 29,749 | 32,151 | 30,796 | 29,884 |
| Net assets | 2,543 | 1,786 | (884) | (3,036) | (5,295) |
| EQUITY (a) | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 13,892 | 17,453 | 19,322 | 21,204 | 23,097 |
| Reserves | 18,491 | 18,491 | 18,491 | 18,491 | 18,491 |
| Retained surplus/(accumulated deficit) | (29,840) | (34,158) | (38,697) | (42,731) | (46,883) |
| Total parent entity interest | 2,543 | 1,786 | (884) | (3,036) | (5,295) |
| Total equity | 2,543 | 1,786 | (884) | (3,036) | (5,295) |

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.4: Departmental statement of changes in equity – summary of movement (2018-19 budget year)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2018 | | | | |
| Balance carried forward from previous period | (29,840) | 18,491 | 13,892 | 2,543 |
| Adjustment for changes in accounting policies | - | - | - | - |
| Adjusted opening balance | (29,840) | 18,491 | 13,892 | 2,543 |
| Comprehensive income | | | | |
| Surplus/(deficit) for the period | (4,318) | - | - | (4,318) |
| Total comprehensive income | (4,318) | - | - | (4,318) |
| Transactions with owners | | | | |
| Contributions by owners | | | | |
| Departmental capital budget | - | - | 3,561 | 3,561 |
| Sub-total transactions with owners | - | - | 3,561 | 3,561 |
| Estimated closing balance as at 30 June 2019 | (34,158) | 18,491 | 17,453 | 1,786 |
| Closing balance attributable to the Australian Government | (34,158) | 18,491 | 17,453 | 1,786 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Actual \$'000 | 2018-19 Revised budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|---|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 86,321 | 79,334 | 84,748 | 91,821 | 89,800 |
| Sale of goods and rendering of services | 7,841 | 9,224 | 5,875 | 5,887 | 5,586 |
| Net GST received | 3,587 | – | – | – | – |
| Total cash received | 97,749 | 88,558 | 90,623 | 97,708 | 95,386 |
| Cash used | | | | | |
| Employees | 48,028 | 47,044 | 48,026 | 51,808 | 49,784 |
| Suppliers | 37,072 | 32,058 | 36,107 | 39,165 | 39,446 |
| Appropriation cash returned to Official Public Account | 9,293 | 9,224 | 5,875 | 5,887 | 5,586 |
| Other | 720 | 432 | 615 | 448 | 570 |
| Total cash used | 95,113 | 88,758 | 90,623 | 97,308 | 95,386 |
| Net cash from/(used by) operating activities | 2,636 | (200) | – | 400 | – |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant, and equipment and intangibles | 5,489 | 3,361 | 1,869 | 2,282 | 1,893 |
| Total cash used | 5,489 | 3,361 | 1,869 | 2,282 | 1,893 |
| Net cash from/(used by) investing activities | (5,489) | (3,361) | (1,869) | (2,282) | (1,893) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 2,689 | 3,561 | 1,869 | 1,882 | 1,893 |
| Total cash received | 2,689 | 3,561 | 1,869 | 1,882 | 1,893 |
| Net increase/(decrease) in cash held | (164) | – | – | – | – |
| Cash and cash equivalents at the beginning of the reporting period | 650 | 486 | 486 | 486 | 486 |
| Cash and cash equivalents at the end of the reporting period | 486 | 486 | 486 | 486 | 486 |

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 Actual \$'000 | 2018-19 Revised budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Capital budget – Act No. 1 and Bill No. 3 (DCB) | 4,135 | 2,118 | 1,869 | 1,882 | 1,893 |
| Total new capital appropriations | 4,135 | 2,118 | 1,869 | 1,882 | 1,893 |
| Provided for: | | | | | |
| Purchase of non-financial assets | 2,692 | 2,118 | 1,869 | 1,882 | 1,893 |
| Total items | 2,692 | 2,118 | 1,869 | 1,882 | 1,893 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriation – DCB (a) | 2,692 | 3,561 | 1,869 | 1,882 | 1,893 |
| Total amount spent | 2,692 | 3,561 | 1,869 | 1,882 | 1,893 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 2,692 | 3,561 | 1,869 | 1,882 | 1,893 |
| Total Cash used to acquire assets | 2,692 | 3,561 | 1,869 | 1,882 | 1,893 |

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).

Table 3.7: Statement of asset movements (2018-19 budget year)

| | Buildings \$'000 | Other property, plant and equipment \$'000 | Computer software and intangibles \$'000 | Total \$'000 |
|---|---------------------|--|--|-----------------|
| As at 1 July 2018 | | | | |
| Gross book value | 11,657 | 4,330 | 2,195 | 18,182 |
| Accumulated depreciation/ amortisation and impairment | – | – | – | – |
| Opening net book balance | 11,657 | 4,330 | 2,195 | 18,182 |
| CAPITAL ASSET ADDITIONS | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase – appropriation ordinary annual services (a) | 1,301 | 943 | 1,317 | 3,561 |
| Total additions | 1,301 | 943 | 1,317 | 3,561 |
| Other movements | | | | |
| Depreciation/amortisation expense | (2,520) | (1,369) | (429) | (4,318) |
| Total other movements | (2,520) | (1,369) | (429) | (4,318) |
| As at 30 June 2019 | | | | |
| Gross book value | 12,958 | 5,273 | 3,512 | 21,743 |
| Accumulated depreciation/amortisation and impairment | (2,520) | (1,369) | (429) | (4,318) |
| Closing net book balance | 10,438 | 3,904 | 3,083 | 17,425 |

Prepared on Australian Accounting Standards basis.

(a) "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act No. 1 2018-19* and *Bill (No.3) 2018-19* for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.