

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Director of Public Prosecutions (DPP) was established under the *Director of Public Prosecutions Act 1983*. The DPP is within the Attorney-General's portfolio but operates independently of the political process. The DPP is headed by a Director, who is appointed for a statutory term of up to seven years.

The role of the DPP is to prosecute offences against Commonwealth law. The DPP is not an investigative agency. It prosecutes cases investigated by other agencies.

The DPP will 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.

The DPP has as its outcome the 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.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Entity resource statement—Budget estimates for 2015–16 as at Budget May 2015

	Actual available appropriation 2014–15 \$'000	Estimate of prior year amounts available in 2015–16 \$'000	Proposed at Budget 2015–16 \$'000	Total estimate 2015–16 \$'000
ORDINARY ANNUAL SERVICES(a)				
Departmental appropriation				
Prior year appropriations(b)	9,993	4,399	–	4,399
Departmental appropriation(c)	81,001	–	77,941	77,941
s 74 retained revenue receipts(d)	5,477	–	7,784	7,784
Total ordinary annual services	96,471	4,399	85,725	90,124
Total available annual appropriations	96,471	4,399	85,725	90,124
Total net resourcing for entity	96,471	4,399	85,725	90,124

All figures are GST exclusive.

(a) Appropriation Bill (No. 1) 2015–16.

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$1.903m in 2015–16 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'. Also includes funding provided through the 2014–15 Supplementary Additional Estimates.

(d) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

1.3 BUDGET MEASURES

Budget measures announced since the 2014–15 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the DPP are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2.

Table 1.2: Entity 2015–16 Budget measures

Part 1: Measures announced since the 2014–15 MYEFO

	Programme	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000
Expense measures						
Strengthening the Integrity of Welfare Payments(a)	1.1					
Departmental expenses		–	2,771	2,238	2,258	2,280
Total expense measures		–	2,771	2,238	2,258	2,280
Capital measures						
Strengthening the Integrity of Welfare Payments(a)	1.1					
Departmental capital		–	–	–	–	–
Total capital measures		–	–	–	–	–

Prepared on a Government Finance Statistics (fiscal) basis.

(a) The lead entity for this measure is Department of Human Services. The full measure description and package details appear in Budget Paper No. 2 under the Human Services portfolio.

Part 2: MYEFO measures and other measures not previously reported in a portfolio statement

The DPP has no MYEFO measures or other measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes that contribute to government outcomes over the budget and forward years.

The DPP's outcome is described below together with its related programme, specifying the performance indicators and targets used to assess and monitor the performance of the DPP in achieving government outcomes.

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

Outcome 1 strategy

The DPP's key strategies and initiatives towards achieving Outcome 1 within the resources allocated to the office are to:

- continue conducting cases ethically, professionally and efficiently
- recruit, develop and retain high-quality staff
- provide appropriate professional assistance to referring agencies
- continuously improve its performance
- actively contribute to law reform and whole-of-government criminal justice initiatives as appropriate.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1: Budgeted expenses for Outcome 1

	2014–15 Estimated actual expenses \$'000	2015–16 Estimated expenses \$'000
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		
Departmental expenses		
Departmental appropriation(a)	88,553	83,822
Expenses not requiring appropriation in the budget year(b)	4,537	4,839
Total expenses for Outcome 1	93,090	88,661
	2014–15	2015–16
Average staffing level (number)	398	413

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

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) Expenses not requiring appropriation in the budget year are made up of services received free of charge, depreciation and amortisation, and write-down of debt liabilities.

Contributions to Outcome 1

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

Programme 1.1 objective

The objective of programme 1.1 is to maintain a fair, safe and just society where the laws of the Commonwealth are respected and maintained and there is public confidence in the justice system. This will be achieved by:

- applying the highest ethical standards to prosecutions and proceeds of crime action
- applying the highest professional standards of competence, commitment and hard work to prosecutions and proceeds of crime action
- maintaining the DPP's prosecutorial independence
- providing a high-quality, timely, efficient and cost-effective prosecution service.

Programme 1.1 expenses

The variation in expenses across the budget and forward years reflects the termination in 2014–15 of funding for Project Wickenby tax compliance prosecutions, one-off funding in 2014–15 for pre-existing measures affecting the public sector, the net impact of government savings measures, and the adjustments for changes in wage and price indices.

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	83,076	76,038	75,145	75,565	76,085
Revenue from independent sources (s 74)	5,477	7,784	7,092	7,124	7,160
Expenses not requiring appropriation in the budget year(a)	4,537	4,839	4,839	4,839	4,837
Total programme expenses	93,090	88,661	87,076	87,528	88,082

(a) Expenses not requiring appropriation in the budget year are made up of services received free of charge, depreciation and amortisation, and write-down of debt liabilities.

Programme 1.1 deliverables

To achieve the programme objectives over the budget and forward years, the DPP will continue to deliver effective and timely prosecution services.

	2014–15 Estimated actual	2015–16 Budget	2016–17 Forward estimate	2017–18 Forward estimate	2018–19 Forward estimate
Deliverables					
Number of matters progressed(a)	7,800	7,900			

(a) The number of matters to be progressed for the forward years cannot be determined at this stage.

Programme 1.1 key performance indicators

The key performance indicator focuses on providing public confidence in the justice system, through the provision of effective and timely prosecution services.

	2014–15 Estimated actual	2015–16 Budget	2016–17 Forward estimate	2017–18 Forward estimate	2018–19 Forward estimate
Key performance indicators					
Prosecution resulting in conviction	90%	90%	90%	90%	90%

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2015–16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The DPP has no administered funds.

3.1.2 Special accounts

The DPP has no special accounts.

3.1.3 Australian Government Indigenous expenditure

The DPP has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in entity resourcing and financial statements

There is no material difference between the entity resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

The DPP's operating revenue for 2015–16 has increased by \$7.031m since the 2014–15 Portfolio Additional Estimates Statements (from \$76.791m to \$83.822m).

The net increase is due to:

- changes in wage and price indices and savings measures (a decrease of \$0.074m)
- funding for prosecutions under the *Strengthening the Integrity of Welfare Payments* measure (an increase of \$2.771m)
- changes to own-source income under section 74 (an increase of \$4.334m).

The DPP's revenue from government will decrease from \$79.076m in 2014–15 to \$73.267m in 2015–16. This is primarily due to the termination in 2014–15 of funding for Project Wickenby tax compliance prosecutions and the one-off funding provided in 2014–15 for pre-existing measures affecting the public sector.

The DPP is forecasting an operating loss for 2014–15 of up to \$4.000m. The forecast deficit consists of continuing people smuggling prosecutions (people smuggling funding ceased on 30 June 2013) and costs associated with the DPP's restructure.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
for the period ended 30 June**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000
EXPENSES					
Employee benefits	56,850	52,826	52,289	52,513	52,736
Suppliers	32,100	30,940	29,892	30,120	30,453
Depreciation and amortisation	3,570	4,325	4,325	4,325	4,323
Other expenses	570	570	570	570	570
Total expenses	93,090	88,661	87,076	87,528	88,082
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5,477	7,784	7,092	7,124	7,160
Other	284	284	284	284	284
Total own-source revenue	5,761	8,068	7,376	7,408	7,444
Gains					
Other	683	230	230	230	230
Total gains	683	230	230	230	230
Total own-source income	6,444	8,298	7,606	7,638	7,674
Net cost of (contribution by) services	86,646	80,363	79,470	79,890	80,408
Revenue from government	79,076	76,038	75,145	75,565	76,085
Surplus (deficit) attributable to the Australian Government	(7,570)	(4,325)	(4,325)	(4,325)	(4,323)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	–	–	–	–	–
Total comprehensive income (loss)	(7,570)	(4,325)	(4,325)	(4,325)	(4,323)
Total comprehensive income (loss) attributable to the Australian Government	(7,570)	(4,325)	(4,325)	(4,325)	(4,323)

Note: Impact of net cash appropriation arrangements

	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(4,000)	–	–	–	–
Less depreciation/amortisation expenses previously funded through revenue appropriations	3,570	4,325	4,325	4,325	4,323
Total comprehensive income (loss) as per the statement of comprehensive income	(7,570)	(4,325)	(4,325)	(4,325)	(4,323)

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	360	360	360	360	360
Trade and other receivables	4,038	4,093	4,501	3,674	3,690
Total financial assets	4,398	4,453	4,861	4,034	4,050
Non-financial assets					
Land and buildings	11,132	8,987	7,063	7,335	6,605
Property, plant and equipment	3,991	3,732	2,973	2,913	3,052
Intangibles	968	950	808	666	724
Other non-financial assets	468	468	468	468	468
Total non-financial assets	16,559	14,137	11,312	11,382	10,849
Total assets	20,957	18,590	16,173	15,416	14,899
LIABILITIES					
Payables					
Suppliers	4,213	4,213	4,213	4,213	4,213
Other payables	13,067	13,122	12,431	14,081	15,956
Total payables	17,280	17,335	16,644	18,294	20,169
Provisions					
Employee provisions	14,019	14,019	14,519	14,519	14,519
Other provisions	1,101	1,101	1,301	1,301	1,301
Total provisions	15,120	15,120	15,820	15,820	15,820
Total liabilities	32,400	32,455	32,464	34,114	35,989
Net assets	(11,443)	(13,865)	(16,291)	(18,698)	(21,090)
EQUITY					
Parent entity interest					
Contributed equity	5,959	7,862	9,761	11,679	13,610
Reserves	18,479	18,479	18,479	18,479	18,479
Retained surplus (accumulated deficit)	(35,881)	(40,206)	(44,531)	(48,856)	(53,179)
Total parent entity interest	(11,443)	(13,865)	(16,291)	(18,698)	(21,090)
Total equity	(11,443)	(13,865)	(16,291)	(18,698)	(21,090)

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2015–16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(35,881)	18,479	5,959	(11,443)
Adjustment for changes in accounting policies	—	—	—	—
Adjusted opening balance	(35,881)	18,479	5,959	(11,443)
Comprehensive income				
Surplus (deficit) for the period	(4,325)	—	—	(4,325)
Total comprehensive income	(4,325)	—	—	(4,325)
Contributions by owners				
Departmental capital budget	—	—	1,903	1,903
Sub-total transactions with owners	—	—	1,903	1,903
Estimated closing balance as at 30 June 2016	(40,206)	18,479	7,862	(13,865)
Closing balance attributable to the Australian Government	(40,206)	18,479	7,862	(13,865)

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	79,076	76,038	75,145	75,565	76,085
Sale of goods and rendering of services	6,089	7,784	7,092	7,124	7,160
Net GST received	2,900	2,900	2,900	2,900	2,900
Other	683	230	230	230	230
Total cash received	88,748	86,952	85,367	85,819	86,375
Cash used					
Employees	57,051	52,826	51,789	52,513	52,736
Suppliers	28,497	29,156	29,007	27,374	28,325
Section 74 retained revenue receipts transferred to Official Public Account	4,400	4,400	4,400	4,400	4,400
Other	570	570	570	570	570
Total cash used	90,518	86,952	85,766	84,857	86,031
Net cash from (used by) operating activities	(1,770)	–	(399)	962	344
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	688	1,903	1,500	2,880	2,275
Total cash used	688	1,903	1,500	2,880	2,275
Net cash from (used by) investing activities	(688)	(1,903)	(1,500)	(2,880)	(2,275)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,683	1,903	1,899	1,918	1,931
Total cash received	2,683	1,903	1,899	1,918	1,931
Net cash from (used by) financing activities	2,683	1,903	1,899	1,918	1,931
Net increase (decrease) in cash held	225	–	–	–	–
Cash and cash equivalents at the beginning of the reporting period	135	360	360	360	360
Cash and cash equivalents at the end of the reporting period	360	360	360	360	360

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	1,925	1,903	1,899	1,918	1,931
Total new capital appropriations	1,925	1,903	1,899	1,918	1,931
Provided for:					
Purchase of non-financial assets	1,925	1,903	1,899	1,918	1,931
Total items	1,925	1,903	1,899	1,918	1,931
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB(a)	2,683	1,903	1,899	1,918	1,931
Total purchases of non-financial assets	2,683	1,903	1,899	1,918	1,931
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,683	1,903	1,899	1,918	1,931
Total cash used to acquire assets	2,683	1,903	1,899	1,918	1,931

Prepared on Australian Accounting Standards basis.

DCB = departmental capital budget.

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

Table 3.2.6: Statement of asset movements (budget year 2015–16)

	Buildings \$'000	Other property, plant & equipment \$'000	Computer software & intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	19,882	7,274	3,143	30,299
Accumulated depreciation/amortisation and impairment	(8,750)	(3,283)	(2,175)	(14,208)
Opening net book balance	11,132	3,991	968	16,091
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services(a)	579	1,000	324	1,903
Total additions	579	1,000	324	1,903
Other movements				
Depreciation/amortisation expense	(2,724)	(1,259)	(342)	(4,325)
Total other movements	(2,724)	(1,259)	(342)	(4,325)
As at 30 June 2016				
Gross book value	20,461	8,274	3,467	32,202
Accumulated depreciation/amortisation and impairment	(11,474)	(4,542)	(2,517)	(18,533)
Closing net book balance	8,987	3,732	950	13,669

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015–16 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis in accordance with the Public Governance, Performance and Accountability Act and Rules, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements for budget estimates are prepared on the same basis as the annual audited financial statements. The audited statements include a full set of notes to explain all the line items (available at www.cdpp.gov.au/publications).

Revenue from government

Amounts appropriated are recognised as revenue, 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.

Employee expenses

Employee expenses consist of salaries, leave entitlements, redundancy expenses, superannuation and non-salary benefits.

Supplier expenses

Supplier expenses consist of administrative costs, consultants' costs, travel expenses, property operating expenses and legal expenses.

Cash

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

Assets

Assets are made up of cash, receivables, leasehold improvements and plant and equipment. All assets are held at fair value.

Liabilities

Liabilities are made up of employee salary and leave entitlement, property lease and make-good provisions and amounts owed to creditors.