

Annual Financial Statements

Accountable Officer's and Chief Financial Officer's Declaration

Accountable Officer's and Chief Financial Officer's Declaration

We certify that the attached financial statements of the Department of Justice have been prepared in accordance with Part 9 of the Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Australian accounting standards and other mandatory professional reporting requirements.


We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2003 and financial position of the Department as at 30 June 2003.

We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Des Hill
Chief Financial Officer
Department of Justice

Melbourne
10 October 2003



Penny Armytage
Secretary
Department of Justice

Melbourne
10 October 2003

Statement of financial performance

For the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from ordinary activities			
Output appropriations	4	1,967,668	1,770,298
Special appropriations	4,5(c)	97,907	58,331
Resources received free of charge or for nominal consideration	4	71	1,683
Other revenue and revenue from other parties	4	61,237	52,759
		<u>2,126,883</u>	<u>1,883,071</u>
Expenses from ordinary activities			
Employee benefits	6	(303,992)	(259,512)
Depreciation and amortisation	6	(20,691)	(23,283)
Resources provided free of charge or for nominal consideration	1(a),1(s)	(178)	0
Grants and other payments	6	(1,381,739)	(1,226,641)
Capital asset charge		(38,980)	(33,586)
Supplies and services		(330,172)	(305,150)
Other expenses from ordinary activities		(369)	(553)
		<u>(2,076,121)</u>	<u>(1,848,725)</u>
Result from ordinary activities	14(c)	<u>50,762</u>	<u>34,346</u>
Adjustment resulting from change in accounting policy (note1(p))	14(c)	(390)	0
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner on behalf of the Crown	14 (d)	<u>50,372</u>	<u>34,346</u>

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

Statement of financial position

As at 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Current assets			
Cash assets	7,15	208,945	174,975
Receivables	8,15	207,333	189,188
Inventories	9	3,888	4,082
Prepayments		1,106	2,937
Total current assets		421,272	371,182
Non-current assets			
Property, plant and equipment	10	513,076	467,492
Intangible assets	11	8,793	6,064
Total non-current assets		521,869	473,556
Total assets		943,141	844,738
Current liabilities			
Payables	12,15	151,053	164,130
Provisions	13	21,355	19,710
Total current liabilities		172,408	183,840
Non-current liabilities			
Provisions	13	54,349	50,807
Total non-current liabilities		54,349	50,807
Total liabilities		226,757	234,647
Net assets		716,384	610,091
Equity			
Contributed capital	14(b)	407,499	351,578
Reserves	14(a)	49,753	49,854
Accumulated surplus	14(c)	259,132	208,659
Total equity	14(d)	716,384	610,091
Contingent liabilities	19		
Commitments for expenditure	20		

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

Statement of cash flows

For the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Cash flows from operating activities			
Receipts from Government		2,046,791	1,781,850
Receipts from other entities		8,325	8,458
Payments to suppliers and employees		(2,060,813)	(1,782,846)
		(5,697)	7,462
Interest received		37,077	33,110
GST Recovered from the ATO		38,655	29,121
GST Paid to the ATO		(3,146)	(3,020)
Other revenue		19,620	13,291
Capital assets charge		(38,980)	(33,586)
Net cash inflow from operating activities	24	47,529	46,378
Cash flows from investing activities			
Payments for property, plant and equipment		(71,649)	(83,423)
Payments for software		(3,561)	(6,064)
Net cash (outflow) from investing activities		(75,210)	(89,487)
Cash flows from financing activities			
Proceeds from capital contribution by State Government		131,996	109,870
Capital contribution passed on to agencies		(77,719)	(40,669)
Equity transfers within government		7,374	0
Net cash inflow (outflow) from financing activities	14(b)	61,651	69,201
Net increase (decrease) in cash held		33,970	26,092
Cash at the beginning of the financial year		174,975	148,883
Cash at the end of the financial year	7	208,945	174,975

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

Notes to the financial statements

30 June 2003

Contents

Note	Page
1. Summary of significant accounting policies	96
2. Departmental Outputs	101
3. Restructuring of administrative arrangements	106
4. Revenue from ordinary activities	108
5. Summary of compliance with annual parliamentary appropriations	108
6. Result from ordinary activities	111
7. Cash assets	112
8. Receivables	112
9. Inventories	113
10. Property, plant and equipment	113
11. Intangible assets	114
12. Payables	114
13. Provisions	114
14. Equity and movements in equity	115
15. Financial instruments	116
16. Ministers and accountable officers	119
17. Remuneration of executives	120
18. Remuneration of auditors	121
19. Contingent liabilities and contingent assets	121
20. Commitments for expenditure	121
21. Employee benefits	122
22. Administered items	124
23. Ex-gratia payments	126
24. Reconciliation of result from ordinary activities to net cash inflow from operating activities	126
25. Funds administered for third parties	127

Note 1. Summary of significant accounting policies

This general-purpose financial report has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

It is prepared in accordance with the historical cost convention, except for certain assets and liabilities which, as noted, are at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian Accounting Standard or Urgent Issues Group Consensus View. Where practicable, comparative amounts are presented and Classified On a basis consistent with the current year.

(a) Reporting entity

Controlled resources

The financial statements include all the controlled activities of the Department of Justice.

A description of departmental outputs undertaken during the year is included in note 2.

A number of reporting entities within the Justice Portfolio, which report separately, receive grants or transfer payments (refer note 6). These are:

- Chief Commissioner of Police
- Country Fire Authority
- Domestic Building (HH) Indemnity Fund
- Equal Opportunity Commission
- Emergency Communications Victoria
- Gambling Research Panel
- Judicial College of Victoria
- Metropolitan Fire and Emergency Services Board
- Office of Public Prosecutions
- Office of the Public Advocate
- Office of the Victorian Privacy Commissioner
- Victoria Legal Aid
- Victorian Casino and Gaming Authority
- Victorian Electoral Commission
- Victorian Institute of Forensic Medicine
- Victorian Law Reform Commission

The following organisations also form part of the Justice Portfolio and they report separately but do not receive grants or transfer payments:

- Greyhound Racing Victoria
- Harness Racing Victoria
- Legal Ombudsman
- Legal Practice Board
- Legal Practitioners Liability Committee
- Residential Tenancies Bond Authority
- Senior Master of the Supreme Court

Emergency Communications Victoria (ECV) was established by an Order of the Governor in Council in a Special Government Gazette No. S94 on 04 June 2002. ECV forms part of the Justice Portfolio. By virtue of the above Order, ECV is a State Body established under section 14 of the *State Owned Enterprises Act (Vic) 1992* and as such, must prepare separate Annual Reports in accordance with Part 7 of the *Financial Management Act 1994*. However, as at 30 June 2002, ECV was not in a position to prepare Annual Reports. ECV has been given a Determination from the Minister for Finance, John Lenders, MP, that the initial financial year for ECV would be extended to a thirteen month period, from 04 June 2002 to 30 June 2003.

Administered resources

The Department administers, but does not control, certain resources on behalf of the Victorian Government. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Department's objectives. For these resources, the Department acts only on behalf of the Victorian Government. Administered resources are accounted for using the accrual basis of accounting.

Transactions and balances relating to these administered resources are not recognised as departmental revenues, expenses, assets or liabilities within the body of the financial statements, but are disclosed in the applicable output schedules (note 22).

Other administered activities on behalf of parties external to the Victorian Government

The Department of Justice has responsibility for transactions and balances relating to administered funds on behalf of third parties external to the Victorian Government. Revenues, expenses, assets and liabilities administered on behalf of third parties are not recognised in these financial statements as they are administered on a fiduciary and custodial basis, and therefore not controlled by the Department.

Non-current assets

All non-current assets, including Crown Land, controlled by the Department are reported in the statement of financial position. Non-current assets which the Department administers on behalf of the Victorian Government are reported as administered resources.

(b) Objectives and funding

The Department's objectives are for a safer community, a just society, confident consumers, responsible traders, achieving equality of opportunity and valuing difference and responsible management and regulation of gaming and racing activities.

The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

(c) Outputs of the Department

Information about the Department's output activities and the expenses, revenues, assets and liabilities which are reliably attributable to those output activities is set out in the output Activities Schedule (note 2). Information about expenses, revenues, assets and liabilities administered by the Department are given in the schedule of administered expenses and revenues and the schedule of administered assets and liabilities (note 22).

(d) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(e) Revenue recognition

All revenue received by the Department is generally required to be paid into the Consolidated Fund.

Revenue becomes controlled by the Department when it has been appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under relevant appropriations acts. Additionally, the Department is permitted under section 29 of the *Financial Management Act 1994* to have certain receipts annotated to the annual appropriation. The receipts which form part of a section 29 agreement are received by the Department and paid into the Consolidated Fund as administered revenue (note 22). At that point, section 29 provides for an equivalent amount to be added to the annual appropriation authority.

Note 1. Summary of significant accounting policies (continued)

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Department's major activities as follows:

(i) Output revenue

Revenue from the outputs the Department provides to Government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria.

(ii) Other revenues

Grants, donations, interest and other contributions to Trust Funds controlled by the Department, are recognised as revenue at the time of receipt or service.

(iii) Fines and fees

As the Department does not gain control over assets arising from fines and fees, no revenue is recognised. The Department collects these amounts on behalf of the Crown. Accordingly, the amounts are disclosed as revenues in the schedule of administered revenue and expenses (note 22).

All other amounts or revenue over which the Department does not gain control are disclosed as administered revenue in the schedule of administered revenues and expenses (note 22).

(f) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when doubt as to collection exists.

(g) Inventories

Stores, work in progress and raw materials are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories.

(h) Revaluations of non-current assets

Subsequent to initial recognition as assets, non-current physical assets, other than plant, equipment and vehicles are measured at fair value. Plant, equipment and vehicles are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are conducted in accordance with the Victorian Government Policy *Revaluation of Non-Current Physical Assets*.

In accordance with Victorian Government Policy and the transitional provisions of AASB 1041 *Revaluation of Non-Current Assets*, the Department will conduct progressive revaluations for the classes of non-current physical assets to be completed by the reporting period ending 30 June 2005.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

(i) Depreciation of property, plant and equipment

Depreciation is calculated on a straight line basis to write off the net cost or 'deemed' net cost of each item of property (excluding land) over its expected useful life to the Department. Estimates of the remaining useful lives for all assets are reviewed at least annually. The expected useful lives for the financial years ended 30 June 2003 and 30 June 2002 are as follows:

Buildings	40 years
Plant and equipment	3–15 years

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate.

(j) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Department, whichever is the shorter. Leasehold improvements held at reporting date are being amortised between 2 to 10 years.

(k) Leased non-current assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is established at its fair value at the inception of the lease. A corresponding liability, for future lease payments, is also established.

Periodic lease payments are allocated between principal (a reduction in the liability) and interest (an operating expense).

Operating lease payments are representative of the pattern of benefits derived from leased assets and accordingly are charged to the Operating Statement in the periods in which they are incurred.

(l) Intangible assets

Software

Significant costs associated with the acquisition or development of computer software are capitalised and amortised on a straight line basis over its expected useful life to the Department, which is seven years.

(m) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Department prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Maintenance and repairs

Plant of the Department is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(i). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(o) Goods and services tax systems changes

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28 *Statement of Cash Flows*.

Costs incurred to update existing systems or to design, develop and implement new systems to deal with the goods and services tax are charged as expenses as incurred, except where they result in an enhancement of future economic benefits and are recognised as an asset.

(p) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised, in respect of employees' services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled.

In the reporting periods prior to 30 June 2003, provisions for employee benefits (annual leave) were measured using remuneration rates current at reporting date. For the period ending on 30 June 2003, the Department is required by AASB 1028 *Employee Benefits* to measure provisions for employee benefits at remuneration rates expected to apply when the obligation is settled, including the expected future increase in remuneration rates. The transitional arrangements of AASB 1028 on adoption at 1 July 2002 give rise to an adjustment to opening annual leave liabilities and a corresponding change to accumulated surplus (note 14(c)).

Note 1. Summary of significant accounting policies (continued)

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised, in the provision for employee benefits and is measured in accordance with (p)(i) on page 99. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by the Department to the superannuation fund (see note 21).

(iv) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(q) Cash and cash equivalents

(i) Cash

For purposes of the statement of cash flows, cash includes short term deposits that are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

(ii) Cash equivalents

With the exception of the Estate Agents Guarantee Fund, investments in unlisted securities are recognised at cost and dividend income is recognised in the statement of financial performance when receivable.

Investments managed by Macquarie Investment Management Limited on behalf of the Estate Agents Guarantee Fund are recognised at market value due to the nature of the investments.

Short term deposits relate to the following trust funds:

- Estate Agents' Guarantee Trust A/c
- Motor Car Traders' Guarantee Fund
- National Gambling Research Trust
- Prostitution Control Board Fund
- Residential Tenancy Fund
- Consumer Credit Trust A/c
- Domestic Builders' Fund

(r) Capital asset charge

The capital asset charge is imposed by the Department of Treasury and Finance and represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The charge is calculated on the carrying amount of non-current physical assets (excluding heritage assets).

(s) Resources provided and received free of charge or for nominal consideration

Contributions of resources and resources provided free of charge or for nominal consideration are recognised at their fair value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(t) Contributed capital

Consistent with UIG Abstract 38 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* appropriations for additions to net assets have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

(u) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, or in other cases, to the nearest dollar.

Note 2. Departmental Outputs

A description of each output activity of the Department during the year ended 30 June 2003, and the objectives of each output activity, are summarised below.

Public Safety Policy

Description of the Output Activity

These outputs involve:

Providing a focus for public safety policy development and advice to the Minister, new policy implementation coordination and effectiveness evaluation.

These outputs make a significant contribution to the achievement of the following Departmental Objective:

- Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime.

Emergency Prevention and Response

Description of the Output Activity

These outputs involve:

Support emergency prevention and response services provided by the Metropolitan Fire and Emergency Services Board, Country Fire Authority and the Victoria State Emergency Service.

These outputs make a significant contribution to the achievement of the following Departmental Objectives:

- Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime; and
- Reduce Victoria's road toll.

Legal Support for Government

Description of the Output Activity

These outputs involve:

Provide the Department's primary focus for state law reform, the development of justice policy and procedures, administrative reviews of Justice agencies and the implementation of new or amending legislation. It also provides advice to Government on legal matters and solicitor services, and manages a range of legal frameworks on behalf of Government including native title issues, protection of privacy and the conduct of State elections.

These outputs make a significant contribution to the achievement of the following Departmental Objectives:

- Improve access to justice services, particularly legal aid, victim support services and alternative dispute resolution;
- Reduce the time taken to dispose of matters in courts and tribunals; and
- Improve Victorians' confidence in the legal and courts system.

Dispensing Justice

Description of the Output Activity

These outputs involve:

Supporting the State's judiciary in their dispensation of criminal and civil matters, maintaining the administrative operations of the system of courts and statutory tribunals and providing alternative civil dispute resolution mechanisms. It also manages criminal prosecutions on behalf of the State; provides legal aid for system users and support to victims of crime.

These outputs make a significant contribution to the achievement of the following Departmental Objectives:

- Reduce the time taken to dispose of matters in courts and tribunals;
- Improve access to justice services, particularly legal aid, victim support services and alternative dispute resolution;
- Improve Victorians' confidence in the legal and courts system; and
- Reduce offending and re-offending rates and the number of prisoners returning to prison.

Note 2. Departmental outputs (continued)

Enforcing Court Orders

Description of the Output Activity

These outputs involve:

Enforcing judicial fines, court orders and warrants and processing traffic infringement notices. Unpaid fines are also followed up on behalf of local government on a fee for service basis.

These outputs make a significant contribution to the achievement of the following Departmental Objective:

- Improve Victorians' confidence in the legal and courts system.

Enforcing Correctional Orders

Description of the Output Activity

These outputs involve:

Ensuring that correctional dispositions of the courts and orders of the Adult Parole Board are implemented through the management of the State's system of correctional facilities and programs for the containment and rehabilitation of prisoners and the community based supervision of offenders.

These outputs make a significant contribution to the achievement of the following Departmental Objective:

- Reduce offending and re-offending rates and the number of prisoners returning to prison.

Protecting Consumers

Description of the Output Activity

These outputs involve:

Developing and administering consumer protection legislation, including legislation relating to trade measurement and the sale of liquor. They inform people of their rights and responsibilities in the marketplace, and provide assistance to those seeking redress. Business registers and licences are maintained to ensure minimum standards of transparency and competency and where necessary to influence and regulate trading behaviour.

These outputs make a significant contribution to the achievement of the following Departmental Objective:

- Improve access to consumer protection services, particularly for vulnerable groups.

Achieving Equal Opportunity

Description of the Output Activity

These outputs involve:

Supporting the administration of equal opportunity legislation and the provision of advocacy and guardianship services for adults with disabilities.

These outputs make a significant contribution to the achievement of the following Departmental Objective:

- Improve access to human rights protection services in targeted areas.

Regulating Gaming and Racing

Description of the Output Activity

These outputs involve:

Management and regulation of gaming and racing activities in Victoria.

These outputs make a significant contribution to the achievement of the following Departmental Objective:

- Ensure responsible management and regulation of gaming and racing activities.

Other information

In addition to, and incorporated in, the output activities are a number of entities within the Justice Portfolio which report separately. The Financial Statements contain the appropriation revenue for these entities and the expenditure is represented in grants expense and transfer payments. These are:

Legal Support for Government

Office of Public Prosecutions
Office of the Victorian Privacy Commissioner
Victoria Legal Aid
Victorian Electoral Commission
Victorian Law Reform Commission

Court and Tribunal Services

Judicial College of Victoria
Senior Master of the Supreme Court
Victorian Institute of Forensic Medicine

Consumer and Equity Services

Equal Opportunity Commission
Office of the Public Advocate
Residential Tenancies Bond Authority

Community Safety

Country Fire Authority
Metropolitan Fire and Emergency Services Board
Emergency Communications Victoria

Gaming and Racing

Gambling Research Panel
Greyhound Racing Victoria
Harness Racing Victoria
Victorian Casino and Gaming Authority

The following organisations form part of the Justice Portfolio, however, they are excluded from the above output groups as the Chief Commissioner of Police reports separately and the other entities are funded out of the Budget Sector:

- Chief Commissioner of Police
- Legal Ombudsman
- Legal Practice Board
- Legal Practitioners Liability Committee

Notes to the financial statements continued

30 June 2003

Note 2. Departmental outputs (continued)

Output groups schedule – controlled revenue and expenses for the year ended 30 June 2003

	Public Safety Policy		Emergency Prevention		Legal Support for Government		Dispensing Justice	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue								
Output appropriations	11,263	11,878	101,452	82,563	28,503	28,401	242,866	220,821
Special appropriations	0	126	7	149	44,596	16,677	45,234	41,220
Resources received free of charge or for nominal consideration	0	38	26	1,591	0	0	0	0
Other revenue	4,350	2,382	2,781	2,201	15	100	2,004	2,580
Total revenue	15,613	14,424	104,266	86,504	73,114	45,178	290,104	264,621
Expenses								
Employee benefits	(6,059)	(5,063)	(10,035)	(9,285)	(14,712)	(14,600)	(118,251)	(99,880)
Depreciation and amortisation	(236)	(266)	(2,737)	(5,905)	(603)	(953)	(8,357)	(8,577)
Resources provided free of charge or for nominal consideration	0	0	0	0	0	0	13	0
Grants and other payments to service providers	(1,686)	0	(77,840)	(56,494)	(49,863)	(19,951)	(62,556)	(64,621)
Capital asset charge	(49)	(43)	(1,219)	(575)	(548)	(515)	(19,167)	(18,643)
Supplies and services	(3,984)	(5,131)	(11,828)	(16,930)	(7,313)	(10,220)	(75,324)	(62,098)
Other expenses from ordinary activities	(1)	(167)	32	92	(26)	(16)	(210)	(300)
Total expenses	(12,015)	(10,670)	(103,627)	(89,097)	(73,065)	(46,255)	(283,852)	(254,119)
Total changes in equity other than those resulting from contributions of Victorian State Government as owner	3,598	3,754	639	(2,593)	49	(1,077)	6,252	10,502
Output groups schedule – Assets and liabilities as at 30 June 2003								
Assets								
Current assets	3,299	5,944	6,871	13,419	6,900	14,334	31,439	26,057
Non-current assets	870	652	23,208	16,526	1,636	1,949	240,790	238,301
Total assets	4,169	6,596	30,079	29,945	8,536	16,283	272,229	264,358
Liabilities								
Current liabilities	(1,536)	(4,871)	(11,508)	(5,213)	(2,202)	(7,945)	(20,694)	(25,690)
Non-current liabilities	(848)	(637)	(1,437)	(1,349)	(1,960)	(2,707)	(25,112)	(23,275)
Total liabilities	(2,384)	(5,508)	(12,945)	(6,562)	(4,162)	(10,652)	(45,806)	(48,965)
Net assets	1,785	1,088	17,134	23,383	4,374	5,631	226,423	215,393

Enforcing Court Orders		Enforcing Correctional Orders		Protecting Consumers		Achieving Equal Opportunity		Regulating Gaming and Racing		Chief Commissioner of Police		Departmental Total	
2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
80,642	58,152	294,244	258,529	23,796	21,880	10,491	10,103	623	0	1,173,788	1,077,971	1,967,668	1,770,298
0	0	0	0	110	159	0	0	7,960	0	0	0	97,907	58,331
0	0	45	51	0	3	0	0	0	0	0	0	71	1,683
0	87	2,050	6,623	49,723	38,741	0	45	314	0	0	0	61,237	52,759
80,642	58,239	296,339	265,203	73,629	60,783	10,491	10,148	8,897	0	1,173,788	1,077,971	2,126,883	1,883,071
(16,548)	(12,261)	(115,468)	(101,198)	(20,974)	(16,548)	(1,038)	(677)	(907)	0	0	0	(303,992)	(259,512)
(479)	(622)	(7,427)	(6,149)	(765)	(680)	(87)	(131)	0	0	0	0	(20,691)	(23,283)
0	0	(191)	0	0	0	0	0	0	0	0	0	(178)	0
0	0	0	0	0	0	(8,046)	(7,604)	(7,960)	0	(1,173,788)	(1,077,971)	(1,381,739)	(1,226,641)
(254)	(148)	(17,601)	(13,540)	(127)	(108)	(15)	(14)	0	0	0	0	(38,980)	(33,586)
(58,678)	(47,041)	(153,441)	(141,240)	(18,894)	(21,327)	(613)	(1,163)	(97)	0	0	0	(330,172)	(305,150)
(29)	(15)	(129)	(133)	(5)	(14)	(1)	0	0	0	0	0	(369)	(553)
(75,988)	(60,087)	(294,257)	(262,260)	(40,765)	(38,677)	(9,800)	(9,589)	(8,964)	0	(1,173,788)	(1,077,971)	(2,076,121)	(1,848,725)
4,654	(1,848)	2,082	2,943	32,864	22,106	691	559	(67)	0	0	0	50,762	34,346
13,523	11,416	47,509	18,734	235,533	185,344	491	1,267	1,143	0	74,564	94,667	421,272	371,182
8,588	8,152	243,562	205,918	2,816	1,833	368	225	31	0	0	0	521,869	473,556
22,111	19,568	291,071	224,652	238,349	187,177	859	1,492	1,174	0	74,564	94,667	943,141	844,738
(14,171)	(10,743)	(39,864)	(27,272)	(6,959)	(6,414)	(393)	(1,025)	(517)	0	(74,564)	(94,667)	(172,408)	(183,840)
(2,732)	(2,472)	(17,357)	(16,874)	(4,395)	(3,387)	(134)	(106)	(374)	0	0	0	(54,349)	(50,807)
(16,903)	(13,215)	(57,221)	(44,146)	(11,354)	(9,801)	(527)	(1,131)	(891)	0	(74,564)	(94,667)	(226,757)	(234,647)
5,208	6,353	233,850	180,506	226,995	177,376	332	361	283	0	0	0	716,384	610,091

Notes to the financial statements continued

30 June 2003

Note 3. Restructuring of administrative arrangements

During the year there was a transfer of functions between departments. The departments of Treasury and Finance; Innovation, Industry and Regional Development; Tourism, Sport and the Commonwealth Games; and Justice have recognised the following expenses and revenues for the period 1 July 2002 to 31 December 2002 prior to the transfer occurring:

	\$'000
Department of Treasury and Finance	
Revenues	567
Expenses	(516)
Department of Innovation, Industry and Regional Development	
Revenues	2,857
Expenses	(2,857)
Department of Tourism, Sport and the Commonwealth Games	
Revenues	187
Expenses	(187)
Department of Justice	
Revenues	2,682
Expenses	(2,827)

The total revenues and expenses recognised by the departments of Treasury and Finance; Innovation, Industry and Regional Development; Tourism, Sport and the Commonwealth Games; Victorian Communities; and Justice for the entire financial year in respect of the functions transferred are as follows:

	\$'000
Departments of Treasury and Finance/Justice	
Revenues	986
Expenses	(832)
Departments of Innovation, Industry and Regional Development/Justice	
Revenues	5,797
Expenses	6,412
Departments of Tourism, Sport and the Commonwealth Games/Justice	
Revenues	1,279
Expenses	(819)
Departments of Justice/Victorian Communities	
Revenues	6,489
Expenses	(6,190)

Note 3. Restructuring of administrative arrangements (continued)

Net assets assumed by the Department as a result of the assumption of these outputs are recognised in the statement of financial position immediately at the carrying amount of those assets in the transferor's (departments of: Treasury and Finance; Innovation, Industry and Regional Development; and Tourism, Sport and the Commonwealth Games) statement of financial position immediately prior to the transfer.

The net asset/liability transfer was treated as a contribution of capital by the Crown in compliance with the accounting requirements of Urgent Issues Group Abstract 38 Contributions by Owners made to Wholly-Owned Public Sector Entities and Accounting and Financial Reporting Bulletin No.39 Accounting for Contributed Capital (refer note 1(t)). No revenue has been recognised by the Department in respect of the net assets transferred from the departments of: Treasury and Finance; Innovation, Industry and Regional Development; and Tourism, Sport and the Commonwealth Games.

In respect of the activities assumed, the following assets and liabilities were recognised:

	2003 \$'000	2002 \$'000
(a) Output – Effective Management of the Sale of Liquor		
Assets		
Receivables	162	0
Plant and equipment	74	0
Liabilities		
Payables	(947)	0
Net Capital contribution from the Crown	<u>(711)</u>	<u>0</u>
(b) Output – Trade Measurement Development and Services		
Assets		
Receivables	134	0
Plant and equipment	148	0
Liabilities		
Payables	(245)	0
Net Capital contribution from the Crown	<u>37</u>	<u>0</u>
(c) Output – Gaming Policy Advice		
Assets		
Receivables	380	0
Plant and equipment	0	0
Liabilities		
Payables	(11)	0
Net Capital contribution from the Crown	<u>369</u>	<u>0</u>
(d) Output – Sport and Recreation Industry Development (racing portfolio)		
Assets		
Receivables	0	0
Plant and equipment	7	0
Liabilities		
Payables	(92)	0
Net Capital contribution from the Crown	<u>(85)</u>	<u>0</u>
In respect of the activities relinquished, the following assets and liabilities were transferred:		
(e) Output – Legal Support for Government (Registration of Births, Deaths and Marriages)		
Assets		
Receivables	(443)	0
Plant and equipment	(741)	0
Liabilities		
Payables	1,912	0
Net Capital contribution to the Crown	<u>728</u>	<u>0</u>

Notes to the financial statements continued

30 June 2003

Note 3. Restructuring of administrative arrangements (continued)

	2003 \$'000	2002 \$'000
(f) Net Capital contribution to the Crown		
Output – Effective Management of the Sale of Liquor	(711)	0
Output – Trade Measurement Development and Services	37	0
Output – Gaming Policy Advice	369	0
Output – Sport and Recreation Industry Development (racing portfolio)	(85)	0
Output – Legal Support for Government (Registration of Births, Deaths and Marriages)	728	0
Total Net Capital contribution to the Crown	338	0

Note 4. Revenue from ordinary activities

	Operating		Non-Operating	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue from Government				
Output appropriations*	1,967,668	1,770,298		
Special appropriations	97,907	58,331		
Resources received free of charge or for nominal consideration			71	1,683
Other revenue			8,325	8,458
	<u>2,065,575</u>	<u>1,828,629</u>	<u>8,396</u>	<u>10,141</u>
Revenue from Other Parties				
Trust Fund revenue			14,873	11,167
Interest			38,039	33,134
Total Revenue	<u>2,065,575</u>	<u>1,828,629</u>	<u>61,308</u>	<u>54,442</u>

* In relation to the amounts applied, the Department has provided grants to the Chief Commissioner of Police in relation to outputs of \$1,173.788 million (2002: \$1,077.971 million).

Note 5. Summary of compliance with annual parliamentary appropriations

(a) Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various Parliamentary Appropriations received by the Department for the year. In accordance with Accrual Output-based Management procedures 'Provisions for outputs' and 'Additions to net assets' are disclosed as 'controlled' activities of the Department. Administered transactions are those that are undertaken on behalf of the State over which the Department has no control or discretion.

Note 5. Summary of compliance with annual parliamentary appropriations (continued)

	Appropriation Act					
	Annual Appropriation \$'000		Advance from Treasurer \$'000		Section 3(2) \$'000	
	2003	2002	2003	2002	2003	2002
Controlled						
Controlled provision of outputs	1,826,294	1,590,749	58,878	36,401	0	65,208
Additions to net assets	141,754	125,654	0	0	0	0
Administered						
Payments made on behalf of the State	25,495	0	0	0	0	0
Additions to net assets	0	0	0	0	0	0
Total	1,993,543	1,716,403	58,878	36,401	0	65,208

	Financial Management Act 1994							
	Section 29 \$'000		Section 30 \$'000		Section 32 \$'000		Section 35 \$'000	
	2003	2002	2003	2002	2003	2002	2003	2002
Controlled								
Controlled provision of outputs	85,080	82,577	8,669	5,000	3,771	13,484	0	1,000
Additions to net assets	296	131	(8,669)	(5,000)	0	18,099	0	0
Administered								
Payments made on behalf of the State	0	0	0	0	0	0	0	0
Additions to net assets	0	0	0	0	0	0	6,661	0
Total	85,376	82,708	0	0	3,771	31,583	6,661	1,000

	Total Parliamentary Authority \$'000		Appropriations Applied \$'000		Variance \$'000	
	2003	2002	2003	2002	2003	2002
	Controlled					
Controlled provision of outputs	1,982,692	1,794,419	1,967,668	1,770,298	15,024 ^(b)	24,121
Additions to net assets	133,381	138,884	130,661	108,562	2,720 ^(b)	30,322
Administered						
Payments made on behalf of the State	25,495	0	23,149	0	2,346 ^(b)	0
Additions to net assets	6,661	0	6,661	0	0	0
Total	2,148,229	1,933,303	2,128,139	1,878,860	20,090	54,443

(b) Summary of compliance with annual parliamentary appropriations (continued)

Payments for outputs

The variance of \$15.024 million relates to an approved carryover of output appropriations totalling \$13.424 million and a \$1.6 million annual appropriation relating to approved Home Detention funding which has been deferred. The \$13.424 million is represented by the following projects:

	2003 \$'000
Gaming and Racing Consultancies and Contracts	250
BEST – Emergency Alerting System	569
Crime Prevention Victoria	154
Home Detention	1,600
Pre-Post Release Programs	200
Rehabilitation Framework	275
Evaluation (CLTMS/CCS, Housing and Employment)	275
Victims Referral and Assistance Scheme	1,570
Office of Victorian Privacy Commissioner	370
Road Safety Initiatives	6,331
Alternative Dispute Resolution	870
Judicial College	230
Aboriginal Justice Agreement	730
Total	13,424

Notes to the financial statements continued

30 June 2003

Note 5. Summary of compliance with annual parliamentary appropriations (continued)

Additions to Net Assets

Department of Justice has applied a total of \$130.661 million for capital investments compared to the available authority of \$133.381 million. The variation of \$2.72 million is within the approved final carryover estimate for investment primarily in constructed assets, specifically police stations and court complexes which were not completed during the 2002–03 financial year as estimated.

Administered – Payments on behalf of State

The variance of \$2.346 million is due to a variation of lottery volumes/transactions compared to that which has been deferred.

(c) Summary of compliance with special appropriations

Authority	Purpose	Appropriations Applied	
		2003 \$'000	2002 \$'000
1 <i>Constitution (Supreme Court) Act 1989</i>	Remuneration to Judges of the Supreme Court of Victoria	7,061	6,308
2 <i>Constitution (Supreme Court) Act 1989</i>	Remuneration to Judges of the Court of Appeals Division of the Supreme Court of Victoria	2,961	3,030
3 <i>County Court Act 1958</i>	Remuneration to Judges of the County Court of Victoria	13,282	12,057
4 <i>Victims of Crime Assistance Act 1996</i>	Operating costs of the Victims of Crime Assistance Tribunal	1,515	1,464
5 <i>Defence Reserves Re-Employment Act 1995</i>	Cost incurred by the Defence Reserves Re-Employment Board	3	16
6 <i>Electoral Act 2002</i>	Cost incurred by the Victorian Electoral Commission	44,597	16,677
7 <i>Magistrates' Court (Amendment) Act 2002</i>	Remuneration to Magistrates of the Magistrates' Court of Victoria	20,414	18,360
8 <i>Patriotic Funds Act 1958</i>	Costs incurred on behalf of the Patriotic Funds Council	107	144
9 <i>Victoria State Emergency Service Act 1987</i>	Payments to SES volunteers for work related injuries	7	275
10 <i>Gaming & Betting Act 1994</i>	Cost incurred by the Victorian Casino and Gaming Authority	7,960	0
	Total	97,907	58,331
11 <i>Electoral Act 2002</i>	Capital Contribution to Victorian Electoral Commission	1,005	1,308
12 <i>Gaming & Betting Act 1994</i>	Capital Contribution to Victorian Casino and Gaming Authority	330	0
	Total	1,335	1,308
Administered Special Appropriations Applied			
13 <i>Crown Proceedings Act 1958</i>	Payments due for Crown Proceedings in the Supreme Court of Victoria	2,078	4,460
14 <i>Victims of Crime Assistance Act 1996</i>	Payments to victims of crime	17,707	19,004
15 <i>Melbourne City Link Act 1995</i>	Payments to CityLink	2,341	1,366
16 <i>Electoral Act 2002</i>	Electoral funding of political candidates	6,743	0
	Total	28,869	24,830

Note 6. Result from ordinary activities

	2003 \$'000	2002 \$'000
Expenses		
Result from ordinary activities include the following specific expenses:		
Employee benefits		
Salary and wages	233,088	205,005
Superannuation	20,027	16,281
Annual leave and long service leave expense	22,751	10,576
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	22,831	22,943
Staff training	5,250	4,116
Departure packages	45	591
Total employee benefits	303,992	259,512
Depreciation		
Buildings	7,303	6,792
Plant and equipment	9,492	13,381
Total depreciation	16,795	20,173
Amortisation		
Leasehold improvements	3,064	3,110
Software	832	0
Total amortisation	3,896	3,110
Total depreciation and amortisation	20,691	23,283
Grants and other payments		
Grants to Chief Commissioner of Police	1,173,788	1,077,971
Grants to Victoria Legal Aid	32,702	31,427
Grants to Metropolitan Fire and Emergency Services Board	23,795	18,288
Grants to Country Fire Authority	53,988	38,206
Grants to Emergency Communications Victoria	1,686	0
Grants to Equal Opportunity Commission	4,020	4,092
Grants to Office of the Public Advocate	3,781	3,512
Grants to Office of Public Prosecutions	23,758	22,914
Grants to Victorian Casino and Gaming Authority	7,960	0
Grants to Victorian Electoral Commission	45,350	17,442
Grants to Victorian Institute of Forensic Medicine	6,604	10,280
Grants to Victorian Law Reform Commission	821	928
Grants to Victorian Privacy Commissioner	3,486	1,581
Total grants and other payments	1,381,739	1,226,641
Included in supplies and services are charges against assets		
Bad and doubtful debts	14	841

Notes to the financial statements continued

30 June 2003

Note 7. Cash assets

	2003 \$'000	2002 \$'000
Cash at bank and on hand	(5,239)	(1,479)
Funds held in trust		
– cash	16,326	8,711
– term deposits	126,528	101,385
– managed investments	71,330	66,358
	<u>208,945</u>	<u>174,975</u>

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances per statement of cash flows	<u>208,945</u>	<u>174,975</u>
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Term deposits comprise the following:

Estate Agents' Guarantee Trust A/c	103,619	79,700
Motor Car Traders' Guarantee Fund	1,018	1,715
National Gambling Research Trust	313	0
Prostitution Control Board Fund	65	220
Residential Tenancy Fund	16,010	17,170
Consumer Credit Trust A/c	3,833	1,400
Domestic Builders' Fund	1,670	1,180
	<u>126,528</u>	<u>101,385</u>

Managed investments comprise the following:

Estate Agents' Guarantee Trust A/c	71,330	66,358
	<u>71,330</u>	<u>66,358</u>

Cash at bank:

Due to the State of Victoria's investment policy and government funding arrangements, government departments generally do not hold a large cash reserve in their bank accounts. Cash received by a department from the generation of revenue is generally paid into the State's bank account, known as the Public Account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the department for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit to the department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the department's suppliers or creditors.

The above funding arrangements often result in departments having a shortfall in the cash at bank required for payment of unrepresented cheques at the reporting date.

At 30 June 2003, cash at bank include the amount of a shortfall for the payment of unrepresented cheques.

Note 8. Receivables

	2003 \$'000	2002 \$'000
Current		
Amounts owing from Victorian Government*	193,005	174,221
Debtors	15,902	16,527
Less: Provision for doubtful debts	(1,574)	(1,560)
	<u>207,333</u>	<u>189,188</u>

* \$74.564 million (2002 – \$94.667 million) relates to the Chief Commissioner of Police.

Note 9. Inventories

	2003 \$'000	2002 \$'000
Current		
Supplies and consumables – at cost	1,664	1,589
Raw materials – at cost	1,819	2,492
Work in progress – at cost	405	1
	3,888	4,082

Note 10. Property, plant and equipment

Land

Crown land		
At cost	5,631	2,345
At independent valuation 2000	93,206	93,956
	98,837	96,301

Buildings

At cost	112,142	36,711
At independent valuation 2000	232,970	232,970
Less: Accumulated depreciation	(20,282)	(12,965)
	324,830	256,716
Capital works in progress	46,701	79,809

Leasehold improvements

At cost	8,695	5,865
At independent valuation 1995	16,533	18,482
Less: Accumulated amortisation	(17,796)	(16,480)
	7,432	7,867
Total land and buildings	477,800	440,693

Plant and equipment

At cost	93,952	81,278
Less: Accumulated depreciation	(58,676)	(54,479)
	35,276	26,799
Total plant and equipment	513,076	467,492

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant & Equipment \$'000	Capital Works in Progress \$'000	Total \$'000
2003						
Carrying amount at start of year	96,301	256,716	7,867	26,799	79,809	467,492
Additions	17	1,736	2,839	16,192	50,917	71,701
Capitalisation of completed assets	2,811	80,683	172	359	(84,025)	0
Disposals	0	0	(104)	(272)	0	(376)
Net transfers free of charge	0	0	0	(152)	0	(152)
Net transfers fixed assets	(292)	(5,094)	(278)	(66)	0	(5,730)
Transfers between classes	0	(1,908)	0	1,908	0	0
Depreciation/amortisation expense	0	(7,303)	(3,064)	(9,492)	0	(19,859)
Carrying amount at end of year	98,837	324,830	7,432	35,276	46,701	513,076

Notes to the financial statements continued

30 June 2003

Note 11. Intangible assets

	2003 \$'000	2002 \$'000
Software		
At cost	9,555	0
Less: Accumulated amortisation	(921)	0
	<u>8,634</u>	<u>0</u>
Software – development in progress	159	6,064
Total Software	<u>8,793</u>	<u>6,064</u>

Note 12. Payables

Trade creditors	66,834	57,704
Fringe benefits tax	0	993
Salaries and wages	6,024	3,785
Amounts owing to related entities*	78,195	101,648
	<u>151,053</u>	<u>164,130</u>

* \$74.564 million (2002 – \$94.667 million) relates to the Chief Commissioner of Police.

Note 13. Provisions

Current		
Employee benefits (note 21)	21,355	19,710
	<u>21,355</u>	<u>19,710</u>
Non-current		
Employee benefits (note 21)	54,349	50,807
	<u>54,349</u>	<u>50,807</u>
Aggregate carrying amount of provisions		
Current	21,355	19,710
Non-current	54,349	50,807
Employee benefits	<u>75,704</u>	<u>70,517</u>

Note 14. Equity and movements in equity

	2003 \$'000	2002 \$'000
(a) Reserves		
Asset revaluation reserve	49,753	49,854
	<u>49,753</u>	<u>49,854</u>
Movements		
Asset revaluation reserve		
Balance 1 July	49,854	39,757
Transfer of building decrements in valuation	0	10,097
Transfer of land to Chief Commissioner of Police	(101)	0
Balance 30 June	<u>49,753</u>	<u>49,854</u>
(b) Contributed Capital		
Balance 1 July (transferred from accumulated surplus)	351,578	281,829
Capital contribution by Victorian State Government – Additions to Net Asset Base (note (5(a)))	130,661	108,562
Capital contribution by Victorian State Government – Additions to Net Asset Base (note (5(c)))	1,335	1,308
Capital contribution passed on to agencies within the Justice Portfolio	(77,719)	(40,669)
	54,277	69,201
Equity transfers within Government – Restructuring arrangements (note 3(f))	338	0
Adjustment to opening balance	7,036	0
	61,651	69,201
Equity transfers within Government (Fixed Assets – note 10)	(5,730)	548
Total Capital Contribution by Victorian State Government	55,921	69,749
Balance 30 June	<u>407,499</u>	<u>351,578</u>
(c) Accumulated surplus		
Accumulated surplus at the beginning of the financial year	208,659	466,239
Recognition as contributed capital at 1 July	0	(281,829)
Transfer of building decrements in valuation	0	(10,097)
Transfer of land to Chief Commissioner of Police	101	0
Adjustment resulting from change in accounting policy	(390)	0
Net result	50,762	34,346
Accumulated surplus at the end of the financial year	<u>259,132</u>	<u>208,659</u>
(d) Nature and purpose of reserves		
Asset revaluation reserve		
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(h).		
Total equity at the beginning of the financial year	610,091	505,996
Total change in equity	50,372	34,346
Contributions of equity (note (14(b)))	55,921	69,749
Total equity at the end of the financial year	<u>716,384</u>	<u>610,091</u>

Notes to the financial statements continued

30 June 2003

Note 15. Financial instruments

(a) Credit risk exposures

The credit risk on financial assets of the Department which have been recognised on the statement of financial position, is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest rate risk exposures

The Department's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

(c) Interest rate risk exposures

2003 Controlled	Notes	Weighted Average interest rate	Fixed interest rate maturing in:				Non- interest bearing	Total
			Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and deposits	7	5.43%	31,907	127,210	49,763	0	65	208,945
Receivables	8		0	0	0	0	14,328	14,328
Other financial assets	8		0	0	0	0	193,005	193,005
			31,907	127,210	49,763	0	207,398	416,278
Financial liabilities								
Trade and other creditors	12		0	0	0	0	151,053	151,053
			0	0	0	0	151,053	151,053
Net financial assets (liabilities)			31,907	127,210	49,763	0	56,345	265,225
Administered								
Financial assets								
Cash and deposits	22	4.59%	102,603	0	0	0	0	102,603
Receivables	22		0	0	0	0	186,290	186,290
			102,603	0	0	0	186,290	288,893
Financial liabilities								
Trade and other creditors	22		0	0	0	0	74,980	74,980
			0	0	0	0	74,980	74,980
Net financial assets (liabilities)			102,603	0	0	0	111,310	213,913

Note 15. Financial instruments (continued)

(c) Interest rate risk exposures (continued)

2002 Controlled	Notes	Weighted Average interest rate	Fixed interest rate maturing in:				Non- interest bearing	Total
			Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and deposits	7	4.50%	7,170	167,743	0	0	62	174,975
Receivables	8		0	0	0	0	14,967	14,967
Other financial assets	8		0	0	0	0	174,221	174,221
			7,170	167,743	0	0	189,250	364,163
Financial liabilities								
Trade and other creditors	12		0	0	0	0	164,130	164,130
			0	0	0	0	164,130	164,130
Net financial assets (liabilities)			7,170	167,743	0	0	25,120	200,033
Administered								
Financial assets								
Cash and deposits	22	4.11%	101,819	0	0	0	0	101,819
Receivables	22		0	0	0	0	104,014	104,014
			101,819	0	0	0	104,014	205,833
Financial liabilities								
Trade and other creditors	22		0	0	0	0	72,396	72,396
			0	0	0	0	72,396	72,396
Net financial assets (liabilities)			101,819	0	0	0	31,618	133,437

Notes to the financial statements continued

30 June 2003

Note 15. Financial instruments (continued)

(d) Net fair value of financial assets and liabilities

(i) On-balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Department approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

For non-traded equity investments, the net fair value is based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts and net fair values of financial assets and liabilities at reporting date are:

	Notes	2003		2002	
		Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
Controlled					
On-balance sheet financial instruments					
Financial assets					
Cash and deposits	7	208,945	208,945	174,975	174,975
Receivables	8	14,328	14,328	14,967	14,967
Other debtors	8	193,005	193,005	174,221	174,221
Non-traded financial assets		416,278	416,278	364,163	364,163
Financial liabilities					
Trade and other creditors	12	151,053	151,053	164,130	164,130
Non-traded financial liabilities		151,053	151,053	164,130	164,130
Administered					
On-balance sheet financial instruments					
Financial assets					
Cash and term deposits	22	102,603	102,603	101,819	101,819
Receivables	22	186,290	186,290	104,014	104,014
Non-traded financial assets		288,893	288,893	205,833	205,833
Financial liabilities					
Trust fund liabilities	22	74,980	74,980	72,396	72,396
Non-traded financial liabilities		74,980	74,980	72,396	72,396

Other than those classes of assets and liabilities denoted as 'traded', none of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

Although certain financial assets are carried at an amount above net fair value, those assets have not been written down as it is intended to retain those assets to maturity.

Net fair value is exclusive of costs which would be incurred on realisation of an asset, and inclusive of costs which would be incurred on settlement of a liability.

(ii) Off-balance sheet

The Department has potential financial liabilities which may arise from certain contingencies disclosed in note 19. As explained in those notes, no material losses are anticipated in respect of any of those contingencies and the net fair value disclosed is the estimate of amounts which would be payable by the Department as consideration for the assumption of those contingencies by another party.

Note 16. Ministers and accountable officers

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

Names

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

Attorney-General	The Hon. Rob Hulls, MP	1 July 2002	to 30 June 2003
Acting Attorney-General	The Hon. Bob Cameron, MP	1 July 2002	to 22 July 2002
	The Hon. Bob Cameron, MP	24 December 2002	to 5 January 2003
	The Hon. John Thwaites, MP	6 January 2003	to 19 January 2003
	The Hon. Bob Cameron, MP	22 April 2003	to 24 April 2003
	The Hon. Bob Cameron, MP	30 June 2003	to 30 June 2003
Minister for Consumer Affairs	The Hon. Christine Campbell, MP	1 July 2002	to 4 December 2002
	Mr John Lenders, MP	5 December 2002	to 30 June 2003
Acting Minister for Consumer Affairs	The Hon. John Pandazopoulos, MP	26 December 2002	to 14 January 2003
Minister for Gaming	The Hon. John Pandazopoulos, MP	5 December 2002	to 30 June 2003
Acting Minister for Gaming	The Hon. Rob Hulls, MP	20 January 2003	to 24 January 2003
	The Hon. André Haermeyer, MP	23 June 2003	to 30 June 2003
Minister for Racing	The Hon. John Pandazopoulos, MP	5 December 2002	to 30 June 2003
Acting Minister for Racing	The Hon. Rob Hulls, MP	20 January 2003	to 24 January 2003
	The Hon. André Haermeyer, MP	23 June 2003	to 30 June 2003
Minister for Police and Emergency Services	The Hon. André Haermeyer, MP	1 July 2002	to 30 June 2003
Minister for Corrections	The Hon. André Haermeyer, MP	1 July 2002	to 30 June 2003
Acting Minister for Police and Emergency Services	The Hon. John Pandazopoulos, MP	23 December 2002	to 6 January 2003
Acting Minister for Corrections	The Hon. John Pandazopoulos, MP	23 December 2002	to 6 January 2003
Secretary to the Department of Justice	Peter Harmsworth	1 July 2002	to 16 March 2003
	Penny Armytage	17 March 2003	to 30 June 2003
Acting Secretary to the Department of Justice	Alan Clayton	23 December 2002	to 10 January 2003
	Alan Clayton	30 June 2003	to 30 June 2003

Remuneration

Remuneration received or receivable by the Accountable Officer, two Secretaries employed during the course of the year, in connection with the management of the Department during the reporting period was in the range:

\$290,000 – \$299,999 (\$270,000 – \$279,000 in 2002)

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Notes to the financial statements continued

30 June 2003

Note 17. Remuneration of executives

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. Several new executive officer roles were created and filled during the course of the year. In addition, a number of executives roles which were vacant in the previous reporting period were filled with costs accordingly included in the table below.

Income Band	Total Remuneration		Base Remuneration	
	2003 No.	2002 No.	2003 No.	2002 No.
\$100,000 - 109,999	1	3	5	10
\$110,000 - 119,999	5	7	5	3
\$120,000 - 129,999	10	5	14	5
\$130,000 - 139,999	10	6	9	10
\$140,000 - 149,999	6	8	2	2
\$150,000 - 159,999	1	3	3	3
\$160,000 - 169,999	4	4	4	5
\$170,000 - 179,999	3	2	0	0
\$180,000 - 189,999	1	2	0	1
\$190,000 - 199,999	2	0	3	1
\$200,000 - 209,999	0	1	0	0
\$210,000 - 219,999	2	1	0	0
Total numbers	45*	42**	45*	40**
Total amount	\$6,518,795	\$5,949,423**	\$6,102,755	\$5,300,556**

* Actual number of executive officers employed as at 30 June 2003 was 61 (2002:45). Total includes 5 executive officers from the Office of Gambling Regulation, who transferred to the Department of Justice as a result of Machinery of Government changes effective 1 January 2003. This total of 5 executive officers will also be included in the 2002/2003 Victorian Casino and Gaming Annual Report. In 2002/2003 there were 18 executive officers whose remuneration actually paid by the Department of Justice was less than \$100,000 for the year.

** Totals have been varied to exclude executive officers whose remuneration was less than \$100,000. The 2001/2002 annual report specified seven executive officers whose total remuneration was less than \$100,000 and nine executive officers whose base remuneration was less than \$100,000. The Total Numbers for both total and base remuneration in 2001/2002 was 49. Due to the exclusion of the \$100,000 income band this number has been amended to 40.

Note 18. Remuneration of auditors

	2003 \$	2002 \$
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Department's financial report:		
Paid as at 30 June	100,000	116,000
Accrued as at 30 June	216,000	191,600

Note 19. Contingent liabilities and contingent assets

Details and estimates of contingent liabilities are as follows:

	2003 \$'000	2002 \$'000
Private prisons contract*	599,008	647,999
Liabilities pending the outcome of legal action	15,715	13,969

* In the financial year ended 30 June 2003, the provision of correctional services that has been renewed for a further 3 years has been recognised as an outsourcing commitment (note 20). In prior financial years this full amount was recognised as a contingent liability.

Note 20. Commitments for expenditure

	2003 \$'000	2002 \$'000
Capital commitments		
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	79,380	45,855
	<u>79,380</u>	<u>45,855</u>
Lease commitments		
Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	40,574	37,663
Later than one year but not later than 5 years*	153,252	119,330
Later than 5 years*	299,546	142,641
Commitments not recognised in the financial statements	<u>493,372</u>	<u>299,634</u>

* The departments of Justice; Innovation, Industry and Regional Development (IIRD) and Treasury (State Revenue Office) will be relocated when the redevelopment of the former Southern Cross Hotel site at the corner of Bourke and Exhibition Streets is completed in 2006-07. The State has provided \$50 million (of which Justice's contribution is \$22 million) to meet fit out costs which will occur progressively across the completion of the project to ensure early occupation of the building.

This follows from the State's commitment to take up occupancy in parts of the new Southern Cross Development. The specific nature of that commitment and the areas to be occupied by each department are not known at this stage.

Finance leases

The Department of Justice has no finance lease commitments (2002: \$nil).

Notes to the financial statements continued

30 June 2003

Note 20. Commitments for expenditure (continued)

Outsourcing commitments

Includes the ongoing future commitment to Lockheed Martin Tenix for the outsourcing of the Enforcement Management's debtors collection role, and commitments for the outsourcing of the receipt, and contract payments in respect to, the County Court project over the 20-year term of the contract. The State of Victoria has entered into a commercial arrangement for the provision of prison facilities for 20 years (Fulham CC) and 15 years (Port Phillip Prison). The provision of correctional services was renewed for a further 3 year term, on 10 September 2002, this amount is shown below. Outsourcing commitments also includes an amount relating to prisons and a building maintenance agreement. These amounts have not been recognised as liabilities and are payable:

	2003 \$'000					2002 \$'000
	LMT	County Court	Private Prison	Other	Total	
Within one year	64,000	19,857	54,091	4,658	142,606	72,183
Later than one year but not later than 5 years	232,000	85,657	66,804	3,912	388,373	108,550
Later than 5 years	0	396,080	0	0	396,080	416,703
	296,000	501,594	120,895	8,570	927,059	597,436

Note 21. Employee benefits

	2003 \$'000	2002 \$'000
Provision for employee benefits		
Current (note 13)		
Annual leave	15,316	14,065
Long service leave	6,039	5,645
	21,355	19,710
Non-current (note 13)		
Long service leave	54,349	50,807
	54,349	50,807
Aggregate employee benefit liability	75,704	70,517

	No.	No.
Employee numbers		
Average number of employees during the financial year	4,251	3,862

As explained in notes 1(p)(ii), the amount for long service leave is measured at present value. The following assumptions were adopted in measuring present values:

	2003	2002
Long Service Leave		
Weighted average rates of increase in annual employee entitlements to settlement of the liabilities	4.75%	6.90%
Weighted average discount rates	4.73%	5.66%
Weighted average terms to settlement of the liabilities	13 years	13 years

Note 21. Employee benefits (continued)

No liability is recognised in the statement of financial position for the Department's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance.

However, superannuation contributions for the reporting period are included as part of salaries and associated costs in the statement of financial performance of the Department.

The name and details of the major employee superannuation funds and contributions made by the Department are as follows:

Fund	Contribution for the Year	Contribution for the Year	Contribution Outstanding at Year End	Contribution Outstanding at Year End
	2003 \$	2002 \$	2003 \$	2002 \$
State Superannuation Fund – revised and new	9,464,836	9,331,155	0	0
VicSuper	10,149,502	6,717,418	0	0
Various other	412,319	232,634	0	0
Total	20,026,657	16,281,207	0	0

The bases for contributions are determined by the various schemes.

All employees of the Department are entitled to benefits on retirement, disability or death from the Government Employees' Superannuation Fund.

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the years ended 30 June.

Notes to the financial statements continued

30 June 2003

Note 22. Administered items

In addition to the specific Departmental operations which are included in the statement of financial position, statement of financial performance and statement of cash flows, the Department administers or manages activities on behalf of the State. The transactions relating to these State activities are reported as administered in this note. Administered transactions give rise to revenues, expenses, assets and liabilities and are determined on an accrual basis. Administered revenues include taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered liabilities include government expenses incurred but yet to be paid. Administered assets include government revenues earned but yet to be collected.

	Public Safety Policy		Emergency Prevention		Legal Support for Government		Dispensing Justice	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Administered revenue								
Appropriations – payments made on behalf of the State	6,661	0	0	0	0	0	0	0
Special Appropriations applied	0	0	0	0	8,821	4,460	17,707	19,004
Sale of Goods and Services	4,032	2,751	3,911	3,180	33,725	44,107	41,154	38,252
Commonwealth grants	868	867	0	0	44,133	42,939	0	0
Fines	0	0	0	0	0	0	19,642	22,133
Fees	0	0	0	0	2,076	0	128	0
Total	11,561	3,618	3,911	3,180	88,755	91,506	78,631	79,389
Administered expenses								
Payments made on behalf of the State	7,910	153	930	0	33,339	33,514	27,131	33,366
Payments into the Consolidated Fund	3,651	3,027	2,284	2,512	41,238	50,607	47,780	45,393
Total	11,561	3,180	3,214	2,512	74,577	84,121	74,911	78,759
Revenue less expense	0	438	697	668	14,178	7,385	3,720	630
Administered assets								
Cash	4,070	650	2,487	1,696	18,325	19,434	63,128	70,870
Receivables	0	5	99	420	1,099	512	1,468	1,381
Non-current assets	0	0	143	0	0	0	0	0
Total	4,070	655	2,729	2,116	19,424	19,946	64,596	72,251
Administered liabilities								
Creditors and accruals	1,106	164	1,370	775	1,045	199	62,774	42,796
Provisions	11	0	0	3	0	0	24,909	29,191
Other	1	1	10	1	15,271	19,197	638	7
Non-current liabilities	0	0	0	0	0	0	0	0
Total	1,118	165	1,380	779	16,316	19,396	88,321	71,994

Administered Revenue from fines is recognised upon the issue of infringement notices etc. These fines are recorded as Administered Revenue and managed by the Enforcement Management Unit of the Department. All the fines collected during the year are paid into the Consolidated Fund.

The majority of the fines (\$330.165 million) disclosed under the Enforcing Court Orders activity comprises Traffic Camera fines of \$218.607 million and On The Spot fines of \$107.308 million issued by Victoria Police.

Enforcing Court Orders		Enforcing Correctional Orders		Protecting Consumers		Achieving Equal Opportunity		Regulating Gaming and Racing		Departmental Total	
2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
0	0	0	0	0	0	0	0	23,149	0	29,810	0
2,341	1,366	0	0	0	0	0	0	0	0	28,869	24,830
20,540	62,035	15,839	12,208	1,423	1,199	119	29	1	0	120,744	163,761
0	0	0	0	0	0	0	0	0	0	45,001	43,806
330,165	240,507	126	120	285	45	0	0	0	0	350,218	262,805
58,984	0	0	0	9,703	8,242	0	0	0	0	70,891	8,242
412,030	303,908	15,965	12,328	11,411	9,486	119	29	23,150	0	645,533	503,444
73,776	109,687	5,173	2,757	392	31	76	12	23,149	0	171,876	179,520
262,323	193,507	10,497	8,750	8,741	9,317	22	0	1	0	376,537	313,113
336,099	303,194	15,670	11,507	9,133	9,348	98	12	23,150	0	548,413	492,633
75,931	714	295	821	2,278	138	21	17	0	0	97,120	10,811
4,283	5	8,434	7,737	1,594	1,285	282	142	0	0	102,603	101,819
183,614	101,335	10	345	0	12	0	4	0	0	186,290	104,014
0	0	0	0	0	0	0	0	0	0	143	0
187,897	101,340	8,444	8,082	1,594	1,297	282	146	0	0	289,036	205,833
743	25,185	4,953	2,812	795	354	250	111	1,944	0	74,980	72,396
0	89	87	16	0	0	0	0	0	0	25,007	29,299
5	2	89	108	2	29	1	1	3	0	16,020	19,346
0	0	59	23	0	0	0	0	0	0	59	23
748	25,276	5,188	2,959	797	383	251	112	1,947	0	116,066	121,064

Notes to the financial statements continued

30 June 2003

Note 23. Ex-gratia payments

	2003 \$'000	2002 \$'000
The Department made the following ex-gratia payments:		
Ex-gratia payments	21	53

These ex-gratia payments were mainly to members of the Department's various advisory boards and committees.

Note 24. Reconciliation of result from ordinary activities to net cash inflow from operating activities

Results from ordinary activities	50,762	34,346
Depreciation and amortisation expense	20,691	23,283
Provision for doubtful debts	14	26
Other expenses from ordinary activities	369	553
Net transfers free of charge	107	(1,683)
Change in operating assets and liabilities:		
Decrease (increase) in receivables	(18,159)	(47,725)
Decrease (increase) in inventories	194	599
Decrease (increase) in prepayments	1,831	(1,825)
Increase (decrease) in creditors and accruals	(13,077)	40,000
Increase (decrease) in other provisions	4,797	(1,196)
Net cash inflow from operating activities	47,529	46,378

Note 25. Funds administered for third parties

	2003 \$'000	2002 \$'000
(a) Courts ⁽ⁱ⁾		
Cash		
Courts Infant Investment Accounts	30,702	29,978
Crimes Compensation Infant Investment Accounts	23,787	26,612
	<u>54,489</u>	<u>56,590</u>
Liabilities		
Courts Infant Investment Accounts	30,702	29,978
Crimes Compensation Infant Investment Accounts	23,787	26,612
	<u>54,489</u>	<u>56,590</u>

(i) Included under Dispensing Justice output group in Note 22, Administered Items.

(b) Non-government transactions

Prisoner Private Monies Account ⁽ⁱⁱ⁾		
Cash	1,400	1,261
Creditors	(1,400)	(1,261)
	<u>0</u>	<u>0</u>
Non Government fines ⁽ⁱⁱⁱ⁾		
Debtors	128,761	111,909
less provision for doubtful debts	(106,576)	(85,473)
	<u>22,185</u>	<u>26,436</u>
Creditors	(22,185)	(26,436)
	<u>0</u>	<u>0</u>

(ii) Included under Enforcing Correctional Orders output group in Note 22, Administered Items.

(iii) Note disclosure only – not included in Statement of Financial Position or Note 22, Administered Items.

Compliance index

The Annual Report of the Department of Justice is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. This index facilitates identification of the Department's compliance with the Directions of the Minister for Finance by listing references to disclosures in this financial report.

Clause	Requirement	Page Reference
Report of Operations		
<i>Charter and purpose</i>		
9.1.3(i)(a)	Manner of establishment and Ministers	1
9.1.3(i)(b)	Objectives, functions, powers and duties	1, 6–7
9.1.3(i)(c)	Nature and range of services provided	13–76
<i>Management and structure</i>		
9.1.3(i)(d)(i)	Name of Chief Executive Officer	154
9.1.3(i)(d)(ii)	Names of senior office holders and brief description of responsibility	6–7
9.1.3(i)(d)(iii)	Organisational structure	138–139
<i>Financial and other information</i>		
9.1.3(i)(e)	Statement of workforce data and merit and equity	146, 151–152
9.1.3(ii)(a)	Summary of financial results for the year	153
9.1.3(ii)(b)	Significant changes in financial position during the year	153
9.1.3(ii)(c)	Operational and budgetary objectives and performance against objectives	77–89
9.1.3(ii)(d)	Major changes or factors affecting achievement	153
9.1.3(ii)(e)	Subsequent events	153
9.1.3(i)(f)	Application and operation of <i>Freedom of Information Act 1982</i>	157–158
9.1.3(ii)(h)	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	144–145
9.1.3(ii)(k)	Statement on National Competition Policy	153–154
9.1.3(ii)(f)	Details of consultancies over \$100,000	156
9.1.3(ii)(g)	Details of consultancies under \$100,000	156
9.6.2(i)(iv)	Disclosure of major contracts	155
9.1.3(ii)(i)	Statement of availability of other information	168
9.1.3(ii)(j)	Compliance index	128–129
9.8(i)(ii)	Occupational Health and Safety	168
9.10.3(i)	Budget Portfolio Outcomes	131
Financial Statements		
<i>Basis on which financial statements have been prepared and other compliance details</i>		
9.2.2(ii)(a)	Accrual basis of accounting	96
9.2.2(ii)(b)	Compliance with AASs and other authoritative pronouncements	96
9.2.2(ii)(c)	Compliance with Ministerial Directions and AFRBs	96
9.2.2(ii)(d)	Adoption of the historical cost convention, except for specified assets	96
9.2.2(iii)	Rounding of amounts	100
9.2.2(i)(d)	Notes to the financial statements (Contents page)	95
9.2.2(iv)	Accountable officers' declaration	91
9.9.2(i)	Model Financial Report	96
<i>Statement of financial performance</i>		
9.2.2(i)(a)	Statement of financial performance	92
9.2.3(ii)(a)	Operating revenue by class	108
9.2.3(ii)(b)	Investment income by class	108
9.2.3(ii)(c)	Other material revenue, including disposal of non current assets	108
9.2.3(ii)(e)	Depreciation	111
9.2.3(ii)(f)	Bad and doubtful debts	111
9.2.3(ii)(g)	Financing costs	N/A
9.2.3(ii)(h)	Net increment or decrement on revaluation recognised in the statement of financial performance	113
9.2.3(ii)(i)	Audit expense	121
9.7.2(i)(ii)	Motor vehicle lease commitments	121

Clause	Requirement	Page Reference
<i>Statement of financial position</i>		
9.2.2(i)(b)	Statement of financial position	93
9.2.3(iii)(a)(i)	Cash at bank and funds held in trust	112
9.2.3(iii)(a)(ii)	Inventories by class	113
9.2.3(iii)(a)(iii)	Receivables, including trade debtors, loans and other debtors	112
9.2.3(iii)(a)(iv)	Other assets, including prepayments	93
9.2.3(iii)(a)(v)	Investments	112
9.2.3(iii)(a)(vi)	Property, plant and equipment	113
9.2.3(iii)(a)(vii)	Intangible assets	114
9.2.3(iii)(b)(i)	Overdrafts	N/A
9.2.3(iii)(b)(ii)	Other loans	N/A
9.2.3(iii)(b)(iii)	Trade and other creditors	114
9.2.3(iii)(b)(iv)	Finance lease charges	121
9.2.3(iii)(b)(v)	Provisions, including employee entitlements	114
9.2.3(iii)(c)(i)(ii)	Contributed capital	115
9.2.3(iii)(d)(i)(iv)	Reserves, and transfers to and from reserves	115
<i>Statement of cash flows</i>		
9.2.2(i)(c)	Statement of cash flows during the year	94
<i>Other disclosures in notes to the financial statements</i>		
9.2.3(iv)(a)	Liability secured by a charge over assets	N/A
9.2.3(iv)(b)	Contingent liabilities	121
9.2.3(iv)(c)	Commitments for expenditure	121
9.2.3(iv)(d)	Government grants received or receivable	109
9.2.3(iv)(e)	Employee superannuation funds	123
9.2.3(iv)(f)	Assets received without adequate consideration	108
9.4	Responsible person-related disclosures	119–120



AUDITOR GENERAL VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, the responsible Ministers and the Secretary of the Department of Justice

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the financial report of the Department of Justice for the financial year ended 30 June 2003 included on the Department of Justice's web site. The Secretary of the Department of Justice is responsible for the integrity of the Department of Justice's web site. I have not been engaged to report on the integrity of the Department of Justice's web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit Scope

The accompanying financial report of the Department of Justice for the financial year ended 30 June 2003, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Secretary of the Department of Justice is responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, the responsible Ministers and the Secretary of the Department as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Department's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of the Department of Justice as at 30 June 2003 and its financial performance and cash flows for the year then ended.

MELBOURNE
10 October 2003



J.W. CAMERON
Auditor-General

Budget portfolio outcomes

The Budget Portfolio Outcomes provides a comparison between the actual financial statements of all entities within the portfolio and the forecasted financial information published in Budget Paper No.3 Budget Estimates (BP 3). The Budget Portfolio outcomes comprises of the statements for financial performance, position and cash flows.

The Budget Portfolio Outcomes have been prepared on a consolidated basis and includes all entities within the portfolio. Financial transactions and balances are classified into either controlled or administered in accordance with AAS 29 *Financial Reporting by Government Departments* and agreed with the Treasurer in the context of BP 3.

The following Budget Portfolio Outcomes statements are not subject to audit by the Victorian Auditor-General's Office and include financial information of the following entities:

- Department of Justice
- Chief Commissioner of Police
- Equal Opportunity Commission
- Gambling Research Panel
- Office of the Public Advocate
- Office of Public Prosecutions
- Office of the Victorian Privacy Commission
- Residential Tenancies Bond Authority
- Victorian Casino and Gaming Authority
- Victorian Electoral Commission
- Victorian Institute of Forensic Medicine
- Victorian Law Reform Commission

Statement of financial performance

For the year ended 30 June 2003

	2002-03 Actual \$'000	2002-03 Budget \$'000	Variation ^(a) %
Revenue from ordinary activities			
Output appropriations	2,065,576	2,051,200	0.7
Resources received free of charge or for nominal consideration	488	0	100.0
Commonwealth grants	404	100	304.0
Other revenue and revenue from other parties	85,934	74,500	15.3
	2,152,402	2,125,800	1.3
Expenses from ordinary activities			
Employee benefits	(1,252,267)	(1,197,500)	4.6
Depreciation and amortisation	(39,570)	(52,000)	(23.9)
Resources provided free of charge or for nominal consideration	(240)	0	100.0
Grants and other payments	(121,748)	(132,100)	(7.8)
Capital assets charge	(70,003)	(76,700)	(8.7)
Other expenses from ordinary activities	(648,431)	(648,500)	0.0
	(2,132,259)	(2,106,800)	1.2
Result from ordinary activities	20,143	19,000	6.0
Net increase in asset revaluation reserve	2,080	0	100.0
Total revenues, expenses and revaluation adjustments recognised directly in equity	2,080	0	100.0
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner	22,223	19,000	17.0

(a) Variation between 2002-03 Actual and 2002-03 Revised Budget.

Statement of financial position

As at 30 June 2003

	2002-03 Actual \$'000	2002-03 Budget \$'000	Variation ^(a) %
Current assets			
Cash assets	13,410	1,900	605.8
Other financial assets	197,858	191,900	3.1
Receivables	176,672	25,700	587.4
Inventories	7,939	7,800	1.8
Prepayments	9,160	6,400	43.1
Other	2,710	0	100.0
Total current assets	407,749	233,700	74.5
Non-current assets			
Other financial assets	0	3,400	(100.0)
Receivables	61,114	210,500	(71.0)
Property, plant and equipment	943,394	959,600	(1.7)
Intangible assets	9,885	3,800	160.1
Other	2,078	3,400	(38.9)
Total non-current assets	1,016,471	1,180,700	(13.9)
Total assets	1,424,220	1,414,400	0.7
Current liabilities			
Payables	118,996	110,200	8
Interest bearing liabilities	0	1,800	(100.0)
Provision ^(b)	68,592	79,200	(13.4)
Other	2,163	5,400	(59.9)
Total current liabilities	189,751	196,600	(3.5)
Non-current liabilities			
Interest bearing liabilities	0	7,100	(100.0)
Provision ^(b)	296,838	273,000	8.7
Other	7,175	0	100.0
Total non-current liabilities	304,013	280,100	8.5
Total liabilities	493,764	476,700	3.6
Net assets	930,456	937,700	(0.8)
Equity			
Contributed capital	611,523	620,700	(1.5)
Reserves	99,367	97,300	2.1
Accumulated surplus	219,566	219,700	(0.1)
Total equity	930,456	937,700	(0.8)

(a) Variation between 2002-03 Actual and 2002-03 Revised Budget.

(b) Includes employee costs and superannuation.

Statement of cash flows

For the year ended 30 June 2003

	2002-03 Actual \$'000	2002-03 Budget \$'000	Variation ^(a) %
Cash flows from operating activities			
Receipts from Government	2,037,721	2,033,200	0.2
Receipts from other entities	12,562	17,200	(27.0)
Payments for suppliers, grants and employees	(1,993,379)	(1,958,500)	1.8
	56,904	91,900	(38.1)
Interest received	49,716	47,300	5.1
Other revenue	23,400	10,200	129.4
Capital asset charge	(70,003)	(76,700)	(8.7)
Borrowing cost expense	0	(2,400)	(100.0)
Net cash inflow (outflow) from operating activities	60,017	70,300	(14.6)
Cash flows from investing activities			
Payments for property, plant and equipment	(147,554)	(177,800)	(17.0)
Proceeds from sale of property, plant and equipment	0	0	(100.0)
Payments for investments	(1,595)	0	100.0
Proceeds from sale of investments	1,205	0	100.0
(Repayment of) loans by other entities	0	(21,900)	(100.0)
Net cash inflow (outflow) from investing activities	(147,944)	(199,700)	(25.9)
Cash flows from financing activities			
Net proceeds from capital contribution by State Government	116,415	129,300	(10.0)
(Repayment of) lease incentive	(1,757)	0	100.0
Net cash inflow (outflow) from financing activities	114,658	129,300	(11.3)
Net increase (decrease) in cash held	26,731	0	100.0
Cash at beginning of the financial year	184,537	1,900	9,612.5
Cash at end of the financial period	211,268	1,900	11,019.4

(a) Variation between 2002-03 Actual and 2002-03 Revised Budget.

Administered item statement

For the year ended 30 June 2003

	2002-03 Actual \$'000	2002-03 Budget \$'000	Variation ^(a) %
Administered revenue			
Appropriations – payments made on behalf of State	23,149	25,500	(9.2)
Special appropriation	28,869	49,900	(42.1)
Sale of goods and services	85,256	76,600	11.3
Commonwealth grants	45,032	46,200	(2.5)
Other grants	4,136	1,500	175.7
Taxes	635,068	626,500	1.4
Fines	358,227	375,900	(4.7)
Fees	81,641	62,800	30.0
Other revenue and revenue from other parties	55,612	49,500	12.3
Total administered revenue	1,316,990	1,314,400	0.2
Administered expenses			
Expenses on behalf of the State	(112,239)	(131,500)	(14.6)
Grants and other payments	(40,780)	(49,900)	(18.3)
Payments into the Consolidated Fund	(1,072,726)	(1,084,300)	(1.1)
Total administered expenses	(1,225,745)	(1,265,700)	(3.2)
Revenue less expenses	91,245	48,700	87.4
Administered assets			
Cash assets	63,672	61,200	4.0
Receivables	270,565	199,100	35.9
Other financial assets	366,711	1,300	28,108.5
Prepayments	35	0	100.0
Other	481	0	100.0
Total administered assets	701,464	261,600	168.1
Administered liabilities			
Payables	77,944	77,700	0.3
Provisions	104	200	(48.0)
Other	45,528	48,700	(6.5)
Total administered liabilities	123,576	126,600	(2.4)

(a) Variation between 2002-03 Actual and 2002-03 Revised Budget.

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