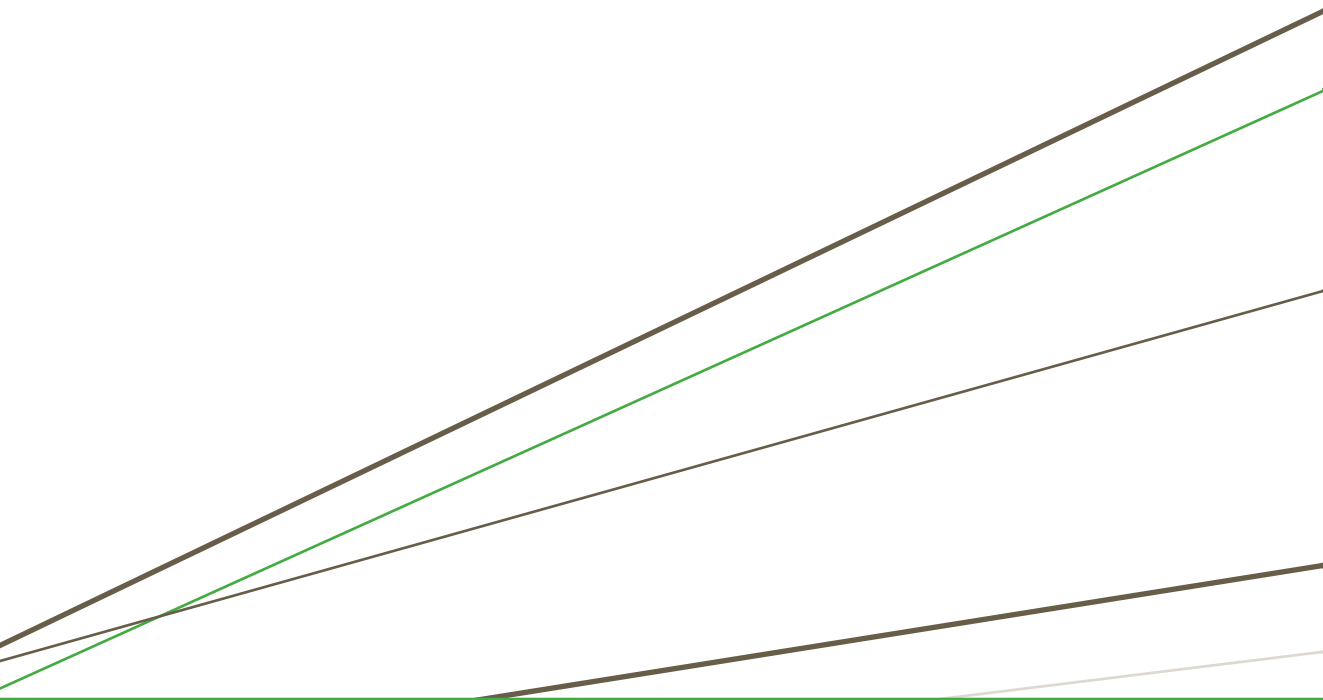


Sentencing Advisory Council

Annual Report 2012–2013

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Highlights of the Year

There were many highlights for the Council during 2012–13:

- In October 2012, we publicly released SACStat, the Council's online tool for accessing Magistrates' Court sentencing statistics. SACStat was updated in June 2013, the latest version allowing users to access data for over 500 different offences sentenced between 1 January 2010 and 30 December 2012. This year SACStat was recognised at the iAwards, winning for innovative use of information and communication technology that has a positive impact on the community.
- On 18 December 2012, the Council received terms of reference from the Attorney-General to review and report on the imposition and enforcement of fines as a sentence in Victoria.
- We published the 150th issue in our flagship Sentencing Snapshot series covering sentences in the higher courts.
- We launched a new case study in our popular Virtual You be the Judge series. The case study, which was developed in partnership with the Neighbourhood Justice Centre, was shortlisted in the 'Best Secondary Education Resource' category at the 2012 ATOM Awards.
- The Council released two imprisonment-themed publications: a statistical report on Victoria's prison population between 2002 and 2012 and a research paper examining the extent to which imprisonment protects the community through incapacitation. The Council also published reports on sentencing in the Magistrates' Court of Victoria, including an overview paper on reoffending following sentence and a report comparing sentencing outcomes for Koori and non-Koori offenders.
- We continued to engage the community through our online presence, our website receiving 85,346 visits in the year to 30 June 2013, an increase of 30.1% on the previous year. Our social media presence continues to grow through our increasing following on Twitter and the launch of the Council's Pinterest account.
- We welcomed Geoff Wilkinson as a director of the Council board.

Chair's Foreword

'Evidence-based policy' is an approach that is intended to help 'people make well informed decisions about policies, programs and projects by putting the best available evidence from research at the heart of policy development and implementation'.* Decision-making in the area of criminal justice, especially in relation to sentencing, is highly emotional and politically sensitive. Crime and justice go to the heart of the community's sense of safety and wellbeing, and failures of the system can shake public confidence in the judiciary, the executive and government themselves.

A primary task of the Council is to provide information and evidence, for the public at large and for governments, government agencies and other decision-makers, that can be used to develop and implement policies and to monitor their implementation and effectiveness. Not all the information produced by the Council conforms to the expectations of those who use it, and not all the findings accord with what might be regarded as the 'common sense'. However, it is the Council's aim to produce the best research that meets international standards and that is informed by extensive consultation with external experts, interested parties and the public, all within the limits of the Council's resources.

Over the past year, using its new reoffending database, the Council produced a report on the effect of sanctions on reoffending, the first report of a number on recidivism that

will cast some light on the nature and extent of reoffending in Victoria. Its reports on Koori sentencing make for disturbing reading on the extent of Koori over-representation in the criminal justice system and its possible causes, and its review of the role of the incapacitative effect of imprisonment continues the Council's extensive work on the role of imprisonment in meeting the various aims of sentencing, including just punishment, deterrence and community protection. Like a number of Council publications, some of these reports have been controversial, but that is to be expected in such a contested field of social science and public policy.

The further development of the Council's statistical resources, particularly SACStat and the Sentencing Snapshots, provides the courts and others with one of the most important sources of information for making sentencing decisions and developing policies in

* Philip Davies, 'What Is Evidence-Based Education?' (1999) 47(2) *British Journal of Educational Studies* 108-121.

relation to creating new sanctions and abolishing others. This monitoring and evaluation role will figure prominently in the Council's future work.

Decisions about criminal justice are also made by the public, in a very general way, and the Council's various public outreach resources, such as multiple forms of You be the Judge, our Twitter feed and other social media channels, are intended to provide an evidence base for the community to form its view of the operation of the criminal justice system. To have a credible role in decision-making, public opinion about sentencing must be informed about sentencing laws, principles as well as current sentencing practices.

Through the work of the Council, described in this report, we aim to create an informed discussion of sentencing that is reasoned, takes proper account of evidence (which may or may not be accepted or be persuasive) but is widely available and involves all those parties that are interested in the issue. These parties are not only experts, but victims, offenders and any person who wishes to have their say about important public issues.

Among those who have had a say on Council matters are a number of Council directors whose terms have expired and who will not be seeking reappointment: Gavin Silbert, Jenny Morgan and Thérèse McCarthy. Jenny and Thérèse have been on the Council since its establishment and have made an invaluable contribution to all of its activities, but in particular, their advice in relation to gender-related issues has ensured that the Council has produced richer and better informed reports than it otherwise would have without their insights. Gavin Silbert has been the latest Council director in a long line of directors with extensive prosecutorial experience, all of whom have provided the Council with sage and practical advice as to how the criminal justice system works and, more importantly, how it should work.

On behalf of the Council and its staff, I thank them all for their service.



Professor Arie Freiberg
Chair



**Professor
Arie Freiberg**

CEO's Report

It is with great pleasure that I present the Sentencing Advisory Council's report of operations for 2012–13 under section 45(1)(b) of the *Financial Management Act 1994* (Vic).

In last year's annual report, I noted that alongside its regular work the Council has been investing time and resources in development and innovation.

An outcome of this has been the launch of SACStat, an online resource for accessing sentencing statistics for over 500 different offences sentenced in the Magistrates' Court. In its first nine months of operation, SACStat received over 18,036 views, showing signs of becoming as indispensable for sentencing in the Magistrates' Court as the Council's Sentencing Snapshots are for the higher courts. It was very pleasing to see the value of SACStat recognised this year with the receipt of a prestigious iAward for innovation in the use of information and communication technology having an impact on the community.

We have also expanded the interactive products on our website, with the addition of a new multimedia case study for our popular You be the Judge program.

During the year the Council published important new reports on:

- the extent to which imprisonment protects the community through incapacitation;
- the growth in Victoria's prison population over the past decade;
- the differences between sentencing for Koori and non-Koori offenders in the Magistrates' Court; and
- an overview of patterns of reoffending following sentencing in the Magistrates' Court.

At the request of the Attorney-General, the Council has commenced work on a new major project on the imposition and enforcement of fines. The Council has also continued its work on reviewing sentencing for contraventions of family violence intervention orders and safety notices, publishing Sentencing Snapshots and conducting community education activities.

As our annual financial statements show, this year the Council has absorbed a substantial reduction in income from the previous year. This year also saw the departure of several staff members. I would particularly like to acknowledge the long and dedicated service of Jenni Coady and Karen Gelb, both of whom made an enormous contribution to the work of the Council. Like the other departing staff members, they will be greatly missed. It is a credit to the dedication and professionalism of all of the staff that the Council has continued to be so productive while remaining within its budget, and I thank each of them for their work this year.

During the past financial year, the Council held many meetings, roundtables and forums with a wide range of stakeholders and received a large number of submissions. The Council greatly values the input provided by people who contribute their time and energy to taking part in our consultation processes.

The Council also benefits from the cooperation of many parts of the Department of Justice. In particular, I would like to express my gratitude to Marisa De Cicco for her support and advice. The Business Intelligence area of the Courts and Tribunals unit of the Department of Justice, the Courtlink unit of the Magistrates' Court and Corrections Victoria have continued to assist us with access to data for our analyses and publications.

We are also grateful for the work of the Council's Audit and Finance Committee, which assists us to ensure that we are in compliance with the relevant statutory and other governance requirements.

As always, the Council has benefited greatly from the guidance of its Board of Directors and the exceptional leadership of its Chair, Professor Arie Freiberg.



Stephen Farrow
Chief Executive Officer



Stephen Farrow

Functions and Objectives

Our Functions

The Sentencing Advisory Council is an independent statutory body that was established in July 2004 under Part 9A of the *Sentencing Act 1991* (Vic).

The Council's functions, as set out in section 108C(1) of that Act, are:

- (a) to state in writing to the Court of Appeal its views in relation to the giving, or review, of a guideline judgment;
- (b) to provide statistical information on sentencing, including information on current sentencing practices, to members of the judiciary and other interested persons;
- (c) to conduct research, and disseminate information to members of the judiciary and other interested persons, on sentencing matters;
- (d) to gauge public opinion on sentencing matters;
- (e) to consult, on sentencing matters, with government departments and other interested persons and bodies as well as the general public; and
- (f) to advise the Attorney-General on sentencing matters.

The Council was established to allow properly ascertained and informed public opinion to be taken into account in the criminal justice system on a permanent and formal basis. This is in part achieved through the membership of the Council, because it is comprised of people with a wide range of backgrounds, including those with broad community experience in issues affecting courts, as well as police, legal practitioners, members of victim of crime support or advocacy groups and others with broad experience in the operation of the criminal justice system.

Our Mission

The Council's mission is to:

Bridge the gap between the community, the courts and government by informing, educating and advising on sentencing issues.

The Council's work revolves around providing sound evidence on which to base sentencing policies and practice, and increasing community confidence in those sentencing policies and practices.

Context of Our Role

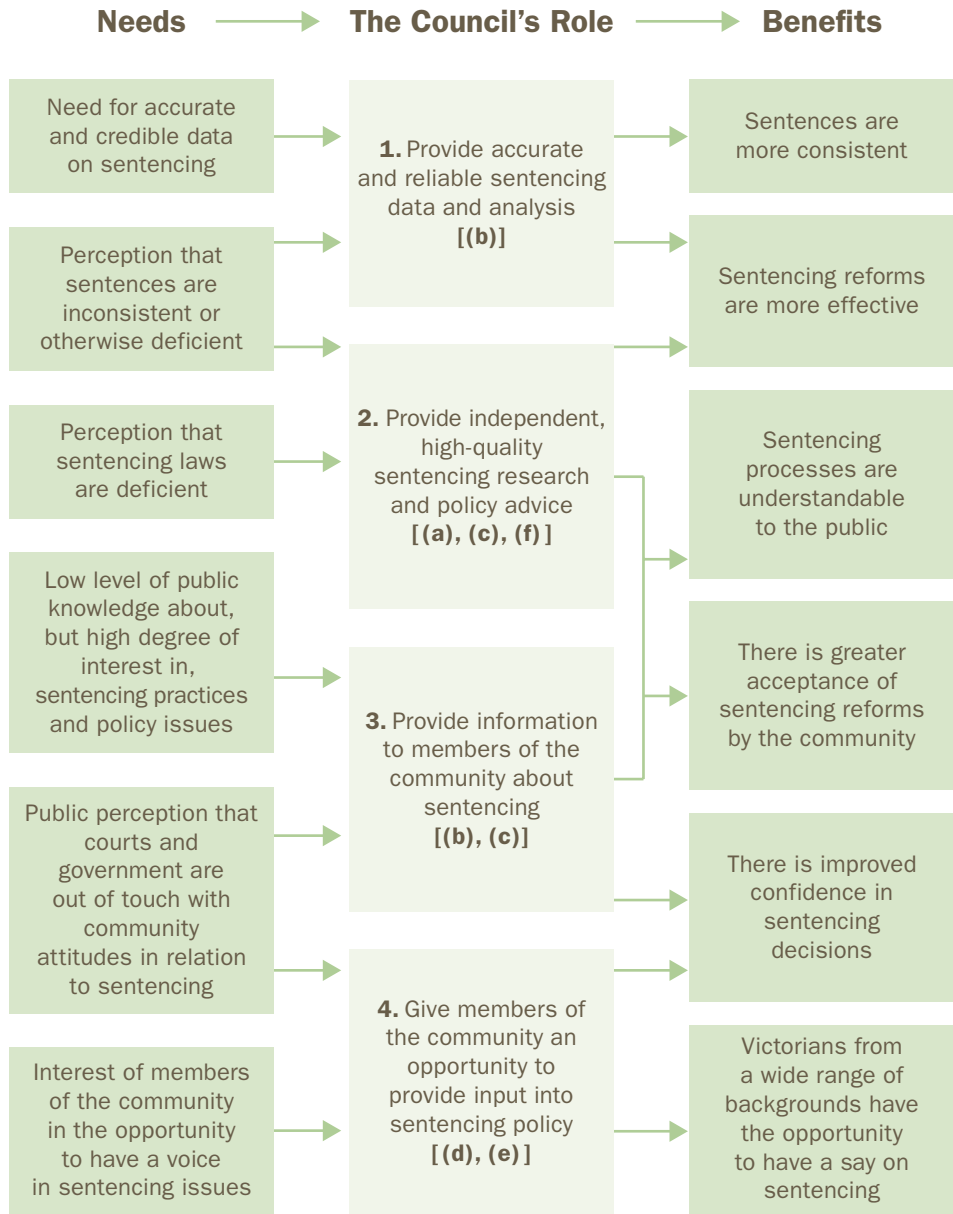
The Council addresses a range of needs. These key needs are identified in Figure 1, which also describes the relationship between these key needs, our role (with reference to the statutory functions set out in section 108C(1) of the *Sentencing Act 1991* (Vic)) and the benefits that flow from our work.

Our Guiding Principles

The Council has agreed on a set of guiding principles that underpin the way in which we carry out our functions. The objective is to ensure that our work is of the highest quality and that we maintain productive and responsive relationships with our stakeholders.

The Council is committed to:

- demonstrating integrity through evidence-based information and advice;
- adopting an inclusive, consultative and open approach to our work;
- maintaining independence in the process of building a bridge between government, the judiciary and the community;
- being responsive to the needs of stakeholders; and
- supporting and developing staff.



**FIGURE 1:
THE CONTEXT OF
THE COUNCIL'S ROLE**

Council Directors

The Council welcomed Geoff Wilkinson as a director in October 2012. This appointment brought the Council's board membership to the statutory maximum of 14 directors. During 2012–13, the Council's board consisted of the following directors.

Professor Arie Freiberg AM (Chair)

Profile – senior member of an academic institution

Emeritus Professor Arie Freiberg is an authority on sentencing issues and the criminal justice system, having undertaken extensive research on sentencing theory, policy and practice. He was Dean of Law at Monash University from 2004 to 2012 and has served as a consultant to the federal, Victorian, South Australian and Western Australian governments on sentencing matters as well as to the Australian Law Reform Commission and South African Law Reform Commission. Professor Freiberg was appointed as Chair of the Tasmanian Sentencing Advisory Council in 2013.

Council meetings attended: 10/10

Carmel Arthur

Profile – operation of the criminal justice system

Carmel Arthur has great personal insight into the operation of the criminal justice system, both from her experience as a victim of crime and through her long association with Victoria Police. She was appointed to the Adult Parole Board in 2009.

Council meetings attended: 10/10

Graham Ashton AM

Profile – operation of the criminal justice system

Graham Ashton has experience at the executive level of policing both at the state level and nationally. Prior to joining Victoria Police, Graham was an Australian Federal Police officer with 24 years' experience in policing, reaching the rank of Assistant Commissioner. Graham joined Victoria Police in 2009 and in February 2012 was appointed Deputy Commissioner, Crime and Operations Support.

Council meetings attended: 5/10

Hugh de Kretser

Profile – community issues affecting courts

Hugh de Kretser is the Executive Director of the Human Rights Law Centre. He has extensive legal practice and policy experience in the criminal justice system, working on both offender and victim issues. He previously worked for six years as the Executive Officer of the Federation of Community Legal Centres and was a commissioner on the Victorian Law Reform Commission from 2008 to 2012.

Council meetings attended: 9/10

Peter Dikschei

Profile – member of the police force of the rank of senior sergeant or below

Peter Dikschei has been a member of Victoria Police for over 28 years, the last 15 as a sergeant at various stations and in support roles. Earlier in his career he was a prosecutor at Melbourne and Ringwood Magistrates' Courts. He is currently stationed at Police Communications where he is an online supervisor.

Council meetings attended: 8/10

David Grace QC

Profile – highly experienced defence lawyer

David Grace has over 30 years' experience as a legal practitioner, having appeared in numerous court jurisdictions in a number of leading sentencing cases. He regularly appears in the High Court and the Court of Appeal and is a former Chair of the Criminal Law Section of the Law Institute of Victoria.

Council meetings attended: 8/10

John Griffin PSM

Profile – operation of the criminal justice system

John Griffin has over 40 years' experience in the operation of criminal justice systems, including senior executive roles in both the Victorian correctional system and the Victorian court system. He is currently a member of the Mental Health Review Tribunal and an adjunct professor in the School of Global and Justice Studies at RMIT.

Council meetings attended: 9/10

Thérèse McCarthy

Profile – community issues affecting courts

Thérèse McCarthy has a long history of involvement with community organisations such as Centre Against Sexual Assault (CASA) House and Court Network. She has also worked with Australian courts to enhance the relationship between the courts and the community. Ms McCarthy brings to the Council a community perspective on a range of criminal justice issues, including domestic violence and sexual assault.

Council meetings attended: 9/10

Professor Jenny Morgan

Profile – member of a victim of crime support or advocacy group

Professor Jenny Morgan is a member and previous co-chair of the Women's Domestic Violence Crisis Service and has extensive experience in victims' issues. She is a former chair of the board of Centre Against Sexual Assault (CASA) House and a former member of the board of Court Network, and she has written extensively on issues to do with gender and the law.

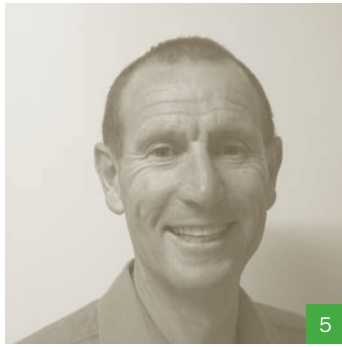
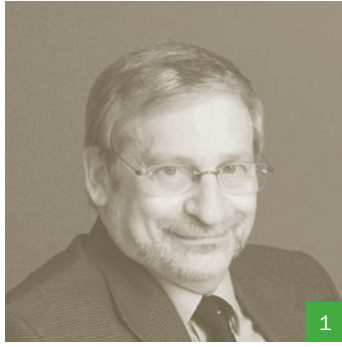
Council meetings attended: 7/10

Barbara Rozenes

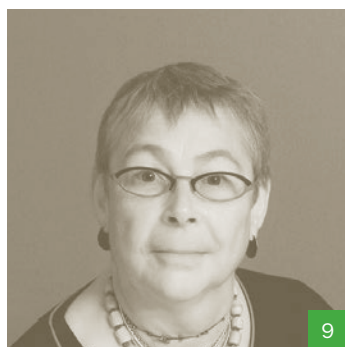
Profile – member of a victim of crime support or advocacy group

Barbara Rozenes is the immediate past President and inaugural ambassador of Court Network, where she has had over 20 years of close contact with victims of crime. She is a board member of the Victorian Association for the Care and Resettlement of Offenders, an ambassador for Windana Drug and Alcohol Recovery and an associate member of the Australian Institute of Arbitrators and Mediators.

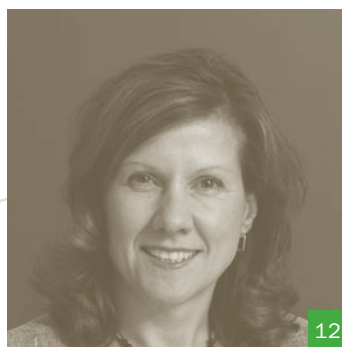
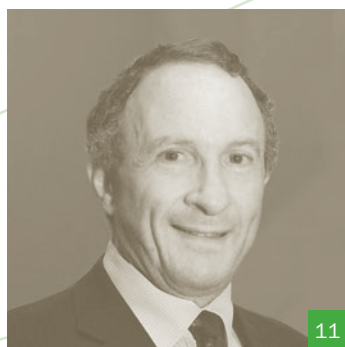
Council meetings attended: 8/10



1. Arie Freiberg AM
2. Carmel Arthur
3. Graham Ashton AM
4. Hugh de Kretser
5. Peter Dikschei
6. David Grace QC
7. John Griffin
8. Thérèse McCarthy
9. Jenny Morgan
10. Barbara Rozenes
11. Gavin Silbert SC
12. Lisa Ward
13. Geoff Wilkinson OAM
14. Kornelia Zimmer



11



Gavin Silbert SC

Profile – highly experienced prosecution lawyer

Gavin Silbert has over 30 years' experience as a barrister, having appeared in all jurisdictions, including the Court of Appeal and the High Court. He was appointed Chief Crown Prosecutor for Victoria in March 2008.

Council meetings attended: 9/10

Lisa Ward

Profile – operation of the criminal justice system

Lisa Ward has extensive experience in a range of human services, including juvenile justice, child protection and adult corrections. For the last decade, she has operated a human services consulting business, providing research, program evaluation and policy review services to government and community organisations. Ms Ward is a member of the Adult Parole Board.

Council meetings attended: 8/10

Geoff Wilkinson OAM

Profile – operation of the criminal justice system

Geoff Wilkinson specialised in crime and justice issues during 43 years as a journalist. He was founding Media Director of Victoria Police and in 1987, as the result of a Churchill Fellowship, established Australia's first Crime Stoppers program. In 2008 he was awarded an OAM for community service, and was presented with a Lifetime Achievement Award by the Melbourne Press Club in 2011.

Date of commencement: October 2012

Council meetings attended: 7/7

Kornelia Zimmer

Profile – involved in management of a victim of crime support or advocacy group and is a victim of crime

Kornelia Zimmer became a victim of crime advocate following her experience with the criminal justice system after the homicide of her brother. She volunteers with various victim of crime organisations across Victoria, where she specialises in policy and research.

Council meetings attended: 7/10

Council Secretariat

Staff

The part-time Council directors are supported by a secretariat that undertakes the Council's daily work.

Secretariat staff bring skills from a range of disciplines such as law, policy development, criminology, statistics, publishing and community education and engagement to assist the Council in meeting its objectives.

In 2012–13, secretariat staff included the following.

Chief Executive Officer

Stephen Farrow

Legal Policy

Principal Legal Policy Officer:
Narelle Sullivan (to July 2012)

Principal Legal Policy Officer:
Nina Hudson (July 2012 to November 2012)

Principal Legal Policy Officer:
Felicity Stewart (from February 2013)

Senior Legal Policy Officer:
Nina Hudson (to July 2012)

Senior Legal Policy Officer:
Hilary Little (to July 2012)

Legal Policy Officer:
Donald Ritchie (to July 2012)

Senior Legal Policy Officer:
Donald Ritchie (from August 2012)

Senior Legal Policy Officer:
Emma O'Neill (from February 2013)

Criminology

Senior Criminologist:
Karen Gelb

Acting Senior Criminologist:
Geoff Fisher (September 2012 to October 2012)

Statistics and Data

Senior Data Analyst:
Geoff Fisher

Senior Data Analyst:
Georgina Payne (to April 2013)

Data Analyst:
Dennis Byles

Data Analyst:
Christine Knowles Diamond

Community Engagement

Community Engagement Manager:
Jenni Coady (to November 2012)

Education and Online Engagement
Coordinator:
Chris Gill

Publications and Website Officer:
Catherine Jeffreys

Administration

Office Manager:
Sally Hay

Administrative Assistant:
Sarah Lappin

Casual Librarian:
Julie Bransden

Chief Finance and Accounting Officer:
Anthony Phillips (to September 2012)

Chief Finance and Accounting Officer:
Tony Matthews (from October 2012)

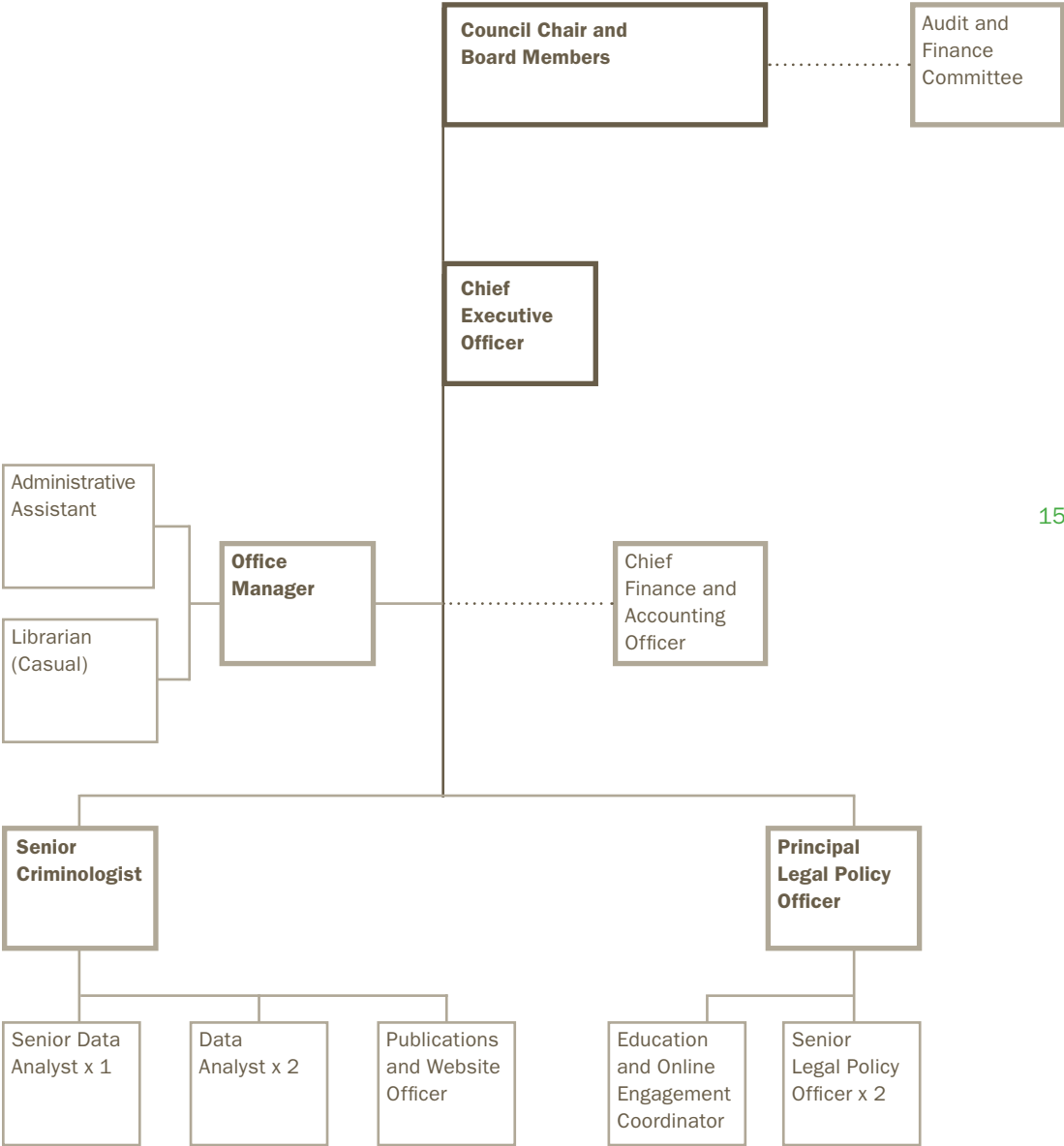
Student Interns

The Council's student research placement program aims to foster greater collaboration with universities and assist the Council with its research priorities. Students with suitable research skills and a demonstrated commitment to public interest are selected to undertake short-term supervised research projects that typically overlap with the Council's work program and, in some cases, the student's current academic research.

In 2012–13, the Council hosted Darcy Daly as part of the Monash University Faculty of Law's Research Practicum.

Organisational Chart

The Council's organisational structure as at 30 June 2013 is shown in Figure 2.



**FIGURE 2:
SENTENCING ADVISORY COUNCIL
ORGANISATIONAL CHART**

Citations and Media Mentions

The Council's work continues to be cited widely in judicial and academic circles. In 2012–13, the Council's higher courts Sentencing Snapshots were cited in at least 16 decisions in the Supreme Court and the Court of Appeal, including:

- *Hards v The Queen* [2013] VSCA 119 (7 May 2013);
- *Zhu v The Queen* [2013] VSCA 102 (3 May 2013);
- *Lord v The Queen* [2013] VSCA 80 (12 April 2013);
- *Latif v The Queen; Niyazi v The Queen; Azmi v The Queen* [2013] VSCA 51 (13 March 2013);
- *R v Williams* [2012] VSC 643 (21 December 2012);
- *DPP (Cth) & DPP (Vic) v Edge* [2012] VSCA 289 (5 December 2012);
- *D R S v The Queen* [2012] VSCA 276 (16 November 2012);
- *R v Potter* [2012] VSC 511 (30 October 2012);
- *Gadd v The Queen* [2012] VSCA 267 (26 October 2012);
- *Denman v The Queen* [2012] VSCA 261 (15 October 2012);
- *S J N v The Queen* [2012] VSCA 239 (26 September 2012);
- *D M v The Queen* [2012] VSCA 227 (21 September 2012);
- *M A v The Queen* [2012] VSCA 214 (7 September 2012);
- *DPP v Werry* [2012] VSCA 208 (5 September 2012);
- *Chol v The Queen* [2012] VSCA 204 (31 August 2012); and
- *R v Hill* [2012] VSC 353 (20 August 2012).

The Council's other work was referred to in higher court decisions, including *Hogarth v The Queen* [2012] VSCA 302 (18 December 2012) [52]. In this decision, the Victorian Supreme Court of Appeal cited the Council's 2011 report *Aggravated Burglary – Current Sentencing Practices*, calling it 'an important report'. The court adopted the Council's classification of aggravated burglaries into distinct types, including a category described by the Council as 'confrontational aggravated burglary'.

The significance of the Council's report was also noted in a recent speech by Saul Holt SC, Chief Counsel for Victoria Legal Aid. Mr Holt stated that the Council's 'detailed analysis of sentencing practices for Aggravated Burglary ... [has] been instrumental in the Court of Appeal declaring sentencing practices to be inadequate for "confrontational" Aggravated Burglary'.*

The Council's work on the maximum penalty for negligently causing serious injury was cited in *Miller v The Queen* [2012] VSCA 265 (31 October 2012), and its work on intermediate sentencing orders and their influence on the development of the community correction order were referred to in *DPP v Leys & Leys* [2012] VSCA 304 (12 December 2012).

The Council's work on provocation in sentencing has also been cited in academic literature. The work, which was distilled into a book chapter, 'Beyond the Partial Excuse: Australasian Approaches to Provocation as a Sentencing Factor', in *Mitigation and Aggravation at Sentencing* (Cambridge University Press, 2011), was critically reviewed by Gilles Renaud of the Ontario Court of Justice, who described the chapter as 'an insightful and well thought out critique of current sentencing practice and theory'.†

In addition to these citations, the Council's work received widespread media attention during 2012–13, featuring in a range of print and radio media.

* Saul Holt SC, 'The New Sentencing Landscape' (Law Institute of Victoria Young Lawyers Professional Development Program, Melbourne, May 2013) 12.

† Gilles Renaud, Review of *Mitigation and Aggravation at Sentencing* by Julian V. Roberts (ed.), (2012) 36(5) *Criminal Law Journal* 317–322, 319.

Accurate and Reliable Sentencing Data and Analysis

One of the Council's statutory functions is to provide statistical information on sentencing, including information on current sentencing practices.

Doing so serves two important purposes:

- it promotes consistency in sentencing; and
- it increases the transparency of sentencing.

During 2012–13, the Council fulfilled this function by launching and revising SACStat, an online tool for viewing sentencing data for the Magistrates' Court of Victoria and by publishing 23 Sentencing Snapshots. The Council also met this objective by releasing statistical reports on reoffending following sentence, Victoria's prison population and the sentencing of Koori offenders in the Magistrates' Court. The Council also commenced analysis of sentencing practices for family violence contravention offences.

SACStat

The Council is committed to expanding its statistical publications and publishing statistical material in an interactive format on its website.

In 2010, we developed a proof-of-concept product, SACStat, which contained basic statistical information on the sentencing of all offences in the Magistrates' Court, County Court and Supreme Court. We piloted a version of

SACStat for the Magistrates' Court in July 2010, and this was made available to all magistrates through the Judicial Officers Information Network administered by the Judicial College of Victoria. It was intended that SACStat would be later made available more broadly to police prosecutors and legal practitioners and eventually made publicly available on the Council's website.

It became evident during the pilot phase that the concept of SACStat was viable in terms of content and audience need, but the technological solution was not appropriate for broad distribution. In early 2012, the Council developed a new technological solution for SACStat with the assistance of external contractors Internet Business Systems Australia.

The new version of SACStat built on what we had learned from the 2010 pilot and from a statistics user needs assessment that we conducted in 2011. It was published as an integral part of our website in October 2012.

SACStat enables users to search for sentencing patterns for particular offences. It produces simple graphs showing the proportion of cases or charges involving a particular offence that received various sentencing outcomes (such as imprisonment, community-based orders and fines). Users who would like more detailed information can drill down according to the gender and age of the offender and can also find out more detail about lengths of sentences or amounts of fines. SACStat contains a glossary of technical terms and explanations of data issues, such as the data source and counting rules. There is also a series of short videos explaining how to use the product.

The initial version of SACStat included Victorian offences with at least 50 charges sentenced in the Magistrates' Court between 1 January 2009 and 31 December 2011. We chose 50 charges as the cut-off to ensure that the product covered a wide range of offences (over 430 different offences) while also having sufficient data for each offence to display meaningful results.

In June 2013, the Council published an updated version of SACStat covering offences sentenced between 1 January 2010 and 30 December 2012 and including data on the newly created community correction order. Following feedback from users, the threshold for inclusion was reduced to 40 charges over the three-year period, which means that the product now covers over 500 different offences.

In the nine months since it was launched in October 2012, SACStat has had 18,036 page views.

In 2013, the Council and Internet Business Solutions Australia jointly won a prestigious iAward for SACStat, recognising innovative uses of information and communication technology that has a positive impact on the community.

Sentencing Snapshots

Milestone 150

In June 2013, the Council released its 150th Sentencing Snapshot. First published in January 2007, the series continues to provide objective, reliable and timely sentencing data to the courts, the public and policy-makers.

Each Sentencing Snapshot examines trends with reference to the age and gender of the sentenced person, sentence types and lengths, principal and total effective sentences and non-parole periods. The Snapshots also include a section on appeals.

The series focuses on the County Court and the Supreme Court, presenting sentencing outcome data on the 40 most common offences sentenced in those courts. The offences represent about three-quarters of people sentenced in those courts.

Changes

As of March 2013, the Council made a number of improvements to the Sentencing Snapshots series.

Snapshot content changed following Council consultation with a range of stakeholders in 2011–12. These changes include additional sentencing information on all charges and cases (as opposed to principal charges only) pertaining to a particular offence and addition of a section on the duration of community correction orders.

The distribution of Snapshots moved from hardcopy mail-outs to electronic distribution via the Council's website. The format of Sentencing Snapshots was revised to include PDF, HTML and epub in order to increase accessibility and facilitate on-screen use.

Releases in 2012–13

In 2012–13, the Council released 23 Sentencing Snapshots. The offences covered by these Snapshots are:

- affray;
- arson;
- culpable driving causing death;
- cultivating a commercial quantity of narcotic plants;
- cultivating a non-commercial quantity of narcotic plants;
- handling stolen goods;
- incest;
- indecent act with a child under 16;
- indecent assault;
- making a threat to kill;
- manslaughter;
- murder;
- persistent abuse of a child under 16;
- obtaining a financial advantage by deception;
- obtaining property by deception;
- rape;
- sexual penetration of a child aged 12 to 16;
- sexual penetration of a child aged under 12;
- sexual penetration of a child under care, supervision or authority;
- theft;
- trafficking in a commercial quantity of drugs;
- trafficking in a large commercial quantity of drugs; and
- trafficking in a non-commercial quantity of drugs.

According to the Australasian Legal Information Institute, Sentencing Snapshots were referred to in at least 16 Court of Appeal and Supreme Court cases in the 2012–13 financial year.

Reoffending Following Sentencing in the Magistrates' Court of Victoria

Under the statutory function to conduct research and disseminate information on sentencing matters, the Council has prepared a statistical research report that summarises local and international research on the predictors of reoffending and examines data on the factors associated with reoffending following sentencing in Victoria.

Previous research on reoffending has largely been conducted internationally and elsewhere in Australia, particularly in New South Wales. A consistent finding of this research is that the characteristics of the offender (in particular, the offender's prior criminal history) are the strongest predictors of an offender's likelihood of reoffending.

The literature is less clear about the effect of sentence type on reoffending. Some studies have found that, once other variables are controlled for, sentence type has no effect on the likelihood of reoffending, while others have found that sentence type has a modest effect on reoffending.

A lack of appropriate data has meant that there has been very little original research on reoffending in Victoria. In particular, it has been unclear whether sentencing has any effect on reoffending in Victoria and, if it does, whether the effect varies by the type of sentence imposed.

The Council has recently developed a reoffending database. The database draws on data collected by all sentencing courts in Victoria and includes people sentenced between July 2004 and June 2011. It provides an opportunity to follow offenders as they appear and reappear for sentencing in the Victorian courts.

For this report, the Council used a sophisticated statistical technique to ensure that reoffending was compared only for similar types of

offenders by matching offenders on key characteristics, such as prior sentencing history, offence type, age and gender.

A number of conclusions were drawn from the analysis.

Effect of Recent Prior Sentences

After controlling for the effects of other variables in the model, the variable with the strongest relationship with reoffending was recent prior sentence. In particular, having two or more recent prior sentences had the largest effect on the likelihood of reoffending: someone with two or more recent prior sentences was almost three times more likely to reoffend than someone who had no recent prior sentences. Even with a single recent prior sentence, the chances of reoffending were doubled compared with someone with no recent prior sentences.

Two other variables relating to offending history also had strong associations with reoffending. Having a recent prior imprisonment sentence increased the likelihood of reoffending by almost 50% compared with someone without a recent prior imprisonment, while having a recent prior property offence increased the likelihood of reoffending by almost 25% compared with someone who had some other kind of recent prior offence.

Effect of Offence Factors

After controlling for the effects of other variables in the model, people who committed a property offence as their main current offence were slightly more likely to reoffend than those who committed a violent offence, a traffic offence or a drug offence.

People with multiple charges and multiple offence dates were also more likely to reoffend than people with single charges and single offence dates. A general pattern was found with an increasing likelihood of reoffending as the number of charges and offence dates increased.

Effect of Age and Gender

Offenders aged under 25 were almost 30% more likely to reoffend compared with older offenders, while males had a 22% increased risk of reoffending compared with female offenders.

Effect of Sentence Type on the Likelihood of Reoffending

Overall, the effect of sentence type on the likelihood of reoffending was relatively small, after controlling for the effects of other variables in the model. Nonetheless, there were statistically significant relationships found between certain sentence types and reoffending.

When comparing an immediate term of imprisonment with an intensive correction order, there was no statistically significant difference in the likelihood of reoffending, meaning that the small increase in the likelihood of reoffending following imprisonment may have occurred by chance.

In contrast, there was a statistically significant difference in the likelihood of reoffending following an immediate term of imprisonment when compared with a wholly suspended sentence. The likelihood of reoffending following imprisonment was 25% higher than for wholly suspended sentences, even after controlling for the effect of offender, offence and prior offending characteristics.

There are a number of potential explanations for this finding. One is the possible criminogenic effect of imprisonment, whereby an offender's experience in prison – associating with other offenders, being isolated from any pro-social activities and relationships in the community and loss of housing or employment – may increase the likelihood of reoffending following release.

Another possible explanation revolves around the characteristics of the offenders who receive the two different

orders. One of the key considerations for a magistrate when suspending a sentence of imprisonment is the offender's risk of reoffending. The available data did not allow the Council to include such measures in the analysis. It is thus possible that the different reoffending rates found for imprisonment and wholly suspended sentences are actually a function of a number of unmeasured characteristics on which the offenders varied, rather than being a function of the sentence itself.

Nonetheless, based on the variables that were included in the reoffending model, the risk of reoffending following imprisonment was higher than the risk following a wholly suspended sentence.

Subsequent analyses compared fines with community-based orders, low-end orders and diversion. The risk of reoffending was higher following a community-based order compared with a fine, but lower following a low-end order and participation in the Criminal Justice Diversion Program.

Conclusion

Recent prior sentencing has by far the strongest effect on reoffending of all the variables in the model: as the number of recent prior sentences increases, so does the likelihood of reoffending. Other variables, such as having a recent prior imprisonment and being sentenced for multiple charges, also substantially increase the likelihood of reoffending.

The results also show that immediate custodial sentences have the strongest association with a higher likelihood of reoffending. For repeat offenders, those sentenced to prison are most likely to reoffend and return to offending most quickly.

Sentencing of Koori Offenders

This year the Council completed the second stage of its work on the sentencing of Koori offenders. The report, *Comparing Sentencing Outcomes for Koori and Non-Koori Adult Offenders in the Magistrates' Court of Victoria*, represents the culmination of a multi-year project to identify, analyse and publish statistics on the sentencing of Koori offenders in Victoria.

The first phase of the project involved a statistical profile of the Koori Court, identifying the types of people appearing before the court and their sentencing outcomes. The report, *Sentencing in the Koori Court Division of the Magistrates' Court*, was released in October 2010.

The second phase of the project addressed the following research questions:

- What is the profile of Koori and non-Koori offenders sentenced to various sentencing orders, including terms of imprisonment, partially suspended sentences, intensive correction orders and community-based orders?
- How do average terms of imprisonment compare for Koori and non-Koori prisoners?
- What proportion of offenders sentenced to a term of imprisonment is Koori? If this proportion is disproportionate, what is the effect on sentencing outcome of Indigenous status, current offending and prior offending?
- Do Koori and non-Koori offenders vary on key social, personal and economic measures?

Key Findings

The 2011 Australian census revealed that Koori people comprise 0.7% of the population of Victoria. On 30 June 2012, however, Koori people comprised 7.6% of the Victorian prison population and had a rate of imprisonment that was 13.4 times higher than the rate of imprisonment of non-Koori people.

Victorian Imprisonment and Detention Rates Over Time

The Koori imprisonment rate has increased substantially since 2002, rising from 705 prisoners per 100,000 adults in 2002 to 1,444 prisoners per 100,000 adults in 2012, an increase of 105%. In contrast, the non-Indigenous imprisonment rate increased from 90 prisoners per 100,000 adults in 2002 to 108 prisoners per 100,000 adults in 2012, representing an increase of 20%.

It is possible that this increase in the Koori imprisonment rate is due to an increased willingness of Koori people to identify as Indigenous upon entering prison. This may be partly due to the efforts by agencies such as Corrections Victoria to implement a range of culturally appropriate programs specifically for Indigenous offenders.

The over-representation of Koori youth in juvenile detention facilities is even more pronounced than it is for Koori adults. In Victorian juvenile detention facilities in 2010–11, on an average night the rate of detention for Koori youth was 2.48 per 1,000 young people, while for non-Koori youth the detention rate was 0.12 per 1,000. Koori youth were therefore 20 times more likely to be in detention than non-Koori youth.

Current Offence Type

For both Koori and non-Koori offenders, the most common offence for which they were sentenced was ‘acts intended to cause injury’. The prevalence of this offence among Koori offenders was higher than for non-Koori offenders: one-third (32.7%) of all Koori offenders sentenced in the Magistrates’ Court in 2010–11 were sentenced for this offence, compared with less than one-quarter (24.3%) of non-Koori offenders.

Burglary was also more prevalent among Koori offenders, constituting 12.4% of sentenced offences for Koori offenders (compared with 9.0% of sentenced offences for non-Koori offenders).

Non-Koori offenders were more likely to be sentenced for a traffic offence (16.3% versus 8.6% for Koori offenders), a drug offence (8.2% versus 4.0% for Koori offenders) or a deception offence (7.0% versus 3.2% for Koori offenders).

Prior Sentencing

For almost one-quarter (24.7%) of non-Koori offenders, the sentence imposed in 2010–11 was their first sentencing episode in the database. In contrast, 15.7% of Koori offenders had no recent prior sentencing episodes within the database.

The average number of recent prior sentences among Koori offenders sentenced in 2010–11 was higher than among non-Koori offenders: among Koori offenders, the average was 3.9 prior episodes, while among non-Koori offenders, the average was 2.9.

Underlying these differences in criminal histories is the gross over-representation of Koori people in both the child protection and the juvenile justice systems. These data highlight the high levels of victimisation and trauma that are found in the Koori community. In addition, data from Victorian prisons show that Koori prisoners experience greater social, personal and economic disadvantage, with a higher prevalence of problem drug and alcohol use in particular.

Sentence type

Analysis shows a statistically significantly higher proportion of Koori people being sentenced to imprisonment (36.7% of Koori offenders versus 28.5% of non-Koori offenders) and a statistically significantly lower proportion receiving an intensive correction order (7.0% versus 17.5%).

Even when controlling for relevant factors such as offence type and prior sentencing, Koori offenders are still significantly more likely to receive a custodial sentence than non-Koori offenders.

Sentence Length

Koori offenders are more likely to be sentenced to a short term of imprisonment (a term of less than three months), while non-Koori offenders are more likely to be sentenced to a longer term of imprisonment, particularly terms of two years or more.

When controlling for relevant factors, however, there was no statistically significant relationship between Indigenous status and the length of the imprisonment term. That is, there were no meaningful differences in sentence length between Koori and non-Koori offenders.

Conclusions

The two primary findings of this research are that, taking into account relevant factors, Koori people are statistically significantly more likely to receive a custodial sentence in the Magistrates' Court than non-Koori people, but there is no difference in the length of the term imposed.

The causes of over-representation of Koori people in Victoria's prisons are complex. The findings of the report show that this over-representation is partly influenced by an increased likelihood of being given a custodial sentence. While the analysis cannot definitively identify the reasons for this difference, it is feasible that Koori sentencing outcomes are influenced by Koori over-representation in the youth justice system, which, in turn, is influenced by Koori over-representation in the child welfare system. This, in turn, may be part of the ongoing consequences of the historical disadvantage that began with colonisation and the economic and social impacts that followed.

Victoria's Prison Population 2002–2012

In 2007, the Sentencing Advisory Council published *Victoria's Prison Population: 2001 to 2006*. That paper examined the trends for the five years between 2001 and 2006 in Victoria's prison population, including prisoner receptions and sentence lengths, crime rates and offending patterns, and court flow and custody rates.

In May 2013, the Council published an update of that paper, *Victoria's Prison Population 2002–2012*, which represented a continuation of that analysis to include a further five years, examining data on Victoria's prison population for the full ten-year period from 2002 to 2012.

The trends in these data presented in the paper demonstrate that Victoria's prison population and imprisonment rate have continued to increase. While the overall crime rate has decreased, offences against the person, offences against good order and drug offences have all increased. The prevalence of these offences is also observed in courts data on the principal proven offence of those offenders sentenced to prison, and in prisoner data on the most serious offence of prisoners.

There has been a significant increase in the number of prisoners held on remand and a corresponding increase in the proportion of the overall prison population that these prisoners represent. In the higher courts, the custody rate (being the proportion of all sentences that receive a sentence of imprisonment) has increased. Average sentence lengths imposed in both the higher courts and the Magistrates' Court have also increased, while the proportion of offenders receiving a sentence length of 12 months or less has decreased.

The paper concludes that increases in Victoria's prison population between 2002 and 2012 have been due to a combination of increased lengths of imprisonment sentences, an increased custody rate in the higher courts and increases in the occurrence of offences against the person, drug offences and offences against good order.

Family Violence

The Council is currently reviewing sentencing practices in the Magistrates' Court for the offences of contravening a family violence intervention order or family violence safety notice.

A court can impose a family violence intervention order if satisfied that a person has assaulted, harassed or molested a member of his or her family. In circumstances where immediate protection is required outside court hours, certain police may issue a short-term family violence safety notice.

Family violence intervention orders and safety notices may contain conditions that prohibit a person from doing things such as approaching or contacting certain family members. Contravening such conditions is an offence.

In 2009, at the request of the then Attorney-General, the Council published a report on sentencing practices for breach of family violence intervention orders. The report, *Sentencing Practices for Breach of Family Violence Intervention Orders*, found that the most common sentence for this offence was a fine (37.2%), the average amount of which was \$500. The second most common sentence was an adjourned undertaking (18.5%). The report identified the relevant sentencing purposes and questioned the extent to which the sentencing practices were reflecting those purposes. The Council also expressed concern about sentencing practices for repeat offenders.

The Council's report noted the limited guidance available to magistrates in relation to sentencing for this offence, and also that when sentencing for such offences magistrates typically have minimal information at their disposal about the background and context of the breach.

The Council's 2009 report contained several recommendations alongside a series of guiding principles for sentencing in relation to such offences.

The Council is analysing developments since that time. In particular, the Council is analysing:

- trends in family violence intervention orders and family violence safety notices;
- current sentencing practices for contravention of a family violence intervention order and family violence safety notice; and
- the extent to which current sentencing practices differ from those found in the 2009 report.

Independent, High-Quality Sentencing Research and Policy Advice

The provision of independent, high-quality sentencing research and policy advice relates to the Council's statutory functions of stating in writing to the Court of Appeal the Council's views in relation to the giving, or the review, of a guideline judgment, conducting research and disseminating information on sentencing matters and advising the Attorney-General on sentencing matters.

During 2012–13, the Council achieved this objective by undertaking a reference from the Attorney-General on fines and producing a paper on the extent to which imprisonment protects the community through incapacitation.

Fines

In December 2012, the Attorney-General requested the Council to review and report on the imposition and enforcement of fines as a sentencing option by Victorian courts, including fines that are imposed by a court in matters that commence with the issuing of an infringement notice.

The Attorney-General described the purpose of the review as 'to ensure the effective, efficient and principled use of fines as a sentence'.

The Council has been asked to consider in particular:

- issues arising from the number of infringement matters subsequently heard in open court;
- issues arising from the conversion of fines to an order for community work;
- issues arising from the conversion of fines (including infringement fines) to an order for imprisonment, especially when the imprisonment is served concurrently with another sentence of imprisonment; and

- the desirability of harmonising the enforcement mechanisms and procedures for court-imposed fines with those for infringement notices.

In conducting the review, the Attorney-General asked the Council to have regard to the purposes and operation of mechanisms and processes for the imposition and enforcement of fines in other Australian and comparable overseas jurisdictions.

In his letter to the Council requesting this review, the Attorney-General expressed particular concern that:

the complexity and disparity of current legislative and operational requirements for the imposition, management and enforcement of fines contribute to non-compliance, reducing public confidence in the system and reducing the effectiveness and efficiency of the use of fines as a sentencing option.

The Council has commenced work on the project and will report to the Attorney-General in December 2013.

How Much Does Imprisonment Protect the Community Through Incapacitation?

In July 2012, the Council published a new paper in its Sentencing Matters series, examining research on the sentencing principle of community protection. Specifically, the Council examined research on the extent to which imprisonment furthers community protection by preventing offending through the incapacitation of offenders.

Alongside deterrence and rehabilitation, protection of the community through incapacitation is a purpose of sentencing that is specifically aimed at reducing crime.

Studies suggest that the marginal benefit of increases in sentences for offences (as opposed to increases in sentences for specific offenders) may not be justified by the cost. Studies also suggest that policies of collective incapacitation that result in blanket increases in the rate or lengths of imprisonment are unlikely to be the most efficient use of resources in order to achieve a reduction in the crime rate.

Selective incapacitation holds more promise in identifying frequent offenders at risk of reoffending. Yet these offenders are difficult to identify, the incapacitation effects are likely to diminish as these offenders age, and only some of these incapacitation effects translate into actual crime-reduction effects. The strength of incapacitation estimates is based on identifying individual crime behaviour, and further research on criminal careers and knowledge of the patterning of them are central for better estimating the number of crimes avoided by removing an offender from society.

As imprisonment can exert a criminogenic influence, the dilemma encountered in fashioning a policy of selective incapacitation is that, should the

prediction of future risk of reoffending be too broadly made, an offender who was not likely to reoffend may, as a result of imprisonment, become more likely to reoffend.

Similarly, an evaluation of future risk of reoffending, based on a prior history of offending, may result in the incapacitation of offenders at the point of their criminal career when they would ordinarily begin to desist from crime. The criminogenic influence of imprisonment at that point may, if it increases the likelihood that they will offend upon release, lengthen their criminal career.

The efficacy of a policy of selective incapacitation will depend greatly on the time within a criminal career that it is imposed. Further, this will vary from offender to offender and depend on the types of offences committed.

Assessments of the relative success or failure of incapacitation do not account for the other purposes of imprisonment. A lengthy prison sentence may, for example, be justified solely on the basis that it is required to punish an offender or to effect sufficient denunciation for his or her criminal conduct.

While policies of highly targeted selective incapacitation may hold the best promise for the most efficient use of imprisonment resources, there is scant research, and in particular scant Australian research, on the possible benefits.

The paper concludes that, until the necessary research has been conducted, far-reaching expectations regarding the crime-reducing effects that might be expected from the use of imprisonment as a means of incapacitation must be tempered with an appreciation of its limitations and cost.

Informing Members of the Community about Sentencing

The Council's commitment to informing the community about sentencing stems from its obligations under the *Sentencing Act 1991* (Vic) to disseminate the findings of its research and to provide information on sentencing statistics and practices for 'the judiciary and other interested persons'.

The face-to-face community education sessions *You be the Judge*, teaching resources and the interactive web-based *Virtual You be the Judge* application continue to be key to the Council's efforts to meet this commitment.

You be the Judge

The cornerstone of the Council's community education strategy for many years has been *You be the Judge*, comprising a range of activities that educate the community about sentencing principles and practice by involving participants in a sentencing scenario. The model is based both on good educational practice and on research, including our own. It shows that people's attitudes to sentencing, and to the courts generally, change if people are provided with more detailed information about the circumstances of a particular criminal case.

Face-to-Face Education

In 2012–13, we delivered 17 face-to-face *You be the Judge* education sessions, and there were 481 participants. The Council is refocusing direct education resources towards key audiences and away from secondary school students, whose learning needs are met through updated and expanded teaching resources freely available on the Council's website.

The key audiences on which the Council is refocusing its face-to-face education efforts include:

- community information networks (for example, journalism students, regional community leadership forums, Rotary, U3A and similar groups);
- those working with victims of crime (for example, Victims Support Agency and domestic violence support organisations); and
- those working with people at risk of involvement in the criminal justice system (for example Court Network, Koori Justice Unit and students of community service-related courses).

A new *You be the Judge* education session has been developed for sexual assault and family violence workers based on a real life rape case.

Teaching Resources

This year, the *You be the Judge* Years 9 and 10 cross-curriculum teaching resources were updated to

reflect changes to Victorian sentencing orders, joining the Years 11 and 12 VCE resources updated in 2011–12.

These popular resources are based on real sentencing case examples. They contain a choice of engaging activities using diverse teaching methods and address several domains within the Victorian Essential Learning Standards (VELS) Level 6.

The Years 9 and 10 resources help students learn skills, concepts and understandings in English, civics and citizenship, mathematics, information and communications technology, history and arts.

Virtual You be the Judge: Expanded, Reformatted, Honoured

The Council's online, interactive Virtual You be the Judge education resource continues to grow in popularity, with 9,963 visits and 10,381 case attempts in 2012–13 (up from 7,200 visits and 8,400 case attempts in 2011–12).

The resource features interactive video recreations based on actual offences. Users select what they want to know about the offence and the offender, learn about sentence options and then choose a sentence to impose. Each case ends by revealing the sentence actually imposed in real life.

A new case study, developed in partnership with the Neighbourhood Justice Centre, was added this year:

Peter, sentenced in the Magistrates' Court for burglary. At the same time, the existing three case studies – Richard, Dane and Terri – were updated to reflect recent changes to Victorian sentencing orders.

The updated and expanded Virtual You be the Judge was launched in September 2012 by Victoria's then Chief Magistrate, the Hon Mr Ian Gray, at the Neighbourhood Justice Centre.

Virtual You be the Judge was shortlisted as a finalist in the 'Best Secondary Education Resource' category at the 2012 ATOM Awards. Presented annually since 1982 by the Australian Teachers of Media (ATOM), an independent, non-profit, professional association promoting the study of media, the awards recognise excellence in screen content in over 30 categories, including professionally produced and school or student-produced films, animations, ebooks and apps.

Currently programmed in Flash format, Virtual You be the Judge is inaccessible on a growing list of devices. The Council has invested in reformatting Virtual You be the Judge in HTML5 in order to safeguard accessibility for the growing number of users, especially students, visiting the resource using tablets and other mobile devices.

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**FIGURE 3:
LAUNCH OF VIRTUAL YOU BE THE
JUDGE CASE STUDY 'PETER' AT THE
NEIGHBOURHOOD JUSTICE CENTRE**



Law Week Event

The Council is a regular participant in Law Week, and this year we trialled a new format for a public event: an interview live on stage between Council Chair Professor Arie Freiberg and veteran former *Herald Sun* crime journalist, now a Sentencing Advisory Council director, Geoff Wilkinson.

Entitled 'The Tough Questions on Sentencing', the event attracted and engaged a diverse crowd of about 120 community members in a dialogue about both the perceptions and the reality of sentencing law and practice.

The event borrowed some of the format and techniques of the ABC TV show Q&A – including using Twitter to gather audience questions. The event was filmed, and videos of some of the 'tough questions' and their answers will be posted online for use as an educational resource.

Website

The Council's website (www.sentencingcouncil.vic.gov.au) is a valuable resource for information on sentencing policy and practice in Victoria. The site covers all facets of the Council's work, including:

- our projects and information on how to get involved with the Council's work;
- publications, which number over 230 as at 30 June 2013;
- information on sentencing generally as well as sentencing statistics;
- educational resources for teachers and students, including You be the Judge;
- our news, media releases and Twitter feeds; and
- information about the Council and its functions.

In the past year, the Council's website has strengthened its role as a major source of information on sentencing in Victoria for legal, justice and corrections professionals, students and teachers, support groups and the broader community.

Figure 5 shows the continuing strong growth in the number of visits to the Council's website each financial year.

A significant development in the past two years is the marked increase in the percentage of visits to the website via mobile devices. Figure 6 shows the percentage of all visits each month using mobile devices.

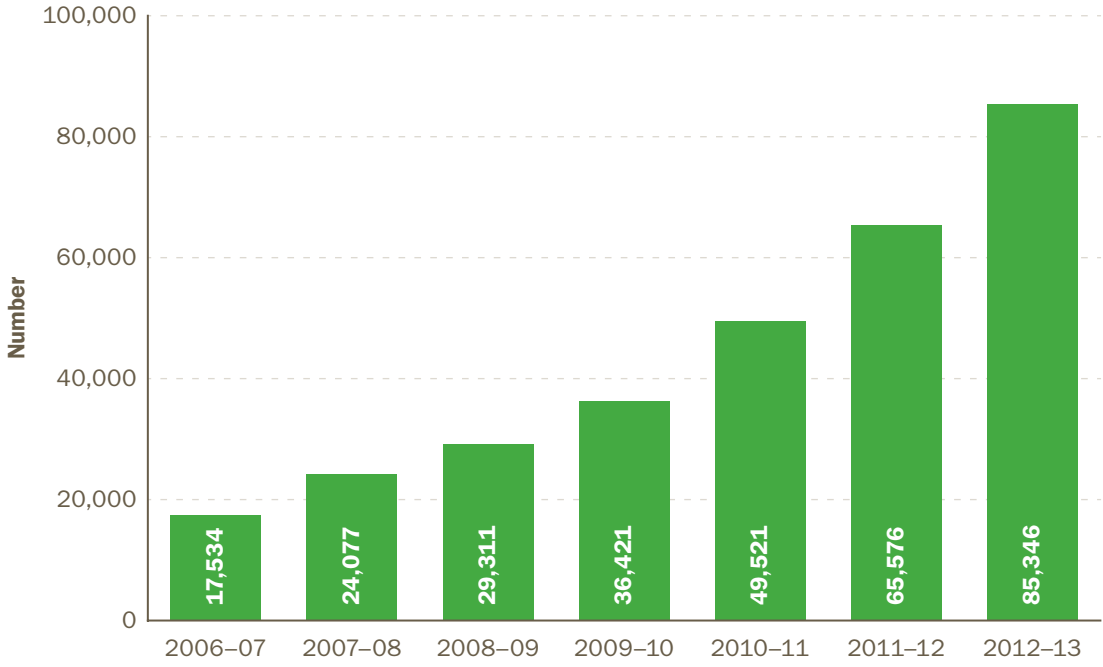
The Council remains committed to ensuring the website conforms with version 2.0 of the Web Content Accessibility Guidelines (WCAG 2.0) developed by the World Wide Web Consortium (W3C).

In the year ahead, the Council will continue to investigate ways to grow the audience for the website and to enhance access.

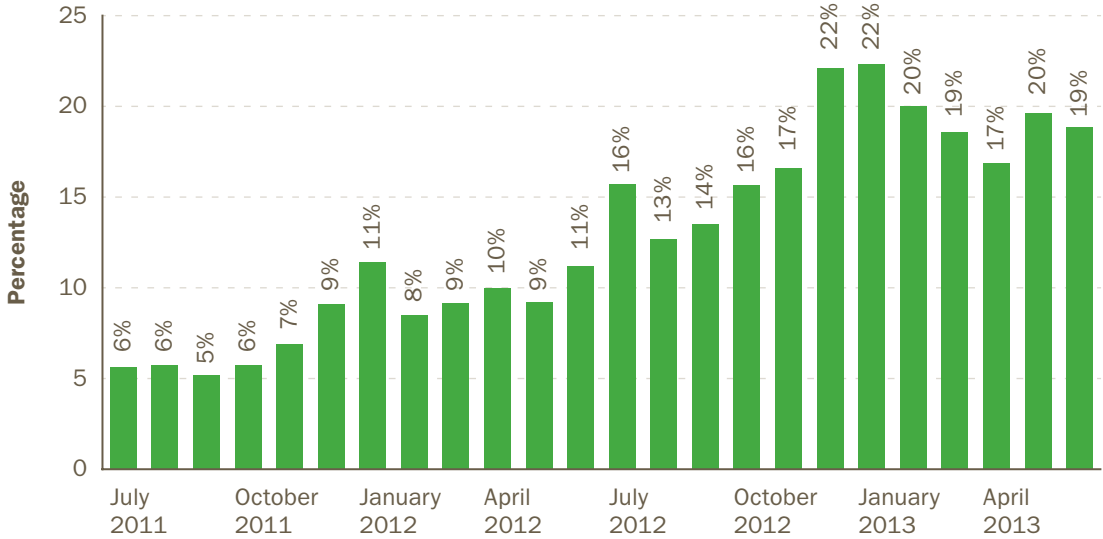
**FIGURE 4:
GEOFF WILKINSON INTERVIEWING
PROFESSOR ARIE FREIBERG AT THE
COUNCIL'S 2013 LAW WEEK EVENT:
THE TOUGH QUESTIONS ON SENTENCING**



**FIGURE 5: NUMBER OF VISITS TO
WWW.SENTENCINGCOUNCIL.VIC.GOV.AU,
2006-07 TO 2012-13**



**FIGURE 6: PERCENTAGE OF ALL VISITS TO
WWW.SENTENCINGCOUNCIL.VIC.GOV.AU
FROM MOBILE DEVICES**



Social Media

The Council's aims in using social media are set out in our social media policy, which acknowledges that social media:

- is an increasingly important way to inform and engage the community about sentencing and related matters; and
- helps the Council stay up to date with current news, research, policy, analysis and commentary on sentencing and related matters nationally and internationally.

Twitter

The Council adopted social media in 2011 by establishing its Twitter account (@SACvic).

In the past 12 months, the number of people following the Council on Twitter has grown by 258%, from 537 to 1,384. The majority of our followers fit within our key intended target audiences: media, legal practitioners and those working in the justice system, secondary and tertiary teachers and students, and service delivery and advocacy workers for those affected by crime. We know that 45.4% are based in Victoria, 76% are Australian, 9.7% are from the United Kingdom, 8.7% are from the USA and 1.5% are Canadian. Analysing words most used in their profiles reveals we are being followed most by journalists, lawyers, community groups and students. Our followers describe their interests and occupations most often as the law (particularly crime and criminal law), justice, health, rights, providing services, research, education and writing.

Twitter is increasingly central to the work of journalists and media outlets, providing a 'real-time news feed' of events and issues. The Council has established a link with these journalists and others whose work puts them in a position to inform a wide section of the community by tweeting about our work and about relevant sentencing news and research.

Pinterest

This year the Council began to use Pinterest (<http://pinterest.com/sentencingvic/>) as an online curation tool to collect and post links of long-term relevance and interest to key audiences such as students, teachers and researchers – especially those in criminology, community service and the legal profession.

In the 10 months since its creation, the Council's Pinterest presence has grown to 704 links to resources of long-term interest pinned on 17 boards, attracting 118 followers.

Giving Members of the Community the Opportunity to Provide Input into Sentencing Policy

Giving members of the community the opportunity to provide input into sentencing policy relates to the Council's statutory functions of consulting and gauging public opinion on sentencing matters.

The Council's consultation functions focus predominantly on capturing informed opinions specific to research references and projects that we undertake. Gauging public opinion, on the other hand, is conducted as a separate process to assist our understanding of broader community views of sentencing in Victoria, and this work ultimately contributes to the field of academic research on public opinion.

Victorian Jury Sentencing Study

Following on from its earlier work on a large-scale, representative survey of public opinion about sentencing in Victoria, the Council is now participating in a survey of Victorians' attitudes to sentencing in specific cases. The survey is being run by the University of Tasmania with the assistance of the Council and the Supreme and County Courts, and is based on the seminal Tasmanian jury sentencing study.

Replicating the methodology from the Tasmanian study, the Victorian jury sentencing study will use jurors in real trials to gauge public opinion about sentences and sentencing. Using jurors will allow the researchers to examine the views of members of the public who, like the judge, are fully informed about the facts of the specific case before them.

Surveying 698 jurors from 138 criminal trials, the Tasmanian study found that more than half of those surveyed recommended a more lenient sentence

than the trial judge actually imposed. When told of the final sentence, 90% of the jurors said that the judge's sentence was very or fairly appropriate.

The Tasmanian study showed that the jury survey approach provides a viable way to measure informed public judgment about sentencing, by surveying people who have direct experience with the criminal justice system rather than relying on respondents without such first-hand knowledge, who may have formed their perceptions through the lens of the mass media.

The Council hopes that replicating the Tasmanian study in Victoria will assist policy-makers and judges in understanding what informed members of the public think about sentencing.

The project began in early 2013 with survey development and testing and will continue through to the end of 2015.

Organisational Governance and Statutory Compliance

As a public entity, accountable and effective governance is required under the *Financial Management Act 1994*, the *Public Administration Act 2004*, the *Audit Act 1994* and other applicable laws, regulations and directions from the Minister of Finance.

The Council has undertaken to complete compliance certification under the Financial Management Certification Framework in conjunction with the Department of Justice.

Additional Information

The Council's published reports and other public documents are all available online at <www.sentencingcouncil.vic.gov.au>. Any other relevant information in relation to the financial year is retained by the Accountable Officer and is available on request subject to freedom of information requirements and our privacy policy.

Audit and Finance Committee

The Sentencing Advisory Council and Judicial College of Victoria have established a joint Audit and Finance Committee to oversee their financial operations. Due to their small size, the Council and the College have come together to maximise effective use of resources. During 2012–13, the Committee comprised the following members:

- David Greenall (Chairperson, independent member);
- Karol Hill (independent member);
- David Jorgensen (independent member);
- Sally Hay (Sentencing Advisory Council representative);

- Julie Venturini (Judicial College of Victoria representative to November 2012); and
- Alex Blake (Judicial College of Victoria representative from February 2013).

Tony Matthews commenced as the Council and the College's new Chief Finance and Accounting Officer (CFAO) in October 2012 and attends Committee meetings by standing invitation, providing finance support as required. During the year we farewelled our previous CFAO, Anthony Phillips, after several years of valuable service to the Committee.

The chief executive officers of both organisations, a representative of the Victorian Auditor-General's Office and the internal auditors, Pitcher Partners, also attend meetings by standing invitation.

The Audit and Finance Committee undertakes the oversight of:

- financial performance and reporting processes, including the annual financial statements;
- the scope of work, performance and independence of the internal auditor;

- the scope of work, performance and independence of the external auditor;
- the operation and implementation of the risk-management framework;
- matters of accountability and internal control affecting the operations of the College;
- processes for monitoring compliance with laws and regulations; and
- selection, appointment and removal of the College's CFAO.

In fulfilling its responsibilities, the Committee has:

- reviewed the financial statements for the annual report and recommended them to the responsible bodies (or delegates) for approval;
- reviewed the scope and results of the external auditor's examination of the financial report and matters brought to our attention;
- received reports from the internal auditors, Pitcher Partners, and monitored follow-up by management on their recommendations in relation to:
 - budgeting and forecasting; and
 - human resources and payroll;
- regularly reviewed the CFAO's financial reports on the entities' finances;
- completed a Committee self-assessment and submitted a summary of the results to the entities;
- reviewed the risk register and noted that the risks were being appropriately addressed by management;
- reviewed the Committee's annual programme;
- reviewed the annual internal audit scope;
- endorsed the Department of Justice Financial Code of Practice for use by the Council and the College;
- reviewed the entities' Business and Strategic Plans; and
- met separately with representatives of the Victorian Auditor-General's Office and reviewed the VAGO audit strategy for the 2013 annual financial audit.

Comparative Financial Results

Table 1 (page 36) summarises information on the financial results and financial position, prepared on an accrual basis, of the Sentencing Advisory Council for the financial year 2012–13 and comparisons with the preceding four financial years.

Compliance with the Building Act 1993

The Council does not own or control any government buildings insofar as the Council utilises building infrastructure and property services provided by the Department of Justice.

Environmental Management and Impacts

Operating within the context of the Department of Justice, the Council has adopted the Department's environmental management policy, implementing efficient office recycling, waste management and energy efficiency practices.

Some specific steps the Council has taken include:

- shifting from hardcopy to electronic publishing for many Council publications;
- installing power timers on office equipment such as printers;
- having a standing item on the environment at staff meetings;
- encouraging staff to adopt systems to reduce paper consumption;
- posting signage to remind staff to turn off lights and monitors; and
- collecting data on monthly paper consumption and reporting these to staff.

The Council's copy paper consumption declined in 2012–13. For the 12 months to June 2013, secretariat staff used 178 reams of copy paper, at an average of 14.7 reams per staff member. This is down from 361 reams in total or 22.4 reams per staff member in 2011–12. (Note that the number of staff for a financial year was determined using the average across the relevant twelve-month period.)

TABLE 1: FINANCIAL RESULTS AND POSITION, 2008–09 TO 2012–13

	Notes	2012–13 \$	2011–12 \$	2010–11 \$	2009–10 \$	2008–09 \$
Income						
Grant from Department of Justice	(a)	1,765,400	2,162,400	2,015,100	1,904,200	1,979,200
Other revenue						
Total Income		1,765,400	2,162,400	2,015,100	1,904,200	1,979,200
Expenses	(b)	1,763,063	2,136,034	2,014,383	1,837,711	1,891,161
Other economic flows	(c)	2,935	(10,577)	(112)	822	(8,520)
Net result for the period		5,272	15,789	605	67,311	79,519
Net cash flow from operating activities		7,394	5,872	–	–	–
Total assets	(d)	598,414	680,727	530,617	531,602	496,122
Total liabilities	(e)	351,570	420,968	308,847	310,437	342,268

Notes – movements between 2011–12 and 2012–13

- (a) Income received decreased by \$397,000 (18.4%) reflecting savings imposed by the Department of Justice under the Sustainable Government Initiative and a carry forward into 2013–14 for specific projects.
- (b) Expenses decreased by \$372,971 (17.5%) reflecting the adjustment to operations due to the contraction of income.
- (c) Other economic flows increased by \$2,935. This reflects gains and losses arising from revaluation of long service leave liability due to movements in bond rates.
- (d) Total assets decreased by \$82,313 (12.1%). This is the result of a write-off due to the relocation of offices and a decrease in the amount receivable from the Department of Justice.
- (e) Total liabilities decreased by \$69,396 (16.5%). This is due to a decrease in lease liability and employee provisions.

Financial Management

The Council abides by a financial code of practice that encompasses procurement, the use of assets and resources, potential conflicts of interest, secondary employment, financial gifts and gratuities. Employees are subject to the Department of Justice code of conduct (consistent with the Victorian public service code of conduct and the objectives of the *Public Administration Act 2004*), and regular financial reporting is scrutinised by internal audit provided by Pitcher Partners.

Freedom of Information

The *Freedom of Information Act 1982* allows the public the right to access documents held by the Council. For the year ending 30 June 2013, there were no freedom of information applications.

Human Resource Management

The Council promotes the personal and professional development of its staff in order to achieve sustained improvements and to create satisfying career paths. The Council actively promotes safe work practices, career development, work-life balance and a friendly and non-discriminatory working environment.

Implementation of the Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the application of the Victorian industry participation policy in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. While the Council uses local suppliers for goods and services, the policy does not apply to the Council due to the threshold of expenditure.

Insurance

I, Stephen Farrow (CEO), certify that the Sentencing Advisory Council has complied with Ministerial Direction 4.5.5.1 – Insurance.



Stephen Farrow
Chief Executive Officer
Sentencing Advisory Council

Industrial Relations

The Council enjoys a cooperative relationship with employee representative organisations. For the year ending 30 June 2013, no time was lost through industrial disputes or accidents.

Merit and Equity

Department of Justice merit and equity principles are applied in the appointment and management of staff, and the Council's guiding principles are consistent with the public sector values and employment principles articulated in the *Public Administration Act 2004*.

Occupational Health and Safety

The Council has assigned an occupational health and safety (OHS) officer, who undertakes quarterly inspections of the Council's office. OHS has also been factored into the Council's overall risk-management framework. In addition to attending OHS presentations, all staff are provided with materials on the *Occupational Health and Safety Act 2004* and guides on ergonomic assessment. Staff also have access to ergonomic equipment and assessments by qualified professionals, and all have participated in fire drill evacuation exercises. There were no claims of OHS related injury for the year ending 30 June 2013.

Outsourced Consultancies

There were no outsourced consultancies in excess of \$10,000 for the year ending 30 June 2013.

Privacy

The Council manages personal information in accordance with the *Information Privacy Act 2000* and our privacy policy. Regular reviews are carried out in relation to the recording of personal information to ensure that the Council is in compliance with regulations. There were no privacy-related complaints for the year ending 30 June 2013.

Risk Management

In accordance with DTF Standing Direction 4.5.5, the following attestation of compliance is made following agreement by the Audit and Finance Committee that such an assurance can be given:

I, Stephen Farrow (CEO), certify that the Sentencing Advisory Council has risk management processes in place consistent with the *Australian/New Zealand Risk Management Standard (ISO 31000:2009)* and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Audit and Finance Committee verifies this assurance and that the risk profile of the Sentencing Advisory Council has been critically reviewed within the last 12 months.



Stephen Farrow
Chief Executive Officer
Sentencing Advisory Council

Social and Cultural Diversity

The Council acknowledges the importance of cultural diversity and endeavours to maintain an inclusive, consultative and open approach to its work. Diversity is enhanced through the selection criteria of Council members (appointed by the Attorney-General), staff recruitment, student research placements and a broad community consultation strategy that includes a diverse range of individuals and community groups.

Staff Development and Training

During 2012–13, the Council offered a wide range of programs to equip staff with the knowledge and skills required to perform their jobs successfully. Staff members were encouraged to extend their professional skills via:

- attendance at internal and external professional development courses in communication, policy development, finance, personal development, social media, statistics and information technology;
- attendance and presentation of papers at relevant conferences; and
- executive and management training programs.

Protected Disclosures

The *Protected Disclosure Act 2012* (formerly the *Whistleblowers Protection Act 2001*) encourages and facilitates making disclosures of improper conduct by public bodies and public sector employees, and protects the persons who make those disclosures.

The Council is committed to the aims and objectives of the Act. It does not tolerate improper conduct by its employees, officers or members nor the taking of reprisals against those who come forward to disclose such conduct.

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

The Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

For the 12 months ending 30 June 2013, the Council did not receive any disclosures under either Act.

Making a disclosure

A disclosure is an allegation of improper or corrupt conduct. Disclosures of improper conduct or detrimental action by the Council or its employees may be made in writing or by telephone to:

Independent Broad-based
Anti-Corruption Commission (IBAC)

GPO Box 24234
Melbourne VIC 3000

Tel: 1300 735 135

Further information

The IBAC website contains further information about the new disclosure framework <www.ibac.vic.gov.au>.

Disclosure Index

The Annual Report of the Sentencing Advisory Council is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Council's compliance with statutory disclosure requirements.

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FRD 8B	Budget portfolio outcomes	-
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Financial Report

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Chairperson, Accountable Officer and Chief Finance and Accounting Officer's Declaration

We certify that the attached financial statements for the Sentencing Advisory Council have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes forming part of the financial statements presents fairly the financial transactions during the year ended 30 June 2013 and financial position of the Council as at 30 June 2013.

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

We authorise the attached financial statements for issue on 29 August 2013.

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Prof. Arie Freiberg AM
Board Chairperson
Sentencing Advisory Council

Melbourne
29 August 2013



Mr Stephen Farrow
Chief Executive Officer
Accountable Officer
Sentencing Advisory Council

Melbourne
29 August 2013

Mr Tony Matthews
Chief Finance and
Accounting Officer
Sentencing Advisory Council

Melbourne
29 August 2013

Auditor-General's Report

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Sentencing Advisory Council

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of the Sentencing Advisory Council which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Chairperson's Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

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The Board Members' Responsibility for the Financial Report

The Board Members of the Sentencing Advisory Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Sentencing Advisory Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Sentencing Advisory Council for the year ended 30 June 2013 included both in the Sentencing Advisory Council's annual report and on the website. The Board Members of the Sentencing Advisory Council are responsible for the integrity of the Sentencing Advisory Council's website. I have not been engaged to report on the integrity of the Sentencing Advisory Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
2 September 2013


for John Doyle
Auditor-General

Comprehensive Operating Statement for the Financial Year Ended 30 June 2013

	Notes	2013 \$	2012 \$
Income from transactions			
Grants	2	1,765,400	2,162,400
Total income from transactions		1,765,400	2,162,400
Expenses from transactions			
Employee expenses	3(a)	1,353,176	1,612,563
Depreciation	3(b)	11,604	5,872
Interest expense	3(c)	1,384	687
Supplies and services	3(d)	396,898	516,913
Total expenses from transactions		1,763,063	2,136,034
Net result from transactions (net operating balance)		2,337	26,366
Other economic flows included in net result			
Other gains/(losses) from other economic flows	4	2,935	(10,577)
Total other economic flows included in net result		2,935	(10,577)
Net result		5,272	15,789
Comprehensive result		5,272	15,789

The comprehensive operating statement should be read in conjunction with the notes to the financial statements included on pages 50-81.

Balance Sheet as at 30 June 2013

	Notes	2013 \$	2012 \$
Assets			
Financial assets			
Cash and deposits	15(a)	500	500
Receivables	5	581,398	633,919
Total financial assets		581,898	634,419
Non-financial assets			
Plant and equipment	6	16,516	46,308
Total non-financial assets		16,516	46,308
Total assets		598,414	680,727
Liabilities			
Borrowings	7	16,714	24,108
Payables	8	79,893	73,467
Provisions	9	254,963	323,393
Total liabilities		351,570	420,968
Net assets		246,844	259,759
Equity			
Accumulated surplus/(deficit)		(74,546)	(79,818)
Contributed capital		321,390	339,577
Net worth		246,844	259,759
– Commitments for expenditure	12		
– Contingent assets and contingent liabilities	13		

The balance sheet should be read in conjunction with the notes to the financial statements included on pages 50–81.

Statement of Changes in Equity for the Financial Year Ended 30 June 2013

	Accumulated Surplus \$	Contributed Capital \$	Total \$
Balance at 1 July 2011	(95,607)	317,377	221,770
Net result for year	15,789	–	15,789
Capital appropriations	–	22,200	22,200
Balance at 30 June 2012	(79,818)	339,577	259,759
Net result for year	5,272	–	5,272
Contributed capital returned	–	(18,187)	(18,187)
Balance at 30 June 2013	(74,546)	321,390	246,844

The statement of changes in equity should be read in conjunction with the notes to the financial statements included on pages 50–81.

Cash Flow Statement

for the Financial Year Ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts			
Receipts from the Department of Justice		1,817,921	2,050,903
Total receipts		1,817,921	2,050,903
Payments			
Payments to suppliers and employees		(1,809,143)	(2,044,344)
Interest and other costs of finance paid		(1,384)	(687)
Total payments		(1,810,527)	(2,045,031)
Net cash flows from/(used in) operating activities	15(b)	7,394	5,872
Cash flows from investing activities			
Purchases of non-financial assets		–	(25,127)
Net cash flows from/(used in) investing activities		–	(25,127)
Cash flows from financing activities			
Receipts			
Capital contributed during the year		–	22,200
Total receipts		–	22,200
Payments			
Repayment of finance leases		(7,394)	(2,945)
Total payments		(7,394)	(2,945)
Net cash flows from/(used in) financing activities		(7,394)	19,255
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and cash equivalents at the beginning of the financial year		500	500
Cash and cash equivalents at the end of the financial year	15(a)	500	500

The above cash flow statement should be read in conjunction with the notes to the financial statements included on pages 50–81.

Notes to the Financial Statements for the Financial Year Ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for the Sentencing Advisory Council (SAC) for the period ending 30 June 2013. The purpose of the report is to provide users with information about SAC's stewardship of resources entrusted to it.

(A) Statement of Compliance

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To obtain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 19.

The annual financial statements were authorised for issue by the board Chairperson of SAC on 29 August 2013.

(B) Basis of Accounting Preparation and Measurement

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of plant and equipment (refer Note 1(J)); and
- superannuation expense (refer to Note 1(F)).

These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention except for:

- non-financial physical assets that, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

(C) Reporting Entity

The financial statements cover SAC as an individual reporting entity.

SAC is an Independent government-funded body established under Part 9A of the *Sentencing Act 1991*. The Council was formed to implement a key recommendation arising out of Professor Arie Freiberg's 2002 review of sentencing in Victoria. The *Pathways to Justice* report recognised the need for a body that would allow properly informed public opinion to be taken into account in the sentencing process, as well as the dissemination of up-to-date and accurate sentencing data to assist judges in their role to promote consistency in sentencing outcomes.

Its principal address is:

Sentencing Advisory Council
3/333 Queen Street
MELBOURNE VIC 3000

The financial statements include all the controlled activities of SAC.

A description of the nature of SAC's operations and its principal activities is included in the report of operations on page 6, which does not form part of these financial statements.

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Objectives and Funding

SAC's functions are set out in section 108C of the *Sentencing Act 1991* and are to provide statistical information on sentencing, including information on current sentencing practices, to members of the judiciary and other interested persons; to conduct research, and disseminate information to members of the judiciary and other interested persons, on sentencing matters; to gauge public opinion on sentencing matters; to consult, on sentencing matters, with government departments and other interested persons and bodies as well as the general public; to advise the Attorney-General on sentencing matters; and to state in writing to the Court of Appeal its views in relation to the giving, or review, of a guideline judgement.

SAC is funded for the provision of outputs consistent with its statutory function. Funds are from accrual-based grants derived from monies appropriated annually by parliament through the Department of Justice (DOJ).

(D) Scope and Presentation of Financial Statements

Comprehensive Operating Statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the Whole of Government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

'Transactions' and 'other economic flows' are defined by the *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 and Amendments to Australian System of Government Finance Statistics, 2005* (ABS Catalogue No. 5514.0) (the GFS manual) (refer to Note 19).

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

'Other economic flows' are changes in the volume or changes arising from market remeasurements. They include:

- gains and losses from disposals.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance Sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months after the reporting period) are disclosed in the notes, where relevant.

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating, investing or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

Statement of Changes in Equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from the opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'other economic flows – other movements in equity' related to 'transactions with owner in its capacity as owner'.

Rounding

Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the end of Note 19 for a style convention explaining minor discrepancies resulting from rounding.

(E) Income from Transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

Income is recognised for SAC's major activities as follows:

Grants from the Department of Justice

Income from the outputs SAC provides to the 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.

Fair Value of Services Provided by the Department of Justice

The Department of Justice has been centrally funded for services it provides to SAC. These services are not recognised in the financial statements of SAC as their fair values can not be reliably determined. The services that are utilised include the use of the Department's financial systems, payroll systems, accounts payable, asset register and IT network.

(F) Expenses from Transactions

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

Employee Expenses

Refer to the section in Note 1(K) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation, which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation – State Superannuation Defined Benefit Plans

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements disclose, on behalf of the state as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Depreciation

All plant, equipment and motor vehicles that have finite useful lives are depreciated. Depreciation is generally calculated on a straight line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Refer to Note 1(J) for the depreciation policy for leasehold improvements.

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

The following are typical estimated useful lives for the different asset classes for both current and prior years.

Asset	Useful life
Plant and equipment	2–15 years
Motor vehicles – leased	2 year lease term

Interest Expense

Interest expense is recognised in the period in which it is incurred. Refer to Glossary of Terms and Style Conventions in Note 19 for an explanation of interest expense items.

Other Operating Expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and Services

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

(G) Other Economic Flows Included in the Net Result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net Gain/(Loss) on Non-Financial Assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Disposal of Non-Financial Assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of Non-Financial Assets

Non-financial assets with indefinite lives are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

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

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Refer to Note 1(J) in relation to the recognition and measurement of non-financial assets.

Other Gains/(Losses) from Other Economic Flows

Other gains/(losses) from other economic flows include the gains and losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

(H) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of SAC's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory payables arising from taxes do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of Non-Derivative Financial Instruments

Loans and Receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The loans and receivables category includes cash and deposits (refer to Note 1(I)) but not statutory receivables.

Financial Liabilities at Amortised Cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method (refer to Note 19).

Financial instrument liabilities measured at amortised cost include all of SAC's contractual payables and interest-bearing arrangements other than those designated at fair value through the profit and loss.

(I) Financial Assets

Cash and Deposits

Cash and deposits, including cash equivalents, comprise cash on hand.

Receivables

Receivables consist of:

- statutory receivables, such as amounts owing from the Department of Justice.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(H) *Financial Instruments* for recognition and measurement).

Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment) but not as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(H).

Impairment of Financial Assets

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

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

(J) Non-Financial Assets

Plant and Equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(L)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The fair value of plant, equipment and vehicles is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(G) *Impairment of Non-Financial Assets*.

Leasehold Improvements

The cost of leasehold improvements is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Other Non-Financial Assets

Prepayments

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

(K) Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to SAC prior to the end of the financial year that are unpaid, and arise when SAC becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(H)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Borrowings

All interest bearing liabilities are initially recognised at fair value of the consideration received, less directly attributable transaction costs (refer also to Note 1(L) Leases). The measurement basis subsequent to initial recognition depends on whether SAC has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through profit or loss or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in the net result over the period of the borrowing using the effective interest method.

Provisions

Provisions are recognised when SAC has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised in the provision for employee benefits classified as current liabilities. Those liabilities that are expected to be settled within 12 months of the reporting period are measured at their nominal values.

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

(ii) Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

- nominal value – component that SAC expects to settle within 12 months; and
- present value – component that SAC does not expect to settle within 12 months.

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(G)).

(iii) Termination Benefits

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

(iv) Employee Benefits On-Costs

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

(L) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from lessor to lessee. All other leases are classified as operating leases.

Finance Leases

SAC as Lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum lease payments are apportioned between the reduction of the outstanding lease liability and periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

(M) Equity

Contribution by Owners

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

(N) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 12 Commitments for Expenditure) at their nominal value and exclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(O) Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed by way of a note (refer to Note 13 Contingent Assets and Contingent Liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented exclusive of GST receivable or payable respectively.

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(P) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated exclusive of the amount of GST receivable or payable. The Department of Justice (DoJ) manages the GST transactions on behalf of SAC, and the net amount of GST recoverable from or payable to the Australian Taxation Office is recognised in the financial statements of DoJ.

(Q) Events after the Reporting Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between SAC and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events that occur after the reporting date and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions that arose after the end of the reporting period and that may have a material impact on the results of subsequent years.

(R) AASs Issued That Are Not Yet Effective

Certain new AASs have been published that are not mandatory for the 30 June 2013 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2013, the following standards and interpretations that are applicable to SAC had been issued but were not mandatory for the financial year ending 30 June 2013. Standards and interpretations that are not applicable to SAC have been omitted. SAC has not early adopted these standards.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on SAC financial statements
AASB 9 <i>Financial Instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments, Recognition and Measurement</i> (AASB 139 <i>Financial Instruments, Recognition and Measurement</i>).	1 January 2015	Subject to AASB's further modifications to AASB 9, together with anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 13 <i>Fair Value Measurement</i>	This standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other Australian accounting standards. AASB 13 includes a 'fair value hierarchy' that ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities, other observable inputs and unobservable inputs.	1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively detailed compared with disclosure for fair value measurements using observable inputs. Consequently, the standard may increase the disclosures required for assets measured using depreciated replacement cost.

AASB 119 <i>Employee Benefits</i>	In this revised standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'other economic flows – other movements in equity') reported on the comprehensive operating statement.	1 January 2013	Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions for a few Victorian public sector entities that report superannuation defined benefit plans.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian public sector.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2012–13 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The two AASB Interpretations in the list below are also not effective for the 2012–13 reporting period and considered to have insignificant impacts on public sector reporting.

AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-Time Adopters.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.

AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.

AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).

AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.

2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements.

2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.

2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities.

2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle.

2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039.

2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.

2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments.

2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.

2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.

Note 2. Income from Transactions

	2013 \$	2012 \$
Grants and other income transfers		
Department of Justice	1,765,400	2,162,400
Total grants and other income transfers	1,765,400	2,162,400
Total income	1,765,400	2,162,400

Note 3. Expenses from Transactions

	2013 \$	2012 \$
(a) Employee expenses		
Post employment benefits:		
– Defined contribution superannuation expense	92,889	120,164
Salaries, wages and long service leave	1,143,370	1,411,972
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	72,879	80,426
Termination benefits	44,038	
Total employee expenses	1,353,176	2,612,563
(b) Depreciation		
Depreciation of plant and equipment	4,167	2,773
Depreciation of motor vehicles	7,437	3,099
Total depreciation and amortisation	11,604	5,872
(c) Interest expense		
Interest on finance leases	1,322	687
Other interest expense	62	(0)
Total interest expense	1,384	687
(d) Supplies and services		
– Purchase of supplies and consumables	39,556	101,743
– Purchase of services	163,089	255,435
– Maintenance	16,697	14,536
– Rent	177,556	145,199
Total supplies and services	396,898	516,913

Note 4. Other Economic Flows Included in Net Result

	2013	2012
	\$	\$
Net gain/(loss) arising from revaluation of long service leave liability	2,935	(10,577)
Total other gains/(losses) from other economic flows	2,935	(10,577)

Note 5. Receivables

	2013	2012
	\$	\$
Current receivables		
Statutory		
Amount owing from Victorian Government (i)	550,309	543,027
Total current receivables	550,309	543,027
Non-current receivables		
Statutory		
Amount owing from Victorian Government (i)	31,089	90,892
Total non-current receivables	31,089	90,892
Total receivables	581,398	633,919

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

Note 6. Plant and Equipment

Classification by 'Public Safety and Environment' Purpose Group (I)

Table 6.1: Carrying amounts

	2013 \$	2012 \$
Plant and equipment		
Leasehold fitout at fair value	–	22,354
Motor vehicle under finance lease		
Motor vehicle under finance lease at fair value	16,516	23,954
Net carrying amount of plant and equipment	16,516	46,308

(i) Plant and equipment is classified primarily by the 'purpose' for which the assets are used, according to one of the six 'purpose groups' based upon Government Purpose Classification (GPC). All assets within a purpose group are further sub-categorised according to the asset's nature (i.e. buildings, plant and equipment, etc.) with each sub-category being classified as a separate class of asset for financial reporting purposes.

Table 6.2: Gross carrying amounts and accumulated depreciation

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Leasehold fitout at fair value	–	471,800	–	449,446	–	22,354
Motor vehicle under finance lease at fair value	27,052	27,052	10,536	3,099	16,516	23,954
	27,052	498,852	10,536	452,545	16,516	46,308

Table 6.3: Classification by ‘Public Safety and Environment’ purpose group – movements in carrying amounts

	Leasehold fitout at fair value		Motor vehicle under finance lease at fair value		Total	
	2013	2012	2013	2012	2013	2012
				\$	\$	\$
Opening balance	22,354	–	23,954	–	46,308	–
Additions	–	25,127	–	27,053	–	52,180
Disposals	(18,187)	–	–	–	(18,187)	–
Depreciation	(4,167)	(2,773)	(7,437)	(3,099)	(11,604)	(5,872)
Closing balance	0	22,354	16,517	23,954	16,516	46,308

(i) Fair value assessments have been performed for all classes of assets within this purpose group and the decision was made that movements were not material (less than or equal to 10%) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2013.

Table 6.4: Aggregated depreciation recognised as an expense during the year

	2013	2012
	\$	\$
Leasehold fitout at fair value	4,167	2,773
Motor vehicle under finance lease at fair value	7,437	3,099
	11,604	5,872

(i) The useful lives of assets as stated in Policy Note 1 are used in the calculation of depreciation.

Note 7. Borrowings

	2013 \$	2012 \$
Current borrowings		
Lease liabilities (i) (Note 11)	16,714	7,394
Total current borrowings	16,714	7,394
Non-current borrowings		
Lease liabilities (i) (Note 11)	–	16,713
Total non-current borrowings	–	16,713
Total borrowings	16,714	24,108

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

(a) Maturity analysis of interest bearing liabilities

Refer to Table 14.2 in Note 14.

(b) Nature and extent of risk arising from interest bearing liabilities

Refer to Note 14.

Note 8. Payables

	2013 \$	2012 \$
Current payables		
Contractual		
Supplies and services	65,405	66,644
Employee benefits	12,630	6,500
	78,035	73,144
Statutory		
Taxes payable	1,858	322
Total payables	79,893	73,467

(a) Maturity analysis of payables

Refer to Table 14.2 in Note 14.

(b) Nature and extent of risk arising from payables

Refer to Table 14.3 in Note 14.

Note 9. Provisions

	2013 \$	2012 \$
Current provisions		
Employee benefits (i) (Note 9(a)) – annual leave		
Unconditional and expected to be settled within 12 months (ii)	32,449	38,658
Unconditional and expected to be settled after 12 months (iii)	4,750	5,285
Employee benefits (i) (Note 9(a)) – long service leave		
Unconditional and expected to be settled within 12 months (ii)	84,205	76,291
Unconditional and expected to be settled after 12 months (iii)	62,400	75,983
	183,804	196,217
Provisions related to employee benefit on-costs (Note 9(a))		
Unconditional and expected to be settled within 12 months (ii)	23,531	23,355
Unconditional and expected to be settled after 12 months (iii)	16,539	12,929
	40,070	36,284
Total current provisions	223,874	232,501
Non-current provisions		
Employee benefits (i) (Note 9(a))	27,048	79,077
Employee benefits on-costs (Note 9(a) and Note 9(b))	4,041	11,815
Total non-current provisions	31,089	90,892
Total provisions	254,963	323,393

(a) Employee benefits and related oncosts (i)**Current employee benefits**

Annual leave entitlements	37,199	43,943
Long service leave entitlements	146,605	152,274

Non-current employee benefits

Long service leave entitlements	27,048	79,077
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Total employee benefits	210,852	275,294
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Current on-costs	40,070	36,284
Non-current on-costs	4,041	11,815

Total on-costs	44,111	48,099
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Total employee benefits and related on-costs	254,963	323,393
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Note:

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

(b) Movement in provisions

	On-costs	Total
	2013	2013
	\$	\$
Opening balance	48,099	48,099
Additional provisions recognised	24,337	24,337
Reduction arising from payments/other sacrifices of future economic benefits	(28,325)	(28,325)
Closing balance	44,111	44,111
Current	40,070	40,070
Non-current	4,041	4,041
	44,111	44,111

Note 10. Superannuation

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

SAC does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the state's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid and payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of SAC.

The name, details and amount expended in relation to the major employee superannuation funds and contributions made by SAC are as follows:

	Paid contribution for the year		Contribution outstanding at year end	
	2013 \$	2012 \$	2013 \$	2012 \$
Defined contribution plans:				
VicSuper	76,241	100,541	-	-
Various other funds	16,648	19,623	-	-
Total	92,889	120,164	-	-

Notes:

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

Note 11. Leases

Disclosure for Lessees – Finance Leases

Finance leases relate to motor vehicles with lease terms of 24 months. SAC has options to purchase the motor vehicle for a nominal amount at the conclusion of the lease agreements.

	Minimum future lease payments		Present value of minimum future lease payments	
	2013 \$	2012 \$	2013 \$	2012 \$
Finance lease liabilities payable				
Not longer than one year	17,263	8,716	16,714	7,394
Longer than one year and not longer than five years	–	17,263	–	16,714
Longer than five years	–	–	–	–
Minimum future lease payments*	17,263	25,979	16,714	24,108
Less future finance charges	549	1,871	–	–
Present value of minimum lease payments	16,714	24,108	16,714	24,108
Included in the financial statements as:				
Current borrowings lease liabilities (Note 8)			16,714	7,394
Non-current borrowings lease liabilities (Note 8)			–	16,714
			16,714	24,108

*Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

Operating Leasing Arrangements

Operating lease relates to the office accommodation leased by SAC with a lease term of five years, with an option to extend for a further five years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

	2013 \$	2012 \$
Non-cancellable operating lease payable		
Not longer than one year	85,642	–
Longer than one year and not longer than five years	385,697	–
	471,339	–

Note 12. Commitments for Expenditure

(a) Capital Expenditure Commitments

There were no commitments for capital expenditure as at 30 June 2013 (\$ nil – 2012).

(b) Lease Commitments

Finance lease and non-cancellable operating lease commitments are disclosed in Note 11.

Note 13. Contingent Assets and Contingent Liabilities

At balance date there were no contingent assets or liabilities not provided for in the balance sheet as at 30 June 2013 (\$ nil – 2012).

Note 14. Financial Instruments

(a) Financial Risk Management Objectives and Policies

SAC's principal financial instruments comprise:

- cash assets;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- finance lease payables.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument above, are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudently manage SAC's financial risks within government policy parameters.

SAC's main financial risks include credit risk, liquidity risk and interest rate risk. SAC manages these financial risks in accordance with its financial risk management policy.

SAC uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the management team of SAC.

The carrying amount of SAC's contractual financial assets and financial liabilities by category are in Table 14.1 below.

Table 14.1: Categorisation of financial instruments

2013	Contractual financial assets – cash, loans and receivables \$	Contractual financial liabilities at amortised cost \$	Total \$
Contractual financial assets			
Cash and deposits	500		500
Total contractual financial assets (i)	500		500
Contractual financial liabilities			
Payables			
Supplies and services		65,405	65,405
Other payables		12,630	12,630
Borrowings			
Lease liabilities		16,714	16,714
Total contractual financial liabilities (i)		94,749	94,749
2012			
Contractual financial assets			
Cash and deposits	500		500
Total contractual financial assets (i)	500		500
Contractual financial liabilities			
Payables			
Supplies and services		66,644	66,644
Other payables		6,500	6,500
Borrowings			
Lease liabilities		24,108	24,108
Total contractual financial liabilities (i)		97,252	97,252

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

(b) Credit Risk

Credit risk arises from the contractual financial assets of SAC, which comprise cash and deposits.

SAC's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to SAC. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with SAC's contractual financial assets is minimal because the only actual financial assets is cash on hand.

(c) Liquidity Risk

Liquidity risk is the risk that SAC would be unable to meet its financial obligations as and when they fall due. SAC operates under the government fair payments policy of settling financial obligations within 30 days, and in the event of a dispute makes payments within 30 days from the date of resolution.

SAC's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet. SAC manages its liquidity risk by careful maturity planning of its financial obligations based on forecasts of future cash flows.

SAC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity analysis for SAC's contractual financial liabilities:

Table 14.2: Maturity analysis of contractual financial liabilities

	Carrying amount	Nominal amount	Maturity dates (ii)			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2013						
Payables (i)						
Supplies and services	65,405	65,405	65,405	-	-	-
Other payables	12,630	12,630	12,630			
Borrowings						
Lease liabilities	16,714	17,263	726	1,453	15,084	-
	94,749	95,298	78,761	1,453	15,084	-
2012						
Payables (i)						
Supplies and services	66,644	66,644	66,644	-	-	-
Other payables	6,500	6,500	6,500			
Borrowings						
Lease liabilities	24,108	25,979	726	1,453	6,537	17,263
	97,252	99,123	73,870	1,453	6,537	17,263

Note:

(i) The carrying amounts disclosed exclude statutory amounts (e.g. taxes payable).

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

(d) Market Risk

SAC's exposure to market risk is primarily through interest rate risk. The exposure to interest rate risk is insignificant and arises through SAC's borrowings.

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

Table 14.3: Interest rate exposure of financial instruments

	Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
2013					
Cash and deposits	–	500	–	–	500
Total financial assets (i)		500	–	–	500
Payables (i)	–	78,035	–	–	78,035
Borrowings	6.37	16,714	16,714	–	–
Total financial liabilities		94,749	16,714	–	78,035
2012					
Cash and deposits		500	–	–	500
Total financial assets (i)		500	–	–	500
Payables (i)		73,145	–	–	73,145
Borrowings	6.37	24,108	24,108	–	–
Total financial liabilities		97,252	24,108	–	73,145

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from the Department of Justice/Victorian Government and taxes payable).

(e) Foreign Currency Risk

SAC has no exposure to foreign currency risk.

(f) Fair Value

SAC considers the carrying amount of financial assets and liabilities recorded in the financial statements to be a fair approximation of their fair values because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 15. Cash Flow Information

(a) Reconciliation of Cash and Cash Equivalents

	2013 \$	2012 \$
Total cash and deposits disclosed in the balance sheet	500	500
Balance as per cash flow statement	500	500

(b) Reconciliation of Net Result for the Period to Net Cash Flows from Operating Activities

	2013 \$	2012 \$
Net result for the period	5,272	15,789
Non-cash movements		
Depreciation of non-current assets	11,604	5,872
Movements in assets and liabilities		
(Increase)/decrease in receivables	52,522	(111,497)
(Increase)/decrease in other non-financial assets	–	7,696
Increase/(decrease) in payables	6,426	59,762
Increase/(decrease) in provisions	(68,430)	28,251
Net cash flows from (used in) operating activities	7,394	5,872

Note 16. Responsible Persons

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

The persons who held the positions of ministers and secretary of the Department are as follows:

Attorney-General	The Honourable Robert Clark, MP	1 July 2012 to 30 June 2013
Acting Attorney-General	The Honourable Gordon Rich-Phillips, MLC	29 June 2013 to 30 June 2013
Secretary to the Department of Justice	Ms Penny Armytage	1 July 2012 to 20 July 2012
	Dr Claire Noone (Acting)	21 July 2012 to 14 April 2013
	Ms Gail Moody (Acting)	21 February 2013 to 25 February 2013
	Mr Greg Wilson	15 April 2013 to 30 June 2013

Sentencing Advisory Council

The persons who were responsible persons of SAC for the reporting period are as follows:

Chief Executive Officer	Mr Stephen Farrow	1 July 2012 to 30 June 2013
Chairperson	Professor Arie Freiberg AM	1 July 2012 to 30 June 2013
Other board members	Mr Graham Ashton AM APM	1 July 2012 to 30 June 2013
	Ms Carmel Arthur	1 July 2012 to 30 June 2013
	Mr Hugh de Kretser	1 July 2012 to 30 June 2013
	Mr Peter Dikschei	1 July 2012 to 30 June 2013
	Mr David Grace QC	1 July 2012 to 30 June 2013
	Mr John Griffin PSM	1 July 2012 to 30 June 2013
	Ms Thérèse McCarthy	1 July 2012 to 30 June 2013
	Professor Jenny Morgan	1 July 2012 to 30 June 2013
	Ms Barbara Rozenes	1 July 2012 to 30 June 2013
	Mr Gavin Silbert SC	1 July 2012 to 30 June 2013
	Ms Lisa Ward	1 July 2012 to 30 June 2013
	Mr Geoff Wilkinson OAM	10 October 2012 to 30 June 2013
	Ms Kornelia Zimmer	1 July 2012 to 30 June 2013

Remuneration

Ministers and the Department

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet. Remuneration received or receivable by the Secretary in connection with the management of the Department during the period is reported by the Department of Justice.

Sentencing Advisory Council

Eleven board members receive sitting fees for their role on the SAC board. The total aggregate remuneration received by them in 2013 was \$35,101 (2012 \$41,238).

Remuneration received or receivable by the Accountable Officer (Chief Executive Officer) in connection with the management of SAC during the period was in the range:

	Total Remuneration		Base Remuneration	
	2013 No.	2012 No.	2013 No.	2012 No.
\$0-\$9,999	14	13	14	13
\$10,000-\$19,999	-	1	-	1
\$150,000-\$159,999	-	-	-	1
\$160,000-\$169,999	-	1	1	-
\$170,000-\$179,999	1	-	-	-
78 Total numbers	15	15	15	15

There are no executive officers other than the above.

Related Party Transactions

A number of the board members are employed by the Department of Justice. During the financial year, SAC and the Department conducted business transactions at arms length and at normal commercial terms.

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.

Note 17. Remuneration of Auditors

	2013 \$	2012 \$
Victorian Auditor-General's Office		
Audit of the financial statements	13,380	13,000
	13,380	13,000

Note 18. Subsequent Events

There were no significant events occurring after the reporting date to be reported as at 30 June 2013.

Note 19. Glossary of Terms and Style Conventions

Glossary

Borrowings

Borrowings refer to interest-bearing liabilities and are finance leases.

Commitments

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

Comprehensive Result

The net result of all items of income and expense recognised for the period. It is the aggregate of the operating result and other non-owner movements in equity.

Depreciation

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

Employee Benefits Expense

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

Financial Asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial Instrument

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

Financial Liability

A financial liability is any liability that is:

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

Financial Statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements and statement of changes in equity), or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

Interest Expense

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

Net Result

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

Net Result from Transactions/Net Operating Balance

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

Net Worth

Net worth is assets less liabilities, which is an economic measure of wealth.

Non-Financial Assets

Non-financial assets are all assets that are not 'financial assets'. It includes plant, equipment and motor vehicles.

Other Economic Flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-current physical assets, fair value changes of financial instruments and agricultural assets and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market remeasurements.

Payables

Payables include short- and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

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

Supplies and Services

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

Transactions

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

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Style Conventions

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

The notation used in the tables is as follows:

– zero or rounded to zero

(xxx) negative numbers

201x year period

201x–1x year period

The financial statements and notes are presented based on the illustration for a government department in the *2012–13 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of SAC's annual reports.



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