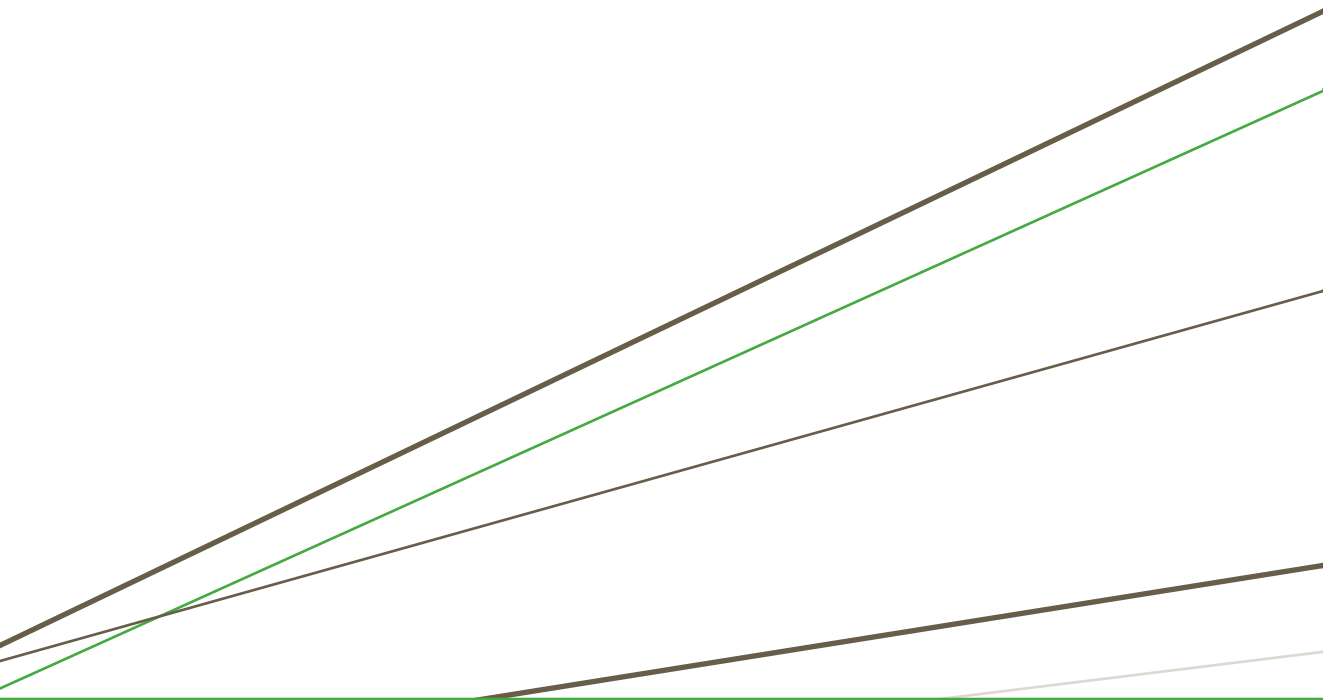


# Sentencing Advisory Council

## Annual Report 2014–2015

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# Highlights of the Year

The Council had many highlights during 2014–15:

- We welcomed the Victorian Court of Appeal's landmark guideline judgment on the use of community correction orders.
- We launched SACStat – Higher Courts, our online tool for accessing sentencing statistics for the County and Supreme Courts.
- We published *Calculating the Baseline Offence Median*, a report prepared to assist Victorian courts and legal practitioners, as well as interested members of the community, to understand the implications of the *Sentencing Amendment (Baseline Sentences) Act 2014 (Vic)* for current sentencing practices.
- We published current sentencing practices reports on major drug offences and major driving offences.
- We published *Reoffending Following Sentence in Victoria: A Statistical Overview* examining reoffending patterns over nine years for all offenders sentenced in Victorian courts from July 2004 to June 2005.
- We published *Changes to Sentencing Practice: Young Adult Offenders*, examining sentencing trends for young offenders (aged 18 to 20 years) over the five years to June 2014. The report explores both the number of young adult offenders sentenced and the differences in their sentencing outcomes.
- We published *A Quick Guide to Sentencing*, a plain-language guide explaining the where, when, what, and how of sentencing in Victoria. The *Quick Guide* has been downloaded over 1,000 times since it was published in February 2015.
- We hosted *Passing Sentence*, a lively public forum with over 170 attendees as part of Law Week 2015.
- We welcomed two new Council directors: Fiona Dowsley and Shane Patton.
- We delivered 18 *You be the Judge* sessions with over 550 participants.
- We received over 75,500 visits to our website and gained 45% more Twitter followers.

# Chair's Foreword

When sentencing councils are discussed in anglophone legal jurisdictions, they are usually linked to the provision of guidelines for the courts. In the United States nearly half the states have a sentencing commission, as does the federal justice system. The earliest of these, in Minnesota, dates from 1980. Their main task is the development of sentencing guidelines that, to a greater or lesser degree, regulate the exercise of judicial sentencing discretion.

In the United Kingdom, the Sentencing Council for England and Wales, established in 2010 as the successor to the Sentencing Advisory Panel and the Sentencing Guidelines Council, issues and monitors sentencing guidelines that judges must follow unless doing so would be contrary to the interests of justice. Most guidelines are offence specific, while some deal with general sentencing principles.

Australia's highly individualised sentencing system has not been conducive to the development of formal or informal guidelines, although the New South Wales Court of Criminal Appeal issued a number of guideline judgments between 1998 and 2001. This process ceased following criticism by the High Court, which has strongly favoured an 'instinctive synthesis' methodology in sentencing over a more structured process of reasoning.

The introduction of a new sentencing order in 2012, the community correction order, which fundamentally restructured the Victorian sanctioning hierarchy, resulted in some degree of uncertainty as to its application. In the case of *Boulton v The Queen*; *Clements v The Queen*; *Fitzgerald v The Queen* [2014] VSCA 342 (22 December 2014), the Court of Appeal issued the first formal guideline judgment under the provisions of section 6AB of the *Sentencing Act 1991* (Vic). This section, which came into effect in 2004, states that a guideline judgment may set out, among other matters, the criteria to be applied in selecting among various sentencing alternatives and the weight

to be given to the various purposes of sentencing set out in the Act.

The provisions of the Act also state that '[i]f the Court of Appeal decides to give or review a guideline judgment ... it must cause the Sentencing Advisory Council to be notified and consider any views [of the Council] stated in writing'. The Director of Public Prosecutions and Victoria Legal Aid are also given an opportunity to appear before the court and make submissions.

This was the procedure invoked in this case and it involved the Council, working cooperatively with the other parties, providing the court with three research reports – *Community Correction Orders: Monitoring Report, Exploring the Relationship between Community-Based Order Conditions and Reoffending, and Community Correction Orders in the Higher Courts: Imposition, Duration, and Conditions* – with a view to informing the court of the operation of the community correction order and its predecessor, the community-based order.

The Council, working with the other institutional parties, also provided the court with a draft guideline as there were few, if any, precedents for a sanction-based, rather than a tariff-based, guideline elsewhere in the world. In addition, the Council appeared as an *amicus curiae*, a friend of the court, to assist it in its deliberations.

The value of this novel procedure was acknowledged by the court when it handed down its judgment in December 2014, and although it required a considerable investment of the Council's

resources, the statutory process highlighted the Council's important role in the development of evidence-informed sentencing policy in Victoria.

The guideline judgment itself has had a powerful influence in changing sentencing practices and has been cited on numerous occasions by the Court of Appeal itself and sentencing judges. The Council will continue to monitor the operation of the new legislation and the effect of the guideline judgment and publish further reports over the coming years.

Another significant recent change in the law saw the introduction of a system of baseline sentences, which came into effect in November 2014. This has involved the Council in preparing and publishing a number of reports on the possible operation of the legislation and being involved in briefings and seminars to the judiciary and the legal profession. The legislation is complex and its operation uncertain. The Council will monitor the effects of the legislation and publish the results of its findings in due course.

One of the Council's most valuable resources is the database that it has developed that allows it to follow sentenced offenders through the criminal justice system. Longitudinal data are important to enable an evaluation of the effectiveness of sentencing overall and individual sanctions in particular. The database has been used in the past to better understand the effects of imprisonment, of community correction orders and conditions, and of fines.

This year the Council published a report, *Reoffending Following Sentence in Victoria: A Statistical Overview*, that provided a very broad overview of recidivism rates. Although evidence of the effectiveness of sentences is not the sole basis for determining the type and quantum of sentence to be imposed, it should be a major factor taken into account by policy makers and judicial officers.

That the Council remains so productive and influential is testament to the contribution of the secretariat, ably led by CEO Ms Cynthia Marwood, and to the work of my fellow Council directors who give unstintingly of their time and advice.

We continue to retain the confidence of governments of all political persuasions and we thank the previous and present Attorneys-General Robert Clark and Martin Pakula for their continuing support. We also extend our gratitude to senior officers of the Department of Justice and Regulation, particularly Ms Marisa De Cicco, Deputy Secretary, Criminal Justice.

Our thanks are also due to the many judicial officers and staff of government departments, agencies, and non-government organisations who have assisted the Council in its research and policy development.



**Emeritus Professor Arie Freiberg, Chair**



**Emeritus  
Professor  
Arie Freiberg**

# CEO's Report

It has been another busy and productive year for the Council.

In December 2014, the Council welcomed the Victorian Court of Appeal's landmark guideline judgment on the use of community correction orders. The Council, along with Victorian Legal Aid and the Director of Public Prosecutions, made detailed written submissions to assist the court in deciding whether to give a guideline judgment on community correction orders. The Council's Chair was also invited to make further oral submissions during the course of the court hearing the appeals. This was the Chair's first time at the bar table and, while he advised the court that he 'preferred the cut and paste of academia to the cut and thrust of the Bar', he ably provided the court with further guidance on a number of points of sentencing law. The court praised the submissions of all the parties indicating that they were of the highest quality and that they were of great assistance to the court in the consideration of the issues raised.

In addition, the Council has published a number of important reports on:

- current sentencing practices for major drug offences and major driving offences;
- changes to sentencing practice for young adult offenders;
- the imposition of community correction orders (CCOs) including their duration and the conditions attached;
- an overview of reoffending rates in Victoria; and
- the relationship between community sentence conditions and reoffending rates.

I would like to thank the many people and agencies who gave freely of their time to assist the Council with their insights and suggestions in the preparation of these reports.

Baseline sentencing has also occupied the Council. The Council published a

report to assist Victorian courts and legal practitioners, as well as interested members of the general community, to understand the operation and counting rules contained in the new baseline sentencing legislation. This report was followed up with a number of presentations to interested groups within the criminal justice system. In addition, the Council has provided materials on its website to help the legal community in applying the baseline sentencing scheme. This could not have been done without the assistance of the Victorian County Court in publishing baseline median cases. While the Council will continue to do what it can to assist with implementation, it will also be focusing on monitoring and evaluating the effect of these reforms on sentencing outcomes and court processes in consultation with the courts.

The Council also expanded SACStat, its publicly available, award-winning online tool for accessing sentencing statistics, by adding a module on the County and Supreme Courts. It also published 23 updated Sentencing Snapshots. Thanks are due to Alan Chan and Lyn Germain and their respective teams within Court Services Victoria for the provision of raw data that underpin these two products and many of the Council's reports.

The Council has continued to provide community education on sentencing with a number of face-to-face presentations. Virtual You be the Judge remains the Council's flagship community education tool. In addition, the Council has published *A Quick Guide to Sentencing*. This guide explains the where, when, what, and how of sentencing in Victoria in plain language. The Council also updated its online resources for teachers utilising Virtual You be the Judge in the classroom.

The Council's forum Passing Sentence, presented as part of Law Week 2015, gave the audience the opportunity to view a hypothetical case demonstrating how

courts determine an appropriate sentence. Audience members were asked to express their views on sentencing the hypothetical case at different points in the proceedings. I would like to thank the host, Professor Arie Freiberg AM, as well as Peter Kidd SC, Helen Fatouros, Carmel Arthur, and the Honourable George Hampel QC for giving up their time to participate. It was an informative and engaging community event. I would also like to thank Chris Gill, the Council's Education and Online Engagement Coordinator, for organising the forum and wrangling the participants.

To help raise community awareness of sentencing issues, the Council has been active on social media, published several journal and newspaper articles on its work, and participated on talk-back radio on several occasions.

I thank the dedicated and committed staff of the Council's secretariat for all their hard work in achieving these outcomes including the unsung efforts of our administrative staff, Sarah Lappin and Bonnie Lindrea, who keep the Council's office running smoothly. The Council is also fortunate to have a tireless publications and website officer, Catherine Jeffreys, who always ensures the Council's publications and website are professionally presented and word perfect.

This year has seen the departure of some Council directors. The Council farewelled Deputy Commissioner Graeme Ashton AM and Sergeant Peter Dikschei, both of Victoria Police, and I thank them both for their service to the Council. The Council

welcomed two new directors: Fiona Dowsley, Chief Statistician, Crime Statistics Agency, and Shane Patton, Acting Deputy Commissioner, Victoria Police.

There have also been some staff departures. Dr Joe Clare, Manager, Statistical Analysis, Emma O'Neill, Senior Legal Policy Officer, Sally Hay, Operations Manager, and Christine Knowles Diamond, Data Analyst, resigned from the Council to take up new roles. Each of these staff made a significant contribution during their time with the Council and are sorely missed. I thank them for their service to the Council.

The Council also farewelled Graeme Lindsay, Chief Financial and Accounting Officer. I thank him for his service and welcome Michael Almond in his place. Thanks are also due to the Chair and members of the Audit and Finance Committee. Karol Hill has been excellent in the role as Chair and we have welcomed Cameron Hume following the departure of David Jorgensen.

The Council continues to benefit from the experienced hand of Marisa De Cicco, Deputy Secretary, Criminal Justice, Department of Justice and Regulation, the support and counsel of the Council's Board of Directors and the energetic leadership of its Chair, Arie Freiberg. I thank them for their dedication to the work of the Council this year.



**Cynthia Marwood, Chief Executive Officer**



**Cynthia  
Marwood**

# Functions and Objectives

## Our Functions

The Sentencing Advisory Council is an independent statutory body 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 the *Sentencing Act 1991* (Vic), 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, which is comprised of people with a wide range of backgrounds, including 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 the 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 practices, and increasing community confidence in those sentencing policies and practices.

## Context of Our Role

The Council addresses a range of needs. Key needs are identified in Figure 1, which also describes the relationship between these 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.

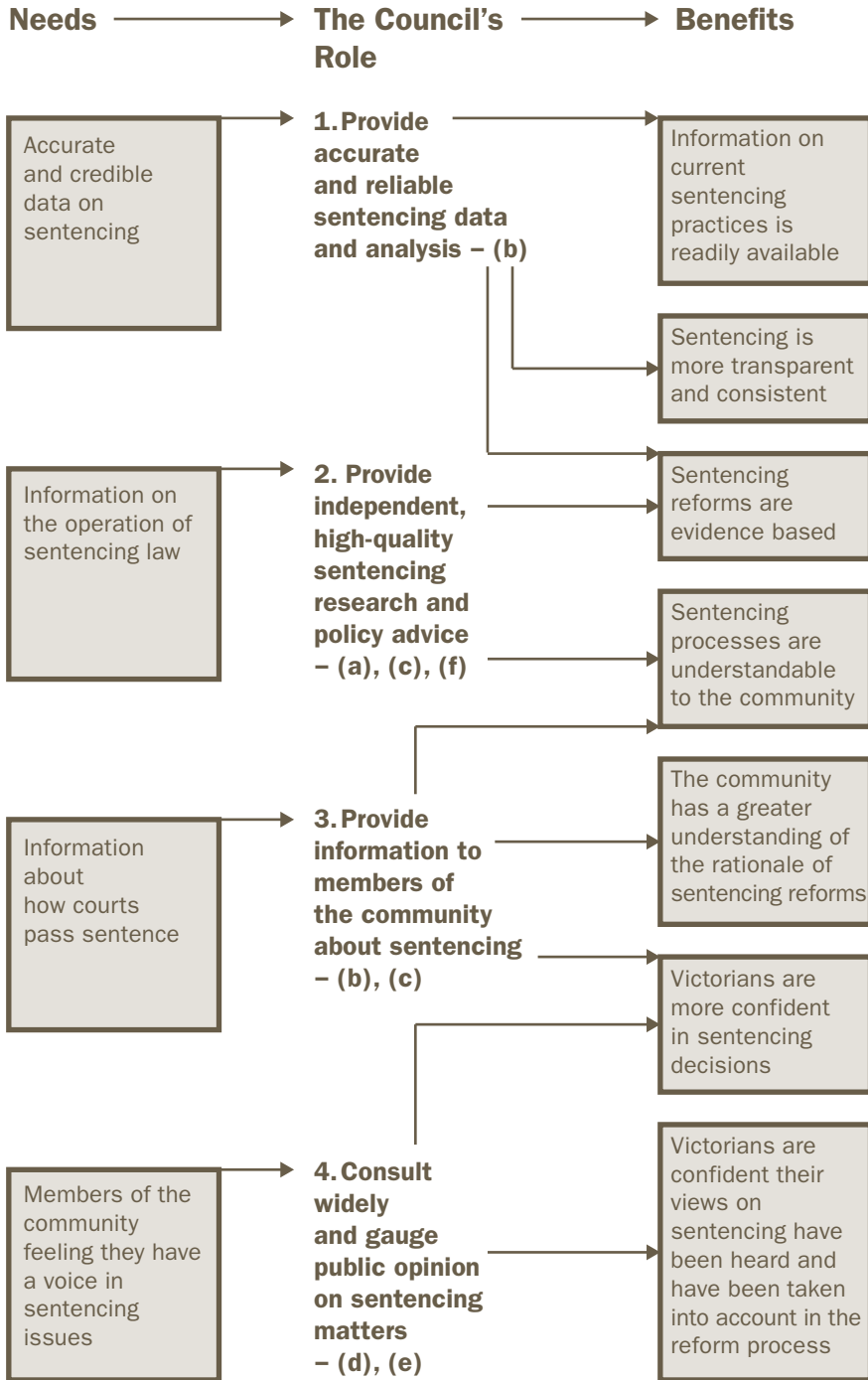
## Our Guiding Principles

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 the 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 Directors come from a broad spectrum of professional and community backgrounds and represent a range of perspectives.

In 2014–15, the Council farewelled Deputy Commissioner Graeme Ashton AM and Sergeant Peter Dikschei, both of Victoria Police. We welcomed Fiona Dowsley, Chief Statistician, Crime Statistics Agency, and Shane Patton, Acting Deputy Commissioner, Victoria Police.

## **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: 11 /11

## **Carmel Arthur**

### **Profile – operation of the criminal justice system**

Carmel Arthur has great personal insight and a unique comprehension of the operation of the criminal justice system. She is not only a victim of crime but has also worked with many victims of crime. She advocates for better treatment of victims and their families through the criminal justice process, and is particularly conscious of the need to keep the community engaged and informed about the justice system. Carmel is a founding member of the Sentencing

Advisory Council and a long-term community member of the Adult Parole Board. She has vast experience in the criminal justice system particularly with courts, Corrections, and Victoria Police.

Council meetings attended: 11 /11

## **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: 10/11

## **Fiona Dowsley**

### **Profile – operation of the criminal justice system**

Fiona Dowsley has over a decade of experience in building the evidence base in crime and justice to support improved research and decision-making. She spent two years as Director of the National Centre for Crime and Justice Statistics at the Australian Bureau of Statistics and has collaborated in the international sphere, such as with the United Nations Office on Drugs and Crime Task Force, to develop an international classification of crime. In January 2014, she was appointed as the founding Chief Statistician of the Crime Statistics Agency in Victoria.

Appointment commenced 8 July 2014

Council meetings attended: 9/11

### **Helen Fatouros**

#### **Profile – operation of the criminal justice system**

Helen Fatouros, Director of Criminal Law Services, Victoria Legal Aid, has an extensive criminal law background. Her previous roles include Legal Prosecution Specialist and Directorate Manager of the Specialist Sex Offences Unit for the Victorian Office of Public Prosecutions. In 2012, Helen led the Sexual Offences Interactive Legal Education Program, earning her the Law Institute of Victoria's 2013 President's Award for Government Lawyer of the Year.

Council meetings attended: 9/11

### **David Grace QC**

#### **Profile – highly experienced defence lawyer**

David Grace has nearly 40 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: 9/11

### **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 Chair of the Building Practitioners Board Inquiry Subcommittee.

Council meetings attended: 7/11

### **Peter Kidd SC**

#### **Profile – highly experienced prosecution lawyer**

Peter Kidd is a prosecutor with over 20 years' experience practising in the criminal law, including a period prosecuting war crimes overseas. He has appeared in many significant trials and regularly appears in the Court of Appeal in conviction and sentence appeals.

Council meetings attended: 10 /11

### **Shane Patton**

#### **Profile – member of the police force of the rank of senior sergeant or below who is actively engaged in criminal law enforcement duties**

Acting Deputy Commissioner Shane Patton joined Victoria Police in 1978 and has held a wide range of diverse policing roles including operational uniform policing, criminal investigations, and public transport safety. Since December 2014, he has been Acting Deputy Commissioner, Specialist Operations. He led the 'Schools of Practice' project within the Victoria Police training environment and has received several internal commendations. He is a Williamson Fellow (WCLP – Leadership Victoria 2007) and an ANZSOG Alumni.

Appointment commenced 31 March 2015

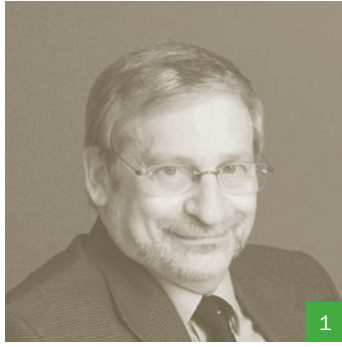
Council meetings attended: 2/11

### **Barbara Rozenes**

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

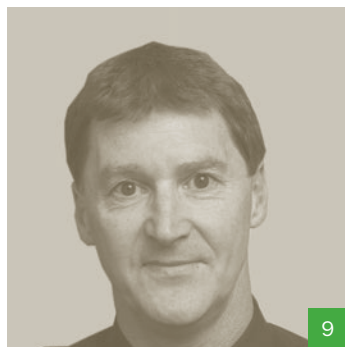
Barbara Rozenes is a past President and inaugural ambassador of Court Network, where she has had over 23 years' experience with victims of crime as a weekly Court Network volunteer in the County Court. She is a board member of the Victorian Association for the Care and Resettlement of Offenders, an ambassador for Windana Drug and Alcohol Recovery, an associate member of the Australian Institute of Arbitrators and Mediators, and a patron of the Epilepsy Foundation of Victoria.

Council meetings attended: 11/11

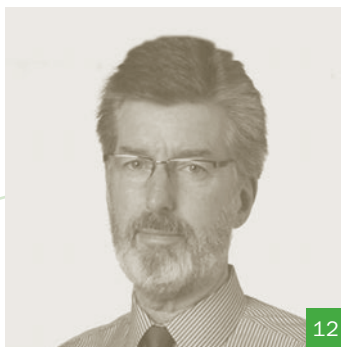


1. Arie Freiberg AM
2. Carmel Arthur
3. Hugh de Kretser
4. Fiona Dowsley
5. Helen Fatouros
6. David Grace QC
7. John Griffin PSM

8. Peter Kidd SC
9. Shane Patton
10. Barbara Rozenes
11. Lisa Ward
12. Geoff Wilkinson OAM
13. Kornelia Zimmer



11



### **Lisa Ward (Deputy Chair)**

#### **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.

Council meetings attended: 8/11

### **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.

Council meetings attended: 10/11

### **Kornelia Zimmer**

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

Kornelia Zimmer was appointed to the Council in January 2012. She has advocated for Victims of Crime since 2008, following her experience with the criminal justice system after the homicide of her brother. She was appointed as an inaugural member of the Victims of Crime Consultative Committee in 2013 and as a community member on the Adult Parole Board in 2014. She works within the community sector, where she specialises in research and policy.

Council meetings attended: 8/11

### **Retired Members 2014–15**

#### **Peter Dikschei**

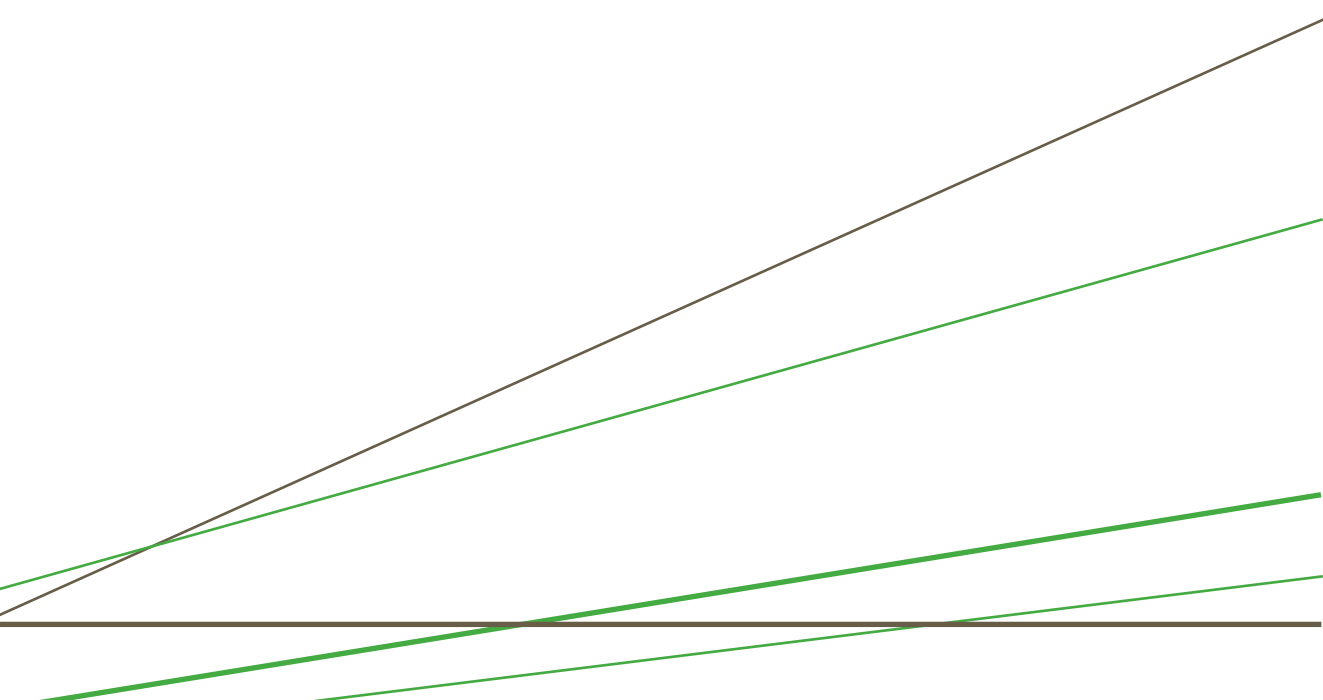
Retired December 2014

Council meetings attended: 4/11

#### **Graham Ashton AM**

Retired January 2015

Council meetings attended: 4/11



# Council Secretariat

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, data analysis, publishing, administration, and community education and engagement to assist the Council in meeting its objectives.

In 2014–15, secretariat staff included the following.

## Chief Executive Officer

Cynthia Marwood

## Legal Policy and Community Engagement

### Manager, Legal Policy and Community Engagement

Felicity Stewart (to February 2015)  
Donald Ritchie (from February 2015)

### Principal Legal Policy Officer

Donald Ritchie (to February 2015)  
Felicity Stewart (from February 2015)

### Senior Legal Policy Officer

Nina Hudson (October 2014 to June 2015)

### Senior Legal Policy Officer

Emma O'Neill (to January 2015)

### Legal Policy Officer

Anusha Kenny (from April 2015)

### Education and Online Engagement Coordinator

Chris Gill

### Research Assistant (Casual)

Katharine Brown (from April 2015)

## Statistics and Data

### Manager, Statistical Analysis

Joe Clare (to January 2015)  
Geoff Fisher (from February 2015)

### Senior Data Analyst

Geoff Fisher (to January 2015)  
Dennis Byles (acting January 2015 to April 2015)  
Anna To (from April 2015)

### Data Analyst

Zsombor Bathy

### Data Analyst

Dennis Byles (to December 2014; from May 2015)

### Data Analyst

Christine Knowles Diamond (to April 2015)

## Publishing

### Publications and Website Officer

Catherine Jeffreys

## Administration

### Operations Manager (previously Office Manager)

Sally Hay (October 2014 to February 2015)  
Sarah Lappin (from May 2015; acting July 2014 to October 2014, February 2015 to May 2015)

### Administrative Assistant

Sarah Lappin (October 2014 to February 2015)

### Administrative Assistant

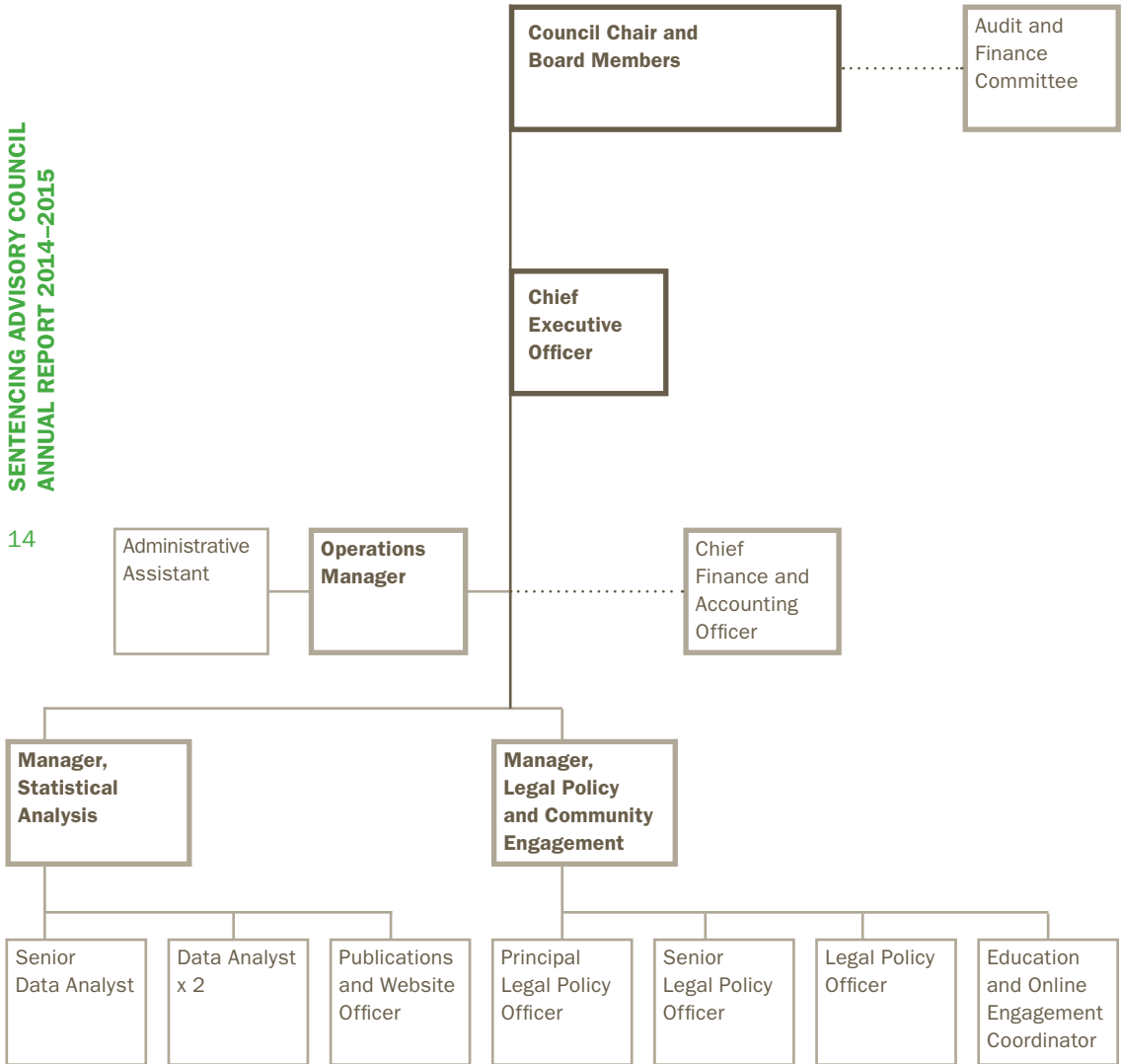
Bonnie Lindrea (March 2015 to June 2015)

### Chief Finance and Accounting Officer

Graham Lindsay (to October 2014)  
Michael Almond (from November 2014)

# Organisational Chart

Figure 2 displays the Council's organisational structure as at 30 June 2015.



**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.

## Cases

During 2014–15, Sentencing Snapshots were cited in over 40 published decisions in the Supreme Court, the Court of Appeal, and the County Court including:

- *DPP v Nguyen* [2015] VCC 926 (30 June 2015);
- *Meade v The Queen; DPP v Meade* [2015] VSCA 171 (26 June 2015);
- *DPP v Nguyen* [2015] VCC 905 (26 June 2015);
- *DPP v Dennis (a Pseudonym)* [2015] VCC 876 (25 June 2015);
- *DPP v Othow* [2015] VCC 744 (3 June 2015);
- *DPP v Baldwin* [2015] VCC 688 (28 May 2015);
- *DPP v Kemp* [2015] VSCA 108 (19 May 2015);
- *Cotton (a Pseudonym) v The Queen* [2015] VSCA 103 (18 May 2015);
- *Raveche v The Queen* [2015] VSCA 99 (15 May 2015);
- *DPP v Truong* [2015] VCC 630 (8 May 2015);
- *DPP v Downie* [2015] VCC 606 (8 May 2015);
- *DPP v Tran* [2015] VCC 633 (7 May 2015);
- *DPP v Pham* [2015] VCC 442 (16 April 2015);
- *Walsh v The Queen* [2015] VSCA 41 (16 March 2015);
- *DPP v Torun* [2015] VSCA 15 (17 February 2015);
- *DPP v Herring* [2015] VCC 148 (13 February 2015);
- *Bass (a Pseudonym) v The Queen* [2014] VSCA 350 (22 December 2014);
- *Boulton v The Queen; Clements v The Queen; Fitzgerald v The Queen* [2014] VSCA 342 (22 December 2014);
- *Murrell v The Queen; DPP v Murrell* [2014] VSCA 337 (18 December 2014);
- *DPP v Do* [2014] VCC 2257 (17 December 2014);
- *DPP v O'Farrell & Anor* [2014] VCC 2279 (15 December 2014);
- *Bussell (a Pseudonym) v The Queen* [2014] VSCA 310 (2 December 2014);
- *DPP v Tran* [2014] VCC 1992 (28 November 2014);
- *Soo v The Queen* [2014] VSCA 304 (25 November 2014);
- *Frیده v The Queen* [2014] VSCA 271 (31 October 2014);
- *DPP v Nguyen* [2014] VCC 1784 (30 October 2014);
- *DPP v Orbrist* [2014] VCC 1678 (8 October 2014);
- *DPP v McConkey* [2014] VCC 1574 (18 September 2014);
- *DPP v Basic* [2014] VCC 1552 (12 September 2014);
- *Bernath & Ors v The Queen* [2014] VSCA 195 (3 September 2014);
- *DPP v Sinclair* [2014] VCC 1439 (29 August 2014);
- *DPP v Ozyurt* [2014] VCC 1383 (26 August 2014);
- *DPP v Taumoefolau* [2014] VCC 1328 (18 August 2014);
- *Blair v The Queen* [2014] VSCA 175 (15 August 2014);
- *The Queen v Furlan* [2014] VSC 361 (14 August 2014);
- *DPP v Truong* [2014] VCC 1399 (7 August 2014);

- *DPP v Gilbert* [2014] VCC 1236 (6 August 2014);
- *DPP v Bui* [2014] VCC 1193 (5 August 2014);
- *Stensholt v The Queen* [2014] VSCA 171 (1 August 2014);
- *McPhee v The Queen* [2014] VSCA 156 (24 July 2014);
- *Leddin v The Queen* [2014] VSCA 155 (22 July 2014);
- *DPP v Rheiberger* [2014] VCC 1152 (21 July 2014); and
- *Reid (a Pseudonym) v The Queen* [2014] VSCA 145 (1 July 2014).

### Academic Citations

During 2014–15, the Council’s publications were cited in many academic articles and texts including:

Attorney-General’s Department (SA), *Better Sentencing Options: Creating the Best Outcomes for Our Community*, Transforming Criminal Justice Discussion Paper (2015).

Bagaric, Mirko, ‘Sentencing: From Vagueness to Arbitrariness: The Need to Abolish the Stain That Is the Instinctive Synthesis’ (2015) 38(1) *University of New South Wales Law Journal* 76.

Bartels, Lorana, Kate Warner, and George Zdenkowski, ‘National Research with Jurors on Sentences for Sexual Offenders’ (2014) 26(2) *Judicial Officers’ Bulletin* 9.

Bartels, Lorana, *Indigenous-Specific Court Initiatives to Support Indigenous Defendants, Victims and Witnesses*, Research Brief 17 (Indigenous Justice Clearinghouse, 2015).

Carlton, Bree and Marie Segrave, ‘Rethinking Women’s Post-Release Reintegration and “Success”’ (2015) *Australian & New Zealand Journal of Criminology* (DOI: 10.1177/0004865815573876).

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## Media

In addition to judicial and academic citations, the Council's work received widespread media attention during 2014–15, featuring in a range of print and radio media.

# 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.

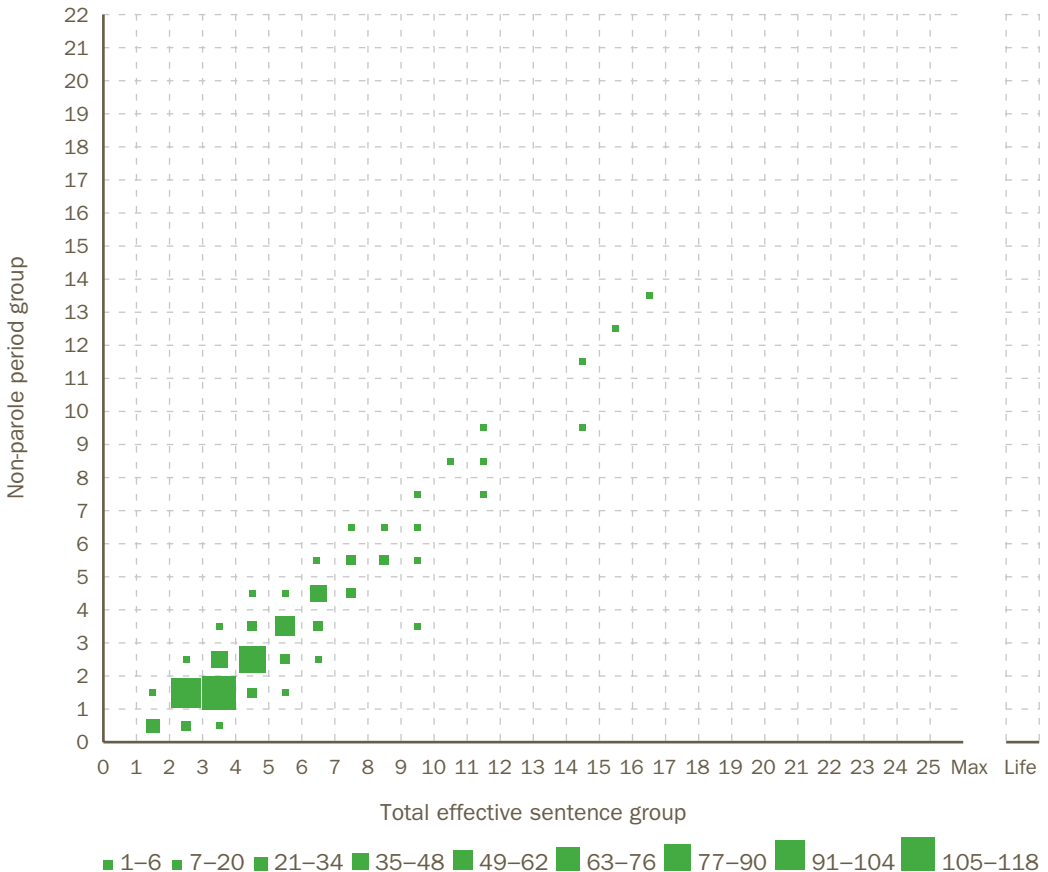
Providing statistical information on sentencing serves several important purposes:

- it ensures that information on current sentencing practices is readily available;
- it promotes consistency in sentencing; and
- it increases the transparency of sentencing.

During 2014–15, the Council fulfilled this function by launching SACStat – Higher Courts, publishing 23 Sentencing Snapshots, and providing sentencing statistics on the Council’s website, which received over 75,000 visits.

**FIGURE 3:**

**NUMBER OF CASES RECEIVING EACH COMBINATION OF TOTAL EFFECTIVE SENTENCE AND NON-PAROLE PERIOD**



## SACStat

SACStat is an online tool for viewing sentencing data for Victoria comprising pre-generated HTML pages that contain a range of sentencing data in graphs and tables. Covering a large number of offences, SACStat presents aggregate data on case-level sentences for all people and by age group and gender, as well as on charge-level sentences. The data are accessible via a 'legislation index'.

In October 2014, the Council launched a higher courts module of SACStat (SACStat – Higher Courts). The module was integrated with the existing SACStat product, which had previously only presented data from the Magistrates' Court. Data in the Magistrates' Court module were updated at the same time as the launch, and in May 2015 SACStat – Higher Courts was updated.

Currently, SACStat – Higher Courts covers the period from July 2009 to June 2014 and includes data on approximately 190 separate offences. SACStat – Magistrates' Court covers the period from July 2011 to June 2014 and includes nearly 500 offences.

One of the features of SACStat – Higher Courts is 'tile' graphs, which present the number of cases for each offence that received each combination of total effective sentence length and non-parole period (see Figure 3).

SACStat – Higher Courts presents similar data to the Sentencing Snapshots series but covers a much wider range of offences (approximately 190 compared with 31). As a result, the Council has reduced the length of the Sentencing Snapshots and included links between the Snapshots and SACStat.

## Sentencing Snapshots

In 2014–15, the Council released 23 Sentencing Snapshots covering the following offences:

- incest (no. 160);
- trafficking in a non-commercial quantity of drugs (no. 161);
- trafficking in a commercial quantity of drugs (no. 162);
- trafficking in a large commercial quantity of drugs (no. 163);
- cultivating a non-commercial quantity of narcotic plants (no. 164);
- cultivating a commercial quantity of narcotic plants (no. 165);
- affray (no. 166);
- handling stolen goods (no. 167);
- theft (no. 168);
- obtaining financial advantage by deception (no. 169);
- obtaining property by deception (no. 170);
- murder (no. 171);
- manslaughter (no. 172);
- culpable driving causing death (no. 173);
- making a threat to kill (no. 174);
- arson (no. 175);
- rape (no. 176);
- indecent assault (no. 177);
- indecent act with a child under 16 (no. 178);
- persistent sexual abuse of a child (no. 179);
- sexual penetration with a child aged under 12 (no. 180);
- sexual penetration with a child under care (no. 181); and
- sexual penetration with a child aged 12 to 16 (no. 182).

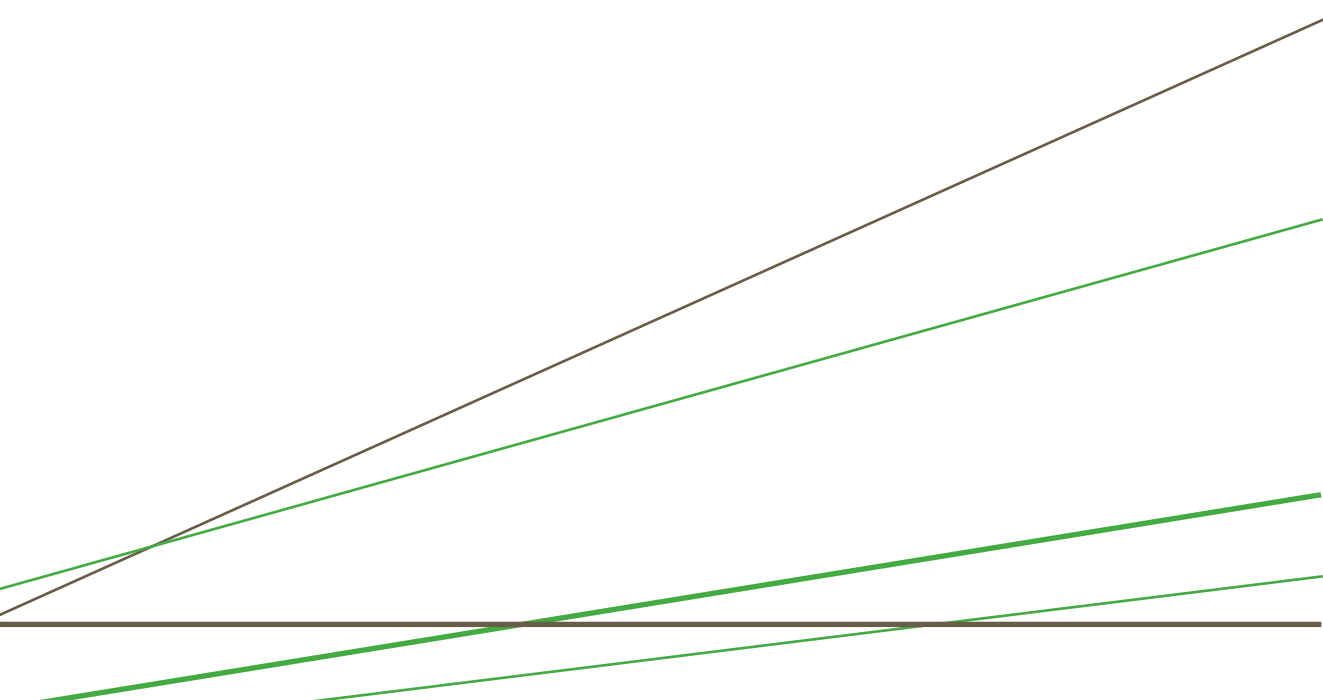
Each Snapshot examines sentence types and imprisonment lengths imposed in the higher courts over a five-year period for all people sentenced. As at June 2015, the Council has published 182 Sentencing Snapshots, focusing primarily on 31 offences sentenced in the County and Supreme Courts.

In view of the higher courts data now being available through the Council's SACStat – Higher Courts module (launched in October 2014), we reviewed our Snapshot content with key stakeholders. As a result of this review, some of the Snapshot content that was duplicated on SACStat – Higher Courts was excised from the Snapshots and replaced with links to relevant SACStat pages.

The excised content relates to sentencing by offender age and gender, sentence quantum information for non-imprisonment sentences, and the 'bubble graphs' that presented cases according to the combination of total effective sentence and non-parole period. All this information, including total effective sentence and non-parole period combinations (presented in 'tile' graphs – see Figure 3), are available on SACStat.

Another change to the content of Snapshots has been the integration of Court of Appeal decisions available to the Council. Previously, appeals data were presented in a separate section in the Snapshots, which sometimes resulted in different values being presented for the same measure (for example, different median imprisonment terms pre- and post-appeal). The new Snapshots report only one value, a post-appeal value, for each measure of sentence outcome.

In addition to these content changes, the Snapshots have been given a new look that clearly distinguishes them from previous Snapshots and brings them in line with SACStat.



# 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 2014–15, the Council fulfilled this function by publishing:

- *Calculating the Baseline Offence Median: Report* and additional information on baseline sentencing;
- *Exploring the Relationship between Community-Based Order Conditions and Reoffending*;
- *Community Correction Orders in the Higher Courts: Imposition, Conditions, and Duration*;
- *Major Drug Offences: Current Sentencing Practices*;
- *Reoffending Following Sentence in Victoria: A Statistical Overview*;
- *Changes to Sentencing Practice: Young Adult Offenders*; and
- *Major Driving Offences: Current Sentencing Practices*.

In addition:

- the Council made oral submissions (in support of written submissions made in 2013–14) to the Court of Appeal in the Director of Public Prosecutions’ application for a guideline judgment on the use of community correction orders;

- the Council is examining the rate and timing of guilty pleas and the application of section 6AAA of the *Sentencing Act 1991* (Vic) in the County and Supreme Courts of Victoria; and
- the Council is examining sentencing practices for sentences of imprisonment with a non-parole period in the context of the relationship between sentencing and parole law and process, as well as the recent changes to the adult parole system.

## Baseline Sentencing

As part of its ongoing work to assist the courts, legal counsel, and the broader community with the implementation of baseline sentencing, the Council produced several resources in 2014–15.

### Calculating the Offence Median for Baseline Offences

In September 2014, the Council published *Calculating the Baseline Offence Median*, a report examining the method of calculation of a median sentence under the *Sentencing Amendment (Baseline Sentences) Act 2014* (Vic). Using the results of cases sentenced between 2008–09 and 2012–13, the baseline median method was used to calculate the medians for the offences prescribed as baseline offences under that Act.

The report provides greater clarity in relation to:

- the method of calculation of the median sentence under the Act;
- the differences between the method of calculation of the median sentence under the Act and the method of calculation of the median in the Council's Sentencing Snapshots, which have previously been the primary source of aggregate sentencing data for the County and Supreme Courts;
- the effect of the number of charges being examined and the reference period when determining a median sentence for an offence; and
- the statistical issues to consider when applying the median sentence under the Act in sentencing decisions.

### Baseline Sentencing Information

In April 2015, the Council released further information on baseline sentencing.

For each of the seven baseline offences, the Council created a table of information that identifies (and provides links to) published cases containing a charge of a baseline offence that has been sentenced on, or around, the median value.

A court is required to impose the new baseline sentence for those baseline charges (committed on or after 2 November 2014) that would have previously received the median sentence. Charges that would have received a sentence above or below the median are similarly expected to receive a sentence above or below the new baseline sentence, as the individual case requires.

The new information is intended to assist the courts and legal counsel in applying the baseline sentencing scheme, as it will allow them to compare characteristics of a charge before the court with the characteristics of charges sentenced on the median value.

For each of the published cases across the seven offences, the tables provide:

- the case name and a link to the first-instance or appellate decision, published on AustLII;
- the sentencing date;
- plea information;
- the number of charges of the relevant baseline offence in the case;
- an indication of whether that sentence was on the median (or in a range around the median);
- the sentence imposed on the baseline charge;
- the total effective sentence; and
- the non-parole period.

The information tables also contain data on the range of sentences imposed for each baseline offence for the five-year period ending 30 June 2014.

### Guide to Baseline Sentencing Information

To accompany the release of the baseline sentencing information, the Council also published a *Guide to Baseline Sentencing Information*, outlining an implied process for baseline sentencing and the methodology adopted by the Council in order to:

- calculate the median values; and
- select those cases containing charges sentenced on, or around, the median values.

These data supersede the data contained in the Council's earlier publication, *Calculating the Baseline Offence Median: Report*.

### Informing Stakeholders and the Community

Since the introduction of the baseline sentencing scheme, the Council has engaged with key stakeholders and the broader community to inform and educate them on baseline sentencing.



The Council has met with and presented material on baseline sentencing to a wide variety of stakeholders including:

- the Court of Appeal;
- the County Court;
- Victoria Legal Aid;
- the Office of Public Prosecutions;
- the Victorian Bar Association;
- LegalWise Seminars; and
- the Judicial College of Victoria.

The Council is also represented on a baseline sentencing reference group, coordinated by Victoria Legal Aid, which has held a workshop seminar on baseline sentencing for legal counsel.

## Community-Based Order Conditions and Reoffending

In October 2014, the Council published *Exploring the Relationship between Community-Based Order Conditions and Reoffending*, a report examining community-based orders (CBOs) imposed by the Magistrates' Court in the two years to June 2009. The report examined:

- how different combinations of CBO conditions were used; and
- how offender and offence characteristics differed between offenders who received supervision as a CBO condition and offenders who did not.

The report identified a correlative link between the imposition of supervision as a CBO condition and an increased risk of reoffending.

The CBO was replaced by the community correction order (CCO) in Victoria in January 2012, but the interaction between community-based sentencing and reoffending is still relevant. Research by the Council examining the first 18 months to June 2013 suggests that CCOs are being used by magistrates in a similar way to CBOs.

The Council found that the overall reoffending rate for offenders sentenced to a CBO was 42.6%. The report also found that:

- unpaid community work, assessment/treatment, and supervision were the most common conditions attached to CBOs;
- reoffending was higher (49.5%) following the imposition of CBOs that had supervision as a condition than following the imposition of CBOs without supervision (36.9%);
- when separated into groups according to whether or not supervision was a condition, reoffending was more likely for those offenders who:
  - were sentenced for multiple offences;
  - had received a recent prior sentence;
  - were male; and
  - were under 25 years at the time of sentencing;
- having supervision as a CBO condition was associated both with a higher rate of reoffending and with a shorter time interval between sentencing and reoffending compared with offenders who did not have supervision as a condition; and
- sentencing for reoffending by offenders who had received a CBO with supervision was generally more severe than sentencing for reoffending by offenders who had received a CBO without supervision as a condition.

This research does not indicate that supervision is ineffective. Rather, it suggests that supervision as a CBO condition was targeted to those offenders at highest risk of reoffending. These offenders were more likely to have been convicted of offences against the person and to have been sentenced previously, including to a prior term of imprisonment.

## Community Correction Order Imposition and Conditions

Also in October 2014, the Council published *Community Correction Orders in the Higher Courts: Imposition, Conditions, and Duration*, an innovative analysis of the new community correction orders (CCOs) imposed by Victorian higher courts in the 18 months to June 2013. It is the first Council report, and one of the few reports in Australia, to examine sentencing outcomes using both quantitative and qualitative analyses of judges' sentencing remarks.

The analysis sought to identify case variables influencing:

- when CCOs were imposed (compared with short periods of imprisonment);
- what lengths of CCOs were imposed; and
- what conditions were attached to CCOs.

The analysis found:

- most CCOs imposed by the higher courts were of similar duration to the old community-based orders (85% of CCOs were two years or less);
- while most case variables did not predict if a CCO or a short term of imprisonment would be imposed, offenders who were employed and/or involved in an educational program had an increased likelihood of receiving a CCO;
- an offender's previous offending and the seriousness of the current offending were consistently associated with the imposition of imprisonment rather than a CCO;
- courts generally provided little explanation of the sentencing principles applied, or the purposes intended, when imposing a long CCO (over two years in length). When such comments were made, a long CCO was associated with sentencing parity, rehabilitation of the offender, and/or the court's decision to make the sentence more onerous; and

- it is difficult to predict which case variables influence a court's choice of CCO conditions. In their sentencing remarks, judges rarely commented on the purposes intended by their choice of CCO conditions.

## Current Sentencing Practices for Major Drug Offences

In March 2015, the Council published *Major Drug Offences: Current Sentencing Practices*. The report covers the five years to June 2013 and looks at current sentencing practices for three major drug offences:

- cultivating a commercial quantity of narcotic plants;
- trafficking in a drug of dependence in a commercial quantity; and
- trafficking in a drug of dependence in a large commercial quantity.

For each of these offences, the report contains:

- a profile of key sentencing factors (for example, the most common drug types trafficked, how many offenders pleaded guilty, rates of prior offending);
- high-level sentencing outcomes; and
- profiles of particular sub-groups of offenders and the sentences they receive.

## A Deeper Analysis of Sentencing Statistics

The analysis found that, within each offence, there are distinct sub-groups ('clusters') of cases in which certain sentencing factors predominate. Sentencing outcomes differ between these sub-groups.

For example, the most serious sentences (a median of 10 years' imprisonment) for trafficking in a large commercial quantity were reserved for a group of offenders who, compared with other large commercial traffickers, were more likely to have trafficked in methylamphetamine (ice) and a particularly large quantity

of drugs (10 or more times the large commercial threshold amount), and were more likely to have shown a lack of remorse and poor prospects of rehabilitation.

### Offence Features

The analysis found:

- Most people sentenced for commercial cultivation (51% of offenders) were house-sitters or had a relatively low-level role in the cultivation operation. Principals and proprietors of cultivation operations comprised 39% of offenders sentenced for commercial cultivation.
- Most people sentenced for trafficking in a large commercial quantity were not 'Mr Bigs': 24% of offenders were principals or proprietors, while the largest group (42% of offenders) had a secondary but significant role such as being a 'lieutenant' or directing key steps in the supply chain. The smallest group (11% of offenders) played a minor role in a trafficking operation.
- Gambling problems featured for 24% of large commercial traffickers and 20% of commercial cultivators. For house-sitters in particular, gambling may be a pathway to offending.
- Over 90% of those sentenced for major drug offences pleaded guilty.
- Methylamphetamine (ice) was the most common drug trafficked in a commercial quantity (42% of charges), and MDMA (ecstasy) was the most common drug trafficked in a large commercial quantity (42% of charges).

The Council's findings lay the groundwork for research on topics such as the role of gambling problems in major drug offending, and the reasons for very high guilty plea rates among major drug offenders.

## Sentencing Practices for Young Adult Offenders

In April 2015, the Council published *Changes to Sentencing Practices: Young Adult Offenders*, a report examining how recent changes to sentencing law has affected sentencing outcomes for young adult offenders. The Council has been monitoring the use of community correction orders (CCOs) since they were introduced in January 2012. At the time CCOs were introduced, community based-orders and intensive correction orders were abolished. In addition, the use of suspended sentences was being gradually phased out in Victoria.

CCOs are particularly well suited to young offenders where rehabilitation is a key sentencing consideration, although not the only one. This report examines the extent to which the recent changes to intermediate sentencing options in Victoria have influenced sentencing practices for young adult offenders (18 years or over and under 21 years at the time of sentencing) in Victoria. This group of offenders is a subset of the group of offenders aged under 21 that are defined as 'young offenders' by section 3 of the *Sentencing Act 1991* (Vic).

The analysis examined the longitudinal trends for sentencing for this age group in two ways. First, the variations in the number of young adult offenders sentenced were considered over the five financial years to June 2014. Second, the differences in the sentencing outcomes for those offenders were explored over the same period.

In summary, over the five-year period in Victoria:

- approximately 83% of young adult offenders were sentenced in the Magistrates' Court;
- the number of young adult offenders sentenced in the Children's Court, the Magistrates' Court, and the higher courts decreased by approximately 26%;

- the decrease in the number of young adult offenders sentenced appears to be the result of a range of factors, including a decrease in offending behaviour coming to the attention of police and an increased use of cautions by Victoria Police;
- the decrease in the number of young adult offenders sentenced in the Magistrates' Court and the higher courts cannot be explained by either an increase in the number of 18 year olds sentenced in the Children's Court or an increase in offenders participating in the Criminal Justice Diversion Program;
- when sentences were imposed in the higher courts, as a percentage of sentences imposed each year, there was a decrease in imprisonment, youth justice centre orders (YJCOs), and suspended sentences, and a large increase in community orders, which coincided with the introduction of CCOs;
- when sentences were imposed in the Magistrates' Court, as a percentage of sentences imposed each year, there was a decrease in fines and suspended sentences, and a comparable increase in the imposition of CCOs, adjourned undertakings, and other low-end orders; and
- overall, in the Magistrates' Court and the higher courts:
  - community orders were imposed more often for young adult offenders, and this increase coincided with the introduction of CCOs as a new sentencing option; and
  - there was a 35% decrease in the absolute number of young adult offenders sentenced to YJCOs.

Given that the most serious examples of offending are heard in the higher courts, these findings suggest that the recent changes to intermediate sentences have resulted in the higher courts using CCOs as an alternative to YJCOs and suspended sentences.

The increased use of CCOs is consistent with the principles underpinning sentencing of young adult offenders. These patterns suggest that the higher courts are utilising the new community sanction to respond to offending that might have previously received a period of youth detention.

Based on changes to the sentencing patterns and the relative position of sentences in the sentencing hierarchy over the reference period, it appeared that in the Magistrates' Court:

- community orders are being used as an alternative to some suspended sentences and fines; and
- adjourned undertakings are being used as an alternative to some fines.

The analysis in the report is limited in its scope to draw causal links on the decrease in the number of young adult offenders being sentenced in Victorian courts, as a range of factors was not examined. Such factors include changes to liquor licensing laws and policing practices such as 'hot spot' policing. It is not clear from this analysis how the nature of offending has changed over time and how these patterns relate to any other legislative change that took effect during the five-year reference period. The report recommends further research as this trend should be supported and encouraged.

## Reoffending Overview

The Council continued its work in the reoffending space with a high-level report on patterns of reoffending: *Reoffending Following Sentence in Victoria: A Statistical Overview* published in May 2015. Using the Council's reoffending database, the report examines offending patterns over a nine-year period for all offenders sentenced in Victorian courts between July 2004 and June 2005.

The report explores long-term reoffending rates for all offenders according to the age and gender of offenders as well as offence and sentencing patterns for repeat offenders.

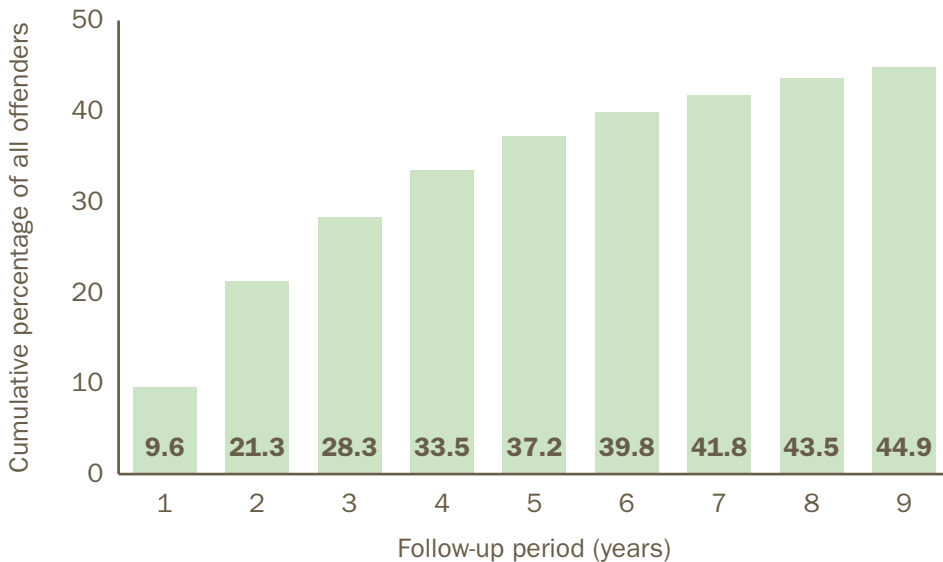
The overall nine-year reoffending rate for offenders sentenced in 2004–05 was 44.9% (Figure 4). The most common offence category for reoffending was traffic (42.5%). Excluding these offences, the nine-year reoffending rate dropped to 33.0%.

There was evidence of a high degree of variability in the types of offences recidivist offenders commit. For example, 61.1% of recidivist offenders were sentenced for offences in different offence categories from their index event and first reoffending event.

Reoffending rates varied by offender demographics. Offenders aged 10 to 17 had a higher reoffending rate than offenders aged 18 years and over (64.0% and 44.4% respectively), while male offenders had a higher reoffending rate than females (46.9% and 36.3% respectively).

As well as providing new information on reoffending patterns in Victoria, the report provides a basis for further research by the Council on reoffending.

**FIGURE 4:  
CUMULATIVE REOFFENDING RATE  
BY YEAR FOLLOWING THE INDEX  
SENTENCE IN 2004–05 (n = 63,366)**



## Current Sentencing Practices for Major Driving Offences

In June 2015, the Council published *Major Driving Offences: Current Sentencing Practices*, a report examining current sentencing practices for four major driving offences between 2006–07 and 2012–13 (the 'reference period'):

- culpable driving causing death;
- dangerous driving causing death;
- negligently causing serious injury (where driving related); and
- dangerous driving causing serious injury.

The report presents high-level sentencing outcomes at both the charge and the case level for each of the reference offences.

### Change in Median Sentence after Maximum Penalty Increase

The report examines sentencing outcomes for dangerous driving causing death and negligently causing serious injury for the periods before and after increases to the maximum penalties for these offences. The report shows that, although there was a 100% increase in the maximum penalty for each of these offences (from 5 years to 10 years' imprisonment), over the reference period the median term of imprisonment for charges of dangerous driving causing death increased by only 20%, while the median term of imprisonment for charges of negligently causing serious injury increased by only 25%.

### Cluster Analysis

The report adopts a statistical tool called cluster analysis, which identifies groups of cases with common characteristics. Cluster analysis shows that there are meaningful sub-groups of cases within each of the major driving offences and that these are distinguished by particular offender and offending characteristics.

Although distinct sub-groups emerge, the sentencing outcomes for cases within the sub-groups are generally similar. The small differences in the median sentences imposed for each sub-group within a single offence are not statistically significant.

These data suggest that, compared with other offences where there may be a broad range of harm and culpability within a single offence, the seriousness of the harm caused in cases of major driving offences and the need for general deterrence are the predominant sentencing considerations. These key considerations appear to temper differences in sentence as a result of the manner in which the offences were committed or characteristics personal to the offender.

### Regression Analysis

With no significant differences in sentence outcomes according to the identified clusters, further analysis was undertaken to test for other factors that might explain differences in sentencing outcomes. The analysis used logistic regression modelling to test whether particular sentencing factors could predict sentencing outcomes, while the effects of other factors were removed.

Factors that were predictive of sentencing outcomes for specific offences were:

- prior dishonesty or property offences and speeding, which increased the likelihood of a longer imprisonment sentence for culpable driving cases;
- speeding and past driving offences, which increased the likelihood of an immediate custodial sentence for dangerous driving causing death cases;
- permanent disability to any victim, which increased the likelihood of a longer imprisonment sentence for negligently causing serious injury cases; and

- guilty plea and inattention, which decreased the likelihood of an immediate custodial sentence for dangerous driving causing serious injury cases, and past driving offences, which increased the likelihood of an immediate custodial sentence for dangerous driving causing serious injury cases.

### Trends Across Offences

Alcohol and speeding were the predominant driving behaviours associated with three of the four major driving offences: culpable driving causing death, negligently causing serious injury, and dangerous driving causing serious injury. Inattention and speeding were the predominant driving behaviours associated with dangerous driving causing death.

Across all offence groups, over a quarter of cases (26%) involved both speeding and alcohol. Drug-affected drivers represented a small proportion of offenders (11%) across all of the major driving offences during the reference period.

### Guideline Judgment on Community Correction Orders

On 22 December 2014, the Victorian Court of Appeal handed down its first guideline judgment in sentencing offenders. This judgment gives general guidance to Victorian courts on the imposition of a community correction order (CCO) – Victoria’s newest intermediate sentencing order.

The purpose of a CCO is to provide a non-custodial sentence that may be used for a wide range of offending behaviours while having regard to, and addressing the circumstances of, the offender. CCOs come with a range of new conditions, and a CCO can be imposed for a period up to the maximum penalty for an offence in the County and Supreme

Courts. A CCO can also be combined with other sentences, such as fines or imprisonment, for up to two years.

The Director of Public Prosecutions applied to the Court of Appeal in 2013 for a guideline judgment in relation to two cases in which the offender had applied for leave to appeal against sentence: *R v Boulton* (S APCR 2013 0135); *R v Clements* (S APCR 2013 0141). The Court of Appeal added a third case: *R v Fitzgerald* (S APCR 2013 0177). All three appellants had received a lengthy CCO: 8 years, 10 years, and 5 years respectively.

Consistent with its statutory functions, the Council indicated its support for the giving of a guideline judgment, and provided detailed written submissions to assist the Court of Appeal in making its decision. The court also invited the Council’s Chair to appear at the hearing in July 2014 to make oral submissions.

The court praised the submissions of the institutional participants and appellants indicating that they were of the highest quality and indicated that the submissions were of great assistance to the court in the consideration of the issues raised.

The court, in setting out its Guidelines for Sentencing Courts, noted that the *Sentencing Act 1991* (Vic) prohibits the imposition of a sentence of imprisonment unless the sentencing court concludes that the purposes of the sentence cannot be achieved by a CCO to which specified conditions are attached. The court noted that a CCO can meet the purposes of sentencing, such as punishment and general deterrence, as well as rehabilitation through the careful application of appropriate conditions while avoiding the criminogenic effects of imprisonment:

The sentencing court can now choose a sentencing disposition, which enables all of the purposes

of punishment to be served simultaneously, in a coherent and balanced way, in preference to an option (imprisonment) which is skewed towards retribution and deterrence.\*

The guideline judgment will assist all courts by structuring the approach to be taken in determining whether to impose a CCO and in setting the length and conditions of a CCO. This will enhance consistency and transparency in sentencing and help promote greater public confidence in the criminal justice system.

## Guilty Pleas in the Higher Courts

The Council is examining the rate and timing of guilty pleas and the application of section 6AAA of the *Sentencing Act 1991* (Vic) in the County and Supreme Courts of Victoria ('the higher courts').

Section 6AAA provides that, in certain cases in which the court imposes a less severe sentence because the defendant has pleaded guilty, the sentencing court must state the sentence that it would have imposed if the defendant had not pleaded guilty. Subtracting the actual sentence from this notional undiscounted sentence reveals the 'discount' that has been given for the guilty plea.

Using cases sentenced at first instance in the higher courts over a five-year reference period (July 2009 to June 2014), the Council will analyse:

- the rate and timing of guilty pleas generally and for particular offences including those in the recently introduced baseline sentencing scheme;
- whether there has been a change to the rate and timing of guilty pleas in the County Court over the last 10 years;

- whether courts are applying section 6AAA in relevant cases by stating the sentence and the non-parole period, if any, that would have been imposed if the offender had not pleaded guilty; and
- the amount of the sentencing 'discount' for a plea of guilty.

The project builds on the Council's previous work on guilty pleas, sentence indication, and specified sentence discounts. However, the focus of the new report will be on the operation of section 6AAA alone, and not on the sentence indication scheme.

*Guilty Pleas in the Higher Courts: Rate, Timing, and Discounts* is due to be published in August 2015.

## Detention and Parole of Offenders

### Background

Parole is the conditional release of a prisoner serving a sentence of imprisonment, whereby after serving the non-parole period, the prisoner is permitted to serve the remainder of the sentence in the community under supervision and while subject to conditions. The overriding purpose of parole is to protect the community by reducing the risk that a prisoner will reoffend, through supervision, rehabilitation, and supported transition from the prison environment to the community.

### Changes to the Victorian Adult Parole System

Over the past four years, the Victorian adult parole system has undergone significant change, following political, community, and media debate and intense scrutiny via numerous reviews of its underpinning law, processes, and operation.

\* *Boulton v The Queen; Clements v The Queen; Fitzgerald v The Queen* [2014] VSCA 342 (22 December 2014) 113.



The Council has previously conducted work in the area of parole in response to separate requests for advice from the Attorney-General. Government reviews include a 2011 review of community correctional services' parole supervision by Professor James Ogloff and the Office of Correctional Services Review (OSCR) and a 2013 review of the Adult Parole Board's operations by former High Court Justice Ian Callinan AC. Collectively, these reviews resulted in sweeping reforms to the laws and processes in the adult parole system that, together with immediate cultural and practice changes, have resulted in a marked shift in the parole landscape for adult offenders in Victoria.

The Council is undertaking an analysis of sentencing practices for sentences of imprisonment with a non-parole period in the context of the relationship between sentencing and parole law and process, as well as recent changes to the adult parole system.

The Council will report on recent trends in sentencing practices in cases involving sentences of imprisonment where a non-parole period is imposed in the Victorian higher courts and Magistrates' Court. The Council is examining a number of matters, including:

- the relationship between total effective sentences and non-parole periods;
- how sentences of imprisonment with non-parole periods are combined with other sentence types, including community correction orders; and
- offence information and demographic characteristics of offenders in cases where a non-parole period is imposed.

The Council anticipates that its report will be published in early 2016 and that it will lay the groundwork for further Council research in this area.

# Informing Members of the Community about Sentencing

The Council's obligations under the *Sentencing Act 1991* (Vic) involve providing 'to the judiciary and other interested persons' statistical and other information on sentencing, including current sentencing practices, gauging public opinion on sentencing matters, and consulting with government departments, other interested persons, and the general public on sentencing matters.

Community education and community engagement are key to achieving these goals.

While most Council projects involve consultation with key stakeholders, the Council also engages with the community more generally through its face-to-face educational events, through its website, and through social media.

Two major contributions to the Council's community education portfolio this year have been the publication of *A Quick Guide to Sentencing*, the Council's new, general guide to sentencing law in Victoria, and a substantial update to the Council's You be the Judge secondary school teaching materials.

## Education Sessions

Between July 2014 and June 2015, the Council delivered 18 education sessions with a total of 573 participants. Based on the successful You be the Judge model, the education sessions deal with a scenario based on a real life case. Participants are

introduced to the purposes, principles, and other factors courts must consider when sentencing. Then participants choose a sentence for the offender.

For the past few years, the Council has been focusing its education workshops on key adult audiences. This year, audiences included:

- Australian Catholic University communications students;
- Centres Against Sexual Assault (CASA) staff;
- Community leadership program participants (Northern Mallee, Fairley, Loddon Murray);
- LaTrobe University legal studies students;
- RMIT post-graduate journalism students;
- RMIT justice students (diploma and certificate);
- SuniTAFE (Swan Hill) community service students;
- Victims Assistance and Counselling Program participants; and
- Victorian Association for the Care and Resettlement of Offenders (VACRO) volunteer mentors.



**DR JANE JOHNSTON OF BOND UNIVERSITY PRAISES THE COUNCIL'S SOCIAL MEDIA WORK AND PIONEERING VIRTUAL YOU BE THE JUDGE AT THE 7TH INTERNATIONAL CONFERENCE OF THE INTERNATIONAL ASSOCIATION FOR COURT ADMINISTRATION, SYDNEY, SEPTEMBER 2014. PHOTO: THOMSON REUTERS**

Additional learning objectives are included for some key audiences, such as introducing participants to the Council's online sentencing data tool SACStat and the Sentencing Snapshots series of reports. Sessions with journalism and communications post-graduate students include an introductory discussion of some of the ethics of court coverage.

Dialogue and activities among participants are often revealing. For example, when surveyed informally at the beginning of a session, participants usually indicate a view that Victorian courts are too lenient, and after being shown a (re-enacted) news clip about the offence, participants usually suggest a heavy sentence for the offender. These 'top of mind' responses are consistent with research since the 1970s into community attitudes to criminal justice in Australia and other English-speaking countries.

As details of the offence, the offender, and sentencing law are revealed, however, most participants become less punitive in the penalties they impose. For example, those imposing a life sentence for culpable driving at the beginning of a session will suggest a more lenient sentence by the end of the session. In groups where no participant imposes a community correction order when first asked, a significant minority suggests this non-custodial order after hearing details of the case and learning about the available sentencing options.

More generally, most sessions demonstrate a shift in attitudes to courts: a reduction (though not an elimination) in the percentage of participants labelling courts as 'soft on crime', and an increase in the number of participants acknowledging that courts, more often than not, 'get it right'.

## A Quick Guide to Sentencing

Last year, the Council identified a need for a stand-alone introduction to current Victorian sentencing law and practice that includes the many significant changes to Victorian sentencing law since 2007 and is easy to update in response to future changes in sentencing law.

*A Quick Guide to Sentencing* was published in February 2015. The online-only *Quick Guide* explains the where, when, what, and how of sentencing in Victoria. It has been downloaded over 1,000 times in its first five months of publication. The Council plans to update the *Quick Guide* annually.

## Virtual You be the Judge

Launched in October 2010, Virtual You be the Judge (VYBTJ) is the online, interactive version of the Council's popular You be the Judge education program.

Virtual You be the Judge has four cases to choose from:

- Richard, convicted of culpable driving causing death;
- Dane, convicted of intentionally causing serious injury;
- Terri, convicted of trafficking in a drug of dependence; and
- Peter, convicted of burglary.

In the 12 months to 30 June 2015, there were 6,320 visits to the HTML version of Virtual You be the Judge, and approximately 1,580 visits to the original Flash version.

## Citizen Judges

The December edition of the *Law Institute Journal* carried an article titled 'Citizen Judges' written by Council staff analysing three years of Virtual You be the Judge user statistics. The analysis revealed that:

- in three of the four Virtual You be the Judge case studies, most users imposed sentences roughly consistent with the sentence imposed by the actual sentencing judge. The exception was

Dane (intentionally causing serious injury), for whom users consistently imposed a heavier sentence than that imposed in real life.

- in three of the four cases, users who ‘asked’ more courtroom questions were more likely to impose less severe sentence types. The exception was Richard (culpable driving causing death), for whom there was no relationship between the number of questions ‘asked’ and the sentence type imposed.

While Virtual You be the Judge is designed primarily as an education tool, analysis of the anonymous user data is broadly consistent with other research showing that the more a person knows about a case, the more likely the person is to see the court’s sentencing decision as appropriate.

### Baseline Sentencing

This year, the Council added information about baseline sentencing to Virtual You be the Judge as the offence for Richard, culpable driving causing death, is a baseline offence. The Council also added slides in all four case studies linking to ‘Citizen Judges’, allowing users to see how others have sentenced that case.

### You be the Judge Teachers’ Kits

This year saw a major update to the two sets of resources for teachers available on the Council’s website. One kit is mapped against the Years 9 and 10 AusVELS cross curriculum units and the other is designed for use in Years 11 and 12 legal studies. Comprising a teacher

guide and four case studies, each kit enables teachers to deliver their own You be the Judge education session, and a host of suggested teaching activities and extension projects.

This year both the sentencing statistics and the legal content have been reviewed and updated with new data and information about sentencing law, including baseline sentencing.

### Law Week 2015

Since its formation, the Council has been a partner in Law Week. This year, the Council staged its largest ever version of a mock sentencing hearing, with over 170 audience members observing a distinguished panel reveal the steps involved in sentencing. Council Chair Emeritus Professor Arie Freiberg AM lead a panel, comprising council members Peter Kidd SC (prosecution), Helen Fatouros (defence), and Carmel Arthur (victim of crime representative), through the sentencing of a hypothetical case of culpable driving heard before retired judge Professor George Hampel QC.

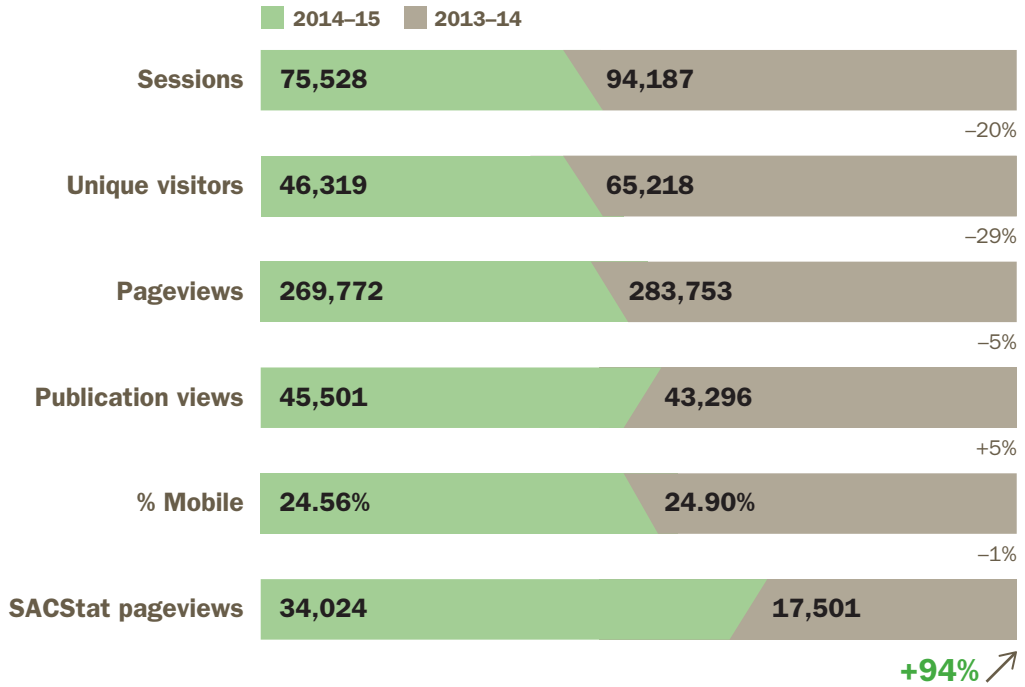
### Social Media

The Council’s social media activities, especially on Twitter, form a vital way to share our research, grow our reputation, and develop effective relationships with key community stakeholders. Students and practitioners of law are priority audiences for the Council’s education and community engagement activities, and both groups are avid Twitter users.

**PETER KIDD, GEORGE HAMPEL, HELEN FATOUROS, AND CARMEL ARTHUR,  
‘PASSING SENTENCE’, LAW WEEK 2015**



**FIGURE 5:  
SESSIONS, VISITS, AND PAGEVIEWS FOR  
WWW.SENTENCINGCOUNCIL.VIC.GOV.AU**



The number of people and organisations following the Council on Twitter increased 45% in the past 12 months, from 2,473 in July 2014 to 3,586 in June 2015. The Council posted 905 tweets on sentencing and related criminal justice topics in 2014-15. The Council also has 333 followers on Pinterest, posting 253 pins in 2014-15, for a total of 1,463 pins.

### The Council's Website

There were 75,528 visits to the Council's website in the 12 months to June 2015. This is a decrease of 20% from the 2013-14 financial year. However, the counting rules for the Council's website analytics have changed to prevent double counting. In addition, concerns with online privacy are leading many users to browse anonymously, and their visits to our website are not captured by our analytics.

Apart from the homepage, the most visited pages on our website were:

- Sentencing Snapshots by Offence – 14,696 views;
- Sentencing Snapshots (landing page) – 6,428 views;
- Publications (landing page) – 5,391 views;
- Sentencing Principles, Purposes, Factors – 4,681 views; and
- Maximum Penalties – 4,615 views.

Our most downloaded publications were:

- *A Quick Guide to Sentencing* (2015) – 1,055 downloads;
- *Does Imprisonment Deter? A Review of the Evidence* (2011) – 701 downloads;
- *Calculating the Baseline Median* (2014) – 601 downloads;
- *Judge For Yourself: A Guide to Sentencing in Australia* (2007) – 522 downloads; and
- Sentencing Snapshot 157: 'Causing Serious Injury Recklessly' (2014) – 467 downloads.

# Consulting Widely and Gauging Public Opinion

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. The Council consulted key stakeholders on a number of its projects, particularly the development of SACStat – Higher Courts, the two current sentencing practice reports, the plea project, and work on baseline sentencing. The Council also provides the broader community with the opportunity to comment on its work and sentencing more broadly through Twitter.

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 our earlier work on a large-scale, representative survey of public opinion about sentencing in Victoria, the Council is continuing to participate 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 of Victoria. This work is based on the seminal Tasmanian jury sentencing study.

Replicating the methodology from the Tasmanian study, the Victorian jury sentencing study involves surveying jurors in real trials to gauge public

opinion about sentences and sentencing. Basing these findings on jurors, as opposed to members of the public, allows the researchers to examine the views of individuals who, like the judge, are fully informed about the facts of the specific case before them.

There is a body of public opinion research that has shown between 70% and 80% of uninformed respondents believe sentences are too lenient. In contrast, by 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.

Overall, 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.

Replicating the methodology used in the Tasmanian study to examine Victorian sentencing will assist policy-makers and judges in understanding what informed members of the public think about this issue.

This is a three-year study, which began in early 2013 with survey development and testing. The work is scheduled to conclude by the end of 2015. Over the last 12 months, pilot testing of the survey has been completed and data collection has commenced. The Council has been working with the Tasmanian-based research team to provide sentencing statistics that form an essential component of the materials provided to jurors in the second phase of the research.

### Sex Offence Sentencing Survey

The Council is also participating in an additional public opinion survey. As discussed above, the Tasmanian research found that, for the most part, informed people chose a sentence that was very similar to the judge's. One exception to this involved sex offences, for which informed individuals still retained the belief that the sentence imposed by the judge was too lenient. Jurors indicated they were least satisfied with sentences for sex offences, and were less likely to say that these sentences were *very appropriate* and more likely to say that these sentences were *inappropriate*.

Additional analysis revealed that a *perception gap* emerged for these findings. When commenting on the appropriateness of the specific case respondents had been involved with, 46% indicated that they thought the judge should have imposed a more

severe sentence. However, when asked to consider responses generally to sex offences, 70% of respondents thought that the general response to sex offences was too lenient. This meant that there was inconsistency between jurors' views about the particular offence they deliberated on and their general attitudes towards sentencing for sex offences. This view persisted despite respondents' satisfaction with the judge's sentence on the specific case in which they participated as a juror.

Using a similar methodology to the Tasmanian research, the sex offence sentencing survey is designed to delve more deeply into people's perceptions of sex offence sentencing and to see what is driving this disparity.

This is also a three-year study, which began in early 2014 with survey development and testing. The work is scheduled to conclude by the end of 2017. As before, the Council will work with the Tasmanian-based research team to provide sentencing statistics to support this research.

# 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 and Regulation.

## Additional Information

The Council's published reports and other public documents are available online at [www.sentencingcouncil.vic.gov.au](http://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 the 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 2014–15, the Committee comprised the following members:

- Karol Hill (Chairperson, independent member from March 2014);
- David Jorgensen (independent member to November 2014); and
- Cameron Hume (independent member from March 2015).

The Committee receives secretarial assistance from staff members of the Council and the College:

- Sally Hay (Sentencing Advisory Council, to February 2015);
- Sarah Lappin (Sentencing Advisory Council, from February 2015);
- Kylie Pearse (Judicial College of Victoria, to October 2014); and
- Linda Barbera (Judicial College of Victoria, from October 2014).

Michael Almond commenced as the Council and the College's new Chief Finance and Accounting Officer (CFAO) in November 2014 and attends Committee meetings by standing invitation, providing finance advice and support as required.

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

The Audit and Finance Committee oversees:

- financial performance and reporting processes, including the annual financial statements;
- 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 and the Council;
- processes for monitoring compliance with laws and regulations; and
- selection, appointment, and removal of the Council and 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 its attention;
- 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 program;
- endorsed the Department of Justice and Regulation's 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 2015 annual financial audit.

## Comparative Financial Results

Table 1 summarises information on the financial results and financial position, prepared on an accrual basis, of the Sentencing Advisory Council for the financial year 2014–15 and comparisons with the preceding four financial years.

## Compliance with the *Building Act 1993*

The Council does not own nor control any government buildings insofar as the Council sublets building infrastructure and property services provided by the Victorian Law Reform Commission.

## Environmental Management and Impacts

Operating within the context of the Department of Justice and Regulation, 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 almost all Council reports and papers;
- installing power timers on office equipment such as printers;
- having a standing item on the environment at staff meetings;
- encouraging staff to adopt PIN printing;
- encouraging staff to adopt systems to reduce paper consumption; and
- posting signage to remind staff to turn off lights and monitors.

In terms of paper usage, the Council's consumption of copy paper totalled 231 reams at an average per staff member of 17.8 reams. This was down from 21.4 reams per staff member in 2013–14.

## 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 and Regulation code of conduct (consistent with the Victorian public service code of conduct and the objectives of the *Public Administration Act 2004*).

**TABLE 1: FINANCIAL RESULTS AND POSITION 2010–11 TO 2014–15**

	Notes	2014–15 \$	2013–14 \$	2012–13 \$	2011–12 \$	2010–11 \$
<b>Income</b>						
Grant from Department of Justice	(a)	1,752,800	1,680,600	1,765,400	2,162,400	2,015,100
Other revenue						
<b>Total Income</b>		1,752,800	1,680,600	1,765,400	2,162,400	2,015,100
<b>Expenses</b>	(b)	1,741,493	1,629,926	1,763,063	2,136,034	2,014,383
Other economic flows	(c)	7,636	2,105	2,935	(10,577)	(112)
<b>Net result for the period</b>		3,671	52,779	5,272	15,789	605
<b>Net cash flow from operating activities</b>		-151,007	2,585	7,394	5,872	–
<b>Total assets</b>	(d)	642,832	579,169	598,414	680,727	530,617
<b>Total liabilities</b>	(e)	339,216	279,224	351,339	420,968	308,847

**Notes – Movements between 2013–14 and 2014–15**

- (a) Income received increased by \$72,200 (3.3%) reflecting the carry forward of funds from 2013–14 into 2014–15 for specific projects that was partially offset by budget savings.
- (b) Expenses increased by \$111,567 (6.8%) reflecting the carry forward of funding to 2014–15 for specific projects.
- (c) Other economic flows amounted to \$7,636. This reflects gains and losses arising from the revaluation of long service leave liability due to movements in bond rates.
- (d) Total assets increased by \$63,663 (10.9%). This is mainly due to an increase in the amount receivable from the Department of Justice and Regulation relating to the increase in employment provisions.
- (e) Total liabilities increased by \$59,992 (21.5%). This is mainly due to an increase in employee provisions.

## 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 2015, there were no freedom of information applications.

## Government Advertising Expenditure

The Council has not expended more than \$150,000 on advertising expenditure.

## 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, Cynthia Marwood (CEO), certify that the Sentencing Advisory Council has complied with Ministerial Direction 4.5.5.1 – Insurance.



**Cynthia Marwood**  
**Chief Executive Officer**  
**Sentencing Advisory Council**

## Industrial Relations

The Council enjoys a cooperative relationship with employee representative organisations. For the year ending 30 June 2015, no time was lost through industrial disputes or accidents.

## Merit and Equity

Department of Justice and Regulation 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 have also participated in fire drill evacuation exercises. There were no claims of OHS related injury for the year ending 30 June 2015.

## Outsourced Consultancies

There were no outsourced consultancies in excess of \$10,000 for the year ending 30 June 2015.

## Privacy

The Council manages personal information in accordance with the *Privacy and Data Protection Act 2014* 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 2015.

## Risk Management

In accordance with DTF Standing Direction 4.5.5.1, the following attestation of compliance is made following agreement by the Audit and Finance Committee that such an assurance can be given:

I, Cynthia Marwood (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.



**Cynthia Marwood**  
**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 2014–15, 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, project management, and information technology;
- attendance and presentation of papers at relevant conferences; and
- executive and management training programs.

## Protected Disclosures

The *Protected Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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 the 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 to the extent that is legally possible.

For the 12 months ending 30 June 2015, the Council did not receive any disclosures under the 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 disclosure framework: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au).

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

The attached financial statements for the Sentencing Advisory Council (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 accompanying notes, presents fairly the financial transactions during the year ended 30 June 2015 and financial position of the Council as at 30 June 2015.

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

We authorise the attached financial statements for issue on 24 September 2015.

**Prof. Arie Freiberg AM**

Board Chairperson  
Sentencing Advisory Council

Melbourne  
24 September 2015

**Ms Cynthia Marwood**

Chief Executive Officer  
Accountable Officer  
Sentencing Advisory Council

Melbourne  
24 September 2015

**Mr Michael Almond**

Chief Finance and  
Accounting Officer  
Sentencing Advisory Council

Melbourne  
24 September 2015

# Auditor-General's Report



Victorian Auditor-General's Office

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## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Sentencing Advisory Council

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 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, accountable officer and chief finance and accounting officer's declaration has been audited.

#### *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 2015 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*.

MELBOURNE  
8 October 2015

  
for Dr Peter Frost  
Acting Auditor-General

## Comprehensive Operating Statement for the Financial Year Ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Income from transactions</b>			
Grants	2	1,752,800	1,680,600
<b>Total income from transactions</b>		<b>1,752,800</b>	1,680,600
<b>Expenses from transactions</b>			
Employee expenses	3(a)	1,340,872	1,135,625
Depreciation	3(b)	–	2,479
Interest expense	3(c)	–	360
Supplies and services	3(d)	400,622	491,462
<b>Total expenses from transactions</b>		<b>1,741,493</b>	1,629,926
<b>Net result from transactions (net operating balance)</b>		<b>11,307</b>	50,674
<b>Other economic flows included in net result</b>			
Other gains/(losses) from other economic flows	4	(7,636)	2,105
<b>Total other economic flows included in net result</b>		<b>(7,636)</b>	2,105
<b>Net result</b>		<b>3,671</b>	52,779
<b>Comprehensive result</b>		<b>3,671</b>	52,779

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

## Balance Sheet as at 30 June 2015

	Notes	2015 \$	2014 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	13(a)	–	500
Receivables	5	642,832	578,669
<b>Total financial assets</b>		<b>642,832</b>	579,169
<b>Total assets</b>		<b>642,832</b>	579,169
<b>Liabilities</b>			
Payables	6	36,522	24,479
Provisions	7	302,695	254,745
<b>Total liabilities</b>		<b>339,216</b>	279,224
<b>Net assets</b>		<b>303,617</b>	299,945
<b>Equity</b>			
Accumulated surplus/(deficit)		(17,865)	(21,536)
Contributed capital		321,482	321,482
<b>Net worth</b>		<b>303,617</b>	299,946
– Commitments for expenditure	10		
– Contingent assets and contingent liabilities	11		

The balance sheet should be read in conjunction with the notes to the financial statements.

## Statement of Changes in Equity

### for the Financial Year Ended 30 June 2015

	Accumulated Surplus \$	Contributed Capital \$	Total \$
<b>Balance at 1 July 2013</b>	(74,315)	321,390	247,075
Net result for year	52,779	–	52,779
Capital appropriations	–	92	92
<b>Balance at 30 June 2014</b>	(21,536)	321,482	299,946
Net result for year	3,671	–	3,671
Capital appropriations	–	–	
<b>Balance at 30 June 2015</b>	(17,865)	321,482	303,617

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

## Cash Flow Statement

for the Financial Year Ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from the Department of Justice and Regulation		1,688,636	1,683,329
<b>Total receipts</b>		<b>1,688,636</b>	1,683,329
<b>Payments</b>			
Payments to suppliers and employees		(1,689,136)	(1,680,384)
Interest and other costs of finance paid		–	(360)
<b>Total payments</b>		<b>(1,689,136)</b>	(1,680,744)
<b>Net cash flows from/(used in) operating activities</b>	13(b)	(500)	2,585
<b>Cash flows from investing activities</b>			
Sales of non-financial assets		–	14,037
<b>Net cash flows from/(used in) investing activities</b>		–	14,037
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Repayment of finance leases		–	(16,622)
<b>Total payments</b>		–	(16,622)
<b>Net cash flows from/(used in) investment and financing activities</b>		–	<b>(2,585)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(500)</b>	–
Cash and cash equivalents at the beginning of the financial year		500	500
<b>Cash and cash equivalents at the end of the financial year</b>	13(a)	–	<b>500</b>

The above cash flow statement should be read in conjunction with the notes to the financial statements included on pages 54–83.

# Notes to the Financial Statements for the Financial Year Ended 30 June 2015

## Note 1 Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for the Council for the period ending 30 June 2015. The purpose of the report is to provide users with information about the Council'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*.

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

Accounting policies are selected and applied in a manner which 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 gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 17.

These annual financial statements were authorised for issue by the Board Chairperson of the Council on 24 September 2015.

### **(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 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 infrastructure, plant and equipment, (refer to Note 1(K));
- superannuation expense (refer to Note 1(G); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(L)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for non-financial physical assets which, 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.

Consistent with AASB 13 *Fair Value Measurement*, the Council determines the policies and procedures both for recurring fair value measurements such as property, plant and equipment, biological assets, investment properties and financial instruments and for non recurring fair value measurements such as non financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Council determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General of Victoria (VGV) is the Council's independent valuation agency.

The Council, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

### **(C) Reporting Entity**

The financial statements cover the Council as an individual reporting entity.

The Council is an Independent government-funded body established under Part 9A of the *Sentencing Act 1991*. The Council was formed to implement and enable 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 the Council.

A description of the nature of the Council's operations and its principal activities is included in the report on operations on pages 18–37, which does not form part of these financial statements.

#### **Objectives and Funding**

The Council'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.

The Council 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 and Regulation (DJR).

### **(D) Scope and Presentation of Financial Statements**

#### **Comprehensive Operating Statement**

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

#### **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 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 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 17 for a style convention for explanation of minor discrepancies resulting from rounding.

### **(E) Changes in Accounting Policies**

Subsequent to the 2013–14 reporting period, new and revised Standards have been adopted in the current period as outlined in Note 1(S). There has been no financial impact on the existing financial disclosures or on the comparative financial information for the 2013–14 financial year from the adoption of these new and revised standards.

### **(F) 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.

### **Grants from the Department of Justice and Regulation**

Income from the outputs the Council 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 and Regulation**

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

### **(G) 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(L) 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**

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(M) for depreciation policy for leasehold improvements.

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

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

<b>Asset</b>	<b>Useful life</b>
Plant and equipment	2–15 years
Motor vehicles	3 years

**Interest Expense**

Interest expense is recognised in the period in which it is incurred. Refer to Note 17 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 the following.

**Supplies and Services**

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

**(H) 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 include realised and unrealised gains and losses as follows.

**Gain/(Loss) on 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**

Goodwill and intangible assets with indefinite useful 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(K) 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.

### **(I) 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 the Council's activities, certain financial assets and financial liabilities arise from 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.

Loans and receivables category includes cash and deposits (refer to Note 1(J)), trade receivables and other receivables, 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 17).

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

**(J) Financial Assets****Cash and Deposits**

Cash and deposits, including cash equivalents, recognised on the balance sheet which comprise of cash on hand.

**Receivables**

Receivables consist of statutory receivables, such as amounts owing from DJR.

Contractual receivables that are classified as financial instruments and categorised as loans and receivables (refer to Note 1(I) *Financial Instruments* for recognition and measurement). Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not 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 measurement principle of receivables, refer to Note 1(I).

**Impairment of Financial Assets**

At the end of each reporting period, the Council 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.

**(K) 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(M)) 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(H) *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.

## **(L) Liabilities**

### **Payables**

Payables consist of:

- contractual payables, such as accounts payable and other sundry liabilities that represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid, and arise when the Council 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.

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Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(I)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and 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(M) *Leases*). The measurement basis subsequent to initial recognition depends on whether the Council 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 the Council 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, Salaries, Annual Leave, and Sick Leave**

Liabilities for wages and salaries, including non-monetary benefits annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Council does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value – if the Council expects to wholly settle within 12 months; or
- present value – if the Council does not expect to wholly settle within 12 months.

#### **(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 the Council 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:

- undiscounted value – if the Council expects to wholly settle within 12 months; and
- present value – if the Council does not expect to wholly 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(H)).

### **On-Costs**

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

### **(M) Leases**

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

Leases are classified at their 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 lease 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. If there is certainty that the Council will obtain the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Minimum finance 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. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

### **(N) Equity**

#### **Contribution by Owners**

Additions to net assets which 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.

### **(O) 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 10 *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.

### **(P) 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 11 *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.

### **(Q) Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, except where 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 and Regulation (DJR) manages the GST transactions on behalf of the Council and the net amount of GST recoverable from or payable to the Australian Taxation Office is recognised in the financial statements of DJR.

### **(R) Events after the Reporting Period**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Council 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 which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reported date. 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 which arose after the end of the reporting period that are considered to be of material interest.

### **(S) Summary of New/Revised Accounting Standards Effective for Current and Future Reporting Periods**

#### **Current Reporting Period**

Below is a list of standards/interpretations impacting on the Council effective for the 2014–15 reporting period and onwards.

<b>Topic</b>	<b>Key requirements</b>	<b>Effective date</b>
AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> [Part B <i>Materiality</i> only]	Part B <i>Materiality</i> of AASB 2013-9 deletes references to AASB 1031 <i>Materiality</i> in various Australian Accounting Standards (including Interpretations). Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn.	1 Jan 2014

The following amending standards are also effective from the 2014–15 reporting period which are considered to have insignificant impacts on public sector reporting more generally and the Council in particular.

- AASB 2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements*;
- AASB 2013-6 *Amendments to AASB 136 arising from Reduced Disclosure Requirements*;
- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Part A Conceptual Framework; Part C Financial Instruments];
- AASB 2014-1 *Amendments to Australian Accounting Standards* [Part A *Annual Improvements*; Part B *Defined Benefit Plans: Employee Contributions* and Part C *Materiality*];
- AASB 2014-2 *Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements* [AASB 1053].

### Future Reporting Periods

As at 30 June 2015, the following standards and interpretations that are applicable to the Council had been issued but were not mandatory for the financial year ending 30 June 2015. Standards and interpretations that are not applicable to the Council have been omitted. The Council has not early adopted these standards.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity 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 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	Preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI). While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> [AASB 116 & AASB 138]	This standard amends AASB 116 and AASB 138 to: <ul style="list-style-type: none"> <li>■ establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits;</li> <li>■ clarify that the use of revenue-based methods to calculate depreciation of an asset is not appropriate because revenue generated by the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</li> </ul>	1 Jan 2016	Preliminary assessment has not identified any material impact arising from the change. Further work to assess the impact of this standard will be undertaken.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2014–15 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2014–15 reporting period and is considered to have insignificant impacts on public sector reporting generally and the Council in particular.

- AASB 2014-1 *Amendments to Australian Accounting Standards* [Part D – Consequential Amendments arising from AASB 14 *Regulatory Deferral Accounts* only]
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

## Note 2 Income from Transactions

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	2015 \$	2014 \$
<b>Grants</b>		
Department of Justice and Regulation	1,752,800	1,680,600
<b>Total grants</b>	<b>1,752,800</b>	1,680,600
<b>Total income</b>	<b>1,752,800</b>	1,680,600

## Note 3

### Expenses from Transactions

#### (a) Employee Expenses

	2015 \$	2014 \$
Post employment benefits:		
– Defined contribution superannuation expense	88,319	84,013
– Defined benefit superannuation expense	12,982	2,873
Salaries, wages and long service leave	1,173,563	991,771
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	66,009	56,968
<b>Total employee expenses</b>	<b>1,340,872</b>	<b>1,135,625</b>

#### (b) Depreciation

Depreciation of Motor Vehicle	–	2,479
<b>Total depreciation and amortisation</b>	<b>–</b>	<b>2,479</b>

#### (c) Interest Expense

Interest on Finance lease	–	335
Other Interest Expense	–	25
<b>Total Interest Expense</b>	<b>–</b>	<b>360</b>

#### (d) Supplies and Services

– Purchase of supplies and consumables	52,395	77,632
– Purchase of services	190,163	226,071
– Maintenance	24,889	20,959
– Rent	133,174	166,800
<b>Total supplies and services</b>	<b>400,622</b>	<b>491,462</b>

## Note 4 Other Economic Flows Included in Net Result

	2015 \$	2014 \$
Net gain/(loss) arising from revaluation of long service leave liability	(7,636)	2,105
<b>Total other gains/(losses) from other economic flows</b>	<b>(7,636)</b>	2,105

## Note 5 Receivables

	2015 \$	2014 \$
<b>Current receivables</b>		
<b>Statutory</b>		
Amount owing from Victorian Government (i)	593,146	537,334
<b>Total current receivables</b>	<b>593,146</b>	537,334
<b>Non-current receivables</b>		
<b>Statutory</b>		
Amount owing from Victorian Government (i)	49,686	41,335
<b>Total non-current receivables</b>	<b>49,686</b>	41,335
<b>Total receivables</b>	<b>642,832</b>	578,669

### Note:

(i) The amounts recognised from the Department of Justice and Regulation/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 and Regulation/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 Payables

	2015 \$	2014 \$
<b>Current payables</b>		
<b>Contractual</b>		
Supplies and services	26,229	17,071
Employee benefits	10,293	7,019
	36,522	24,090
<b>Statutory</b>		
Taxes payable	0	389
<b>Total payables</b>	<b>36,522</b>	<b>24,479</b>

### (a) Maturity Analysis of Payables

Refer to table 12.2 in note 12.

### (b) Nature and Extent of Risk Arising from Payables

Refer to table 12.3 in note 12.

## Note 7 Provisions

	2015 \$	2014 \$
<b>Current provisions</b>		
Employee benefits (i) (note 7(a)) – annual leave		
Unconditional and expected to settle within 12 months (ii)	61,812	52,588
Unconditional and expected to settle after 12 months (iii)	9,350	9,423
Employee benefits (i) (note 7(a)) – long service leave		
Unconditional and expected to settle within 12 months (ii)	36,508	29,231
Unconditional and expected to settle after 12 months (iii)	103,892	87,017
	211,562	178,259
Provisions related to employee benefit on-costs (note 7(a))		
Unconditional and expected to settle within 12 months (ii)	23,190	19,431
Unconditional and expected to settle after 12 months (iii)	18,256	15,720
	41,446	35,151
<b>Total current provisions</b>	<b>253,008</b>	213,410
<b>Non-current provisions</b>		
Employee benefits (i) (note 7(a))	43,071	35,802
Employee benefits on-costs (note 7(a) and note 7(b))	6,615	5,533
<b>Total non-current provisions</b>	<b>49,686</b>	41,335
<b>Total provisions</b>	<b>302,695</b>	254,745



**(a) Employee Benefits and Related Oncosts (i)**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Current employee benefits</b>		
Annual leave	71,162	62,011
Long service leave	140,400	116,248
<b>Non-current employee benefits</b>		
Long service leave	43,071	35,802
<b>Total employee benefits</b>	<b>254,634</b>	<b>214,061</b>
Current on-costs	41,446	35,151
Non-current on-costs	6,615	5,533
<b>Total on-costs</b>	<b>48,061</b>	<b>40,684</b>
<b>Total employee benefits and related on-costs</b>	<b>302,695</b>	<b>254,745</b>

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.

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**(b) Movement in Provisions**

	<b>On-costs</b>	<b>Total</b>
	<b>2015</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance</b>	<b>40,683</b>	<b>40,683</b>
Additional provisions recognised	29,143	29,143
Reduction arising from payments/other sacrifices of future economic benefits	(21,765)	(21,765)
<b>Closing balance</b>	<b>48,061</b>	<b>48,061</b>
Current	41,446	41,446
Non-current	6,615	6,615
	<b>48,061</b>	<b>48,061</b>

## Note 8 Superannuation

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

The Council 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 DTF 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 the Council.

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

Fund	Paid contribution for the Year		Contribution outstanding at year end	
	2015 \$	2014 \$	2015 \$	2014 \$
<b>Defined benefit plans (i)</b>				
State Superannuation Fund	<b>12,982</b>	–	–	–
<b>Defined contribution plans (i)</b>				
VicSuper	<b>62,022</b>	63,076	–	–
Various other funds	<b>26,297</b>	20,937	–	–
<b>Total</b>	<b>101,300</b>	84,013	–	–

**Note:**

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

## Note 9 Leases

### Operating Leasing Arrangements

The operating lease relates to the office accommodation leased by the Council 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.

	2015 \$	2014 \$
<b>Non-cancellable operating lease payable</b>		
Not longer than one year	94,095	89,786
Longer than one year and not longer than five years	201,815	295,911
	295,910	385,697

## Note 10 Commitments for Expenditure

### (a) Capital Expenditure Commitments

There were no commitments for capital expenditure as at 30 June 2015 (\$Nil – 2014).

### (b) Lease Commitments

There are no finance lease commitments. Non-cancellable operating lease commitments are disclosed in Note 9.

## Note 11 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 2015 (\$Nil – 2014).

## Note 12 Financial Instruments

### (a) Financial Risk Management Objectives and Policies

The SAC's principal financial instruments comprise:

- cash assets;
- receivables (excluding statutory receivables); and
- payables (excluding statutory 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 the Council's financial risks within the government policy parameters.

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

The Council 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 the Council.

The carrying amount of the Council's contractual financial assets and financial liabilities by category are in Table 12.1 below.

**Table 12.1: Categorisation of financial instruments**

<b>2015</b>	<b>Contractual financial assets -cash, loans and receivables \$</b>	<b>Contractual financial liabilities at amortised cost \$</b>	<b>Total \$</b>
<b>Contractual financial assets</b>			
Cash and deposits	-		-
<b>Total contractual financial assets (i)</b>	<b>-</b>		<b>-</b>
<b>Contractual financial liabilities</b>			
<b>Payables</b>			
Supplies and services		26,229	26,229
Other payables		10,293	10,293
<b>Total contractual financial liabilities (i)</b>		<b>36,522</b>	<b>36,522</b>
<b>2014</b>			
<b>Contractual financial assets</b>			
Cash and deposits	500		500
<b>Total contractual financial assets (i)</b>	<b>500</b>		<b>500</b>
<b>Contractual financial liabilities</b>			
<b>Payables</b>			
Supplies and services		17,071	17,071
Other payables		7,019	7,019
<b>Total contractual financial liabilities (i)</b>		<b>24,090</b>	<b>24,090</b>

**Note:**

(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 the Council, which comprise cash and deposits. The Council's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Council. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Council'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 the Council would be unable to meet its financial obligations as and when they fall due. The Council 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.

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

The Council'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 the Council's contractual financial liabilities:

**Table 12.2: Maturity analysis of contractual financial liabilities (i)**

	Carrying amount	Nominal amount	Maturity dates (ii)			
			Less than 1 month	1–3 months	3 months–1 year	1–5 years
	\$	\$	\$	\$	\$	\$
<b>2015</b>						
<b>Payables (i)</b>						
Supplies and services	26,229	26,229	26,229	–	–	–
Other payables	10,293	10,293	10,293	–	–	–
	<b>36,522</b>	<b>36,522</b>	<b>36,522</b>	–	–	–
<b>2014</b>						
<b>Payables (ii)</b>						
Supplies and services	17,071	17,071	17,071	–	–	–
Other payables	7,019	7,019	7,019	–	–	–
	24,090	24,090	24,090	–	–	–

### Notes:

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

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

### (d) Market Risk

The Council has insignificant exposure to market risk.

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

**Table 12.3: Interest rate exposure of financial instruments**

	Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non- interest bearing
	%	\$	\$	\$	\$
<b>2015</b>					
Cash and deposits	-	-	-	-	-
<b>Total financial assets (i)</b>		-	-	-	-
Payables (i)	-	36,522	-	-	36,522
<b>Total financial liabilities</b>	-	<b>36,522</b>	-	-	<b>36,522</b>
<b>2014</b>					
Cash and deposits	-	500	-	-	500
<b>Total financial assets (i)</b>	-	500	-	-	500
Payables (i)	-	24,090	-	-	24,090
<b>Total financial liabilities</b>	-	24,090	-	-	24,090

**Note:**

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

### (e) Foreign Currency Risk

The SAC has no exposure to foreign currency risk.

### (f) Fair Value

The Council considers that 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 13 Cash Flow Information

	2015 \$	2014 \$
<b>(a) Reconciliation of cash and cash equivalents</b>		
Total cash and deposits disclosed in the balance sheet	–	500
<b>Balance as per cash flow statement</b>	–	500
<b>(b) Reconciliation of net result for the period to net cash flows from operating activities</b>		
<b>Net result for the period</b>	<b>3,671</b>	52,779
<b>Non cash movements</b>		
Depreciation of non-current assets	–	2,479
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(64,164)	2,729
Increase/(decrease) in payables	12,043	(49,803)
Increase/(decrease) in provisions	47,950	(5,599)
<b>Net cash flows from (used in) operating activities</b>	<b>(500)</b>	2,585

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## Note 14 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:

<b>Attorney-General</b>	The Honourable Robert Clark, MP	1 July 2014 to 3 December 2014
	The Honourable Martin Pakula, MP	4 December 2014 to 30 June 2015
<b>Acting Attorney-General</b>	The Honourable Jane Garrett, MP	24 December 2014 to 6 January 2015
<b>Secretary to the Department of Justice and Regulation</b>	Mr Greg Wilson	1 July 2014 to 30 June 2015

## Sentencing Advisory Council

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

<b>Chief Executive Officer</b>	Ms Cynthia Marwood	1 July 2014 to 30 June 2015
<b>Chairperson</b>	Professor Arie Freiberg AM	1 July 2014 to 30 June 2015
<b>Other Board Members</b>	Ms Carmel Arthur	1 July 2014 to 30 June 2015
	Mr Graham Ashton AM APM	1 July 2014 to 21 December 2014
	Mr Hugh de Kretser	1 July 2014 to 30 June 2015
	Mr Peter Dikschei	1 July 2014 to 27 November 2014
	Mr David Grace QC	1 July 2014 to 30 June 2015
	Ms Helen Fatouros	1 July 2014 to 30 June 2015
	Mr John Griffin PSM	1 July 2014 to 30 June 2015
	Mr Peter Kidd SC	1 July 2014 to 30 June 2015
	Ms Barbara Rozenes	1 July 2014 to 30 June 2015
	Ms Lisa Ward	1 July 2014 to 30 June 2015
	Mr Geoff Wilkinson OAM	1 July 2014 to 30 June 2015
	Ms Kornelia Zimmer	1 July 2014 to 30 June 2015
	Ms Fiona Dowsley	8 July 2014 to 30 June 2015
	Mr Shane Patton	31 March 2015 to 30 June 2015

## 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 and Regulation.

### Sentencing Advisory Council

Thirteen board members received sitting fees for their role on the Council Board. The total aggregate remuneration received by them in 2015 was \$30,797 (2014 \$32,363).



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

	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$0–\$9,999	13	11	13	11
\$10,000–\$19,999	–	–	–	–
\$160,000–\$169,999	–	–	–	1
\$170,000–\$179,999	–	1	1	–
\$180,000–\$189,999	1	–	–	–
Total numbers	<b>14</b>	<b>12</b>	<b>14</b>	<b>12</b>

There are no executive officers other than the above.

#### Related Party Transactions

A number of the Board Members are employed by the DJR. During the financial year, the Council 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.

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### Note 15 Remuneration of Auditors

	2015 \$	2014 \$
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	14,000	13,750
	<b>14,000</b>	13,750

### Note 16 Subsequent Events

There were no significant events occurring after the reporting date to be reported as at 30 June 2015.

## Note 17

### Glossary of Terms and Style Conventions

#### Glossary

##### **Borrowings**

Borrowings refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest bearing arrangements. Borrowings also include non interest bearing advances from government that are acquired for policy purposes.

##### **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 operating result and other comprehensive income.

##### **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'.

##### **Effective Interest Method**

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

##### **Employee Benefits Expenses**

Employee benefits expenses include 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; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
  - (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - (ii) 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. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

## **Financial Statements**

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 Presentation of Financial Statements; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

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## **Grant and Other Transfers**

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

### **Interest Expense**

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases 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 economic flows – other comprehensive income'.

### **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**

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 inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

### **Other Economic Flows Included in Net Result**

Other economic flows included in net result 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 financial physical and intangible assets;
- fair value changes of financial instruments and agricultural assets; and
- depletion of natural assets (non produced) from their use or removal.

### **Other Economic Flows – Other Comprehensive Income**

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in the net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows other comprehensive income include:

- (a) changes in physical asset revaluation surplus;
- (b) share of net movement in revaluation surplus of associates and joint ventures; and
- (c) gains and losses on remeasuring available for sale financial assets.

### **Payables**

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

### **Receivables**

Includes 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 the day to day running costs, including maintenance costs, incurred in the normal operations of the Department.

### **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 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 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.x) 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 2014–15 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Department's annual reports.



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