

Sentencing Advisory Council

Annual Report

2018–2019

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Highlights of the Year

Restitution and Compensation

We delivered our final report on restitution and compensation orders in Victoria in response to a request for advice from the Attorney-General on whether these orders should become a sentencing option.

Animal Cruelty Offences

Our report on animal cruelty offences is the first ever review of how animal cruelty offenders are sentenced in Victoria. We prepared the report in response to increasing interest from government, key stakeholders and the community about how the criminal justice system responds to animal cruelty.

Firearms Offences

We published important research examining trends in the prevalence and sentencing of firearms offences in Victoria.

'Crossover Kids'

In a Victorian first, we published a report from our data linkage project examining the child protection backgrounds of children sentenced and diverted in 2016 and 2017. The study matched these children against 22 years of child protection data to identify the proportion of children known to child protection and their child protection history.

Sentence Appeals

In a follow-up to our 2012 report on sentence appeals, we analysed the outcomes of appeals finalised by 31 December 2016 for cases originally sentenced in the County and Supreme Courts of Victoria in 2013–14.

Stakeholder Engagement

We consulted with over 50 agencies, organisations, academics and members of the public in undertaking our research.

Influence of Our Work

We saw the reach of our work in numerous media reports, almost 60 published decisions in the higher courts, including the Court of Appeal, and almost 50 academic citations in peer-reviewed journals, books and government and non-government reports.

Public Opinion

We interpreted academic research on public opinion and sentencing for a broad audience to promote greater community understanding of this important work. Our two factsheets present key findings from the Victorian Jury Sentencing Study and an overview of research into public opinion and sentencing in Australia focusing on large-scale research projects and stand-alone studies from the last decade.

Legal Education

We provided the legal community with new educational materials, including a guide to the sentencing schemes that now apply to particular offences in Victoria and an overview of 10 key legislative changes to sentencing law from 2018, as well as two judicial decisions that will affect the way that sentencing law operates in Victoria.

Community Education

We took our popular You be the Judge program on the road with a regional tour of Gippsland, giving audiences in this region the opportunity to attend a local session.

Our Digital Presence

We continue to build our social media presence and now have over 6,000 Twitter followers. Eighteen of our tweets scored within the top 50 tweeted by Australian state and federal bodies. We also had over 500,000 page hits on our website.

Sentencing Advisory Council

Chair and CEO's Report

This year, the Council has sought to bring Australian public opinion research to the fore. Public opinion about sentencing is important because attitudes to sentencing affect public confidence in the criminal justice system as a whole, sentencing practice is often responsive to public opinion, and perceptions of public opinion can lead to changes in law and policy.

Over the past 10 years, there has been ground-breaking research in Australia on public opinion about sentencing. The Council's overview of this research highlights a consistent finding: informed members of the community are generally satisfied with the sentences imposed by the judiciary and, if anything, tend to be a bit more lenient. When asked, they prefer to leave the difficult task of sentencing in the hands of the judiciary, who they believe have the knowledge and experience to undertake this difficult and emotional exercise. This research challenges the perception promoted by the tabloid media that the community demands the imposition of longer sentences of imprisonment.

In addition to producing an overview of recent public opinion research, the Council sought to make the findings of the Victorian Jury Sentencing Study, led by Professor, the Honourable Kate Warner, Governor of Tasmania, more accessible to the community through publication of two illustrated factsheets.

The Council has also sought to help the community, particularly the legal community, grapple with the recent changes to sentencing law in Victoria. The Council published an overview of 10 major legislative changes made in 2018 as well as important judicial decisions affecting the way that sentencing law operates.

The Council published its first guide to sentencing schemes in Victoria. This guide helps stakeholders navigate the many schemes that apply to particular offences. Often, several schemes apply to the same offence or to an offence when committed in particular circumstances.

This year, the Council partnered with the Victorian Magistrates' Court to bring its educational You be the Judge program to regional Victoria. In March, the Council presented the program to over 150 community members at five courthouses across Gippsland: Wonthaggi, Korumburra, Bairnsdale, Sale and Morwell. During the sessions, the audience explored the principles, purposes and practices of sentencing in Victoria. Participants had the opportunity to sentence an actual case and compare their views with those of other members of their community. Through discussion and debate, it became clear that, even within their own close-knit community, participants had different opinions about the purposes relevant to sentencing and diverse views on the most appropriate sentence. This highlights the complexity of the sentencing task faced by the court. The program also gives the Council an opportunity to get a better sense of the views of regional Victorians on sentencing and, in an informal way, gauge public opinion.

The Council provided its advice to the Attorney-General on whether restitution and compensation orders should become part of an offender's sentence. While the Council recommended against these orders forming part of an offender's sentence, it did recommend strengthening the existing 'hybrid' model for making and enforcing these orders. It recommended that the Victorian Government consider introducing state civil enforcement of orders for restitution and compensation on behalf of victims.

The Council further recommended a range of reforms to improve offender-paid compensation, including:

- providing consistent and timely information to victims on their compensation options;
- ensuring consistent use of existing powers to restrain offenders' assets so that these can be used to pay restitution or compensation;
- waiving fees (where possible) to assist victims of crime to enforce their orders; and
- establishing a specialist legal service for victims of crime.

These recommendations aim to improve practical outcomes for victims of crime by providing information, assistance and government support in enforcing judgment debts arising from restitution and compensation orders.



... attitudes to sentencing affect public confidence in the criminal justice system as a whole, sentencing practice is often responsive to public opinion, and perceptions of public opinion can lead to changes in law and policy.

In addition to working on this reference, the Council delivered its own program of research and published five other reports, discussed in more detail later in this annual report. Our report on animal cruelty offences in Victoria generated a great deal of community interest. It is the first ever review of how animal cruelty offences are sentenced in Victoria. Preparing this report involved collecting and working with new datasets and undertaking consultation with a new group of stakeholders within government and the broader community. It was a very rewarding experience for Council staff and directors, many of whom are passionate about shining a light on the sentencing practices for offences where the victims cannot speak for themselves. Although, as a matter of course, the Council does not make recommendations to government on self-initiated research, our consultations indicated the importance of control orders and the need for their greater use in sentencing offenders for animal cruelty offences. Consultations also indicated the need for some form of guidance on how courts should sentence these offences.

All these achievements are the result of the hard work and dedication of the Council's secretariat. Their energy and ideas breathe life into our research program. This year, we farewelled Donald Ritchie, Manager, Legal Policy and Community Engagement, who made an enormous contribution to sentencing policy in Victoria over his 10 years of service to the Council. His expertise and wise counsel are sorely missed. The Council also farewelled Megan Styles, who was seconded from the Victorian Court of Appeal to assist with our reference on restitution and compensation orders. We thank Donald and Megan for their service to the Council.

We are also grateful for the commitment of the Council directors who bring a diverse set of skills to the task of providing high-level direction and advice to the staff in undertaking the Council's work. We say farewell to Deputy Commissioner Shane Patton and thank him for his four years of service. Shane brought a keenly observed law enforcement perspective to the work of the Council and we will miss his contributions to our board discussions. We also welcome Deputy Commissioner Wendy Steendam as a new director.

At a time when gender diversity is sought after and its importance is increasingly recognised, it is gratifying to note the strong gender balance on the Council's board. We look forward to the addition of a director from Victoria's Aboriginal and Torres Strait Islander community to further promote a diversity of views and experience on our board.

Finally, we thank the Council's Audit and Finance Committee and our Chief Finance and Accounting Officer for their sound advice and for guiding us through a myriad of financial compliance and governance requirements.



Arie Freiberg

Chair



Cynthia Marwood

Chief Executive Officer

Functions and Objectives

Our Functions

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

Section 108C of the *Sentencing Act 1991* (Vic) provides that the functions of the Council are to:

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

In addition, the *Corrections Act 1986* (Vic) requires the Council to report annually on the number of persons convicted each financial year of a serious offence committed while subject to a community correction order.

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 directorship of the Council. It is made up of people with a wide range of backgrounds, including police, legal practitioners, members of victim of crime support or advocacy groups, as well as people with broad community experience in issues affecting courts and 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.

Our 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 below (page 8). The figure 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:

- continuously improving our online sentencing data;
- preparing authoritative, evidence-based advice in response to all terms of reference;
- developing and delivering an annual research program that informs community debate on sentencing issues;
- engaging with stakeholders to identify emerging issues and research priorities;
- providing current, plain-language sentencing information on our website and in our educational materials;
- involving the community and other stakeholders in our research and decision-making; and
- supporting and developing staff.

Context of the Council's role



Council **Directors**

The Council's directors come from a broad spectrum of professional and community backgrounds and represent a range of perspectives. During the financial year, Shane Patton, Deputy Commissioner, Victoria Police, resigned from the Council, and we welcomed Wendy Steendam, 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 and has researched and published extensively 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: 7/9



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 two decades, she has operated a human services consulting business, providing research, program evaluation and policy review services to government and community organisations.

Council meetings attended: 9/9



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 also an advocate who has worked with many victims of crime. She promotes 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 was a long-term community member of the Adult Parole Board until her appointment as a full-time member of the newly established Post-Sentence Authority in 2018. Carmel was also recently appointed to the Board at Penington Institute. She has vast experience in the criminal justice system, particularly with courts, Corrections and Victoria Police.

Council meetings attended: 8/9



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 was the Executive Officer of the Federation of Community Legal Centres from 2007 to 2013 and was a commissioner on the Victorian Law Reform Commission from 2008 to 2012.

Council meetings attended: 6/9



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. She was appointed as the founding Chief Statistician of the Crime Statistics Agency in Victoria in January 2014.

Council meetings attended: 7/9



Helen Fatouros

Profile – operation of the criminal justice system

Helen Fatouros has worked within the criminal justice system for nearly two decades as a lawyer and leader within prosecutions and the legal assistance sector. Her previous roles include Executive Director Criminal Law Services at Victoria Legal Aid, Legal Prosecution Specialist, and Directorate Manager Specialist Sex Offences at 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. Helen was also a commissioner of the Victorian Law Reform Commission from 2014 to 2018.

Council meetings attended: 6/9



David Grace QC AM

Profile – highly experienced defence lawyer

David Grace has over 40 years' experience as a legal practitioner, particularly in criminal law. He has appeared in numerous court jurisdictions in several leading criminal cases, including in sentencing law. He regularly appears in the High Court and the Court of Appeal and is a former Chair of the Criminal Law Sections of the Law Institute of Victoria and the Law Council of Australia.

Council meetings attended: 6/9



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 Tribunal and the Post-Sentence Authority.

Council meetings attended: 8/9



Sherril Handley

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

Senior Sergeant Sherril Handley has worked in various operational policing roles within Victoria Police since 2003, but a significant portion of her career has been in the Legal Services Department as a criminal prosecutor. In support of the Royal Commission into Family Violence, Sherril was instrumental in designing and delivering flexible state-wide prosecutor training to police officers and police lawyers. Sherril is also admitted to practise as a lawyer and has represented Victoria Police interstate and overseas in relation to law reform.

Council meetings attended: 4/9



Brendan Kissane QC

Profile – highly experienced prosecution lawyer

Brendan Kissane has been a barrister for over 30 years. He commenced his career in law as a solicitor with the Victorian Aboriginal Legal Service and has practised principally in criminal law with over 20 years' experience in that area. He was appointed a Crown Prosecutor in 2007, the first in the Geelong Office of Public Prosecutions. As a Crown Prosecutor, he was allocated to the Specialist Sexual Offences Unit. He was subsequently appointed Senior Crown Prosecutor in 2015 and Chief Crown Prosecutor in 2018. For the last six years, he has been appearing regularly in the Court of Appeal.

Council meetings attended: 7/9



Shane Patton

Profile – operation of the criminal justice system

Shane Patton, Deputy Commissioner, Special Operations, joined Victoria Police in 1978 and has held a wide range of policing roles, including operational uniform policing, criminal investigations and public transport safety. He led the Schools of Practice project within the Victoria Police training environment and has received several internal commendations. He is a Williamson Fellow (2007 Williamson Community Leadership Program – Leadership Victoria) and an Australia and New Zealand School of Government (ANZSOG) alumnus.

Council meetings attended: 4/8 (resigned May 2019)



Wendy Steendam

Profile – operation of the criminal justice system

Wendy is a highly respected police leader with over three decades of operational experience. In November 2018, Wendy was appointed Deputy Commissioner, Specialist Operations, with portfolio responsibility for Counter Terrorism Command, Crime Command, Road Policing Command, Intelligence and Covert Support Command, Forensic Services Department and Legal Services Department. She has performed significant senior executive roles across Victoria Police, including her appointment as Deputy Commissioner in August 2015. She was also Executive Sponsor for the 2015 Victorian Equal Opportunity and Human Rights Commission's independent review into sex discrimination and sexual harassment.

Council meetings attended: 0/1 (appointed May 2019)

Council **Secretariat**

The sessional Council directors are supported by a secretariat who undertakes the Council's daily work.

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

Secretariat Staff 2018–19

Chief Executive Officer

Cynthia Marwood

Anusha Kenny (Acting CEO from 3 June 2019 to 21 June 2019)

Geoff Fisher (Acting CEO from 20 July 2018 to 10 August 2018)

Legal Policy and Community Engagement

Manager, Legal Policy and Community Engagement

Donald Ritchie (to November 2018)

Anusha Kenny (from December 2018)

Principal Legal Policy Officer

Felicity Stewart

Anusha Kenny (to 31 October 2018)

Senior Legal Policy Officer

Paul McGorrery

Anusha Kenny (from November 2018 to December 2018)

Legal Policy Officer

Anna Chalton (from April 2019)

Senior Education and Online Engagement Officer

Chris Gill

Research Assistant (Casual)

Octavian Simu (to April 2019)

Statistics and Data

Manager, Statistical Analysis

Geoff Fisher (extended leave from October 2018)

Dennis Byles (from October 2018)

Senior Data Analyst

Dennis Byles (to October 2018)

Zsombor Bathy (from October 2018)

Data Analyst

Zsombor Bathy (to October 2018)

Hoa Nguyen (from November 2018)

Publishing

Senior Publications and Website Officer

Catherine Jeffreys

Administration

Operations Manager

Sarah Lappin

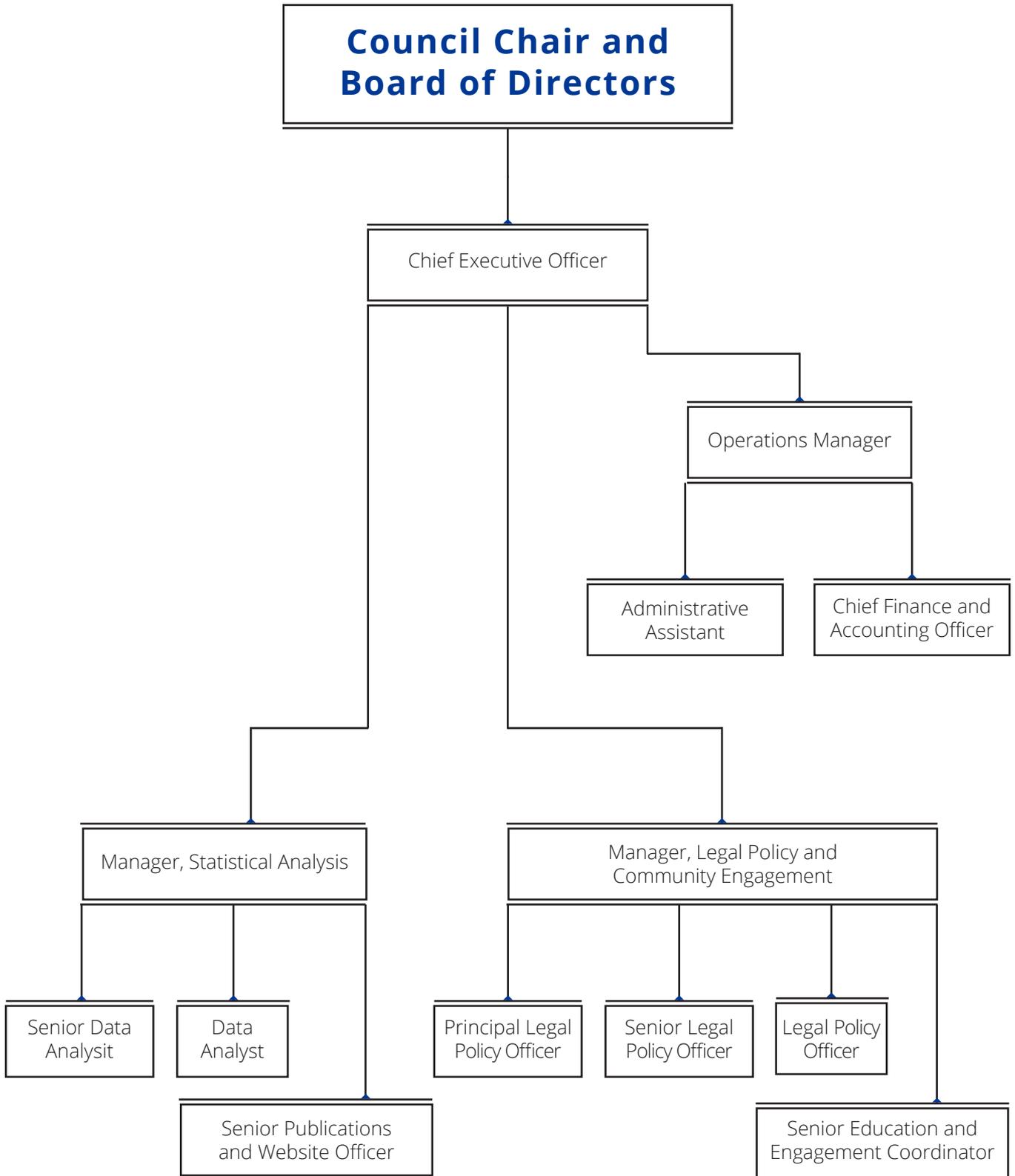
Administrative Assistant

Dakota Groepes

Chief Finance and Accounting Officer

Michael Almond

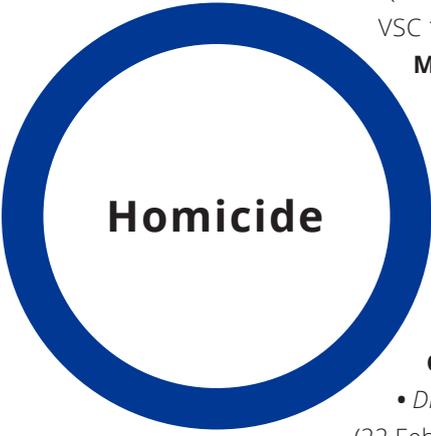
Organisational Chart



Our Work in Action **Highlights**

Cases

During 2018–19, the Council’s Sentencing Snapshots were referred to in almost 60 published decisions in the higher courts and the Court of Appeal. Snapshots cover offences sentenced in the Magistrates’ Court, County Court and Supreme Court of Victoria.



Homicide

Murder *The Queen v Kelson* [2018] VSC 442 (10 August 2018) • *The Queen v Smith* [2018] VSC 656 (31 October 2018) • *DPP v Missen* [2019] VSC 32 (4 February 2019) • *DPP v Clover* [2019] VSC 123 (25 February 2019) • *The Queen v Eustace* [2019] VSC 189 (26 March 2019)

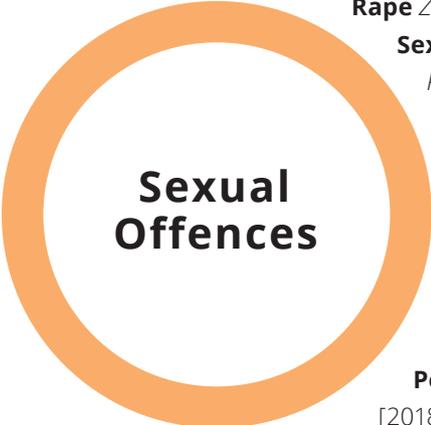
Manslaughter

The Queen v Naddaf [2018] VSC 429 (20 July 2018) • *The Queen v Russo* [2018] VSC 395 (20 July 2018) • *The Queen v Jones* [2018] VSC 415 (31 July 2018) • *DPP v Osborn* [2018] VSCA 207 (23 August 2018) • *The Queen v Yucl* [2018] VSC 506 (5 September 2018) • *The Queen v Smart* [2018] VSC 568 (26 September 2018) • *The Queen v Levy* [2018] VSC 567 (26 September 2018) • *DPP v Smith* [2018] VSC 684 (16 November 2018) • *The Queen v Vu* [2018] VSC 732 (26 November 2018) • *The Queen v Phan* [2019] VSC 153 (22 March 2019)

Culpable driving causing death *DPP v Sanyasi* [2018] VCC 1061 (11 July 2018)

• *DPP v K,S* [2018] VCC 1722 (22 October 2018) • *Guseli v The Queen* [2019] VSCA 29 (22 February 2019)

Attempted murder *The Queen v Tedford* [2018] VSC 476 (24 August 2018)



Sexual Offences

Rape *Zhao v The Queen* [2018] VSCA 267 (24 October 2018)

Sexual assault *DPP v Michael* [2018] VCC 1987 (22 November 2018) • *DPP v Lee (A Pseudonym)* [2018] VCC 2203 (20 December 2018)

Incest *Harlow (A Pseudonym) v The Queen* [2018] VSCA 234 (14 September 2018)

• *DPP v Chester (A Pseudonym)* [2018] VCC 1713 (18 October 2018) • *DPP v Polat (A Pseudonym)* [2019] VCC 92 (8 February 2019)

Sexual penetration of a child aged under 12 *DPP v Nelson (A Pseudonym)* [2018] VCC 2135 (5 December 2018)

Sexual penetration of a child aged 12 to 16 *DPP v Weller* [2018] VCC 2247 (14 December 2018)

Persistent sexual abuse of a child aged under 16 *DPP v Valdez (A Pseudonym)* [2018] VCC 1688 (23 October 2018)



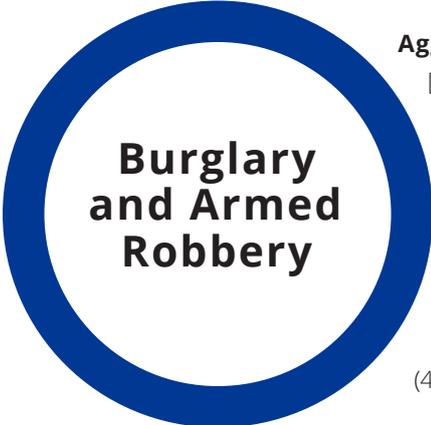
Offences against the Person

Causing injury intentionally *DPP v Austerberry* [2018] VCC 1770 (30 October 2018)
• *DPP v Williams* [2018] VCC 1272 (14 August 2018)

Causing injury recklessly *DPP v Agustsson* [2018] VCC 1042 (6 July 2018)

Causing serious injury intentionally *DPP v Lukudu* [2018] VCC 1191 (3 August 2018)

Causing serious injury recklessly *DPP v Agustsson* [2018] VCC 1042 (6 July 2018) • *The Queen v Vu* [2018] VSC 732 (26 November 2018) • *DPP v Smith* [2019] VCC 488 (11 April 2019)



Burglary and Armed Robbery

Aggravated burglary *DPP v Alves-Ferreira* [2018] VCC 1161 (27 July 2018) • *DPP v Davis* [2018] VCC 1166 (31 July 2018) • *DPP v Dahmes* [2018] VCC 1263 (16 August 2018)

• *Dirbass v The Queen* [2018] VSCA 272 (26 October 2018) • *DPP v Degney* [2018] VCC 2245 (8 November 2018) • *Ah-Kau and Ofamooni v The Queen* [2018] VSCA 296 (14 November 2018) • *DPP v Lu* [2018] VCC 1998 (16 November 2018) • *DPP v Aneet* [2018] VCC 2155 (14 December 2018) • *DPP v Jiang* [2018] VCC 2177 (19 December 2018)

Armed robbery *DPP v O'Callaghan* [2018] VCC 1652 (11 September 2018) • *DPP v Mehmet* [2018] VCC 1511 (14 September 2018) • *DPP v Drinan* [2019] VCC 469 (4 April 2019)



Drug Offences

Trafficking in a non-commercial quantity of drugs *DPP v Loveday* [2018] VCC 1461 (7 September 2018) • *DPP v Nguyen* [2018] VCC 1856 (12 November 2018) • *DPP v Zarb* [2019] VCC 493 (9 April 2019)

Trafficking in a commercial quantity of drugs *DPP v Ngyuen* [2018] VCC 1255 (10 August 2018) • *DPP v Nguyen* [2018] VCC 1856 (12 November 2018) • *DPP v Bellears* [2019] VCC 379 (27 March 2019)

Cultivation of a commercial quantity of narcotic plants *DPP v Cole* [2018] VCC 1788 (13 November 2018) • *DPP v Buchanan* [2019] VCC 290 (14 March 2019)



Property Offences

Theft *DPP v Naughten* [2018] VCC 1758 (26 October 2018) • *DPP v Baker* [2018] VCC 1798 (2 November 2018)

Obtaining a financial advantage by deception *DPP v Taylor* [2018] VCC 2271 (20 November 2018)



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Media

In addition to the judicial and academic citations, the Council's work received widespread media attention during 2018–19, featuring in a range of print, online and radio mentions.

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.

Sentencing Advisory Council Statistics Online (SACStat)

SACStat is an online tool for accessing data on sentencing outcomes for the Victorian Magistrates' Court and higher courts (the County and Supreme Courts). SACStat presents data in graphs and tables for charges and cases of approximately 700 offences. Users can find offences via a legislation index or with offence search and view sentencing outcomes by age group and gender.

The Council updates SACStat on a regular basis, ensuring that it continues to provide contemporary and relevant sentencing data. As at 30 June 2019, SACStat statistics for the higher courts include data on over 200 offences from July 2013 to June 2018. Statistics for the Magistrates' Court include data on approximately 500 offences from July 2013 to June 2016.

In 2019, the Council added automated summaries for all Magistrates' Court offences and around 60 higher courts offences on SACStat. These summaries provide simple narratives based on sentencing outcomes for offences and can be saved, exported and printed.

The next update for the higher courts data is planned for early 2020, and the Magistrates' Court data is due to be updated later in 2019.

Sentencing Snapshots

In 2018–19, the Council released 19 new Sentencing Snapshots. The offences covered this financial year are:

- incest (no. 217);
- trafficking in a non-commercial quantity of drugs (no. 218);
- trafficking in a commercial quantity of drugs (no. 219);
- trafficking in a large commercial quantity of drugs (no. 220);
- cultivating a non-commercial quantity of narcotic plants (no. 221);
- cultivating a commercial quantity of narcotic plants (no. 222);
- murder (no. 223);
- manslaughter (no. 224);
- culpable driving causing death (no. 225);
- arson (no. 226);
- theft (no. 227);
- obtaining property by deception (no. 228);
- obtaining financial advantage by deception (no. 229);
- rape (no. 230);
- sexual assault (no. 231);
- persistent sexual abuse of a child under 16 (no. 232);
- indecent act with a child under 16 (no. 233);
- sexual penetration of a child aged 12 to 16 (no. 234); and
- sexual penetration of a child aged under 12 (no. 235).

The Council has regularly released Sentencing Snapshots since the series was launched in 2005. Sentencing Snapshots include the sentence types and imprisonment lengths imposed over a five-year period for an offence of interest. Six of the 19 new Snapshots cover sentencing outcomes in the five-year period from July 2012 to June 2017, while the remaining 13 Snapshots cover the five-year period from July 2013 to June 2018.

As at June 2019, the Council has published 235 Sentencing Snapshots. An additional 12 Snapshots are planned for release in the first half of 2020.

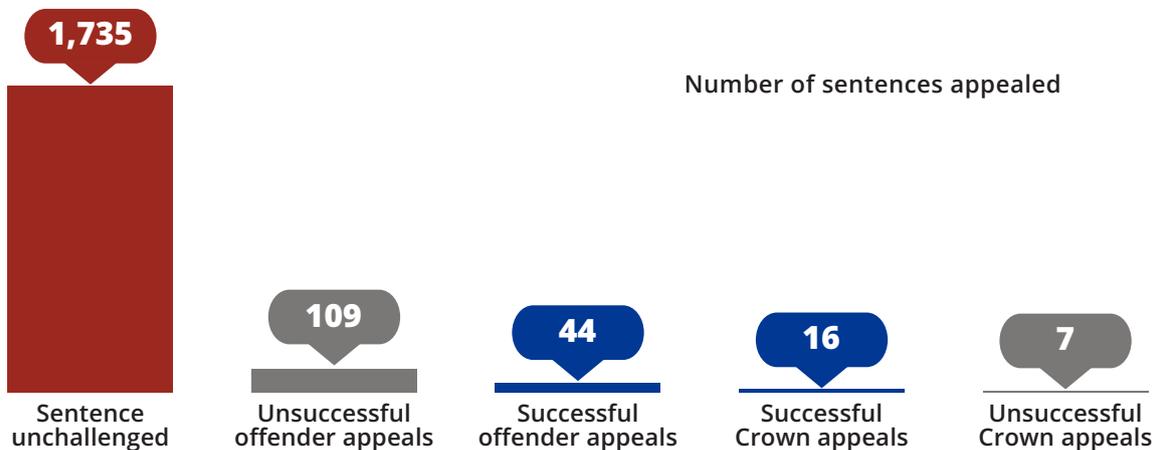
Sentence Appeals in Victoria: Second Statistical Research Report

In September 2018, the Council published *Sentence Appeals in Victoria: Second Statistical Research Report*, a follow-up to our report on sentence appeals published in 2012. The report examines the outcomes of appeals finalised by 31 December 2016 from cases originally sentenced in the County and Supreme Courts of Victoria in 2013–14.

The report found that, of the 1,910 sentences imposed in the higher courts that year, 97% were either unchallenged or unsuccessfully appealed. In the remaining cases, offenders were successful in 44 of 153 appeals (29%), and the Crown was successful in 16 of 23 cases (70%).

The most common sentence type appealed, by both offenders and the Crown, was a sentence of imprisonment. When an imprisonment sentence was reduced following a successful sentence appeal, the average reduction in the total effective sentence was 20% and for the non-parole period it was 25%. In comparison, when an imprisonment sentence was increased following a successful sentence appeal, the average increase in the total effective sentence was 70% and for the non-parole period it was 64%.

The report included flowcharts mapping the sentence appeals process, and the Council released a factsheet detailing the main findings of the report.



Serious Offending while on a Community Correction Order

In January 2019, the Council released *Serious Offending by People Serving a Community Correction Order: 2017–18*, the second in a series of reports examining serious offences committed by people while serving a community correction order (CCO).

The report fulfils an obligation under the *Corrections Act 1986* (Vic) s 104AA(2):

For each financial year commencing on or after 1 July 2016, the Sentencing Advisory Council must report for that year the number of persons convicted during that year of a serious offence committed while subject to a community correction order.

The reference period for the second report was 1 July 2017 to 30 June 2018. The analysis included any person sentenced during the reference period for committing a serious offence, where the commission of the offence occurred while the person was serving a CCO.

A serious offence is defined by the *Corrections Act 1986* (Vic) s 104AA(3) to include:

- a *serious violent offence* such as armed robbery, murder and intentionally causing serious injury (*Corrections Act 1986* (Vic) s 3(1), incorporating offences under *Sentencing Act 1991* (Vic) sch 1 cl 2 and other specified offences); and
- a *sexual offence* such as rape, sexual assault and sexual penetration of a child aged under 16 (*Corrections Act 1986* (Vic) s 3(1); *Serious Sex Offenders (Detention and Supervision) Act 2009* (Vic) sch 1 (repealed)).¹

The courts and Corrections Victoria hold no single source of data that identifies serious offences committed by people serving a CCO. Therefore, the Council combined data from multiple sources to identify the period during which each CCO was active and the date on which each serious offence was committed.

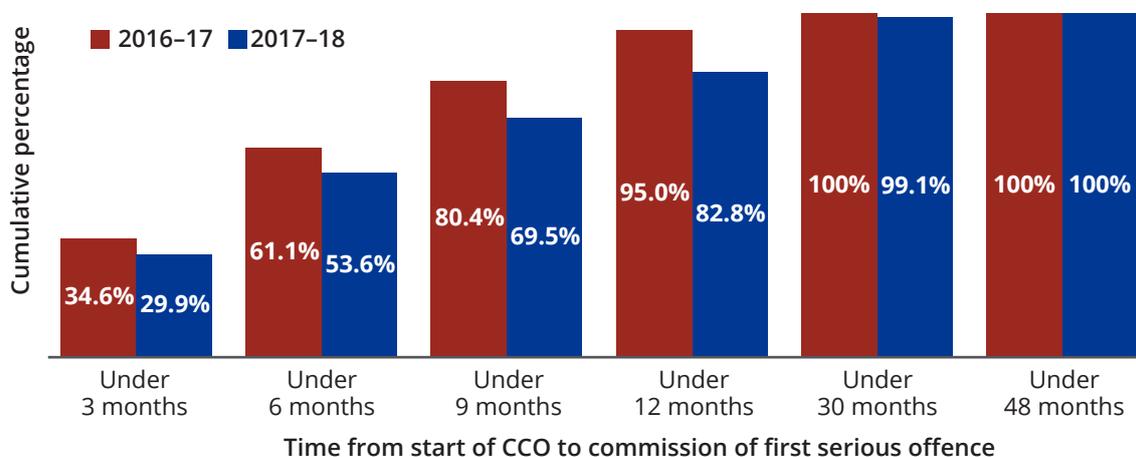
The report found that 632 people were sentenced in 2017–18 for serious offences committed while serving a CCO.

The Council calculated the approximate rate of CCO contravention by serious offending as 1.6%. That is, 1.6% of people who *received* a CCO from 1 July 2015 to 30 June 2018 were sentenced in 2017–18 for serious offences committed while *serving* their CCO. This is the same rate of contravention found in our first report, which examined people sentenced in 2016–17 for serious offences committed while serving a CCO.

The second report found that 54% of people who committed a serious offence while serving a CCO did so within the first six months of their CCO commencing, compared to 61% of people found in the first report.

The three most common serious offences committed by people serving a CCO were make threat to kill, make threat to inflict serious injury and aggravated burglary. A small number of very serious offences were also committed, including four charges of murder, two charges of manslaughter and two charges of rape.

Percentage of people who were sentenced in 2016–17 and 2017–18 for committing a serious offence while serving a CCO, by length of time from the start of the CCO to the commission of the first serious offence



¹ This Act was repealed on 9 September 2018, after the reference period of this report. The relevant list of sexual offences is now found in *Serious Offenders Act 2018* (Vic) sch 1.

Independent, High-Quality **Sentencing Research and Policy Advice**

Providing independent, high-quality sentencing research and policy advice relates to the Council's statutory functions of stating in writing to the Court of Appeal its view 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.

Restitution and Compensation Orders

In June 2017, the Council received a request from the Attorney-General, the Hon Martin Pakula, MP, to provide him with advice on restitution and compensation orders. The terms of reference asked whether restitution and compensation orders made for the benefit of victims under Divisions 1 and 2 of Part 4 of the *Sentencing Act 1991* (Vic) should become a sentencing option.

The request for advice followed a recommendation by the Victorian Law Reform Commission in its report, *The Role of Victims of Crime in the Criminal Trial Process*.

The Council engaged in an extensive and broad-ranging process of consultation that included:

- preliminary consultation with key stakeholders, prior to the publication of *Restitution and Compensation Orders: Issues and Options Paper*;
- a call for public submissions on the questions in the issues and options paper;
- an online survey;
- a discussion forum, involving a broad range of stakeholders, on the questions in the issues and options paper;
- further consultation with key stakeholders, subsequent to the publication of the issues and options paper; and
- consultation with key stakeholders on proposed recommendations.

After identifying insurmountable problems, including serious risks to equality before the law, the Council recommended that restitution and compensation orders should remain orders made in addition to an offender's sentence and did not recommend that they become sentencing orders.

In its final report, published in October 2018, the Council instead recommended a strengthened 'hybrid' model for victims' compensation that incorporates elements of both criminal and civil law.

The Council also recommended a range of reforms to improve the system for victims' financial reparation, including:

- improving the consistency and timeliness of information provided to victims on their compensation options;
- introducing measures to ensure consistent use of powers to restrain offenders' assets so that these can be used to pay restitution or compensation;
- waiving fees (where possible) to assist victims of crime to enforce their orders independently;
- considering state enforcement of orders for restitution and compensation through civil mechanisms; and
- considering the establishment of a specialist legal service for victims of crime.

Animal Cruelty Offences

In February 2019, the Council published *Animal Cruelty Offences in Victoria*, the first ever review of how animal cruelty offenders are sentenced in Victoria. The report was developed in response to increasing interest from government, key stakeholders and the community about how the criminal justice system responds to animal cruelty.

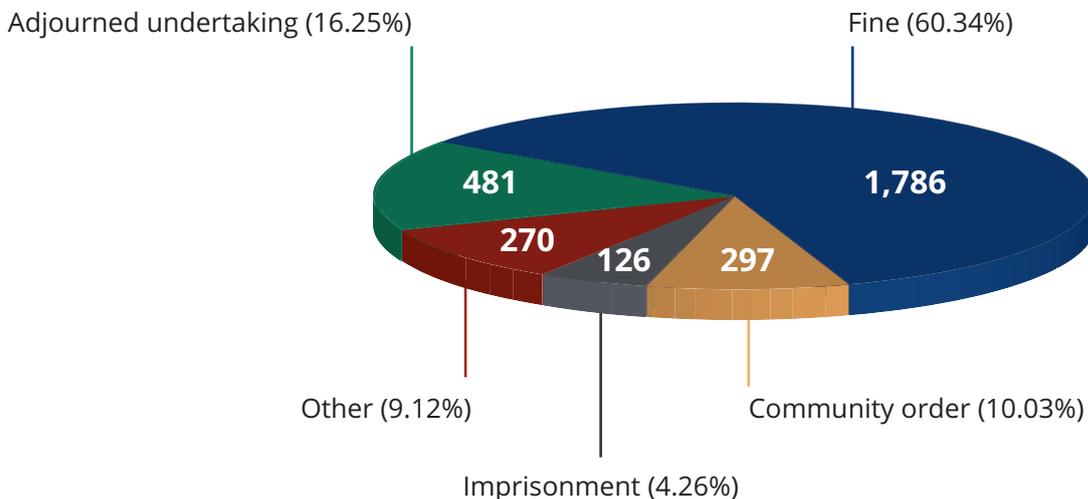
Based on court data for the 10 years to December 2017, the report found that nearly 3,000 charges of animal cruelty were sentenced in over 1,100 cases. Between 50% and 75% of those animal cruelty offences involved neglect-related offending, such as failing to provide proper food, drink, shelter or veterinary treatment to an animal.

Other key findings included:

- most animal cruelty offenders were male (75%), one-quarter were female (25%) and just five were corporations (<1%);
- more than half of all animal cruelty cases in Victoria were prosecuted by RSPCA Victoria (53%), while the remaining cases were prosecuted by Victoria Police (31%), government departments with oversight of offences against agricultural animals and wildlife (11%) and local councils (5%); and
- the most common sentencing outcome for an animal cruelty offence was a fine (60% of offences) with an average value of about \$1,400, while 4% of offences received a term of imprisonment with an average duration of three months.

The report further found that 15% of animal cruelty cases were flagged as involving family violence. Those offenders were four times more likely to receive a prison sentence than other animal cruelty offenders.

Sentencing outcomes for animal cruelty offences



Firearms

In May 2019, the Council published *Firearms Offences: Current Sentencing Practices in Victoria*. The report examines trends in the prevalence and sentencing of firearms offences in Victoria and considers outcomes for 132 firearms offences that carry maximum penalties ranging from a fine (up to 10 penalty units) to 17 years' imprisonment.

The report found that as larger numbers of firearms offences are being sentenced in Victorian courts, the courts are increasingly using imprisonment in sentencing these offences.

For firearms offences that carried a maximum penalty of imprisonment:

- 84% of the charges sentenced in the higher courts resulted in imprisonment;
- 26% of all charges sentenced in the Magistrates' Court received a fine, which was the most common sentencing outcome in that jurisdiction. However, as the rate of fines decreased (from 31% in 2012–13 to 20% in 2016–17), both imprisonment and community correction orders became more common, accounting for 59% of all charges sentenced in the Magistrates' Court in 2016–17; and
- 35% of all charges in the Children's Court received a youth justice centre order, which was the most common sentence in that jurisdiction in 2016–17.

“ ... as larger numbers of firearms offences are being sentenced in Victorian courts, the courts are increasingly using imprisonment in sentencing these offences.

The report also examined the characteristics of firearms offenders sentenced in the higher courts, finding:

- 83% had a prior history of offending and 40% had drug priors;
- 34% were on an order, such as bail or a community correction order, at the time of the firearms offence; and
- 81% had substance abuse issues (alcohol and/or other drugs), and 65% identified as methylamphetamine users.

'Crossover Kids': Vulnerable Children in the Youth Justice System

In June 2019, the Council published the first of two reports from its data linkage project examining the child protection backgrounds of sentenced and diverted children. The project focuses on a group of over 5,000 children who were sentenced or diverted in the 2016 and 2017 calendar years. The Council matched these children against 22 years of child protection data, and for the first time in Victoria, identified the proportion of sentenced or diverted children who were known to child protection and the extent of their child protection history.

The Council found that over one in three sentenced and diverted children had been the subject of at least one child protection report (1,938 children), and almost one in five had been the subject of a child protection order made in the Children's Court of Victoria (892 children). One in six children had experienced out-of-home care, and one in 10 had experienced residential care.

The younger that children were at first sentence, the more likely they were to be known to child protection. Of the 438 children first sentenced aged 10 to 13:

- 54% were the subject of at least one child protection report;
- 38% were the subject of a child protection order; and
- 33% experienced out-of-home care.

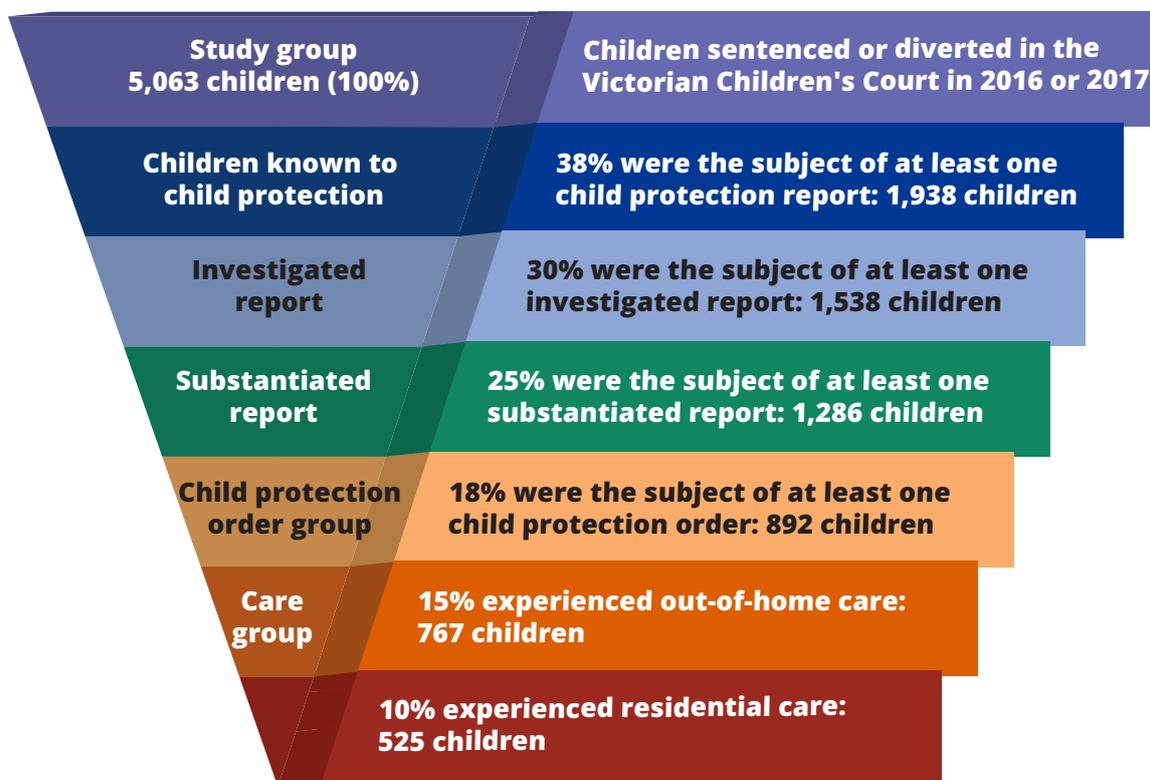
These findings were particularly troubling when considered alongside the findings in the Council's 2016 youth reoffending study: the younger children are at their first sentence, the more likely they are to reoffend generally, reoffend violently and receive a sentence of adult imprisonment before their 22nd birthday.

Children with child protection backgrounds were particularly over-represented among those sentenced to custodial orders (youth residential centre orders and youth justice centre orders). Of the 165 children sentenced to custodial orders, almost half (49%) had been the subject of at least one child protection report, 24% had been the subject of a child protection order and 23% had experienced out-of-home care.

Aboriginal and Torres Strait Islander children were over-represented in every sentence type and child protection category, consistent with previous research. The greatest over-representation of Aboriginal and Torres Strait Islander children occurred at the intersection between the most severe sentence type (custodial orders) and the most serious end of the child protection system (child protection orders, out-of-home care and residential care). Aboriginal and Torres Strait Islander children comprised 1.6% of the 808,556 Victorian people aged 10 to 20 on 30 June 2016.² In contrast, of the 165 children sentenced to a custodial order, Aboriginal and Torres Strait Islander people comprised:

- 21% of the children who had also been the subject of a report to the child protection service;
- 35% of the children who had also been the subject of a child protection order; and
- 33% of the children who had also experienced residential care.

Child protection involvement among sentenced and diverted children



² Australian Bureau of Statistics, *Estimates of Aboriginal and Torres Strait Islander Australians, June 2016*, cat. no. 3238.0.55.001 (2018).

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.

The Council added two new educational resources to its list of publications aimed at informing members of the community about sentencing: *Guide to Sentencing Schemes in Victoria* and *Changes to Sentencing Law in Victoria: An Overview of 2018*. In addition, the Council updated its freely available educational materials, including *A Quick Guide to Sentencing*, teachers' kits and plain-language brochures on sentencing. In addition, the Council informed the community about sentencing matters through community education sessions and social media.

Guide to Sentencing Schemes in Victoria

In December 2019, the Council published *Guide to Sentencing Schemes in Victoria* to assist criminal justice stakeholders and the broader community in understanding when one or more of the many sentencing schemes under the *Sentencing Act 1991* (Vic) apply to an offence. The guide covers Category 1 and 2 offences, standard sentence offences, statutory minimum sentences and Category A and B serious youth offences. It includes a quick reference table listing relevant offences, statutory references, maximum penalties and any applicable sentencing schemes.

Changes to Sentencing Law in Victoria: An Overview of 2018

In February 2019, the Council published an overview summarising 10 major legislative changes to sentencing law in Victoria in 2018, including the introduction of standard sentences, Category A and B serious youth offences and youth control orders. The overview also looks at two judicial decisions made in 2018 that affects the way sentencing law operates in Victoria. The guide has proven to be one of our most popular publications this financial year.

A Quick Guide to Sentencing in Victoria

In January 2019, the Council published its fifth edition of *A Quick Guide to Sentencing*. The plain-language Quick Guide summarises the law that applies to sentencing both adults and children in Victoria. It is designed as a study aid for students and as a practical guide for non-legal professionals working with offenders and victims of crime. It is the Council's most popular publication: in the 12 months to 30 June 2019, it was downloaded 2,857 times.

Teachers' Kits

In January 2019, the Council also published a major revision of its lesson plans and teaching materials for Years 11 and 12 Legal Studies classes and for Years 9 and 10 cross-curriculum classes. The revised kits include new case studies based on real-life cases, updated sentencing statistics and changes to sentencing law, such as Victoria's new standard sentence scheme. The kits provide teachers with all the materials they need to present the Council's popular You be the Judge program to their students.

Sentencing Brochures

In April 2019, the Council updated its three two-page brochures on sentencing to reflect changes to the law: *How Courts Sentence Adult Offenders*, *Sentencing in the Children's Court* and *How the Children's Court Could Sentence You*. The brochures were originally prepared for court users, following consultation with victims' services. The two-page format is designed for easy printing and distribution.

Virtual You be the Judge

Since October 2010, the Council's online interactive application Virtual You be the Judge has helped users learn about sentencing by involving them in sentencing a real case. Popular with teachers and students, Virtual You be the Judge had nearly 9,500 users in 2018–19. Sentencing law and practice, as well as technology, has changed considerably since 2010, but the Council has been unable to secure funding to update the application, instead adding disclaimers to Virtual You be the Judge to keep it online. The Council is continuing to investigate avenues to fund a replacement of this popular educational product.

You be the Judge

The Council offers free interactive sessions about sentencing for legal service and advocacy organisations. Sessions are also available for groups whose primary purpose is adult education and community leadership. Audiences can 'be the judge' and help bust some of the myths and misconceptions surrounding sentencing in Victoria. In the 12 months to 30 June 2019, the Council delivered 15 face-to-face You be the Judge education sessions to 427 people. The Council's Chair hosted a You be the Judge session in May 2019 as part of Law Week, with over 60 attendees filling the Council's conference room.

Reaching out to the general public, including to audiences in regional and rural Victoria, is part of the Council's stakeholder engagement strategy. For the first time, the Council took You be the Judge on the road with a regional tour of Gippsland in March 2019, giving people the opportunity to attend a You be the Judge session locally. In partnership with the Magistrates' Court of Victoria, the Council ran five public sessions in the courts at Wonthaggi, Korumburra, Bairnsdale, Sale and Morwell. A total of 152 people participated in the sessions.

Audience members reported a significant improvement in their knowledge about sentencing after participating in the sessions and were enthusiastic about further sessions in the future. Another regional tour is planned for the Hume region (Shepparton, Wodonga, Wangaratta) in October 2019.

Legal Education

This year, the Council delivered a variety of professional development sessions, including presentations on:

- changes to sentencing law from 2018 and the Council's educational resources, at the Victorian Commercial Teachers' Association Annual Conference in November 2018;
- victims' financial reparation, at the ANZSOC conference in December 2018;
- changes to sentencing law from 2018, for legal professionals at the Office of Public Prosecutions, Victoria Legal Aid and the Victorian Bar Association in three sessions in February 2019;
- sentencing animal cruelty offenders, at Agriculture Victoria's Animal Health and Welfare Conference in May 2019; and
- SACStat and skills training, for the Australian Law Librarians Association in June 2019.

Presentations on sentencing and the work of the Council were also provided to:

- a judicial delegation from the Republic of Korea;
- visiting research scholar Hayota Aoki, Assistant Judge, Okayama District Court, Japan;
- criminology students in the honours program at Monash University;
- law students in the Bachelor of Laws program at La Trobe University; and
- legal policy officers from the Department of Justice and Community Safety.

Media Relations

Community confidence in the justice system relies on the community's knowledge and understanding of legal processes and decisions. Journalists working for print, broadcast and online media are key to sharing such knowledge and understanding, and so are important stakeholders in the Council's education and engagement work.

The Council responds to media requests for information, circulates its reports among journalists and promotes accurate media coverage of sentencing issues by pitching stories, interviews and editorials to media outlets.

There has been a steady increase in media references to the Council's published reports, and in the media's use of Sentencing Advisory Council Statistics Online (SACStat) and Sentencing Snapshots to inform coverage of sentencing issues.

Social Media

Social media provides the Council with an effective means to publicise our work, invite people to events and inform and engage with key audiences, such as journalists, legal practitioners and people affected by crime.

The number of people and organisations following @SACvic on Twitter has grown 8.7% over the 12 months to 30 June 2019, from 5,686 to 6,180. Journalists, legal practitioners and organisations working with people affected by crime are our most numerous followers, indicating that we are reaching our intended audiences.

In the 12 months to 30 June 2019, 18 of the Council's 705 tweets scored within the top 50 tweeted by Australian state and federal bodies, as monitored by Measured Voice, based on interactions such as retweets and likes. The Council's tweets (including retweets) had almost 900,000 impressions this financial year.

The Council also actively maintains LinkedIn and Pinterest accounts.

www.sentencingcouncil.vic.gov.au

The Council's website had over half a million pageviews this financial year. Traffic was up over 20%, driven by a 24% rise in the number of users finding the site through search and a 33% rise in referral traffic. Nearly 70% of our users are from Victoria, and around 64% are from Melbourne (a much lower percentage of users are from regional centres).

Our most popular content is 'About Sentencing', which provides plain-language information on a wide range of sentencing topics. It captured 33% of our audience share in 2018-19, equating to over 175,000 pageviews for the financial year.

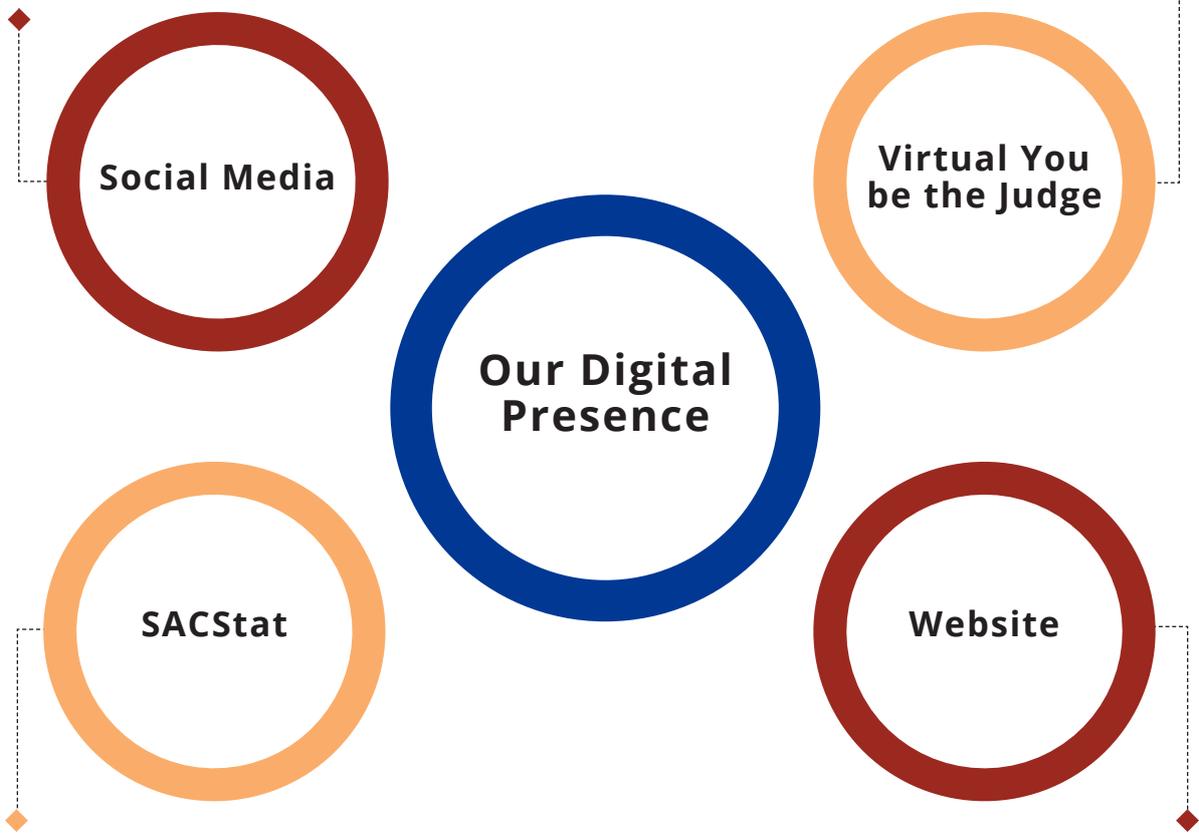
Our long-standing Sentencing Snapshots series accounted for over 55% of our publication pageviews. Pageviews for our online database of sentencing statistics – Sentencing Advisory Council Statistics Online (SACStat) – was up 25% from last year.

The Council provides free access to all its publications. Our top downloads for publications in 2018-19 were:

- *A Quick Guide to Sentencing* (2,857 downloads);
- *Is Sentencing in Victoria Lenient?* (994 downloads);
- *Changes to Sentencing Law in Victoria: An Overview of 2018* (925 downloads);
- *Animal Cruelty Offences in Victoria* (783 downloads); and
- *How Courts Sentence Adult Offenders* (728 downloads).

The Council actively maintains social media accounts on Twitter, LinkedIn and Pinterest. In 2018-19, our Tweets had nearly 900,000 views.

Our Virtual You be the Judge application attracts nearly 9,500 users each year.



Statistics from SACStat are increasingly mentioned in published sentencing decisions from the higher courts of Victoria.

During 2018-19, our website had over 150,000 users who viewed over 530,000 pages.

Gauging Public Opinion and **Consulting Widely**

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.

Consultation

The Council's consultation functions focus on capturing informed opinions specific to its research and the projects and references that it undertakes. In 2018–19, the Council held roundtables and consulted directly with numerous stakeholders during the preparation of its reports. A list of the agencies, organisations, academics and members of the public consulted in 2018–19 is set out below.

Gauging Public Opinion

While it has not formally gauged public opinion on sentencing this financial year, the Council had informally gauged public opinion through community discussions as part of its You be the Judge sessions. The Council's Chair and directors also participated in media interviews, including talk back radio, where the public can put their views on sentencing.

In 2018–19, the Council sought to promote awareness of public opinion research on sentencing. In recent years, a group of researchers led by Professor Kate Warner AC has conducted research into jurors' opinions of sentencing. Their Victorian Jury Sentencing Study was a follow-up to their ground-breaking Tasmanian Jury Sentencing Study.

With their permission, the Council published two illustrated factsheets: *Is Sentencing in Victoria Lenient?* and *Factors Relevant to Sentencing: The Views of Judges and Jurors*. The factsheets summarise key findings from the Jury Sentencing Studies, including:

- the majority of jurors (62%) would have imposed a *more lenient* sentence than the sentence that the judge actually imposed;
- most jurors (87%) considered the judge's sentence to be very or fairly appropriate; and
- jurors' views about the 'most important' purposes of sentencing diverged from judges' views, with judges mostly favouring general deterrence (35%) and jurors mostly favouring punishment (29%).

The researchers also found that judges and jurors gave a similar amount of weight to what they deemed to be the three most important aggravating factors: breach of trust, vulnerability of the victim and injury to the victim. Both judges and jurors also considered three common mitigating factors to be the most important: the offender's youth, first-time offending and good prospects of rehabilitation. *Is Sentencing in Victoria Lenient?* was the Council's second-most downloaded publication this financial year.

In addition to the factsheets, the Council prepared *Public Opinion about Sentencing: A Research Overview*, a summary of studies published over the last decade on public opinion about sentencing in Australia. A general perception is that sentencing in Australia is too lenient. Research has sought to discover whether informed members of the community, aware of all the facts in a case and not just those reported in the media, would sentence differently from judges. All studies reached the same conclusion: informed members of the community are slightly *more lenient* than judges, not the other way around. Further, most jurors thought that the judge's sentence was appropriate.

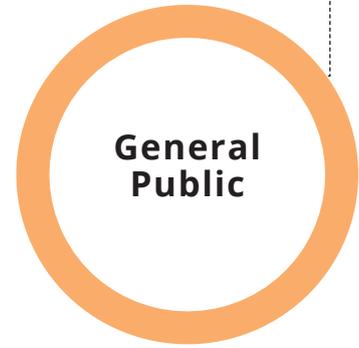
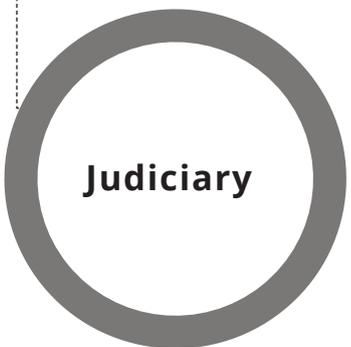
Animals Australia • CASA House • CREATE Foundation • Domestic Violence Victoria • Jesuit Social Services • Justice-involved Young People Network • RSPCA Victoria • safe steps Family Violence Response Centre • Turning Point • Whitelion • Youthlawv • Youth Support and Advocacy Service

Angela Sdrinis Legal • Children's Court Bar Association • Human Rights Law Centre • Jacinta Smith, Insurance Litigation Lawyer • Justice Connect • Law Institute of Victoria • Victoria Legal Aid • Victorian Aboriginal Legal Service • Waller Legal • Women's Legal Service



Supreme Court of Victoria • County Court of Victoria • Magistrates' Court of Victoria • Children's Court of Victoria • Victims of Crime Assistance Tribunal

J. Kennedy • D. Hadden • X. Clark



Associate Professor Katherine McFarlane, Centre for Law and Justice, Charles Sturt University • Dr Susan Baidawi and Professor Rosemary Sheehan, Department of Social Work, Monash University • Centre for Innovative Justice, RMIT University • Dr Diana Johns, School of Social and Political Sciences, University of Melbourne

Animal Welfare Advisory Committee • Commission for Children and Young People • Court Services Victoria • Crime Statistics Agency • Department of Environment, Land, Water and Planning (DELWP) – Wildlife • Department of Health and Human Services (DHHS) • Department of Jobs, Precincts and Regions – Animal Welfare Victoria • Department of Justice and Community Safety – Community Operations and Victims Support Agency; Corrections Victoria; Criminal Law Policy; Infringement Management and Enforcement Services • Department of the Treasury, Australian Government – Retirement Income Policy Division • Knox City Council • Ministry of Justice, New Zealand • Ministry of Justice, Government of Saskatchewan, Canada – Victims Services • Office of Public Prosecutions Victoria – Witness Assistance Service; Policy and Specialised Legal Division • Victim Survivors' Advisory Council • Victims of Crime Commissioner • Victoria Police – Crime Command; Legal Services Department, Prosecutions; Legal Services Department, Civil Law • Victorian Law Reform Commission

Organisational Governance and **Statutory Compliance**

As a public entity, the Council complies with accountable and effective governance required under the *Financial Management Act 1994*, the *Public Administration Act 2014*, 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 Community Safety.

Attestation

I, Arie Freiberg, on behalf of the responsible body, certify that the Sentencing Advisory Council has complied with the applicable standing directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.



Professor Arie Freiberg AM
Chair
Sentencing Advisory Council

Additional Information

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

Audit and Finance Committee

The Sentencing Advisory Council ('the Council') and the Judicial College of Victoria ('the College') 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 2018–19, the Committee comprised the following members:

Chair

Robert Camm

Independent Members

Cameron Hume

Robyn Dyt

The Committee receives secretarial assistance from staff members of the Council, Sarah Lappin, and the College, Vicki Christou.

Michael Almond is the Council's and the College's Chief Finance and Accounting Officer (CFAO) 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;
- effective communication with external auditors;
- recommendations made by external auditors and the implementation of actions to resolve issues raised;
- 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's 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 programme;
- endorsed the use by the Sentencing Advisory Council of the Department of Justice Community Safety's financial code of practice;
- 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 2018–19 annual financial audit.

Table 1 (page 34) summarises the Council's financial results and position from 2014–15 to 2018–19.

Compliance with the *Building Act 1993*

The Council does not own nor control any government buildings insofar as it 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 Community Safety, 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;
- 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 2018–19, the Council’s consumption of copy paper totalled 85 reams at an average per staff member of 7.20 reams. Consumption has decreased 0.30 reams, from 7.50 reams per staff member 2017–18.

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 Community Safety’s code of conduct, consistent with the Victorian public service code of conduct and the objectives of the *Public Administration Act 2004*.

Freedom of Information

The *Freedom of Information Act 1982* gives the public the right to access documents held by the Council. For the year ending 30 June 2019, the Council received a request for information, in the form of a freedom of information request, from a prison inmate. The Council responded with a letter outlining the information readily available on its website and providing the prisoner with examples of its work.

Government Advertising Expenditure

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

Table 1: Financial results and position, 2014–15 to 2018–19

	Notes	2018–19 \$	2017–18 \$	2016–17 \$	2015–16 \$	2014–15 \$
Income						
Grants from Department of Justice and Community Safety	(a)	1,777,000	2,018,000	1,854,400	1,792,400	1,752,800
Total Income		1,777,000	2,018,000	1,854,400	1,792,400	1,752,800
Expenses						
Other economic flows	(c)	(18,820)	5,719	(10,812)	(2,756)	(7,636)
Net result for the period		3,715	11,785	2,487	17,289	3,671
Net cash flow from operating activities		–	–	–	–	(500)
Total assets	(d)	770,843	809,706	768,095	724,811	642,832
Total liabilities	(e)	431,949	474,526	444,702	403,903	339,216

Notes – movements between 2017-18 and 2018-19

- (a) Income received decreased by \$241,000 (11.9%) as a result of less reference work undertaken.
- (b) Expenses decreased by \$257,470 (9.2%) mainly reflecting reduced employee costs associated with reduced staffing levels.
- (c) Other economic flows amounted to a loss of \$18,820. This item reflects the loss incurred arising from the revaluation to the present value of the long service leave liabilities due to lower bond rates that are used in the revaluation model.
- (d) Total assets decreased by \$38,864 (4.8%). This decrease reflects the movement in the amount receivable from the Department of Justice and Community Safety associated with the funding arrangements relating to the decrease in employment provisions.
- (e) Total liabilities decreased by \$42,578 (9%). This is mainly due to the decrease in employee provisions.

Human Resource Management

During 2018–19, the Council continued to promote personal and professional development of its staff 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.

Staff are offered higher duties when the opportunities arise.

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 due to the threshold of expenditure.

Industrial Relations

The Council enjoys a cooperative relationship with employee representative organisations. For the year ending 30 June 2019, no time was lost through industrial disputes or accidents.

Merit and Equity

The Department of Justice and Community Safety's 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.

The Council has a designated first-aid officer. In late 2018, a second staff member received first-aid training to act as a back up to the Council's primary first-aid officer. With the growing focus on mental health in the workplace, the Council's management team has undertaken mental health training offered by the Department of Justice and Community Safety.

All staff have access to standing desks. All staff had an ergonomic assessment in May 2019. New ergonomic equipment was purchased in accordance with the ergonomist's recommendations.

Staff undertook a building evacuation exercise during 2018–19.

There were no claims of OHS related injury for the year ending 30 June 2019.

Outsourced Consultancies

There were no outsourced consultancies in excess of \$10,000 for the year ending 30 June 2019.

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 complies with regulations.

There were no privacy-related complaints for the year ending 30 June 2019.

Protected Disclosures

The *Protected Disclosure 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 reprisals against those who come forward to disclose improper 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 2019, 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 3001

Tel: 1300 735 135

Further Information

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

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 2018–19, the Council offered a 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 external professional development courses;
- enrolment in post-graduate degree courses (supported with study leave and some cost recovery); and
- attendance and presentation of papers at relevant conferences.

Workforce Data

The Council implements the directions of the Victorian Public Sector Commission with respect to upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit.

The Council, through the Department of Justice and Community Safety, has a suite of detailed employment policies, including with respect to grievance resolution, recruitment, redeployment and managing diversity. Policies with respect to managing underperformance and discipline were produced and have been implemented across the Council, via the Department.

Comparative Workforce Data

The following table discloses the head count and full-time staff equivalent (FTE) of all active public service employees of the Sentencing Advisory Council, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June (2019) of the previous reporting period (2018).

Table 2: Details of employment levels in June 2018 and 2019

	All employees number (headcount)	FTE	Ongoing full-time (headcount)	Ongoing part-time (headcount)	FTE	Fixed term and casual number (headcount)	FTE
June 2019							
Gender							
Male	6		4	2		3	3
Female	7		6	1		1	1
Self-described	n	n	n	n	n	n	n
VPS 1–6 grades							
VPS 1							
VPS 2	1	1	1		1		
VPS 3							
VPS 4	3	3	3		3	2	2
VPS 5	4	3.4	3	1	3.4	1	1
VPS 6	4	3.4	2	2	3.4	1	1
Executive	1	1	1		1		
Total employees	13	11.8	10	3	11.8	4	4
June 2018							
Gender							
Male	6		5	1		1	1
Female	8		7	1		5	5
Self-described	n	n	n	n	n	n	n
VPS 1–6 grades							
VPS 1							
VPS 2	1	1	1		1		
VPS 3							
VPS 4	3	3	2		2	1	1
VPS 5	5	5	3		3	2	2
VPS 6	4	3.4	2	1	3.4	1	1
Executive	1	1				1	1
Total employees	14	13.4	8	1	9.4	5	5

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Standing Directions and Financial Reporting Directions		
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Charter and purpose		
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FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	66–70
FRD 110A	Cash flow statements	47
FRD 112D	Defined benefit superannuation obligations	62
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Note		
(i) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.		
Legislation		
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Chairperson, Accountable Officer and
Chief Finance and Accounting Officer's
Declaration

The attached financial statements for the Sentencing Advisory Council (the Council) have been prepared in accordance with Standing Direction 5.2 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 2019 and financial position of the Council as at 30 June 2019.

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

We authorise the attached financial statements for issue on 26 September 2019.



Prof, Arie Freiberg AM

Board Chairperson
Sentencing Advisory Council

Melbourne
26 September 2019



Ms Cynthia Marwood

Chief Executive Officer
Accountable Officer
Sentencing Advisory Council

Melbourne
26 September 2019



Mr Michael Almond

Chief Finance and Accounting
Officer
Sentencing Advisory Council

Melbourne
26 September 2019

Independent Auditor's Report

To the Board of the Sentencing Advisory Council

Opinion I have audited the financial report of the Sentencing Advisory Council (the council) which comprises the:

- balance sheet as at 30 June 2019
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- chairperson, accountable officer's and chief finance and accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report The Board of the council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
1 October 2019



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement for the Financial Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
Income from transactions			
Grants – Department of Justice and Community Safety	2	1,777,000	2,018,000
Total income from transactions		1,777,000	2,018,000
Expenses from transactions			
Employee expenses	3(a)	1,414,930	1,676,630
Supplies and services	3(b)	339,535	335,304
Total expenses from transactions		1,754,465	2,011,934
Net result from transactions (net operating balance)		22,535	6,066
Other economic flows included in net result			
Other gains/(losses) from other economic flows	4	(18,820)	5,719
Total other economic flows included in net result		(18,820)	5,719
Net result		3,715	11,785
Comprehensive result		3,715	11,785

The accompanying notes form part of these financial statements.

Balance Sheet

as at 30 June 2019

	Notes	2019 \$	2018 \$
Assets			
Financial assets			
Cash and deposits	14(a)	–	–
Receivables	5	770,077	809,706
Total financial assets		770,077	809,706
Other non-financial assets			
Prepayments	6	766	–
Total non-financial assets		–	–
Total assets		770,843	809,706
Liabilities			
Payables	7	57,831	43,013
Provisions	8	374,118	431,514
Total liabilities		431,949	474,527
Net assets		338,894	335,179
Equity			
Accumulated surplus/(deficit)		17,412	13,697
Contributed capital		321,482	321,482
Net worth		338,894	335,179

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the Financial Year Ended 30 June 2019

	Accumulated Surplus \$	Contributed Capital \$	Total \$
Balance at 1 July 2017	1,912	321,482	323,394
Net result for year	11,785	–	11,785
Balance at 30 June 2018	13,697	321,482	335,179
Net result for year	3,715	–	3,715
Balance at 30 June 2019	17,412	321,482	338,894

The accompanying notes form part of these financial statements.

Cash Flow Statement

for the Financial Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts			
Receipts from the Department of Justice and Community Safety		1,797,810	1,979,965
Total receipts		1,797,810	1,979,965
Payments			
Payments to suppliers and employees		(1,797,810)	(1,979,965)
Total payments		(1,797,810)	(1,979,965)
Net cash flows from/(used in) operating activities	14(b)	-	-
Cash flows from investing activities			
Sales of non-financial assets		-	-
Net cash flows from/(used in) investing activities		-	-
Net cash flows from/(used in) investment and financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year	14(a)	-	-

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the Financial Year Ended 30 June 2019

Note 1

Summary of Significant Accounting Policies

These annual financial statements represent the audited general-purpose financial statements for the Council for the period ended 30 June 2019. 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*.

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

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

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 20.

These annual financial statements were authorised for issue by the Board Chairperson of the Council on 26 September 2019.

(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:

- 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 for both 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.

(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 2–37, 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 Community Safety (DJCS).

(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' and '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 20 for a style convention for explanation of minor discrepancies resulting from rounding.

(E) Changes in Accounting Policies

Subsequent to the 2017–18 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 2018–19 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 Community Safety

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 Community Safety

The DJCS 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 DJCS'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.

Other Operating Expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Supplies and Services

Supplies and services costs 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.

Impairment of Non-Financial Assets

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.

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 annual leave and 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 under statute rather than a contract (for example, taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

From 1 July 2018, the Council applies AASB 9 and classifies its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of Financial Assets under AASB 9

Financial assets at amortised cost financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Council to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Council does not currently have any assets in this category.

Categories of Financial Liabilities under AASB 9 and Previously under AASB 139

Financial liabilities at amortised cost 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. The Council recognises the following liabilities in this category:

- payables (excluding statutory payables).

Reclassification of financial instruments: subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Council's business model for managing its financial assets has changes such that its previous model would no longer apply.

However, the Council is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government agencies are required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

(J) Financial Assets

Receivables

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

Contractual receivables that are classified as financial instruments and categorised as receivables (refer to Note 1(l) *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(l).

Impairment of Financial Assets under AASB 9 – Applicable from 1 July 2018

From 1 July 2018, the Council has been aware of the requirement to record the allowance for expected credit loss for any relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the Council's statutory receivables.

The Council currently does not have any contractual receivables.

Statutory Receivables at Amortised Cost

The Council's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. No loss allowance was recognised at 30 June 2018 under AASB 139. No additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

(K) Other Non-Financial Assets

Prepayments

Other non-financial assets include prepayments that 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.

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.

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.

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

Liabilities for long service leave are recognised in the provision for employee benefits.

Unconditional long service leave is disclosed 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 long service leave liability 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.

Conditional long service leave 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 long service leave is measured at present value.

Any gain or loss following revaluation of the present value of non-current long service leave 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' in the net result.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Liabilities for wages and salaries are shown in payables (Note 7).

(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.

(N) Equity

Contribution by Owners

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

(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 11 *Commitments for Expenditure*) at their nominal value and exclusive of the goods and services tax (GST) payable.

(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 12 *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 Community Safety (DJCS) 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 DJCS.

(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 that 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 that 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 that arose after the end of the reporting period that are considered of material interest.

(S) Change in Accounting Policies

On initial application of AASB 9 on 1 July 2018, the Council's management has assessed for all financial assets based on the Council's business model for managing the assets that there is no financial impact resulting from the change in accounting policy.

The accounting for financial liabilities remains largely the same as it was under AASB 139, except for the treatment of gains or losses arising from the Council's own credit risk relating to liabilities designated at fair value through net result. Such movements are presented in other comprehensive income with no subsequent recycle through profit or loss.

(T) Australian Accounting Standards Issued That Are Not Yet Effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 16 *Leases*; and
- AASB 1058 *Income of Not-for-Profit Entities*.

Leases

AASB 16 *Leases* replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining Whether an Arrangement Contains a Lease*, AASB Interpretation 115 *Operating Leases—Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a right-of-use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

The effective date is for annual reporting periods beginning on or after 1 January 2019. The Council intends to adopt AASB 16 in 2019–20 financial year when it becomes effective.

The Council will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. The Council will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

The Council has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU as at 1 July 2019 – \$445,931;
- increase in related depreciation for 2019–20 – \$112,462;
- increase in lease liability as at 1 July 2019 – \$445,931;
- increase in related interest for 2019–20 – \$17,813 calculated using effective interest method; and
- decrease in rental expense for 2019–20 – \$115,302.

Revenue and Income

AASB 15 supersedes AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the not-for-profit sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for NFP Entities* (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.
- AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 Contributions.

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. The Council intends to adopt these standards in the 2019–20 financial year when they become effective.

The Council has performed a detailed impact assessment of AASB 15 and AASB 1058 and assessed that there is no potential impact for revenue and income in the initial year of application.

Note 2 Income from Transactions

	2019 \$	2018 \$
Grants		
Department of Justice and Community Safety	1,777,000	2,018,000
Total grants	1,777,000	2,018,000
Total income	1,777,000	2,018,000

Note 3 Expenses from Transactions

	2019 \$	2018 \$
(a) Employee expenses		
Post employment benefits:		
– Defined contribution superannuation expense	104,206	116,381
– Defined benefit superannuation expense	15,072	15,072
Salaries, wages, annual leave and long service leave	1,218,706	1,461,013
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	76,946	84,164
Total employee expenses	1,414,930	1,676,630
(b) Supplies and services		
– Purchase of supplies and consumables	50,393	64,751
– Purchase of services	88,448	113,092
– Maintenance	4,075	579
– Rent	196,619	156,882
Total supplies and services	339,535	335,304

Note 4 Other Economic Flows Included in Net Result

	2019 \$	2018 \$
Net gain/(loss) arising from revaluation of long service leave liability	(18,820)	5,719
Total other gains/(losses) from other economic flows	(18,820)	5,719

Note 5 Receivables

	2019 \$	2018 \$
Current receivables		
Statutory		
Amount owing from Victorian Government (i)	710,876	764,419
Total current receivables	710,876	764,419
Non-current receivables		
Statutory		
Amount owing from Victorian Government (i)	59,201	45,287
Total non-current receivables	59,201	45,287
Total receivables	770,077	809,706

Note

- (i) The amounts recognised from the Department of Justice and Community Safety/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 Community Safety/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 Other Non-Financial Assets

	2019 \$	2018 \$
Prepayments	766	-
Total other non-financial assets	766	-

Note 7 Payables

	2019	2018
	\$	\$
Current payables		
Contractual		
Supplies and services	26,498	10,873
Employee benefits	31,333	32,140
Total payables	57,831	43,013

(a) Maturity analysis of payables

Refer to table 13.2 in Note 13.

Note 8 Provisions

	2019	2018
	\$	\$
Current provisions		
Employee benefits (i) (Note 8(a)) – annual leave		
Unconditional and expected to settle within 12 months (ii)	62,975	70,939
Unconditional and expected to settle after 12 months (iii)	9,538	9,274
Employee benefits (i) (Note 8(a)) – long service leave		
Unconditional and expected to settle within 12 months (ii)	15,217	21,570
Unconditional and expected to settle after 12 months (iii)	176,470	226,330
	264,199	328,113
Provisions related to employee benefit on-costs (Note 8(a))		
Unconditional and expected to settle within 12 months (ii)	21,633	20,631
Unconditional and expected to settle after 12 months (iii)	29,086	37,483
	50,719	58,114
Total current provisions	314,918	386,227
Non-current provisions		
Employee benefits (i) (Note 8(a))	51,294	39,258
Employee benefits on-costs (Note 8(a) and Note 8(b))	7,906	6,029
Total non-current provisions	59,200	45,287
Total provisions	374,118	431,515

	2019	2018
	\$	\$
(a) Employee benefits and related oncosts (i)		
Current employee benefits		
Annual leave	72,513	80,213
Long service leave	191,687	247,900
Non-current employee benefits		
Long service leave	51,294	39,258
Total employee benefits	315,494	367,371
Current on-costs	48,330	58,114
Non-current on-costs	10,294	6,029
Total on-costs	58,624	64,143
Total employee benefits and related on-costs	374,118	431,514

Notes

- (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.

	On-costs	Total
	2019	2018
	\$	\$
(b) Movement in provision on-costs		
Opening balance	64,143	64,143
Additional provisions recognised	30,788	30,788
Reduction arising from payments/other sacrifices of future economic benefits	(36,307)	(36,307)
Closing balance	58,624	58,624
Current	48,330	48,330
Non-current	10,294	10,294
	58,624	58,624

Note 9 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 expensed 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	
	2019 \$	2018 \$	2019 \$	2018 \$
Defined benefit plans				
State Superannuation Fund	15,072	15,072	-	-
Defined contribution plans				
VicSuper	49,915	69,349	-	-
Various other funds	54,291	47,032	-	-
Total	119,278	131,453	-	-

Note

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

Note 10 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.

	2019	2018
	\$	\$
Non-cancellable operating lease payable		
Not longer than one year	115,302	110,867
Longer than one year and not longer than five years	378,763	489,630
	<hr/> 494,065	<hr/> 600,497

Note 11 Commitments for Expenditure

(a) Capital Expenditure Commitments

There were no commitments for capital expenditure as at 30 June 2019 (\$nil – 2018).

(b) Lease Commitments

There are no finance lease commitments. Non-cancellable operating lease commitments are disclosed in Note 10.

Note 12 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 2019 (\$nil – 2018).

Note 13 Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Council's principal financial instruments comprise:

- prepayments; 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's policy parameters. The Council's main financial risk is liquidity risk. The Council manages this financial risk in accordance with its financial risk management policy.

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 13.1 below.

Table 13.1: Categorisation of financial instruments

	Contractual financial liabilities at amortised cost	Total
	\$	\$
2019		
Payables		
Supplies and services	26,498	26,498
Other payables	31,333	31,333
Total contractual financial liabilities (i)	57,831	57,831
2018		
Payables		
Supplies and services	10,873	10,873
Other payables	32,140	32,140
Total contractual financial liabilities (i)	43,013	43,013

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) 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's 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 13.2: Maturity analysis of contractual financial liabilities (i)

	Carrying amount	Nominal amount	Less than 1 month	Maturity dates (ii)		
				1- 3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
2019						
Payables (i)						
Supplies and services	26,498	26,498	26,498	-	-	-
Other payables	31,333	31,333	31,333	-	-	-
	57,831	57,831	57,831	-	-	-
2018						
Payables (ii)						
Supplies and services	10,873	10,873	10,873	-	-	-
Other payables	32,140	32,140	32,140	-	-	-
	43,013	43,013	43,013	-	-	-

Notes

- (i) Maturity analysis is presented using the contractual undiscounted cash flows.
- (ii) The carrying amounts disclosed exclude statutory amounts (e.g. taxes payable).

(c) Market Risk and Interest Rate Risk

The Council has insignificant exposure to market risk.

The Council has no borrowings or investments, accordingly there is no exposure to interest rate risk.

(d) Fair Value

On initial application of AASB 9 on 1 July 2018, the Council's management has assessed for all financial assets that there is no financial impact resulting from the change in accounting policy. The accounting for financial liabilities remains largely the same as it was under AASB 139, except for the treatment of gains or losses arising from the Council's own credit risk relating to liabilities designated at fair value through net result. Such movements are presented in other comprehensive income with no subsequent recycle through profit or loss.

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 14

Cash Flow Information and Balances

	2019	2018
	\$	\$
(a) Reconciliation of cash and cash equivalents		
Total cash and deposits disclosed in the balance sheet	-	-
Balance as per cash flow statement	-	-
(b) Reconciliation of net result for the period to net cash flows from operating activities		
Net result for the period	3,715	11,785
Non cash movements		
Nil	-	-
Movements in assets and liabilities		
(Increase)/decrease in prepayments	(766)	2,145
(Increase)/decrease in receivables	39,630	(43,754)
Increase/(decrease) in payables	14,817	9,122
Increase/(decrease) in provisions	(57,396)	20,702
Net cash flows from (used in) operating activities	-	-

Note 15

Responsible Persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer 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, Secretary to the Department and accountable officer are as follows:

Names

Attorney-General	The Hon. Martin Pakula, MP	1 July 2018 to 28 November 2018
	The Hon. Jill Hennessy, MP	29 November 2018 to 30 June 2019
Acting Attorney-General	The Hon. Benjamin Carroll, MP	6 April 2019 to 14 April 2019
Secretary to the Department of Justice and Community Safety	Mr Greg Wilson	1 July 2018 to 28 November 2018
	Rebecca Falkingham	29 November 2018 to 30 June 2019
Acting Secretary	Julia Griffith	23 July 2018 to 6 August 2018
	Corri McKenzie	14 January 2019 to 18 January 2019
	Ryan Phillips	15 April 2019 to 19 April 2019

Sentencing Advisory Council

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

Chief Executive Officer	Ms Cynthia Marwood	1 July 2018 to 30 June 2019
Chairperson	Professor Arie Freiberg AM	1 July 2018 to 30 June 2019
Other board members	Ms Carmel Arthur	1 July 2018 to 30 June 2019
	Mr Hugh de Kretser	1 July 2018 to 30 June 2019
	Mr David Grace QC	1 July 2018 to 30 June 2019
	Ms Helen Fatouros	1 July 2018 to 30 June 2019
	Mr John Griffin PSM	1 July 2018 to 30 June 2019
	Ms Lisa Ward	1 July 2018 to 30 June 2019
	Ms Fiona Dowsley	1 July 2018 to 30 June 2019
	Mr Shane Patton	1 July 2018 to 27 May 2019
	Mr Brendan Kissane	1 July 2018 to 30 June 2019
	Ms Sherril Handley	1 July 2018 to 30 June 2019
	Ms Wendy Steendam	28 May 2019 to 30 June 2019

Remuneration of Statutory Office Holders and Executives

The number of statutory office holders and executive officers, other than ministers and departmental executives, and their total remuneration during the reporting period are shown below in the relevant income bands.

Several factors affect the total remuneration payable to statutory office holders and executives in the reporting period at the Council. Statutory office holders appointed as part-time board members may be public sector employees and therefore, as they already receive remuneration in their usual roles, they are not entitled to receive remuneration as a member of the Council. Five board members were not remunerated during the 2018–19 financial year.

Income band	Total remuneration	
	2019	2018
	No.	No.
\$0 – \$9,999	7	8
\$180,000 – \$189,999		
\$190,000 – \$199,999	1	1
Total numbers	8	9
Total amount	216,026	223,803

Note 16 Remuneration of Executives

Ministers and the Department

Amounts relating to ministers are reported in the financial statements of the Department of Parliamentary Services. 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 Community Safety.

For information regarding related party transactions of ministers, the register of members' interests is publicly available at www.parliament.vic.gov.au/publications/registerofinterests.

Sentencing Advisory Council

The number of executives, other than ministers and departmental executives, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full-time equivalent statutory office holders and executives over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

	2019	2018
Remuneration of executive officers		
Short-term employee benefits	170,797	173,836
Post-employment benefits	14,453	19,701
Other long-term benefits	5,323	6,395
Total remuneration (i)	190,573	199,932
Total number of executives remunerated	1	1
Total annualised employee equivalents (ii)	1	1

Notes

- (i) The total number of executive officers includes persons who meet the definition of key management personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 17).
- (ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

Note 17 Related Parties

The Council is an independent, government-funded body established under Part 9A of the *Sentencing Act* 1991. It is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Council include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant Transactions with Government-Related Entities

The Council received funding of \$1.78 million (2018: \$2.2 million) from the Department of Justice and Community Safety. Payments of \$196,619 (2018: \$156,882) were made to the Victorian Law Reform Commission for accommodation and outgoings as a sub-leasee.

Other payments made to Victorian Government related entities amounted to \$183,104 (2018: \$208,873).

Key management personnel of the Council include the portfolio ministers, the Hon. Martin Pakula, MP and the Hon. Jill Hennessy, MP, the Chairperson, board members and the Chief Executive Officer, who include:

Chief Executive Officer	Ms Cynthia Marwood
Chairperson	Professor Arie Freiberg AM
Other Board Members	Ms Carmel Arthur
	Mr Hugh de Kretser
	Mr David Grace QC
	Ms Helen Fatouros
	Mr John Griffin PSM
	Ms Lisa Ward
	Ms Fiona Dowsley
	Mr Shane Patton
	Mr Brendan Kissane
	Ms Sherril Handley
	Ms Wendy Steendam

	2019	2018
Remuneration of KMPs		
Short-term employee benefits	195,247	202,545
Post-employment benefits	15,456	21,258
Other long-term benefits	5,323	6,395
Total (i)	216,026	230,198

Note

- (i) The total number of executive officers includes persons who meet the definition of key management personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 17).

Transactions and Balances with Key Management Personnel and Other Related Parties

Given the breadth and depth of State Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, for example, stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and codes of conduct and standards issued by the Victorian Public Sector Council. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside normal citizen type transactions with the Council, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

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

Note 18

Remuneration of Auditors

	2019	2018
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	15,600	15,200
	15,600	15,200

Note 19

Subsequent Events

There were no significant events occurring after reporting date to be reported as at 30 June 2019.

Note 20

Glossary of Terms and Style Conventions

Glossary

Commitments

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

Comprehensive Result

The net result of all items of income and expense recognised for the period. It is the aggregate of the operating result and other comprehensive income.

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; and
- (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.

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 balance sheet as at the end of the period;
- (b) a comprehensive operating statement 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; and
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 Presentation of Financial Statements.

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

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.

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; and
- (b) gains and losses on remeasuring available for sale financial assets.

Payables

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

Receivables

Receivables include amounts owing from 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.

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 2015–16 Model Report for Victorian Government Departments that has been updated for any required changes, as advised by the Department of Treasury and Finance, to reporting requirements for the 2018–19 financial year. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Council's annual reports.

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