



CRC financial statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Home Affairs

Scope

I have audited the accompanying financial statements of the Criminology Research Council for the year ended 30 June 2008, which comprise: a statement by Chair of the Board of Management and the Director income statement; balance sheet; statement recognised income and expense; cash flow statement; schedule of commitments; a summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Board of Management for the Financial Statements

The members of the Board of Management are responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Criminology Research Council's preparation and fair presentation of the financial statements 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 Criminology Research Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of Criminology Research Council:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including Criminology Research Council's financial position as at 30 June 2008 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Simon Kidman
Executive Director
Delegate of the Auditor-General

Canberra
29 August 2008

Statement by Chair of the Board of Management and the Director.

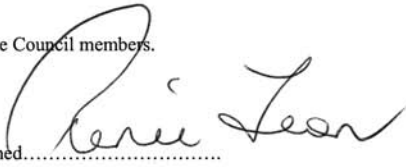
In our opinion, the attached financial statements for the year ended 30 June 2008 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Ministers Orders made under the *Commonwealth Authorities and Companies Act 1997* .

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Council members.

Signed.....

Laurie Glanfield
Chair
Criminology Research Council

Signed.....

Renee Leon
Director
Criminology Research Council

INCOME STATEMENT*for the period ended 30 June 2008*

| | Notes | 2,008 \$ | 2007 \$ |
|-------------------------|-------|-----------------|-----------------|
| INCOME | | | |
| Revenue | | | |
| Revenue from Government | 3A | 323,000 | 317,000 |
| Interest | 3B | 49,812 | 42,541 |
| Other revenue | 3C | 187,000 | 181,000 |
| Total revenue | | <u>559,812</u> | <u>540,541</u> |
| Total Income | | <u>559,812</u> | <u>540,541</u> |
| EXPENSES | | | |
| Suppliers | 4B | 225,230 | 264,403 |
| Grants | 4C | 367,270 | 306,008 |
| Total Expenses | | <u>592,500</u> | <u>570,411</u> |
| Deficit | | <u>(32,688)</u> | <u>(29,870)</u> |

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

BALANCE SHEET*as at 30 June 2008*

| | Notes | 2008 \$ | 2007 \$ |
|-----------------------------------|-------|----------------|----------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 5A | 649,560 | 577,084 |
| Trade and other receivables | 5B | 17,836 | 8,378 |
| Total financial assets | | 667,396 | 585,462 |
| Non-Financial Assets | | | |
| Other non-financial assets | 6A | - | 2,500 |
| Total non-financial assets | | - | 2,500 |
| Total Assets | | 667,396 | 587,962 |
| LIABILITIES | | | |
| Payables | | | |
| Suppliers | 7A | 112,122 | - |
| Total payables | | 112,122 | - |
| Total Liabilities | | 112,122 | - |
| Net Assets | | 555,274 | 587,962 |
| EQUITY | | | |
| Contributed equity | | 36,018 | 36,018 |
| Retained earnings | | 519,256 | 551,944 |
| Total Equity | | 555,274 | 587,962 |
| Current Assets | | 667,396 | 587,962 |
| Non-Current Assets | | - | - |
| Current Liabilities | | 112,122 | - |
| Non-Current Liabilities | | - | - |

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

STATEMENT of Recognised Income and Expense
as at 30th June 2008

| | Retained Earnings | | Asset Revaluation Reserves | | Contributed Equity/Capital | | Total Equity | |
|--|-------------------|-----------------|----------------------------|----------|----------------------------|---------------|-----------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening balance | | | | | | | | |
| Balance carried forward from previous period | 551,944 | 581,814 | - | - | 36,018 | 36,018 | 587,962 | 617,832 |
| Adjustment for errors | - | - | - | - | - | - | - | - |
| Adjustment for changes in accounting policies | - | - | - | - | - | - | - | - |
| Adjusted opening balance | 551,944 | 581,814 | - | - | 36,018 | 36,018 | 587,962 | 617,832 |
| Income and expenses recognised Directly in Equity | | | | | | | | |
| Revaluation Adjustment | - | - | - | - | - | - | - | - |
| Sub-total income and expenses recognised Directly in Equity | - | - | - | - | - | - | - | - |
| Surplus (Deficit) for the period | (32,688) | (29,870) | - | - | - | - | (32,688) | (29,870) |
| Total income and expenses | (32,688) | (29,870) | - | - | - | - | (32,688) | (29,870) |
| Closing balance at 30 June | 519,256 | 551,944 | - | - | 36,018 | 36,018 | 555,274 | 587,962 |

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

CASH FLOW STATEMENT*for the period ended 30 June 2008*

| | | 2008 | 2007 |
|---|-------|----------------|-----------------|
| | Notes | \$ | \$ |
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | | 323,000 | 317,000 |
| Interest | | 42,954 | 42,245 |
| Net GST received | | 56,139 | 63,449 |
| Other cash received | | 187,000 | 181,000 |
| Total cash received | | 609,093 | 603,694 |
| Cash used | | | |
| Employees | | - | - |
| Suppliers | | 169,347 | 324,139 |
| Grants | | 367,270 | 306,008 |
| Total cash used | | 536,617 | 630,147 |
| Net cash flows from or (used by) operating activities | 8 | 72,476 | (26,453) |
| Net increase or (decrease) in cash held | | | |
| | | 72,476 | (26,453) |
| Cash and cash equivalents at the beginning of the reporting period | | 577,084 | 603,537 |
| Cash and cash equivalents at the end of the reporting period | 5A | 649,560 | 577,084 |

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

SCHEDULE OF COMMITMENTS

as at 30 June 2008

| BY TYPE | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| Commitments Receivable | | |
| GST recoverable on commitments | <u>52,551</u> | 59,439 |
| Total Commitments Receivable | <u>52,551</u> | <u>59,439</u> |
| Commitments Payable | | |
| Other commitments | | |
| Grant Commitments | 491,588 | 535,116 |
| Research Consultancies | <u>86,461</u> | 118,708 |
| Total other commitments | <u>578,049</u> | <u>653,824</u> |
| Net commitments by type | <u>525,498</u> | <u>594,385</u> |
| BY MATURITY | | |
| Commitments receivable | | |
| Other commitments receivable | | |
| One year or less | 41,376 | 42,876 |
| From one to five years | 11,175 | 16,563 |
| Over five years | - | - |
| Total other commitments receivable | <u>52,551</u> | <u>59,439</u> |
| Commitments payable | | |
| Other commitments | | |
| One year or less | 455,132 | 471,631 |
| From one to five years | 122,917 | 182,193 |
| Over five years | - | - |
| Total other commitments | <u>578,049</u> | <u>653,824</u> |
| Net Commitments by Maturity | <u>525,498</u> | <u>594,385</u> |

NB: Commitments are GST inclusive where relevant.

As at 30 June 2008, other commitments comprise amounts payable under grant agreements or research consultancy contracts in respect of which the recipient is yet to either perform the services required or meet eligibility conditions.

The above schedule should be read in conjunction with the accompanying notes.

Notes to and Forming part of the Financial Statements

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Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a General Purpose Financial Report.

The continued existence of the CRC in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the CRC's administration and programs.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) or reporting periods ending on or after 01 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The Financial Report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.3 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period.

The following new standard is applicable to the current reporting period.

Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will effect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact to the operations of the CRC.

2007-4 Amendments to Australian Accounting Standards arising from ED 151 and other Amendments and Erratum: Proportionate Consolidation.

2007-7 Amendments to Australian Accounting Standards

UIG Interpretation 11 AASB 2 - Group and Treasury Share Transactions and 2007-1

Amendments to Australian Accounting Standards arising from AASB Interpretation 11

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB Interpretation 12 *Service Concession Arrangements and 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12*

AASB 8 *Operating Segments and 2007-3 Amendments to Australian Accounting Standards arising from AASB 8*

2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*

AASB Interpretation 13 *Customer Loyalty Programmes*

AASB Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

Other

The following standards and interpretations have been issued but are not applicable to the operations of the CRC.

AASB 1049 Financial Reporting of General Government Sectors by Governments

AASB 1049 Specifies the reporting requirements for the General Government Sector. The FMOs do not refer to this standard as it contains guidance applicable to the consolidated financial statements of the Australian Government, rather than financial reports of individual Agencies or Authorities.

1.4 Revenue

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to the Entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

1.5 Leases

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits

1.6 Borrowing Costs

There are no borrowing costs expensed for 2007-08 or 2006-07.

1.7 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.8 Financial assets

The CRC classifies its financial assets in the following category:
· 'loans and receivables'.

Financial assets are recognised and derecognised upon 'trade date'.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- *Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated

1.9 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables

Supplier and other payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.10 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.11 Taxation

The CRC is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Note 2: Events after the Balance Sheet Date

No subsequent events have occurred which would require disclosure in the financial statements.

Note 3: Income

| | 2008 | 2007 |
|--|----------------|----------------|
| | \$ | \$ |
| Revenue | | |
| <u>Note 3A: Revenue from Government</u> | | |
| Appropriation: | | |
| Departmental outputs | 323,000 | 317,000 |
| Total revenue from Government | <u>323,000</u> | <u>317,000</u> |
| <u>Note 3B: Interest</u> | | |
| Deposits | 49,812 | 42,541 |
| Total interest | <u>49,812</u> | <u>42,541</u> |
| <u>Note 3C: Other revenue</u> | | |
| Contributions from State and Territory Governments | 187,000 | 181,000 |
| Total other revenue | <u>187,000</u> | <u>181,000</u> |

Note 4: Expenses

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| <u>Note 4B: Suppliers</u> | | |
| Rendering of services – related entities | 139,850 | 108,289 |
| Rendering of services – external parties | 85,380 | 156,114 |
| Total supplier expenses | <u>225,230</u> | <u>264,403</u> |
| <u>Note 4C: Grants</u> | | |
| Public sector: | | |
| Australian Government Entities (related entities) | - | 20,455 |
| Private sector: | | |
| Non-profit organisations | 367,270 | 285,553 |
| Total grants | <u>367,270</u> | <u>306,008</u> |

Note 5: Financial Assets

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 5A: Cash and cash equivalents | | |
| Cash on hand or on deposit | 186,560 | 87,084 |
| Short Term Deposits | 463,000 | 490,000 |
| Total cash and cash equivalents | 649,560 | 577,084 |

Note 5B: Trade and other receivables

| | | |
|--|---------------|--------------|
| GST receivable from the Australian Taxation Office | 10,193 | 7,592 |
| Interest receivable | 7,643 | 786 |
| Total trade and other receivables (net) | 17,836 | 8,378 |

Receivables are aged as follows:

| | | |
|----------------------------------|---------------|--------------|
| Not overdue | 17,836 | 8,378 |
| Overdue by: | | |
| Less than 30 days | - | - |
| 30 to 60 days | - | - |
| 61 to 90 days | - | - |
| More than 90 days | - | - |
| Total receivables (gross) | 17,836 | 8,378 |

All receivables are current assets

Note 6: Non-Financial Assets

| | 2008 | 2007 |
|--|----------|--------------|
| | \$ | \$ |
| Note 6A: Other non-financial assets | | |
| Prepayments | - | 2,500 |
| Total other non-financial assets | - | 2,500 |

All other non-financial assets are current assets.

No indicators of impairment were found for other non-financial assets.

Note 7: Payables

| | 2008 | 2007 |
|--------------------------------|----------------|----------|
| | \$ | \$ |
| Note 7A: Suppliers | | |
| Trade creditors | 112,122 | - |
| Total supplier payables | 112,122 | - |

All suppliers payable are current. Settlement is usually made net 30 days.

Note 8: Cash flow reconciliation

| | 2008 | 2007 |
|--|---------------|-----------------|
| | \$ | \$ |
| Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement | | |
| Report cash and cash equivalents as per: | | |
| Cash Flow Statement | 649,560 | 577,084 |
| Balance Sheet | 649,560 | 577,084 |
| Difference | <u>-</u> | <u>-</u> |
| Balance Sheet items comprising above cash: 'Financial Asset – Cash and cash equivalents' | | |
| Reconciliation of operating result to net cash from operating activities: | | |
| Operating result | (32,688) | (29,870) |
| (Increase) / decrease in net receivables | (9,458) | 5,867 |
| (Increase) / decrease in prepayments | 2,500 | (2,450) |
| Increase / (decrease) in supplier payables | 112,122 | - |
| <i>Net cash from / (used by) operating activities</i> | <u>72,476</u> | <u>(26,453)</u> |

Note 9: Contingent Liabilities and Assets

There were no contingencies at 30 June 2008 or 30 June 2007.

There were no unquantifiable contingencies at 30 June 2008 or 30 June 2007.

Note 10: Directors Remuneration

CRC consists of nine members appointed under section 35 of the *Criminology Research Act 1971*. One member is appointed by the Australian Government to represent the Commonwealth and eight members are appointed by their respective States and Territories.

| | 2008 | 2007 |
|--|----------|----------|
| The number of directors of the CRC included in these figures are shown below in the relevant remuneration bands: | | |
| \$ Nil - \$ 14,999 | 9 | 9 |
| Total number of directors of the CRC | <u>9</u> | <u>9</u> |

No remuneration was paid to any director of the CRC during the reporting period (2007: \$Nil)

Note 11: Related Party Disclosures

The members of the CRC during the year were:

Mr Laurie Glanfield AM (Chair), Director-General, Attorney-General's Department, New South Wales

Mr Norman Reaburn, Director, Tasmanian Legal Aid Commission, Tasmania

Mr Richard Coates, Chief Executive Officer, Department of Justice, Northern Territory

Ms Penny Armytage, Secretary, Department of Justice, Victoria

Mr Terence Ryan, Director, Strategic Policy, Department of Justice & Attorney-General, Queensland

Ms Rebecca Parry, Acting Executive Director, Attorney General's Department & Department of Justice, Policy Planning & Legislation Division, South Australia (from 7/03/2008)

Ms Cheryl Gwilliam, Director-General, Department of the Attorney-General, Western Australia (from 4/03/2008)

Dr Dianne Heriot, Attorney-General's Department, Commonwealth

Ms Renee Leon, Chief Executive, ACT Department of Justice and Community Safety, Australian Capital Territory

Mr Timothy Goodes, Director, Justice Strategy Division, Attorney-General's Department, South Australia (to 6/03/2008)

Funding of \$187,000 was received from states and territories represented by the members above.

Following are the amounts received:

| | |
|---|-----------|
| Attorney-General's Department, NSW | \$ 61,383 |
| Department of Justice, Victoria | \$ 46,317 |
| Department of Justice and Attorney-General, QLD | \$ 37,156 |
| Department of Justice, WA | \$ 18,699 |
| Attorney-General's Department and Department of Justice, SA | \$ 14,118 |
| Legal Aid Commission of Tasmania | \$ 4,399 |
| Department of Justice and Community Safety, ACT | \$ 3,019 |
| Northern Territory Department of Justice | \$ 1,909 |

Funding of \$323,000 was received from the Commonwealth.

The Council pays \$100,000 to the Australian Institute of Criminology for administrative and support services. The AIC is governed by a Board of Management that has at least four of its members nominated by the Council. The AIC also provides advice and assistance in relation to any research funded wholly or partly by the CRC. The total amount paid to the AIC for these services were \$39,850.

The aggregate remuneration of Directors is disclosed in Note 10.

Note 12: Executive Remuneration

There were no executive officers employed by the CRC.

Note 13: Remuneration of Auditors

Financial statement audit services are provided to the CRC by the Auditor General.

| | 2008 | 2007 |
|--|---------------|---------------|
| | \$ | \$ |
| The fair value of the services provided was: | <u>14,000</u> | <u>11,550</u> |
| | <u>14,000</u> | <u>11,550</u> |

No other services were provided by the Auditor-General.

Note 14: Financial Instruments

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| <u>Note 14A: Categories of financial instruments</u> | | |
| Financial assets | | |
| Loans and receivables | | |
| Cash at bank | 649,560 | 577,084 |
| Interest Receivable | <u>7,643</u> | <u>786</u> |
| Carrying amount of financial assets | <u>657,203</u> | <u>577,870</u> |
| Financial liabilities | | |
| Other Financial Liabilities | | |
| Trade creditors | <u>112,122</u> | - |
| Carrying amount of financial liabilities | <u>112,122</u> | - |

Note 14B: Net income and expense from financial assets

| | | |
|---------------------------------------|---------------|---------------|
| Loans and receivables | | |
| Interest revenue (see note 3B) | <u>49,812</u> | <u>42,541</u> |
| Net gain loans and receivables | <u>49,812</u> | <u>42,541</u> |
| Net gain from financial assets | <u>49,812</u> | <u>42,541</u> |

Note 14C: Net income and expense from financial liabilities

The CRC does not have any income or expenses from financial liabilities.

Note 14D: Fair value of financial instruments

The carrying amount of all financial assets and liabilities is a reasonable approximation of fair value.

Note 14E: Credit Risk

The CRC is exposed to minimal credit risk as the majority of loans and receivables are cash or amounts owed by the Australian Tax Office in the form of a Goods and Services Tax refund. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2008: Nil and 2007: Nil).

The CRC manages its credit risk by entering into contracts with parties and by having progressive milestone payments. In addition, the CRC has policies and procedures that guide employees in debt recovery techniques that are to be applied.

The CRC has no significant exposures to any concentrations of credit risk.

The CRC holds no collateral to mitigate against credit risk.

Credit risk of financial instruments not past due or individually determined as impaired:

| | Not Past Due Nor Impaired 2008 | Not Past Due Nor Impaired 2007 | Past due but not impaired 2008 | Past due but not impaired 2007 |
|---------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Cash at bank | 649,560 | 577,084 | - | - |
| Interest Receivable | 7,643 | 786 | - | - |
| Total | 657,203 | 577,870 | - | - |

Note 14F: Liquidity risk

The CRC's financial liabilities are payables only. The exposure to liquidity risk is based on the notion that the CRC will

The CRC is appropriated funding from the Australian Government, with some funding being from State and Territory Government contributions. The CRC manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the CRC has policies in place to ensure payments are made when due and has no past experience of default.

All financial liabilities are current as at 30 June 2008 (2007: Nil)

Note 14G: Market risk

The CRC holds basic financial instruments that do not expose it to certain market risks. The CRC is not exposed to 'currency

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The CRC is exposed to interest rate risk primarily from loans and receivables.

The following table is a sensitivity analysis of the risk that the AIC entity is exposed to:

Sensitivity analysis for financial year ended 30 June 2008

| | Risk variable | Change in risk variable | Effect on | |
|--------------------|---------------|-------------------------|----------------------|-------------|
| | | | Profit and loss 2008 | Equity 2008 |
| Interest rate risk | Interest | 0.50% | 3,248 | 3,248 |

Sensitivity analysis for financial year ended 30 June 2007

| | Risk variable | Change in risk variable | Effect on | |
|--------------------|---------------|-------------------------|----------------------|-------------|
| | | | Profit and loss 2007 | Equity 2007 |
| Interest rate risk | Interest | 0.50% | 2,885 | 2,885 |

Note 15: Appropriations

Table A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations.

| Particulars | Departmental Expenses | | Total | |
|--|-----------------------|---------|---------|---------|
| | <i>Outcome 1</i> | | | |
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Balance carried from previous period | - | - | - | - |
| Appropriation Act: | | | | |
| Appropriation Act (No.1) 2007-08 | 323,000 | 317,000 | 323,000 | 317,000 |
| Total appropriation available for payments | 323,000 | 317,000 | 323,000 | 317,000 |
| Cash draw-downs made during the year (GST inclusive) | 323,000 | 317,000 | 323,000 | 317,000 |
| Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations | - | - | - | - |
| | | | | |
| Cash at bank and on hand | - | - | - | - |
| Departmental appropriations receivable | - | - | - | - |
| Total | - | - | - | - |

Note 16: Compensation and Debt Relief

No payments were made for compensation or debt relief during 2007-08 (2006-07 no payments made).

Note 17: Reporting of Outcomes

Note 17A: Outcomes of the CRC

The CRC is structured to meet one outcome:

Outcome 1: Criminological research which informs the Commonwealth and States.

Only one Output is identified for the Outcome:

Output 1.1: Criminological research grants.

Note 17B: Net Cost of Outcome Delivery

| | Outcome 1 | | Total | |
|--|----------------|----------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Expenses | | | | |
| Departmental | 592,500 | 570,411 | 592,500 | 570,411 |
| Total expenses | 592,500 | 570,411 | 592,500 | 570,411 |
| Costs recovered from provision of goods and services to the non government sector | | | | |
| Departmental | - | - | - | - |
| Total costs recovered | - | - | - | - |
| Other external revenues | | | | |
| Departmental | | | | |
| - Interest | 49,812 | 42,541 | 49,812 | 42,541 |
| - Other contributions | 187,000 | 181,000 | 187,000 | 181,000 |
| Total other external revenues | 236,812 | 223,541 | 236,812 | 223,541 |
| Net cost/(contribution) of outcome | 355,688 | 346,870 | 355,688 | 346,870 |

Outcome 1 is described in note 17A. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Note 17C: Departmental Revenues and Expenses by and Outputs

| | Outcome 1 | | Total | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | Output 1.1 | | 2008 | 2007 |
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Departmental expenses | | | | |
| Suppliers | 225,230 | 264,403 | 225,230 | 264,403 |
| Grants | 367,270 | 306,008 | 367,270 | 306,008 |
| Total departmental expenses | 592,500 | 570,411 | 592,500 | 570,411 |
| Funded by: | | | | |
| Revenue from Government | 323,000 | 317,000 | 323,000 | 317,000 |
| Interest | 49,812 | 42,541 | 49,812 | 42,541 |
| Other revenue | 187,000 | 181,000 | 187,000 | 181,000 |
| Total departmental revenues | 559,812 | 540,541 | 559,812 | 540,541 |

Outcome 1 is described in note 17A. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.