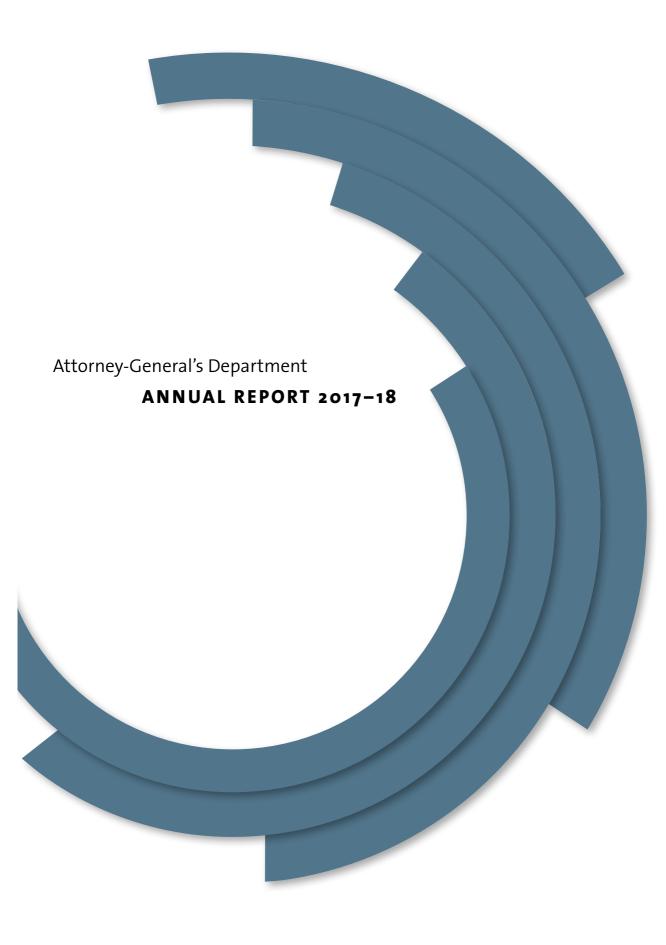


# Achieving a just and secure society



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#### Letter of transmittal



3 October 2018

Attorney-General Parliament House

CANBERRA ACT 2600

Dear Attorney-General

#### Attorney-General's Department Annual Report 2017-18

I am pleased to present the annual report of the Attorney-General's Department for the year ended 30 June 2018.

This report has been prepared for the purposes of section 46 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), which requires that I prepare and provide an annual report to you for presentation to the Parliament.

The report includes the department's audited financial statements as required by sections 42, 43 and 46 of the PGPA Act. It also includes the department's performance statements as required under paragraph 39(1)(a) of the PGPA Act. In my opinion, these annual performance statements accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

As required by section 10 of the PGPA Act, I certify that the department has prepared fraud risk assessments and a fraud control plan; that the department has fraud prevention, detection, investigation and reporting mechanisms that meet its needs; and that I have taken all reasonable measures to deal with fraud relating to the department. There have been no significant instances of fraud identified during the period.

**Chris Moraitis PSM** 

Secretary

## **Contents**

| Letter of transmittal |  | iii |
|-----------------------|--|-----|
| Part 1: Overvie       | w  | 1   |
| Secretary's overvie   | w  | 2   |
| About the departm     | nent   | 5   |
| Organisation struc    | ture   | 6   |
| Part 2: Annual        | performance statement  | 9   |
| Statement of prepa    | aration  | 10  |
| Our purpose           |  | 11  |
| Strategic Priority 1  | LEGAL<br>Support the Attorney-General as First Law Officer,<br>including by providing high-quality legal services<br>to the Commonwealth | 15  |
| Strategic Priority 2  | SECURITY Protect Australia by delivering effective national security policies, legislation and programs                                  | 23  |
| Strategic Priority 3  | JUSTICE<br>Maintain an efficient and effective Commonwealth<br>justice system  | 29  |
| Strategic Priority 4  | CRIME Pursue national responses to serious and organised crime, and improve community safety   | 40  |
| Strategic Priority 5  | RIGHTS Enable a free society with balanced rights, freedoms and responsibilities   | 47  |

| Part 3: Management and accountability         | 51  |
|---|-----|
| Governance                                    | 52  |
| External scrutiny                             | 56  |
| Management and accountability                 | 62  |
| Part 4: Financial statements                  | 77  |
| Part 5: Appendixes                            | 147 |
| Appendix 1: Entity resource statement 2017–18 | 148 |
| Appendix 2: Client service charter            | 153 |
| Appendix 3: The International Criminal Court  | 154 |
| Appendix 4: Extradition and mutual assistance | 155 |
| Part 6: Aids to access                        | 161 |
| Glossary of abbreviations and acronyms        | 162 |
| List of requirements                          | 163 |
| List of tables                                | 167 |
| Index   | 168 |



| Secretary's overview | 2 |
|----------------------|---|
| About the department | 5 |
| Organisation chart   | 6 |

# Secretary's overview

#### The year in review

In 2017–18 the department achieved positive outcomes in developing policy and programs, providing high quality advice to government and continuing to support the Attorney-General as the First Law Officer.

We played an integral part in implementing significant reforms to national intelligence and domestic security arrangements announced by the Prime Minister on 18 July 2017. This included transferring responsibilities for national security, law enforcement policy and emergency management to the new Home Affairs portfolio. The machinery of government changes also saw the Commonwealth Ombudsman, Independent National Security Legislation Monitor and Inspector-General of Intelligence and Security join the portfolio. The addition of these functions enhances the Attorney-General's oversight of the nation's intelligence, security and law enforcement agencies.

Our ability to implement the reforms is attributed to our staff who continued working with professionalism, determination and resilience during ongoing periods of substantial change. At the same time, we also successfully progressed many areas of reform that impact our community, especially those who are most vulnerable.

In terms of human rights, we helped deliver major law reforms for the nation. The year will perhaps be best remembered for the Australian Marriage Law Postal Survey and monumental changes to the Marriage Act providing marriage equality for all Australians. The department played a key role in providing policy and legal expertise and counsel to government on this issue.

The department has been involved in many matters before the High Court of Australia. In particular, we managed the complex issues presented by Section 44 of the Constitution involving dual citizenship and parliamentarians. Our advice and services greatly assisted the Government navigate the complexities involved.

In collaboration with the Department of Social Services, we implemented measures under the Third Action Plan of the National Plan to Reduce Violence Against Women and their Children to extend support services for families experiencing domestic violence.

Protecting older Australians has been another area of focus. We contributed to the More Choices for a Longer Life Budget package, which will provide for front-line services to protect older people into the future. We also commenced work on developing a National Plan on Elder Abuse with the states and territories. The ultimate goal is the safety, dignity, equality, health and independence of older people in our society.

Australia's ratification of the Optional Protocol to the Convention against Torture means we have a leadership role in building the national oversight processes to prevent mistreatment of people in our detention systems.

An effective and open justice system requires sound laws, robust and independent institutions and experienced professionals who can focus on the people they protect. To this end, we instigated structural reforms to the federal courts to help families save time and costs in family law disputes.

We launched new services and trialled improvements to existing services, and supported policy and legislative reforms to enhance support for families traversing the family law system. We put special emphasis on providing additional support services for families experiencing family violence, and on providing opportunities for people from Indigenous and culturally-diverse communities to train and work in the family law services sector.

We developed the Family Law Amendment (Parenting Management Hearings) Bill 2017. We also supported the Government to commission and establish a comprehensive review of the family law system, which is being undertaken by the Australian Law Reform Commission.

In addition, we developed the Family Law Amendment (Family Violence and Cross-Examination of Parties) Bill 2018, which provides safeguards for victims of family violence so they will not have to endure cross-examination in court from their perpetrators.

We have made significant progress in national safety and security. Australia's national security has also been greatly enhanced with the successful passage of the National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2017 and the Foreign Influence Transparency Scheme Bill. Both are critical tools for national security agencies to counter the evolving threats faced by Australia and other countries.

Joint cyber security centres have been established around the country and will play a major role in keeping us prepared for and safe from cyber attacks. Our success in ensuring these centres are operational ahead of schedule is an excellent example of our ability to collaborate with our stakeholders and other jurisdictions.

Internationally, we also achieved success. Of particular significance was the conciliation we led with the Department of Foreign Affairs and Trade resulting in Australia and Timor-Leste agreeing to a maritime boundary treaty. This was an historic agreement that will benefit both countries.

The Royal Commission into Institutional Responses to Child Sexual Abuse and the Royal Commission into the Protection and Detention of Children in the Northern Territory both concluded in late 2017. We are actively involved in advising the government on implementing the recommendations from the Child Abuse Royal Commission, as well as safeguarding all commission records. We also helped to establish the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

The operating result for the department for 2017–18 was a surplus of \$20.506m after providing for income tax expense and asset revaluation increases. The operating surplus is due to a strong performance by the Australian Government Solicitor over the financial year and the timing of implementing budget measures. More information about the department's financial performance can be found on page 83 in Part 4 of this report.

#### Outlook for the year ahead

From July 2018, the department is operating under a new structure developed to maximise our support to the Attorney-General in his role as First Law Officer and minister responsible for integrity and oversight.

The revised structure will facilitate more effective engagement with stakeholders by bringing together areas with related functions and expertise in line with our priorities. The structure

reflects our commitment to embracing change, challenges and new opportunities in achieving better outcomes for government.

To this end, we will work towards government priorities, including:

- progressing structural reforms to the federal courts (excluding the High Court) with the aim of reducing costs and waiting times – especially to assist with family law matters
- progressing family law reforms and providing advice on the Australian Law Reform Commission's review of the family law system
- progressing reforms to the Government's use of legal services
- · developing the first National Plan on Elder Abuse and progressing a national approach to enduring powers of attorney
- leading the delivery of responses to the recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, including a national apology to victims and survivors affected by institutional child sexual abuse
- supporting the comprehensive review of intelligence legislation to ensure that agencies have the tools and framework they need to be effective and keep Australians safe and secure
- reforming the Commonwealth Debt Agreement system to provide greater certainty for debtors and creditors
- · supporting the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

This work would not be possible without the dedication, expertise and skill of our staff, who are our greatest asset. Our strong culture and positive staff engagement were again reflected in our impressive results in the 2018 Australian Public Service Employee Census. Our ability to collaborate, lead and innovate will ensure we continue to deliver on our purpose to achieve a just and secure society.

Chris Moraitis PSM

Secretary

# About the department

This annual report is for the 2017–18 financial year, based on the structure and activities of the Attorney-General's Department as at 30 June 2018.

Our purpose is to achieve a just and secure society through the maintenance and improvement of Australia's law, justice, security and integrity frameworks.

#### Roles and functions

Our role is to make sure Australia is a country that is secure, safe and well-governed. We provide the best available advice and evidence to the Attorney-General in his role as the First Law Officer. We are adviser to the government on many issues including constitutional and international law matters, fraud and anti-corruption, the family law system and people's rights.

The department represents Australia in national and international law and justice matters and fora and makes sure Australia's place as a regional partner and leader is upheld.

There have been significant changes to the department's role and structure this year. On 18 July 2017, the Prime Minister announced ministerial and machinery-of-government changes to reform Australia's national intelligence and domestic security arrangements. This affected the Attorney-General's Department and portfolio agencies.

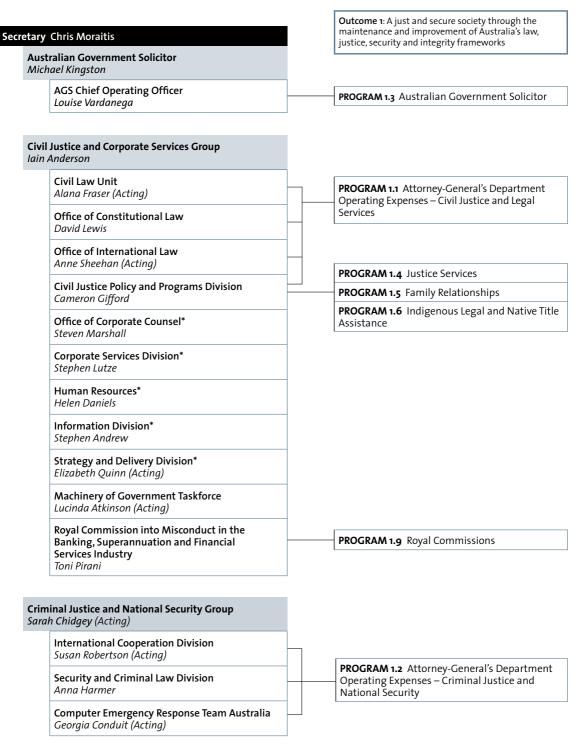
A number of functions have transferred to the Department of Home Affairs and some functions of the Department of the Prime Minister and Cabinet have transferred to the Attorney-General's Department. This has resulted in some programs included in the 2017–18 Portfolio Budget Statements being transferred with the function.

#### Structure

As a result of the machinery-of-government changes, the structure of the department changed over the year from four operational groups to three. As at 30 June 2018, the operational groups that carry out the department's role are:

- · Australian Government Solicitor
- · Civil Justice and Corporate Services Group
- · Criminal Justice and National Security Group.

FIGURE 1: Organisation structure linked to programs at 30 June 2018



<sup>\*</sup>These business units primarily support Program 1.1 and Program 1.2 and provide assistance across all other programs.

#### Ministerial responsibilities

As at 30 June 2018, the department's minister was the Hon Christian Porter MP. The Attorney-General's areas of responsibilities include:

- · law and justice:
  - administrative law
  - alternative dispute resolution
  - bankruptcy
  - constitutional law
  - courts and tribunals
  - human rights
  - international law
  - law reform
  - legal assistance
  - legislative drafting
  - marriage and family law
  - personal property securities
- administration of criminal justice:
  - criminal law policy and principles of criminal responsibility
  - matters relating to prosecution
  - sentencing and management of federal offenders
  - international crime cooperation, including extradition and mutual assistance in criminal matters

- · administrative support for Royal Commissions and other inquiries
- fraud and anti-corruption policy
- freedom of information
- legal services to the Commonwealth
- · management of government records
- Native Title
- privacy
- · protective security policy.

Ministerial website (www.attorneygeneral. gov.au/Pages/default.aspx).

## About the portfolio

The department leads a portfolio that provides expert advice and services. As at 30 June 2018, the portfolio included the following agencies and statutory authorities:

- Administrative Appeals Tribunal
- · Australian Commission for Law **Enforcement Integrity**
- · Australian Financial Security Authority
- · Australian Human Rights Commission
- Australian Law Reform Commission
- Commonwealth Ombudsman
- Federal Court of Australia
- · High Court of Australia

- Independent National Security **Legislation Monitor**
- Inspector-General of Intelligence and Security
- National Archives of Australia
- Office of the Australian Information Commissioner
- Office of the Commonwealth Director of Public Prosecutions
- Office of Parliamentary Counsel
- Solicitor-General.

# PART 2 Annual performance statement

| Statement of preparation |   | 10 |  |
|--------------------------|---|----|--|
| Our purpose              |   | 11 |  |
| Strategic Priority 1     | LEGAL Support the Attorney-General as First Law Officer, including by providing high-quality legal services to the Commonwealth | 15 |  |
| Strategic Priority 2     | SECURITY Protect Australia by delivering effective national security policies, legislation and programs                         | 23 |  |
| Strategic Priority 3     | JUSTICE<br>Maintain an efficient and effective<br>Commonwealth justice system   | 29 |  |
| Strategic Priority 4     | CRIME Pursue national responses to serious and organised crime, and improve community safety                                    | 40 |  |
| Strategic Priority 5     | RIGHTS Enable a free society with balanced rights, freedoms and responsibilities  | 47 |  |

# Statement of preparation

As the accountable authority of the Attorney-General's Department, I present the 2017–18 annual performance statement of the Attorney-General's Department, as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity and complies with subsection 39(2) of the PGPA Act.

**Chris Moraitis PSM** 

Secretary

# Our purpose

## A just and secure society through the maintenance and improvement of Australia's law, justice, security and integrity frameworks.

To achieve our purpose, we provide legal services and advice and deliver legislation, policy and programs to maintain and improve Australia's law and justice frameworks. These activities affect the lives of everyone in Australia and Australians overseas.

Our corporate plan details the activities within our strategic priorities that we will deliver and the changes we will make to maintain the rule of law.

Table 1 shows the relationship between Corporate Plan 2017–21 strategic priorities and the programs in the 2017–18 Portfolio Budget Statements.

Our performance statement reports against these strategic priorities and outlines the achievements and progress of key activities for this year.

On 18 July 2017, the Prime Minister announced ministerial and machinery-of-government changes to reform Australia's national intelligence and domestic security arrangements. This affected the Attorney-General's Department and portfolio agencies. The reforms included establishing a Home Affairs portfolio, establishing the Australian Signals Directorate as an independent agency in the Defence portfolio and enhancing the Attorney General's oversight of Australia's intelligence, security and law enforcement agencies. Changes were made to the Administrative Arrangements Orders on 20 December 2017 and 10 May 2018 to reflect these changes.

TABLE 1: Corporate Plan 2017–21 strategic priorities mapped to 2017–18 Portfolio Budget Statements objectives

| Strategic priority   | Portfolio Budget<br>Statements programs | Responsible program delivery channel            |
|--|---|---|
| 1: LEGAL   | Program 1.1                             | Civil Justice and Corporate Services            |
| Support the Attorney-General as First Law Officer, including   | Program 1.2                             | Criminal Justice and National<br>Security       |
| by providing high-quality legal  | Program 1.3                             | Australian Government Solicitor                 |
| services to the Commonwealth   | Program 1.9                             | Royal Commissions                               |
|  |   |   |
| 2: SECURITY Protect Australia by delivering effective national security policies, legislation and programs | Programs 1.2                            | Criminal Justice and National<br>Security       |
|  |   |   |
| 3: JUSTICE   | Program 1.1                             | Civil Justice and Corporate Services            |
| Maintain an efficient and effective  | Program 1.4                             | Justice Services                                |
| Commonwealth justice system  | Program 1.6                             | Indigenous Legal and Native<br>Title Assistance |
|  | Program 1.9                             | Royal Commissions                               |

| Strategic priority  | Portfolio Budget<br>Statements programs | Responsible program delivery channel            |
|---|---|---|
| 4: CRIME Pursue national responses to serious and organised crime, and improve community safety | Programs 1.2                            | Criminal Justice and National<br>Security       |
|   |   |   |
| 5: RIGHTS   | Program 1.1                             | Civil Justice and Corporate Services            |
| Enable a free society   | Program 1.4                             | Justice Services                                |
| with balanced rights,   | Program 1.5                             | Family Relationships                            |
| freedoms and responsibilities   | Program 1.6                             | Indigenous Legal and Native<br>Title Assistance |

Adapted from Attorney-General's Department Corporate Plan 2017–21, page 21.

## Measuring our performance

The objective of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) is to provide a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting.

Section 46 of the PGPA Act requires that the annual report include an annual performance statement. This annual performance statement reflects the results achieved against the performance criteria set out in the Corporate Plan and Portfolio Budget Statements for this reporting period.

## Machinery-of-government changes

Under section 17A of the Public Governance, Performance and Accountability Rule 2014, where a function or office is transferred between entities as a result of machinery-of-government changes, the gaining entity takes responsibility for the mandatory reporting requirements under the PGPA Act for those functions.

Following the Prime Minister's announcement of machinery-of-government changes on 18 July 2017, all functions under Strategic Priority 6 (Providing national leadership in emergency management) included in our 2017–21 Corporate Plan have transferred to the Department of Home Affairs. Some functions and activities under Strategic Priority 2 and Strategic Priority 4 have also transferred to the Department of Home Affairs. This annual performance statement does not report on those functions and activities that have transferred to the Department of Home Affairs.

Some functions transferred from the Department of the Prime Minister and Cabinet to the Attorney-General's Department. Performance information about those functions is not included in this performance statement as they were not the subject of performance measures in the Department of the Prime Minister and Cabinet's 2017–21 Corporate Plan.

#### Strategic priorities

The priorities that remain following machinery-of-government changes for 2017–21 are:

- 1. support the Attorney-General as First Law Officer, including by providing high-quality legal services to the Commonwealth (Strategic Priority 1 on page 15)
- 2. protect Australia by delivering effective national security policies, legislation and programs (Strategic Priority 2 on page 23)
- 3. maintain an efficient and effective Commonwealth justice system (Strategic Priority 3 on page 29)
- 4. pursue national responses to serious and organised crime, and improve community safety (Strategic Priority 4 on page 40)
- 5. enable a free society with balanced rights, freedoms and responsibilities (Strategic Priority 5 on page 47).

#### Measuring achievement

The Corporate Plan 2017–21 (page 7) outlines the key performance indicators used to measure achievement of the strategic priorities.

The key performance indicators are:

- · our effectiveness in achieving objectives
- · our efficiency in meeting goals
- our professionalism, skills and commitment
- our community impact.

#### 2018 stakeholder survey

An independently conducted stakeholder survey was undertaken in May 2018. The results help to assess the levels of satisfaction our partners and external stakeholders have when working with us. A range of stakeholders including Australian, state and territory government agencies, courts, tribunals, legal assistance services, private industry, academia and non-government organisations were invited to participate.

The survey sought stakeholder views on:

- overall performance the effectiveness and efficiency in achieving our objectives and the professionalism, skills and commitment of departmental staff
- · effectiveness the timeliness, quality and consistency of information and advice, focus on the priority issues for government and commitment to problem-solving
- relationship with the organisation how well the department understands, collaborates with, listens to and supports stakeholder organisations
- staffing the levels of skill and expertise of employees and their accessibility
- leadership the quality of the department's leadership, vision and clarity of purpose
- results and delivery whether the department is results-oriented, committed to continuous improvement, makes evidence-based decisions, is an active contributor to whole-ofgovernment initiatives, achieves outcomes and manages risk appropriately.

Stakeholder survey percentages for Strategic Priority 2 and Strategic Priority 4 include results for a function that transferred to the Department of Home Affairs under the change to the Administrative Arrangements Order on 10 May 2017. The results for this function are consistent with the satisfaction ratings given for other areas that contribute to the delivery of these strategic priorities. More detail can be found under the heading for each strategic priority.

#### Other measures

We refer to the World Justice Project Rule of Law Index that measures the rule of law adherence in 113 countries and jurisdictions worldwide. The index reflects how the rule of law is perceived and experienced by a country's population and in-country experts. Some of these factors may not directly relate to all aspects of the department's activities and our community impact. However, we consider them meaningful as they are indicators of the perceived long-term and broad health of Australia's justice and security systems (which is influenced by the activities of the department, albeit only in part) and the matters that communities regard as important.

We also measure performance through specific measures relevant to Strategic Priority 3 and Strategic Priority 5.

## STRATEGIC PRIORITY 1: LEGAL

#### What we said we would do

Support the Attorney-General as First Law Officer, including by providing high-quality legal services to the Commonwealth

We ensure the government has access to high-quality legal services and promote a whole-of-government approach to managing significant legal issues.

## What we achieved

All stakeholder survey targets for this strategic priority have been exceeded this year. A range of stakeholders including Australian, state and territory government entities, legal providers and research institutions provided feedback on our delivery of activities under this strategic priority. The stakeholder survey showed a high level of satisfaction with each of the key performance indicators. The largest increase in satisfaction is with 'the efficiency of the department when providing legal services' (93 per cent, up from 88 per cent in 2016–17). In addition, the Australian Government Solicitor (AGS) client survey revealed a very high level of client satisfaction. Table 2 provides results of the client survey against each of our performance measures.

TABLE 2: KPI performance statement for Strategic Priority 1: Legal

| KPI                                    | PERFORMANCE CRITERION <sup>(a)</sup>   | TARGET  | RESULT |
|--|--|---|--------|
| Effectiveness                          | Stakeholder and client satisfaction with our effectiveness and the quality of our legal services | 80%   | 94%    |
|  | Client satisfaction with the quality of legal services provided by AGS                           | 75%   | 83%    |
| Efficiency in meeting goals            | Legal and legal policy advice completed  | Work is completed<br>on time, within<br>budget and in<br>compliance with<br>relevant guidelines | 93%    |
|  | Legal advice provided by AGS is responsive and meets client needs                                | 75%   | 80%    |
| Professionalism, skills and commitment | Stakeholder and client satisfaction with the professionalism, skills and commitment of our staff | 80%   | 97%    |
|  | Client satisfaction with the professionalism, skills and commitment of AGS staff                 | 75%   | 84%    |

<sup>(</sup>a) Performance criteria as per Corporate Plan 2017–21, p. 7 and Portfolio Budget Statements 2017–18, Program 1.1, p. 13, Program 1.2, p. 14, Program 1.3, p. 15 and Program 1.9, p. 18.

The key activities under this strategic priority and a summary of relevant progress are provided in Table 3. Further information about progress of achievements follows in the Analysis section.

**TABLE 3:** Activity performance statement for Strategic Priority 1: Legal

| KEY ACTIVITY  | RESULT   |
|---|--|
| Support the Attorney-General as First Law Officer in his role as principal legal adviser to the Commonwealth  | ACHIEVED  - Amendments to the Marriage Act 1961 following the result of the Australian Marriage Law Postal Survey  - Eligibility of parliamentarians in Parliament  ONGOING  - Provision of advice and counsel on domestic and international matters of significance to the Commonwealth  - Reforms to counter-terrorism legislation |
| Provide high-quality legal<br>services to the Australian<br>Government, Cabinet and<br>government agencies  | ACHIEVED  - Litigation services for parole, extradition, mutual assistance and the international transfer of prisoners  ONGOING  - Scrutiny of Cabinet submissions and liaison and legislation  - Legal advice and assistance on major policy and programs   |
| Design and deliver reform<br>of Commonwealth legal<br>services to ensure the effective<br>provision of quality legal<br>services to the Australian<br>Government                  | ACHIEVED  - Legal services framework for engaging legal services providers endorsed  |
| Enable AGS to remain<br>sustainable in the contestable<br>government legal services<br>market   | ONGOING  - Financial viability was achieved and performance was above projections  |
| Oversee and coordinate significant legal policy issues affecting the Commonwealth, in particular, those concerning constitutional, cross-jurisdictional and international matters | ACHIEVED  — Assisted in establishing a national redress scheme for institutional child sexual abuse  |

| KEY ACTIVITY   | RESULT   |
|--|--|
| Support the Commonwealth's engagement with Royal Commissions | ACHIEVED  - Final report of Royal Commission into the Protection and Detention of Children in the Northern Territory tabled  - Final report of Royal Commission into Institutional Responses to Child Sexual Abuse released  ONGOING |
|  | <ul> <li>Secretariat for a national apology to victims and survivors of institutional child sexual abuse</li> </ul>  |
|  | <ul> <li>Established and supporting Royal Commission into<br/>Misconduct in the Banking, Superannuation and Financial<br/>Services Industry</li> </ul>   |
| Provide legal and policy advice in issues involving domestic | ACHIEVED  - Amendments to the <i>Criminal Code Act</i> 1995  |
| and international law  | - International litigation on matters before the United Nations and the World Trade Organization   |
|  | – Australia and Timor-Leste maritime boundary treaty signed  |
|  | <ul> <li>Successfully defended Australia's plain packaging<br/>legislation before a panel of the World Trade Organization</li> </ul>   |
|  | ONGOING  - Technical assistance on constitutional reform   |
|  | – Advice on criminal offences and penalties in legislation   |
|  | <ul> <li>Policy advice on the Judiciary Act 1903 and the Jurisdiction<br/>of Courts (Cross-Vesting) Act 1987</li> </ul>  |
|  | <ul> <li>Advice on administrative law policy and legislative frameworks</li> </ul>   |
|  | <ul> <li>Courts and evidence policy advice on new Bills and proposals</li> </ul>   |
|  | <ul> <li>Instruction on native title claims on behalf of the<br/>Commonwealth</li> </ul>   |
|  | – Amendments to the <i>Native Title Act 1993</i>   |

# **Analysis**

## **Supporting the Attorney-General**

We support the Attorney-General by providing legal services across the Commonwealth and working with agencies on significant legal issues. We also work closely with the Solicitor-General on significant constitutional cases in the High Court of Australia. Our provision of considered advice brings consistency to Australia's legislation and its interpretation and application.

Particular support to the Attorney-General includes providing high-quality briefing for Cabinet and committee meetings, appearance before Senate committees and responses to Senate Questions on Notice.

We are the secretariat for the Council of Attorneys-General that assists Council of Australian Governments (COAG) progress a national and trans-Tasman focus in law reform. In particular:

- · civil justice reforms and responses
- · legal profession regulation and evidence law
- · national security legal framework improvements
- intergovernmental reforms
- implementation of cross-jurisdictional oversight and integrity measures.

The Council of Attorneys-General met twice during 2017–18 and considered key priorities including elder abuse, family violence and the recommendations from the Royal Commission into Institutional Reponses to Child Sexual Abuse.

#### Legal advice

#### Constitutional litigation

During 2017–18, we represented the Attorney-General in 11 proceedings in the High Court concerning parliamentarian eligibility as a senator or a member of the House of Representatives.

We also acted for the Commonwealth in eight constitutional litigation matters in the High Court including Wilkie v Commonwealth, Australian Marriage Equality Ltd v Minister for Finance, and Bell v Culleton.

## Providing legal services to government and its agencies

We provide advice and assistance to departments, agencies and taskforces for major government policy and program litigation and commercial matters.

During 2017–18, we worked on significant litigation and dispute resolution matters including:

- Austrac and Commonwealth Bank of Australia, resulting in the largest civil penalty ever awarded in Australia
- the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry
- Roo-Roofing & Anor v Commonwealth, a class action against the Commonwealth arising out of the Home Insulation Program
- Commissioner of Taxation v Thomas, four appeals being brought by the Commissioner from decisions of the Full Federal Court regarding the use of State declaratory proceedings
- ACCC v VW/Audi, proceedings under way in the Federal Court alleging consumers were misled about the diesel emissions of these companies' vehicles
- Timber Creek, the first judicial consideration of the principles governing compensation payable under the Native Title Act 1993.

We delivered legal services for parole, mutual assistance, extradition and international transfer of prisoners as well as other matters before the courts. In 2017–18, 22 extradition matters were conducted and four matters involving a review of parole decisions were successfully defended.

Significant matters in 2017-18 include:

- Liem v Republic of Indonesia (2017) FCA 1303
- Westlake v Attorney-General (2017) FCA 1058
- Ng v Attorney-General (2017) FCA 1392.

Our work resolving disputes between the government and individuals is achieved in a fair manner and in accordance with Australia's legislative framework.

#### Legislation, policy and program delivery

We provided legal advice and assistance for major government policy and programs including:

- the Australian Marriage Law Postal Survey held in 2017
- the management of the water of the Murray-Darling Basin
- · regulation of the export of live sheep.

#### Commercial and contractual matters

We assist with commercial and contractual matters for government, many of which have significant community impact. These include:

- · progressing the Western Sydney Airport project and implementing the Western Sydney City Deal, including the North South Rail Link
- · working with agencies to establish new bodies, including the National Housing Finance and Investment Corporation
- advising the Department of Defence on major procurements and strategic projects, including SEA5000 Future Frigates.

## Designing and delivering reform of legal services

We administer the Legal Services Directions 2017 and support agencies and legal services providers who are performing Commonwealth legal work. This includes facilitating the General Counsel Working Group to consider strategic issues facing Australian Government legal services. Our efforts contribute to a consistent and whole of government approach to legal matters and significant legal issues.

#### During 2017-18, we:

- worked with agencies managing significant legal issues, and facilitated five Significant Legal Issues Committee meetings to guide the strategy of Commonwealth litigation
- assisted decision-makers (ministers and at agency level) in considering requests for legal assistance under the Legal Services Directions 2017 and the Parliamentary Business Resources Regulations 2017.

The Secretary's Review of Commonwealth Legal Services was published in November 2017. The review proposed a new framework for how the Commonwealth engages legal service providers by drawing on the expertise and experience of stakeholders across the Commonwealth and the legal services sector. Building on the findings of the review, we obtained the government's endorsement of key reforms to the Commonwealth legal services framework including:

- establishing a whole-of-government legal services panel (to be completed during 2018–19) to ensure efficient and best-value legal services for the Commonwealth
- a renewed focus on coordination to improve the management of Commonwealth legal risk, including through the establishment of an Australian Government Legal Service.

The Legal Services Directions 2017 were amended to add explicit targets that encourage Australian Government agencies to brief senior and junior female barristers based on their skill, experience and expertise. This supports the progression and retention of female barristers and encourages a cultural change within the legal profession for the genuine consideration of female barristers.

## **Enabling AGS to remain competitive**

AGS is self-supporting and does not draw on Budget allocations. It attracts work as the Australian Government's central legal service. To remain competitive, AGS provides excellent legal and related services. AGS uses whole-of-government approaches in its work to ensure consistency in Australia's legal issues.

We have progressed work on the AGS operating model to allow it to operate as a centre of excellence using its depth of expertise in Commonwealth legal work.

For 2017–18, business results were extremely positive. Trading revenue was \$135.7m, which was \$14.4m above target. The number of hours sold increased by 7.4 per cent on the previous year.

#### Training, forums and workshops

As part of its central legal role, AGS provides training, forums and workshops on legal issues affecting policy, programs and government law. Throughout the year, 124 client-specific courses were conducted to meet the particular needs of agencies; 57 general training courses were open to all government employees. This year, we introduced three webinars so clients can learn from their desk. AGS also presented 23 forums and six Government Law Group sessions around the country. All training meets the requirements for Continuing Professional Development and Continuing Legal Education.

#### Pro bono work

AGS contributes to a just society through its extensive pro bono program covering clients in all Australian jurisdictions as well as internationally (with a focus on the Asia–Pacific region). In total, AGS lawyers provided 8385 hours of pro bono work.

## Overseeing legal policy affecting governments

During 2017–8, we worked with the Department of Social Services in the negotiation of a national redress scheme for institutional child sexual abuse.

This work is a significant achievement in cross-jurisdictional cooperation in responding to the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse. It paves the way for redress for substantive and long-standing wrongs committed in institutions across Australia in line with community expectations.

The National Redress Scheme is based on referrals of constitutional power for the purposes of section 51(xxxvii) of The Australian Constitution and required the department to participate in scheme design, give consideration of the proposed legislation (including in relation to questions of Commonwealth constitutional power) and to liaise with the states and territories.

Through successful negotiation, an agreement was secured for appropriate referrals of power from New South Wales and Victoria (with other jurisdictions to follow). This allowed the scheme to commence within the intended timeframes.

The National Redress Scheme for Institutional Child Sexual Abuse Bill 2018 received Royal Assent on 21 June 2018 and will commence on 1 July 2018. The Bill establishes the National Redress Scheme for Institutional Child Sexual Abuse to operate for 10 years. It will provide payments to survivors, access to counselling and psychological services and an option for survivors to receive a direct personal response from the responsible institution.

## **Supporting Royal Commissions**

## Royal Commission into Misconduct in the Banking, Superannuation and **Financial Services Industry**

The Commission was established in December 2017 and is scheduled to report to the government by 1 February 2019. We have assisted the Royal Commission and led the Commonwealth's representation through instructing solicitors and counsel and working with other Australian Government agencies.

## Royal Commission into the Protection and Detention of Children in the Northern Territory (RCPDCNT)

The RCPDCNT concluded in November 2017.

#### Royal Commission into Institutional Responses to Child Sexual Abuse (RCIRCSA)

The RCIRCSA concluded in December 2017.

Royal Commission records contain sensitive personal information. The department, as the official custodian of the records of the RCPDCNT and RCIRCSA hearings, has established protocols that provide appropriate access to be given to applicants while also ensuring that appropriate safeguards are in place.

#### **Child Abuse Royal Commission Implementation Taskforce**

The Child Abuse Royal Commission Implementation Taskforce was established in January 2018. The taskforce galvanises action across Australian Government agencies on all 409 recommendations of the Royal Commission and tracks the progress made by all Australian governments. The taskforce works with state and territory governments to ensure national coordination and consistency in responding to the Royal Commission recommendations, and will operate until June 2020.

Through these collaborative forums the taskforce met the deadline proposed by the Royal Commission and released the Australian Government's response on 13 June 2018.

## National Apology to Victims and Survivors of Institutional Child Sexual Abuse

We provide the National Apology Secretariat that is undertaking consultation and works with a survivor-focused reference group. A national apology will include the views of survivors and will be delivered in 2018.

## Providing domestic and international law legal and policy advice

We successfully conducted international litigation and arbitration on behalf of the government and responded to individual complaints brought against Australia before United Nations human rights committees.

Our continued conciliation work in partnership with the Department of Foreign Affairs and Trade concluded with Australia and Timor-Leste agreeing a maritime boundary treaty. This was under the auspices of the first conciliation commission established under the United Nations Convention on the Law of the Sea. The treaty was signed at the United Nations Headquarters in New York on 6 March 2018, in the presence of the United Nations Secretary-General. The conciliation process officially concluded on 9 May 2018 when the Commission issued its report. We also successfully defended Australia's tobacco plain packaging laws before a panel of the World Trade Organization.

In 2017–18, we produced over 1500 legal opinions on domestic and international law matters. We protect the public interest and provide a unique and whole-of-government approach that gives consistency to the rule of law in Australia.

For example, we provided advice on:

- international criminal law
- international maritime law
- consistency of reforms with free trade obligations.

We provide policy advice on courts and evidence to government agencies, including advice on the likely effects of their policies on the workload of the courts and tribunals. This practice ensures agency policy proposals reflect court and tribunal policy and maintain Australia's uniform evidence regime.

We manage processes associated with sunsetting of legislative instruments and improve the quality of legislation through progressing statutory housekeeping and standardisation of Bills and instruments. This improves the clarity, efficiency and accessibility of the law. It improves the quality of the Commonwealth statute book (all Commonwealth laws) and means legislation is current and remains in force for only as long as needed.

Key achievements during 2017-18 include:

- the successful passage of the Regulatory Powers (Standardisation Reform) Act 2017 and the Statute Update (Autumn 2018) Act 2018, which provided significant improvements to the quality of Commonwealth legislation
- supporting the statutory review of the sunsetting framework in the Legislation Act 2003 and progressing the government response to that review
- progressing appointments to the roles of First Parliamentary Counsel and Second Parliamentary Counsel.

#### Other work

#### Reforms to the Native Title Act

During 2017–18, we consulted extensively on reforms to the native title system to support the resolution of native title claims and post determination management of native title lands. Consultation included the release of a public options paper, 40 meetings with individual stakeholders and convening an Expert Technical Advisory Group. This process is ongoing with a second stage of consultation on exposure draft legislation expected later in 2018.

## STRATEGIC PRIORITY 2: **SECURITY**

What we said we would do Protect Australia by delivering effective national security policies, legislation and programs

Our government is responsible for protecting Australia's people, assets and international interests. We work closely with our partners to identify potential threats and undertake initiatives to keep Australia safe and secure.

#### What we achieved

All stakeholder survey targets for this strategic priority were exceeded in 2017–18. A range of stakeholders including Australian, state and territory government entities and private industry provided feedback on our delivery of activities under this strategic priority. In the 2016-17 survey, client awareness of the department's national security strategies and their satisfaction with those strategies was assessed via a single question. This was split in the 2017–18 survey, thus the 2016–17 result is not directly comparable.

There was improvement in 'the efficiency of the department in delivering national security policies, legislation and programs' (87 per cent, an increase from 81 per cent in 2016–17) and 'professionalism, skills and commitment of the department's staff in delivering national security initiatives' (94 per cent, an increase from 90 per cent in 2016–17).

A range of functions transferred from the Attorney-General's portfolio to the Home Affairs portfolio as a result of machinery-of-government changes. The second phase of the machineryof-government changes occurred on 10 May 2018 following the passage of the Home Affairs and Integrity Agencies Legislation Amendment Act 2017. ASIO and associated functions transferred from the Attorney-General's portfolio to the Home Affairs portfolio at that time. As a result, some activities in our 2017–21 Corporate Plan are not included here.

Stakeholder survey percentages (Table 4) for this strategic priority include results for functions that transferred to the Department of Home Affairs under the change to the Administrative Arrangements Order on 10 May 2017. The results for this function are consistent with the satisfaction ratings given for other areas that contribute to the delivery of this strategic priority.

TABLE 4: KPI performance statement for Strategic Priority 2: Security

| KPI                                    | PERFORMANCE CRITERION <sup>(a)</sup>  | TARGET  | RESULT |
|--|---|---|--------|
| Effectiveness                          | Stakeholder and client satisfaction with the effectiveness of the department's contribution to national security                          | 80%   | 91%    |
| Efficiency in meeting goals            | National security policy advice, program work and legislation changes   | Work is completed<br>on time, within<br>budget and in<br>compliance with<br>relevant guidelines | 87%    |
| Professionalism, skills and commitment | Stakeholder and client satisfaction with the professionalism, skills and commitment of our staff delivering national security initiatives | 80%   | 94%    |
| Community impact                       | Satisfaction with and awareness of national security strategies   | 80%   | 88%    |

<sup>(</sup>a) Performance criteria as per Corporate Plan 2017–21, p. 9 and Portfolio Budget Statements 2017–18 Program 1.2, p. 14. The key activities under this strategic priority and a summary of relevant progress are provided in Table 5. Further information about progress of achievements follows in the Analysis section.

 TABLE 5: Activity performance statement for Strategic Priority 2: Security

| KEY ACTIVITY   | RESULT   |
|--|--|
| Sustain our collaboration and engagement with regional countries and traditional partners to build capacity to minimise threats  | ONGOING  - Cooperation with international organisations  |
| Develop strategies, policies, programs, activities and tools to counter violent extremism and engage with jurisdictions on intervention and diversion programs and community referral pathways | TRANSFERRED to Department of<br>Home Affairs   |
| Support the establishment and successful operations of joint cyber security centres in Brisbane, Sydney, Melbourne, Adelaide and Perth   | ACHIEVED  - Joint Cyber Security Centres opened in Melbourne, Sydney and Perth  ONGOING  - Adelaide Joint Cyber Security Centre planning |
| Provide incident response and information exchange through the Computer Emergency Response Team  | ACHIEVED – 1499 incidents were handled   |
| Develop and implement counter-terrorism legislation reforms  | ACHIEVED  - Amendments to the <i>Defence Act 1903</i> ONGOING  - Counter-Terrorism Legislation Amendment Bill (No. 1) 2018               |

| KEY ACTIVITY   | RESULT  |
|--|---|
| Support the Australian intelligence community through legislative reviews and policy development and implementation  | ACHIEVED  - Amendments to the National Security Legislation Amendment (Espionage and Foreign Interference) Bill and Foreign Influence Transparency Scheme  - PJCIS review of questioning and detention warrants |
|  | - PJCIS and the Independent National Security Legislation Monitor reviews of sunsetting counter-terrorism powers and offences   |
|  | ONGOING  - Secretariat support to the review of legal frameworks governing the National Intelligence Community  - Protective Security Policy Framework reforms  |
| Implement programs, reviews and reforms in<br>the areas of cyber security, critical infrastructure,<br>telecommunications interception and facial<br>biometric matching  | TRANSFERRED  - Critical infrastructure, telecommunications interception and facial biometric matching were transferred to Department of Home Affairs ONGOING  |
|  | Four initiatives under the 2016 Australian     Government Cyber Security Strategy   |
| Coordinate the Commonwealth's response to the Lindt Café coronial inquest and monitor implementation of relevant recommendations   | TRANSFERRED to Department of<br>Home Affairs  |
| Finalise national-level security arrangements for the Rugby League World Cup 2017, the Commonwealth Games 2018 and centenary of ANZAC commemorations   | TRANSFERRED to Department of<br>Home Affairs  |
| Ensure an adequate level of physical security measures are in place at the electoral offices, ministerial offices and residences of Australian high office holders and 'at risk' parliamentarians  | TRANSFERRED to Department of<br>Home Affairs  |
| Operate the National Security Hotline by providing information from members of the public to Australia's policy and security agencies for further analysis and investigation   | TRANSFERRED to Department of<br>Home Affairs  |
| Operate the Australian Government Crisis<br>Coordination Centre and provide whole-of-<br>government situational awareness to inform<br>national decision-making and to coordinate<br>Australian Government physical assistance<br>during nationals security events | TRANSFERRED to Department of<br>Home Affairs  |

# **Analysis**

## Minimising security threats

Rapid technological change and increasing international mobility provide new tools to conceal threats. We work at the global level with international partners for regional collaboration and greater capacity to respond to security issues.

We participated in bilateral discussions with other central authorities on joint initiatives to increase efficiencies in casework processing. Australia actively participates in multilateral forums to simplify formal international crime cooperation processes. For example, Australia provides operational expertise to the Council of Europe Convention on Cybercrime to streamline processing of mutual legal assistance requests. We also collaborate with countries and international law enforcement agencies (including Interpol) to further efforts to electronically process requests.

## Establishing and operating the joint cyber security centres

The Joint Cyber Security Centre (JCSC) program provides cyber security protections through collaboration between government industry, academia and the not-for-profit sector. Information is shared about threats and best-practice ways to prepare and respond to cyber security threats.

Joint cyber security centres were established in Melbourne (September 2017) and Sydney and Perth (December 2017) nearly two years ahead of schedule. The centres assist industry partners to protect their networks and provide critical services for Australia.

Over 130 organisations are partners in the JCSC program. A wide variety of collaborative activities have been staged, including incident response best practice, threat intelligence sharing and cyber security training initiatives. These activities focus on critical infrastructure and other systems of national interest.

## **Operating the Computer Emergency Response Team**

Through Computer Emergency Response Team (CERT Australia), we supported Australian industry to prepare for and defend against threats from malicious cyber activity. During 2017–18, CERT Australia increased the range and scale of its cyber security advice and assistance to industry through resources allocated under the 2016 Australian Government Cyber Security Strategy.

In 2017—18, CERT Australia provided cyber security alerts and advisories to industry, particularly critical infrastructure and other systems to help protect their networks. CERT Australia responded to 1499 incidents, including 390 related to critical infrastructure and other systems of national interest.

The CERT Australia information exchange program allows industry and government to share cyber security information, experiences and best practice to help protect their networks. This information and advice supports industry efforts to better prepare for, defend against and mitigate cyber security threats.

## Strengthening counter-terrorism legislation

The threat of returning foreign fighters, domestic lone-wolf terrorism and those affiliated with known terrorist groups remains a key priority for the government. Robust legislation and policy that facilitates inter-jurisdictional and inter-agency cooperation is essential to combat the threat of violent extremism.

We worked with the Department of Defence on the Defence Amendment (Call Out of the Australian Defence Force) Bill 2018, which was introduced into Parliament in June 2018. This Bill streamlines the legal procedures for the deployment of the Australian Defence Force in responses to instances of significant violence, including terrorist attack. The amendments to the *Defence Act 1903* make it easier for the government to provide this assistance when requested by state or territory governments. The amendments are the most significant reforms since provisions were enacted in 2000 for the Sydney Olympic Games.

In 2017–18, we introduced counter-terrorism provisions in the Counter-Terrorism Legislation Amendment Bill (No. 1) 2018. The amendments extend the operation of critical counter-terrorism provisions in the Criminal Code, the *Crimes Act 1914* and the *Australian Security Intelligence Organisation Act 1979*. This allows law enforcement and security agencies to respond to the ongoing threat of terrorist activities in Australia. The Bill was subject to inquiry and report by the Parliamentary Joint Committee on Intelligence and Security, which recommended that the Bill be passed. The Bill passed the House of Representatives on 25 June 2018 and is before the Parliament.

We progressed the outcomes from a COAG special counter-terrorism meeting that reviewed Australia's laws and practices for protecting the Australian community from violent extremism. Legislative measures include:

- enhancing the Commonwealth pre-charge detention regime under Part IC of the Crimes Act 1914
- creating a new Commonwealth offence to allow law enforcement agencies to intervene when an individual is in possession of instructional terrorist material
- creating a new Commonwealth terrorism hoax offence to criminalise terrorism hoaxes in all jurisdictions
- developing nationally consistent principles to underpin legislation so that bail or parole
  will not be granted to people who have demonstrated support for, or have links to,
  terrorist activity.

## Reforming the protective security framework

We have substantially reformed the Protective Security Policy Framework to better protect the people, information and assets of Commonwealth entities and to provide greater assurance to government. We are working with stakeholders to finalise these reforms for implementation in 2018–19. The new framework:

- improves clarity
- reduces unnecessary duplication and red tape
- focuses on security maturity levels rather than tick-box compliance
- fosters a strengthened security culture across government.

We have also progressed projects to improve risk management of personnel and to strengthen and streamline personnel security vetting decisions. This is needed to address the threat of

'trusted insiders' exploiting their position. The reforms keep the Commonwealth in-step with increasing threats and can provide confidence to Australia's international partners.

## Reforming cyber security

Under the 2016 Australian Government Cyber Security Strategy, the department is responsible for six initiatives. Four of these initiatives are on or ahead of schedule, while two have been deferred.

A national exercise program delivered cyber security exercises and activities tailored to national and organisational needs. Cyber security exercises and activities (national and CERT Australia programs) increased from 11 in 2016–17 to 48 in 2017–18. The exercises and activities inform incident management and business continuity plans and better define the roles and responsibilities of stakeholders in responding to cyber security incidents.

The current national cyber security awareness program, Stay Smart Online, has grown significantly as evidenced by its subscriber alert service, Facebook and website views. Through a number of cyber security awareness initiatives, including Stay Smart Online, the audience reach increased by 20 per cent and a wide range of information was produced about cyber security threats and ways for people to protect themselves online.

A 24/7 incident monitoring and reporting capability within CERT Australia commenced operations in March 2018 for the 2018 Gold Coast Commonwealth Games. It expanded operations, becoming fully operational in June 2018. Its 'global watch' capability provides early warning for the Australian Cyber Security Centre (ACSC) and assists in disseminating information to government and ACSC partners, including how to manage public messaging and policy and operational advice in relation to rapidly emerging cyber incidents.

We have deferred the design of an online portal for sharing cyber threat information between government and business. Scoping work was completed in 2017–18 and further work will continue following the move of CERT Australia to the ACSC in the Australian Signals Directorate.

We have also deferred the development of voluntary guidelines on good cyber security practice until a review is completed into the viability of this initiative.

## Countering espionage and foreign interference

A key achievement in protecting Australia's democratic and government processes was the passage of the National Security Legislation Amendment (Espionage and Foreign Interference) Bill and Foreign Influence Transparency Scheme Bill in June 2018. The Bills strengthen existing espionage, secrecy, sabotage and related offences and introduce into Australian law for the first time offences for foreign interference and theft of trade secrets. This work addresses concerns raised by the ASIO Director-General of Security that espionage and covert foreign interference was occurring within Australia and on an unprecedented scale.

The Bills ensure that law enforcement and security agencies have the powers they need to respond to foreign interference and related criminal activities. They contribute to the protection of Australia's national security and democratic institutions and processes. They also provide transparency to the Australian Government and the community about foreign influence in Australia.

The Bills were subject to inquiries by the Parliamentary Joint Committee on Intelligence and Security and we provided detailed submissions and appeared at public and private hearings.

# STRATEGIC PRIORITY 3: JUSTICE

What we said we would do Maintain an efficient Commonwealth justice system

Our government is responsible for the Commonwealth law and justice system. We work closely with justice institutions and support services to develop laws, policies and programs to ensure the system meets the needs of the Australian community.

## What we achieved

Most stakeholder survey targets for this strategic priority were exceeded this year. Stakeholders across organisations including Australian, state and territory governments, courts, tribunals, peak bodies, legal service providers and research institutions provided feedback on our delivery of activities under this strategic priority. The stakeholder survey showed a high level of client satisfaction with 'professionalism, skills and commitment of the staff involved in maintaining the Commonwealth justice system' (91 per cent). The stakeholder survey results for client satisfaction with 'staff effectiveness in maintaining the justice system' was not achieved with a survey score of 78 per cent; just below the target of 80 per cent.

Australia's regional and global position on civil justice (Factor 7) in the World Justice Project's Rule of Law Index is used to measure whether justice systems are accessible and affordable, and free of discrimination, corruption and improper influence by public officials. It measures whether court proceedings are conducted without reasonable delays and if decisions are enforced effectively. It measures accessibility, impartiality and effectiveness of alternative dispute resolution mechanisms. Australia's ranking improved to position 13 of 113 countries.

We also participated in all performance meetings and forums as outlined in the National Partnership Agreement on Legal Assistance Services 2015–20.

Table 6 provides results of the client survey against each of our performance measures.

TABLE 6: KPI performance statement for Strategic Priority 3: Justice

| KPI  | PERFORMANCE CRITERION <sup>(a)</sup>   | TARGET  | RESULT |
|--|--|---|--------|
| Effectiveness                                | Stakeholder and client satisfaction with the department's effectiveness in maintaining the Commonwealth justice system | 80%   | 78%    |
| Efficiency in meeting goals                  | Civil justice policy advice, program work and legislative changes  | Work is completed<br>on time, within<br>budget and in<br>compliance with<br>relevant guidelines | 79%    |
| Professionalism,<br>skills and<br>commitment | Stakeholder and client satisfaction with the professionalism, skills and commitment of our staff                       | 80%   | 91%    |
|  | Actively engage with all parties under<br>the National Partnership Agreement<br>on Legal Assistance Services           | Participate in all<br>meetings and<br>forums  | 100%   |
| Community impact                             | Australia's regional and global position on civil justice (Factor 7) in the World Justice Project's Rule of Law Index  | Position 15 or above  | 13     |

<sup>(</sup>a) Performance criteria as per Corporate Plan 2017–21, p. 11 and Portfolio Budget Statements 2017–18, Program 1.1, p. 13, Program 1.4, p. 15, Program 1.6, p. 16 and Program 1.9, p. 18.

The key activities under this strategic priority and a summary of relevant progress are provided Table 7. Further information about progress of achievements follows in the Analysis section.

TABLE 7: Activity performance statement for Strategic Priority 3: Justice

| TABLE 7: Activity performance statement for Strategic Priority 3: Justice   |   |  |  |
|---|---|--|--|
| KEY ACTIVITY  | RESULT  |  |  |
| Develop and implement reforms to the family law system to meet the needs of Australian families, including responses to family violence                                     | ACHIEVED  - Marriage Amendment (Definition and Religious Freedoms) Act 2017  - Family Law (Superannuation) (Interest Rate for Adjustment Period) Determination 2018 registered  - Maintenance Orders (Commonwealth Officers) Regulations 2018 remade  - Legislation (Family Law Instruments) Sunset-altering Declaration 2018 made  - ALRC members appointed to review the family law system ONGOING  - Amendments to laws consequential to the amended legal definition of marriage  - Amendments to the Family Law (Superannuation) Regulations 2001  - ALRC review of the family law system  - Civil Law and Justice Legislation Amendment Bill 2017  - Family Law Amendment (Parenting Management Hearings) Bill 2017  - Family Law Amendment (Family Violence and Other Measures) Bill 2017  - Family Law Amendment (Family Violence and Cross-Examination) Bill 2018  - Pilots for legally assisted and culturally appropriate family dispute resolution services  - Scholarship program for family law services training |  |  |
| Collaborate with states and territories to improve the intersection between the family law system and the state and territory criminal justice and child protection systems | ONGOING  - Leadership role in the Council of Attorneys-General Family Violence Working Group  |  |  |
| Administer funding for family law services and the regulation of family dispute resolution practitioners  | ACHIEVED  - Completion and evaluation of the Post Order Support Pilot  - Research on children and young people in separated families  - Redevelopment of the Family Relationships Online website  ONGOING  - Administering the Family Relationships Services Program and piloting services  - Accreditation of Family Dispute Resolution practitioners  - Pilots for legally assisted and culturally appropriate family dispute resolution services   |  |  |

| KEY ACTIVITY  | RESULT  |
|---|---|
| Undertake international<br>parental child abduction<br>casework   | ACHIEVED  - 82 applications finalised for the return of children abducted to and from Australia  ONGOING  - Processing 126 applications for the return of children abducted to and from Australia   |
| Support the federal courts<br>and tribunals to improve<br>their efficiency and funding<br>arrangements                          | ACHIEVED  - Court and tribunal appointments  - Legislative Options Report to harmonise practice and procedures in the Administrative Appeals Tribunal  - High Court of Australia funding to enhance security  ONGOING  - Legislative amendments following the Legislative Options Report  |
| Implement and administer programs and schemes for legal assistance  | ACHIEVED  - Financial assistance scheme for witnesses attending royal commissions  - Provision of additional funding under the National Partnership Agreement on Legal Assistance Services 2015–20  ONGOING  - Administering the National Partnership Agreement on Legal Assistance Services 2015–20  - Administering the Indigenous Legal Services Program  - Financial assistance schemes for legal costs and related expenses  - Native Title Respondents Scheme  - Administering the Expensive Commonwealth Criminal Cases Fund  - Administering the Community Legal Services Program |
| Support ongoing development of commercial law and policy, including in the areas of personal property securities and bankruptcy | ONGOING  - Participation with The Hague international conventions  - Response to the <i>Review of the Personal Property Securities Act 2009</i> - Bankruptcy Amendment (Debt Agreement Reform)  Bill 2018  - Bankruptcy Amendment (Enterprise Incentives) Bill 2017   |

# **Analysis**

## Reforming marriage laws and programs

This year saw historic reforms in marriage equality in Australia. On 9 December 2017, the definition of marriage in the *Marriage Act 1961* was amended by the *Marriage Amendment* (*Definition and Religious Freedoms*) *Act 2017* to be: 'the union of two people, to the exclusion of all others, voluntarily entered into for life'. The right to marry in Australia is no longer determined by sex or gender.

Our key achievements in delivering marriage equality:

- Developing exposure draft legislative reforms to change the legal definition of marriage, and supporting Parliamentary committee consideration of these proposals.
- Providing advice to the Attorney-General during Parliament's consideration of the *Marriage Amendment (Definition and Religious Freedoms) Act 2017.*
- Leading the process enabling prompt commencement of the reforms, including preparing the instrument of proclamation. The Governor-General signed the proclamation on 8 December 2017. Marriage equality commenced within two days of being passed by the Parliament.
- Working closely with marriage celebrants, religious bodies, state and territory governments, marrying couples and the public to ensure the marriage equality reforms were successfully implemented immediately after the legislation commenced.
- Developing dedicated accessible advice and information about the reforms which was available immediately for the public, celebrants, state and territory officials and media.
- Providing information to more than 8500 marriage celebrants in Australia to ensure they were aware of the change to the law and what it meant for marrying couples.
- Engaging with celebrant associations and religious bodies authorised to perform marriages as 'recognised denominations' under the *Marriage Act* 1961 to explain the changes.
- Advising foreign embassies and consulates in Australia about the reforms, including the recognition of foreign same-sex marriages in Australia.
- Working with state and territory governments that are responsible for registering marriages in Australia to ensure their systems and processes were updated and able to register same-sex marriages, including through the National Marriage Equality Working Group.
- Updating marriage forms and stationery used in Australia to remove gendered terms and ensure these are appropriate for use by marrying couples (changes were made in consultation with the Australian Bureau of Statistics, which uses this data to compile national statistics on marriages in Australia).

The new category of 'religious marriage celebrant' created by the *Marriage Amendment* (*Definition and Religious Freedoms*) Act 2017 was also implemented as part of the Marriage Celebrants Programme, enabling celebrants in the new category to exercise their religious beliefs to refuse to solemnise a marriage.

In the first six months of the reforms, around 2500 same-sex marriages were registered in Australia. Many more overseas same-sex marriages are also recognised. Data suggests that greater than 10 per cent of same-sex couples who live together are now married.

We reviewed the *Marriage Regulations* 1963 in line with the sunsetting framework, replacing them with new *Marriage Regulations* 2017 on 1 April 2018. The new regulations streamline and simplify requirements, remove obsolete and unnecessary provisions and reduce the regulatory

burden imposed on marriage celebrants. We consulted celebrant associations, federal courts, state and territory justice departments and marriage registries, registered training organisations and Australian Government agencies to prepare the new Regulations.

We revised the Guidelines on the Marriage Act 1961 for authorised celebrants to reflect the marriage equality reforms, and provide additional guidance to celebrants and the marrying public.

We prepared the Marriage (Recognised Denominations) Amendment (New Denominations and Other Name Changes) Proclamation 2018 that commenced on 31 May 2018. The Amendment Proclamation declared 10 new religious bodies or organisations as 'recognised denominations' for the purposes of the Marriage Act 1961 and updated the names of nine existing denominations.

We established new arrangements between the Governor-General of the Commonwealth and the Governor of each state to enable state officers to perform functions under the Marriage Act 1961. The new arrangements replace out-of-date instruments and ensure the appropriate legal authority exists in each state to make nominations for office holders under the Marriage Act 1961.

We continue to administer the Marriage Celebrants Programme, which regulates over 8500 marriage celebrants in Australia. We successfully meet regulator performance and cost-recovery reporting obligations.

# Improvements to the family law system

Changes in social norms and increasing community expectations for tailored services require reviews and reform of legislation, policy and programs. Reviews of the family law system pave the way for long-term, fundamental improvements to adapt to the needs of families in Australia.

We supported the establishment of the first comprehensive review of the family law system since the Family Law Act 1975 came into operation. This included issuing terms of reference and the appointment of experts in family law and services to the Australian Law Reform Commission to lead and undertake the review. The Commission is considering what reforms to the system are required to meet the needs of families into the future. It has received over 400 submissions in response to the Issues Paper it published and has undertaken over 100 consultations with stakeholders; reflecting a strong public interest in the review of the family law system.

The Family Law Amendment (Parenting Management Hearings) Bill 2017 was introduced into Parliament in December 2017. This legislation implements a trial of Parenting Management Hearings to provide multi-disciplinary (and less adversarial) alternatives to court processes for those resolving parenting arrangements following separation. It allows self-represented parties to come to parenting agreements quickly and with less expense.

This year we provided advice to the Attorney-General on family law policy issues related to the proposed referral of powers from Western Australia for superannuation-splitting for de facto couples.

The Maintenance Orders (Commonwealth Officers) Regulations 2018 were remade in consultation with the Department of Defence and the Department of Veterans' Affairs. The Orders enforce state and territory court orders that relate to the maintenance of children (or other people). The

sunsetting dates of family law regulations were deferred until after the review of the family law system by the Australian Law Reform Commission.

# Improving the family law system's response to family violence

Pilots under the Third Action Plan of the National Plan to Reduce Violence against Women and their Children 2010–2022 are in the second year of a three-year program. The pilots provide legally assisted and culturally appropriate family dispute resolution services through eight family relationship centres and integrated duty lawyer services with social support services in 16 family law court registries, and circuits in some states and territories.

The specialist domestic violence units and health justice partnerships pilot program, which commenced under the Women's Safety Package in 2015, was increased by six new units and expansion of one existing unit, commencing operations in January 2018.

At the 2016 COAG National Summit on reducing violence against women and their children, concerns were identified about the additional trauma that victims experience when crossexamined by their alleged perpetrator. In response, we finalised and released an Exposure Draft of the Family Law Amendment (Family Violence and Cross-examination of Parties) Bill in July 2017 that received 43 submissions.

We engaged the Australian Institute of Family Studies (AIFS) to work with the family law courts to determine the prevalence of direct cross-examination of victims by alleged perpetrators. The AIFS report of March 2018 found that direct cross examination occurred in 173 finalised hearings in the Family Court of Australia and the Federal Circuit Court of Australia over two years.

The Family Law Amendment (Family Violence and Cross-examination of Parties) Bill 2018 was introduced into the House of Representatives in June 2018. The Bill gives victims of family violence appropriate protections from personal cross-examination by alleged perpetrators.

We partnered with the Council of Attorneys-General Family Violence Working Group to improve the interaction between federal family law and state and territory child protection and family violence law systems. The working group produced best practice principles for information sharing and will soon finalise a framework for sharing court orders, judgments and transcripts.

In December 2017, the Family Law Amendment (Family Violence and Other Measures) Bill 2017 was introduced into the Senate. The Bill reduces the need for families to deal with multiple courts across federal family law and state and territory family violence and child protection systems. The Bill was referred to the Legal and Constitution Affairs Legislation Committee on 7 December 2017. In April 2018, the committee recommended that the Bill be passed.

The National Judicial College of Australia commenced a roll-out of family law training for state and territory judicial officers about exercising parenting and property jurisdiction under the Family Law Act. This project was funded by the Attorney-General's Department and will assist state and territory judicial officers to assist families holistically with their family violence and family law matters in one court setting.

Under the Family Law Act 1975, we identify and nominate appropriate advocates to act as litigation or case guardians for children and people with a disability in family law proceedings. In 2017–18, we processed 14 requests for litigation guardians and nominated four guardians.

# Administer funding for family law services and the regulation of family dispute resolution practitioners

Under the Family Relationships Services Program, the government provides funding to 65 not-for-profit organisations to deliver family law services. This gives families alternative means to resolve family disputes rather than going to a family law court. The services include family relationship centres, counselling, family dispute resolution and mediation, children's contact centres and other intensive post-separation support services.

We administer the Family Dispute Resolution Practitioner Accreditation scheme under the Family Law (Family Dispute Resolution Practitioners) Regulations 2008. The scheme provides nationally consistent standards for family dispute resolution practitioners providing competency in screening and assessing families for family violence and child abuse. In June 2018, there were 2280 accredited family dispute resolution practitioners. The number of registered practitioners remains steady.

Between July 2016 and October 2017, a Post Order Support Pilot was conducted to provide additional services to families that had already been to court. The pilot involved around 160 adults who had been to court and obtained interim or final parenting orders. The pilot was evaluated and a report was published in June 2018 for service providers and the department about the delivery of future services.

Australian Institute of Family Studies research was undertaken with children and young people whose parents had separated and had accessed the family law system. The research looked at the experiences of children and young people after their parents separate to identify areas where the family law system and other services could be improved. The interviews provided rich insights into the experiences and needs of children and young people. The report was released in June 2018.

During 2017–18, we funded a fourth round of scholarships for Aboriginal and Torres Strait Islander peoples and people from CALD communities to undertake study and build skills in understanding the family law system. Previous recipients have obtained employment in government-funded family law services. This has expanded the culturally sensitive services available to families.

The Family Relationships Online website was updated and refreshed during 2017–18 in partnership with the Department of Social Services. The website includes new resources and gives access to information that helps families understand dispute resolution especially when undertaking the process themselves without going to court.

# Undertake international parental child abduction casework

We administer Australia's obligations under the Haque Convention on the Civil Aspects of Child Abduction and the Haque Convention on Jurisdiction, Applicable Law, Recognition, Enforcement and Cooperation in Respect of Parental Responsibility and Measures for the Protection of Children.

We received 126 new abduction applications involving children abducted from and brought to Australia. This compares to 144 abduction applications in 2016–17. We finalised 82 applications.

# Supporting federal courts and tribunals

We assisted the High Court of Australia in obtaining funding to enhance security following a review of the High Court of Australia's security arrangements.

In July 2017, a report to standardise the practices and procedures of the Administrative Appeals Tribunal was finalised. The changes follow the amalgamation of the Administrative Appeals Tribunal with the former Social Security Appeals Tribunal and Migration Review and Refugee Review Tribunals and the transition to its current structure and responsibilities. The revised practices and procedures bring about efficiencies in the operation of the tribunal.

During 2017–18, the following were finalised:

- Federal Courts five judges were appointed to the Federal Court of Australia, four judges to the Family Court of Australia and nine judges to the Federal Circuit Court of Australia. This includes the appointment of the Chief Justice of the Family Court and the Chief Judge of the Federal Circuit Court.
- Administrative Appeals Tribunal 72 appointments comprising four deputy presidents, 16 senior members and 52 members.
- Australian Law Reform Commission a new president of the Commission who was dually appointed as a Federal Court judge.

We are progressing a key government priority to reform Australia's family law courts system, by bringing together the Family Court of Australia and the Federal Circuit Court of Australia to be known as the Federal Circuit and Family Court of Australia (FCFC). Division 1 of the FCFC will be a continuation of the Family Court and Division 2 of the FCFC will be a continuation of the Federal Circuit Court. A new Family Law Appeal Division in the Federal Court of Australia will be established to hear all appeals in family law matters from the FCFC. The reform will complement the Australian Law Reform Commission review of the family law system.

# Improving legal assistance

We administer and manage programs that deliver legal assistance services and provide quality outcomes. The implementation and administration of programs and schemes for legal assistance is an ongoing activity for the department. We administer the National Partnership Agreement on Legal Assistance Services 2015–2020 that provides funding to states and territory legal aid commissions and community legal centres. This is to ensure that the most vulnerable people in Australia have access to legal services.

We have commenced a review of the partnership as required by Clause 41 of the agreement. The review is a joint effort involving the Commonwealth, state and territory governments. An independent reviewer has been engaged and the review is due for completion by December 2018.

During 2017–18, we administered the Indigenous Legal Assistance Program that funds organisations to deliver culturally appropriate legal assistance services so that Indigenous communities receive the help to overcome legal problems and exercise legal rights. This work involved liaison with seven Indigenous legal assistance providers.

We administered the changeover to the Northern Australian Aboriginal Justice Agency as the sole service provider for Indigenous legal assistance in the Northern Territory. We also coordinated the tabling of the Australian Law Reform Commission final report, Pathways to justice—an inquiry into the incarceration rate of Aboriginal and Torres Strait Islander peoples.

An independent review of the Indigenous Legal Services Program has commenced and is expected to be finalised by December 2018. The outcomes of this review will inform future arrangements for legal assistance services from 1 July 2020.

During 2017–18, we administered legal financial assistance schemes to help people who do not qualify for legal aid and could not otherwise afford to pay for their legal costs. These include:

- 22 statutory and non-statutory schemes (most include legal costs and disbursements while some are limited to disbursements only)
- native title respondent funding and native title officers scheme
- · legal financial assistance for royal commissions (legal costs and disbursements associated with witnesses attending an interview or hearing).

During 2017–18, we assessed 756 applications across the various schemes resulting in 503 grants of legal financial assistance. This is a decrease from 1070 applications and 884 grants of legal assistance in 2016–17. The reduction is largely attributable to the completion of the Royal Commission into Institutional Responses to Child Sexual Abuse and the Royal Commission into Protection and Detention of Children in the Northern Territory.

At the start of 2018, we established a legal financial assistance scheme for witnesses attending a hearing or interview with the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The scheme will run for the life of the Royal Commission.

We also administer funding under the Community Legal Services Program for the provision of legal assistance. In 2017–18, funding was provided for service delivery projects, innovative pilot programs and support activities. During 2017–18, 12 new funding agreements were established and administered alongside existing agreements including initiatives such as the Legal Aid Commission of South Australia's Online Dispute Resolution System project and Legal Aid Western Australia's Blurred Borders project.

We administer the Expensive Commonwealth Criminal Cases Fund (ECCCF) to reimburse legal aid commissions for costs incurred defending clients in serious and high-cost Commonwealth criminal matters. This program ensures that legal aid commissions have resources to defend individuals charged with serious Commonwealth criminal offences. During 2017–18, we managed the successful transition of the ECCCF to the Community Grants Hub within the Department of Social Services. This is part of the whole-of-government approach to streamlining grants administration.

# Reforming commercial law, personal property securities and bankruptcy

In consultation with stakeholders, we developed two Bills to reform the Bankruptcy Act 1966. These reforms improve the safeguards for debtors and creditors involved in debt agreements. The Bankruptcy Amendment (Debt Agreement Reform) Bill 2018 improves the operation of debt agreements under the Act. The Bankruptcy Amendment (Enterprise Incentives) Bill 2017 reduces the default period of bankruptcy from three years to one year and is designed to reduce the stigma of bankruptcy.

Progress has occurred in the government response to the Review of the Personal Property Securities Act 2009. The aim is to simplify the Act and the Personal Property Securities Register, complementing the Australian Government's deregulation, innovation and digital transformation agenda. The review improves the personal property securities framework. Simplifying personal property securities law reduces the cost of secured finance and makes it easier for businesses and consumers to use their assets as security.

#### Other work

Australia has been an active member of the Hague Conference on Private International Law since 1973. Australia is a party to a number of progressive conventions negotiated under the auspices of the Hague Conference, both in family and civil law. These instruments establish harmonised rules and procedures for cross border civil matters and are regularly used by Australian and foreign litigants.

We are developing the International Civil Law Bill 2018 to enable Australia to accede to the *Hague Convention on Choice of Court Agreements*. The convention provides harmonised rules for courts relating to exclusive choice of court agreements in international civil matters (agreements that specify a court in a particular jurisdiction that will hear any dispute arising under the agreement). The convention also provides rules for the recognition and enforcement of judgments that are made pursuant to these agreements. The legislation will create certainty for Australian civil litigants involved in international disputes and will reduce the risk of unnecessary court costs.

We negotiated on the Hague Conference Convention for the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters. Australia will participate in a Diplomatic Conference to finalise the convention in 2019.

These conventions are robust regimes for the recognition and enforcement of foreign judgments. Australians will have greater certainty when it comes to the enforceability of an Australian judgment overseas, for example where assets are located in another country.

# STRATEGIC PRIORITY 4: CRIME

What we said we would do Pursue responses to serious and organised crime, and improve community safety

Our government is responsible for providing a safe and secure Australia for its people, economy, partners and neighbours. We develop laws, provide legal advice and work with other countries to combat crime, corruption and violence to keep Australia safe.

#### What we achieved

There is a high level of client satisfaction for work under this strategic priority. A range of stakeholders including Australian, state and territory governments, law enforcement agencies and overseas justice organisations provided feedback on our delivery of activities. In the 2017–18 survey, client satisfaction remained well above our targets.

Australia's regional and global position on criminal justice (Factor 8) in the World Justice Project's Rule of Law Index is used to benchmark our impact on the community. Factor 8 measures whether the criminal investigation, adjudication and correctional systems are effective and whether the system is impartial, free of corruption and improper influence, and protective of due process and the rights of the accused. Australia's ranking is 13 of 113 countries.

A range of functions transferred from the Attorney-General's portfolio to the Home Affairs portfolio as a result of machinery-of-government changes. The second phase of the machineryof-government changes occurred on 10 May 2018 following the passage of the Home Affairs and Integrity Agencies Legislation Amendment Act 2017. ASIO and associated functions transferred from the Attorney-General's portfolio to the Home Affairs portfolio at that time. As a result, some activities in our 2017–21 Corporate Plan are not included here.

Stakeholder survey percentages (Table 8) for this strategic priority include results for functions that transferred to the Department of Home Affairs under the change to the Administrative Arrangements Order on 10 May 2017. The results for this function are consistent with the satisfaction ratings given for other areas that contribute to the delivery of this strategic priority.

TABLE 8: KPI performance statement for Strategic Priority 4: Crime

| KPI                         | PERFORMANCE CRITERION <sup>(a)</sup>  | TARGET  | RESULT |
|-----------------------------|---|---|--------|
| Effectiveness               | Stakeholder and client satisfaction with the department's effectiveness in maintaining the Commonwealth justice system and community safety | 80%   | 95%    |
| Efficiency in meeting goals | Criminal justice policy advice,<br>program work and legislative<br>changes  | Work is completed<br>on time, within<br>budget and in<br>compliance with<br>relevant guidelines | 93%    |

| KPI                                    | PERFORMANCE CRITERION <sup>(a)</sup>   | TARGET               | RESULT |
|--|--|----------------------|--------|
| Professionalism, skills and commitment | Stakeholder and client satisfaction with the professionalism, skills and commitment of our staff involved in maintaining the Commonwealth criminal justice system and community safety | 80%                  | 95%    |
| Community impact                       | Australia's regional and global position on criminal justice (Factor 8) in the World Justice Project's Rule of Law Index   | Position 10 or above | 13     |

<sup>(</sup>a) Performance criteria as per Corporate Plan 2017–18, p. 13 and Portfolio Budget Statements 2017–18, Program 1.2, p. 14. The key activities under this strategic priority and a summary of relevant progress are provided in Table 9. Further information about progress of achievements follows in the Analysis section.

TABLE 9: Activity performance statement for Strategic Priority 4: Crime

| KEY ACTIVITY  | RESULT  |
|---|---|
| Develop and implement initiatives to respond to the evolving threat of serious and organised crime, including facilitating the use of criminal intelligence and information sharing   | ACHIEVED  - Fraud Liaison Forum hosted  - Counter-Fraud Community-of-Practice established  - Criminal Code Amendment (Impersonating a Commonwealth Body) Bill 2017  ONGOING  - Strengthening arrangements for domestic law enforcement agencies   |
| Represent Australia in relevant international forums and work with regional partner countries to strengthen regional criminal laws – including people smuggling, human trafficking, money laundering, counter-terrorism financing and transnational organised crime | ACHIEVED  - Phase 4 assessment by the Organisation for Economic Co-operation and Development's Working Group on Bribery  - Pacific Legal Policy Twinning Program and Legal Policy Champions Program  ONGOING  - Anti-corruption in international fora  - Implement the second cycle of the United Nations Convention against Corruption  - Funding and assistance to Pacific Islands Law Officers Network  - Participation in the Papua New Guinea Institutional Partnerships Program |
| Lead the development and coordination of policy concerning a national domestic violence order scheme  | TRANSFERRED to Department of Home Affairs   |

| KEY ACTIVITY   | RESULT  |
|--|---|
| Deliver grants funding to local councils, schools and other community organisations to improve community safety and reduce crime                                   | TRANSFERRED to Department of Home Affairs   |
| Develop and implement reforms in criminal law and transnational crime-related frameworks, including anti-corruption, money laundering, firearms, sex offenders and | TRANSFERRED  – Policy for firearms, money laundering and sex offenders were transferred to Department of Home Affairs                 |
| international crime cooperation  | ACHIEVED  - National Firearms Amnesty   |
|  | – Crimes Legislation Amendment (International Crime<br>Cooperation and Other Measures) Act 2018                                       |
|  | <ul> <li>Passports Legislation Amendment (Overseas Travel<br/>by Child Sex Offenders) Act 2017</li> </ul>                             |
|  | <ul> <li>Crimes Legislation Amendment (Sexual Crimes<br/>Against Children and Community Protection<br/>Measures) Bill 2017</li> </ul> |
|  | – Crimes (Overseas) (Declared Foreign Countries)<br>Amendment Regulations 2017  |
|  | – Extradition (El Salvador) Regulations 2017 and the Extradition Legislation Amendment (2017 Measures No. 1) Regulations 2017         |
|  | ONGOING  - Anti-corruption, fraud and foreign bribery and international crime cooperation policy development                          |
| Support partner agencies to develop and implement policy in the aviation and maritime sectors  | TRANSFERRED to Department of Home Affairs   |
| Undertake extradition, mutual legal assistance, international prisoner transfers, federal offenders and firearms import casework                                   | ACHIEVED  – Over 1400 casework matters completed  |

# **Analysis**

## Responding to serious and organised crime

In 2017–18, we continued to strengthen arrangements for domestic law enforcement agencies, including collaborating with the Home Affairs portfolio to help combat serious and organised crime. We maintain strong international relations and participate in multiple fora to progress anti-corruption initiatives. We led Australia's engagement with anti-corruption forums established under the G20, Organisation for Economic Co-operation and Development, United Nations Office on Drugs and Crime and Asia-Pacific Economic Cooperation.

In December 2017, the OECD Working Group on Bribery tabled its report on its Phase 4 review of Australia's performance under the Anti-Bribery Convention. The report commended the marked increase in Australia's enforcement of its foreign bribery laws and the substantial steps and reforms adopted by Australia in recent years.

We developed legislation for the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2017, which was introduced into Parliament in December 2017. The Bill amends existing foreign bribery offence and introduces a new offence that holds companies liable for failing to prevent foreign bribery by their associates.

Australia is undergoing a second cycle review under the *United Nations Convention against Corruption* related to asset recovery and corruption prevention. In April 2018, we hosted reviewing countries, Pakistan and Iceland, and representatives from the United Nations Office on Drugs and Crime. Their report is due later in 2018.

We continued activities to combat fraudulent behaviour and strengthen public confidence in Australian Government bodies. In November 2017, we hosted the Fraud Liaison Forum with over 350 people representing 70 Australian Government agencies. The forum allowed attendees to share information and discuss fraud issues. We also developed standardised fraud training to create future e-learning modules.

We assisted in establishing the Counter-Fraud Community-of-Practice to improve information sharing on fraud controls, risks and vulnerabilities.

In June 2018, the Criminal Code Amendment (Impersonating a Commonwealth Body) Bill 2017 was passed. The Bill introduced offences for anyone representing themselves to be or to act on behalf of or with authority of a Commonwealth entity or service.

During 2017–18, the Commonwealth Parole Office (responsible for making decisions on the parole of offenders convicted of Commonwealth offences) made:

- 221 parole decisions
- 5 decisions about early release on licence
- 9 decisions about interstate transfer of federal prisoners
- 12 decisions about overseas travel for parolees.

# Working regionally to strengthen criminal laws

Under the Pacific Police Development Program we work with regional partners to strengthen Pacific policing and criminal laws and improve their capacity to develop and implement laws and policies.

In 2017-18, we:

- trained 243 Pacific officials in legal policy, law reform and other legal capabilities
- assisted Pacific island countries with cybercrime legislative reforms, particularly with a view to their accession to the Council of Europe Convention on Cybercrime ('the Budapest Convention')
- completed an overview of child exploitation laws in the Pacific for the Pacific Islands Chiefs of Police and the Pacific Islands Law Officers Network (PILON).

We also provided funding and technical assistance to the PILON secretariat (hosted by the Samoan Attorney-General's Office) to support its work on regional law and justice issues.

In 2017–18, we assisted PILON to develop the General Principles for Obtaining the Best Evidence from Vulnerable Witnesses to Sexual and Gender Based Violence Offences and Guiding Principles on Protecting Whistleblowers and Encouraging Protected Disclosures.

Addressing cybercrime is a priority for the Pacific region. We worked in partnership with the Tongan Attorney-General's Office to develop the Computer Crimes Bill and Computer Crimes (Consequential Amendments) Bill. We also assisted Tuvalu, Vanuatu, the Solomon Islands and Samoa to analyse their cybercrime legislation against the Budapest Convention.

Additionally, we supported PILON to hold the Second Annual PILON Cybercrime Workshop focused on combatting Pacific online child abuse. Online child abuse is prevalent across the globe and requires a collaborative approach.

In 2017–18, we delivered the Pacific Legal Policy Twinning Program and Legal Policy Champions Program. These programs included participants from Samoa, the Solomon Islands, Papua New Guinea, Vanuatu and Tuvalu.

We continued to work closely with counterpart Papua New Guinea agencies on shared priorities and challenges under the aid-funded whole-of-government Institutional Partnerships Program. Supporting stable and prosperous regional partners, including Papua New Guinea, is a significant foreign policy objective.

We are working with the Papua New Guinea Department of Justice and Attorney General on projects including an institutional 'capacity diagnostic', extradition law reform, the Asia-Pacific Economic Cooperation security legal framework and training government lawyers to manage complex commercial contracts and build skills in statutory interpretation and advocacy.

## Reforming criminal law and transnational frameworks

The National Firearms Amnesty ran from 1 July – 30 September 2017. Our role was to oversee and fund the public information campaign and to chair and provide secretariat functions for the working group. By the end of the three-month period, 57,324 firearms had been surrendered nationally. This included almost 2500 fully-automatic and semi-automatic firearms.

We managed the passage of the Crimes Legislation Amendment (International Crime Cooperation and Other Measures) Act 2018. The Act strengthens Australia's criminal justice framework to ensure that law enforcement and justice agencies are equipped with the necessary powers.

#### Key amendments:

- Enhance Australia's cooperation with the International Criminal Courts and international war crime tribunals.
- Enhance Australia's anti-human trafficking and slavery regime and the protections afforded to vulnerable witnesses.
- Strengthen Australia's capability to detect and address risks to national security in relation to large-scale events.
- Enhance Australia's anti-money laundering and counter-terrorism financing framework.
- Enhance the drug and alcohol testing arrangements of the Australian Federal Police.

In 2017–18, the Passports Legislation Amendment (Overseas Travel by Child Sex Offenders) Act 2017 was passed. The Act makes it a criminal offence for child sex offenders to travel, or attempt to travel, overseas without permission. Prior to this reform, registered child sex offenders were able to travel overseas undetected by authorities, including to countries where weaker laws allowed predators to commit crimes against children. In 2016, 800 registered child sex offenders travelled overseas and about 40 per cent did so without informing authorities.

In 2017–18, the Extradition (El Salvador) Regulations 2017 were made to modernise the extradition relationships between Australia and El Salvador.

The Extradition Legislation Amendment (2017 Measures No. 1) Regulations 2017 were also made. The Regulations ensure that Australia considers extradition requests from India under the bilateral treaty and that Australia continues to meet extradition obligations under other multilateral treaties.

The Crimes (Overseas) (Declared Foreign Countries) Amendment Regulations 2017 were also made during 2017–18. These Regulations extend Nauru's declaration under the Crimes (Overseas) Act 1964, which allows Australians working for the Commonwealth to be prosecuted for offences committed in Nauru under Australian law. This ensures that Australian personnel in Nauru are subject to a criminal jurisdiction in all appropriate circumstances.

We continue to adapt Australia's legal framework to protect the community from international crime, including progressing bilateral treaty-level agreements. In May 2018, Australia signed the international transfer of prisoners treaty with the United Arab Emirates. This treaty will allow people imprisoned in Australia or the United Arab Emirates to apply to serve the remainder of their sentences in their home country. The treaty creates benefits for Australia including improving prisoner prospects for rehabilitation, permitting effective monitoring and supervision of prisoners on release or parole and reducing the costs to Australia associated with the incarceration of foreign nationals.

In October 2017, extradition and mutual assistance treaties with the Hashemite Kingdom of Jordan were tabled in Parliament. The treaties with Jordan will establish practical arrangements for both countries to provide information and strengthen bilateral crime cooperation and law enforcement relationships.

The Crimes Legislation Amendment (Sexual Crimes Against Children and Community Protection Measures) Bill 2017 was passed by the House of Representatives and introduced into the Australian Senate. The Bill includes reforms to the Crimes Act 1914 and the Criminal Code to:

- create new offences targeting use of technology in child sexual abuse
- strengthen protections from child sex offenders
- ensure sentencing of child sex offenders reflects their criminal behaviour
- improve protections for vulnerable witnesses.

### Delivering international crime cooperation casework

Our work strengthens international crime cooperation relationships. Australia is a party to 30 bilateral mutual assistance treaties and a number of multilateral treaties, such as the United Nations Convention against Corruption. In 2017–18, we completed 780 mutual assistance requests and 64 extradition requests.

Our work also promotes reintegration of prisoners convicted overseas. Australia has International Transfer of Prisoner arrangements with 65 countries under the Council of Europe Convention on the Transfer of Sentenced Persons and six bilateral treaties (Thailand, Hong Kong, Cambodia, Vietnam, China and India). In 2017–18, we completed 30 international prisoner transfers.

# STRATEGIC PRIORITY 5: RIGHTS

What we said we would do Enable a free society with balanced rights, freedoms and responsibilities

Our government is responsible for promoting and protecting people's rights within Australia. We provide advice, policies and laws to help people enjoy a life in which their rights are respected and protected.

## What we achieved

Stakeholders including Australian agencies, legal service providers, non-government organisations, research institutions and private industry provided feedback on our delivery of activities. Stakeholders remain satisfied with the 'professionalism and commitment of our staff in enabling a free society' (86 per cent).

Australia's regional and global position on fundamental rights (Factor 4) in the World Justice Project's Rule of Law Index is used to benchmark our impact on the community. Factor 4 measures how the protection of human rights; the enforcement of laws that provide equal protections; the right to life and security; the due process of law and the rights of the accused; freedom of opinion and expression, belief and religion, assembly and association; the rights to privacy; labour rights and the elimination of discrimination is experienced by the public. The 2017 Rule of Law Index used its research data for Australia from 2016. The 2017 Index noted the greatest decline globally over the past 12 months is in Factor 4, with 71 of the 113 countries that are included having a lower rating. Australia's ranking remains at 13 of 113 countries.

We also conducted evaluation and design reviews for all major projects. Table 10 provides results of the client survey against each of our performance measures.

**TABLE 10:** KPI performance statement for Strategic Priority 5: Rights

| KPI  | PERFORMANCE CRITERION <sup>(a)</sup>   | TARGET  | RESULT |
|--|--|---|--------|
| Effectiveness                                | Stakeholder and client satisfaction with the departments' effectiveness in enabling a free society                               | 80%   | 75%    |
| Efficiency in meeting goals                  | Policy advice, program, work and legislation   | Work is completed<br>on time, within<br>budget and in<br>compliance with<br>relevant guidelines | 79%    |
| Professionalism,<br>skills and<br>commitment | Stakeholder and client satisfaction with the professionalism, skills and commitment of staff involved in enabling a free society | 80%   | 86%    |
|  | Evaluation and design review processes   | For all major projects  | Met    |
| Community<br>impact                          | Australia's regional and global position on fundamental rights (Factor 4) in the World Justice Project's Rule of Law Index       | Position 10 or above  | 13     |

<sup>(</sup>a) Performance criteria as per Corporate Plan 2017–21, p. 15 and Portfolio Budget Statements 2017–18, Program 1.1, p. 13, Program 1.4, p. 15, Program 1.5, p. 16 and Program 1.6, p. 16.

The key activities under this strategic priority and a summary of relevant progress are provided in Table 11. Further information about progress of achievements follows in the Analysis section.

**TABLE 11:** Activity performance statement for Strategic Priority 5: Rights

| KEY ACTIVITY   | RESULT  |
|--|---|
| Advice on human rights matters<br>and implement the Australian<br>Government's human rights agenda,<br>including developing measures to<br>protect the rights of older Australians | <ul> <li>ONGOING</li> <li>Advice to government on policy proposals and draft legislation</li> <li>Consultations on the National Plan on Elder Abuse</li> <li>A knowledge hub and research on elder abuse</li> <li>Harmonising enduring powers of attorney, particularly financial powers</li> </ul> |
| Administer the <i>Privacy Act 1988</i> to protect personal information in the federal public sector and in the private sector  | ACHIEVED  - The Notifiable Data Breaches Scheme under the Privacy Amendment (Notifiable Data Breaches) Act 2017  - Government agreement to participate in the Asia-Pacific Economic Cooperation Cross-Border Privacy Rules system  ONGOING  |
|  | <ul><li>– Privacy Amendment (Re-identification Offence) Bill</li><li>2016 reform</li><li>– Review of financial hardship arrangements</li></ul>  |

| KEY ACTIVITY   | RESULT   |
|--|--|
| Assist the Australian Government<br>to ratify the Optional Protocol to<br>the Convention against Torture and<br>Other Cruel, Inhuman or Degrading<br>Treatment or Punishment | ACHIEVED  - Ratified the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT)  ONGOING  - Work with states and territories on the implementation of OPCAT |

# **Analysis**

# Protecting human rights and older Australians

Trust is critical to community confidence in Australia's government institutions and processes. Our activities promote transparency and accountability and help ensure that government acts legally and with respect for human rights.

We provide advice on the human rights implications of government policy proposals, draft legislation and submissions to Cabinet, and advise on drafting statements of compatibility with human rights.

In February 2018, the Council of Attorneys-General agreed to the development of a National Plan on Elder Abuse, implementing a key recommendation of Australian Law Reform Council 2017 Report 131, Elder Abuse – A National Legal Response. We worked closely with the states and territories and released a consultation paper to guide discussions with stakeholders about the Plan's priorities. A draft of the National Plan on Elder Abuse is due by the end of 2018.

Financial security for older people is an important area for protection. A significant body of anecdotal evidence indicates that arrangements for enduring powers of attorney, which allows a designated person to access and manage another person's financial arrangements, may lead to abuse. We have partnered with state and territory governments to investigate harmonising enduring power of attorney laws, with a particular focus on financial arrangements to safeguard the finances of older people.

It is important that advice and decisions about the abuse of older people be based on evidence of the situations and causes. We are working with research organisations to examine available data on the lived-experience of older people and research to measure the prevalence of elder abuse.

# Administering the Privacy Act 1988

In 2017–18, we finalised work on the Privacy Amendment (Notifiable Data Breaches) Act 2017. The Act introduces the Notifiable Data Breaches Scheme, which requires that government and businesses subject to the Privacy Act 1988 (Cth) notify individuals of data breaches that may cause them serious harm. In the first six weeks of the scheme, the Office of the Australian Information Commissioner received 63 data breach notifications under the scheme.

As our environments evolve, the changing use of technology has implications on the effectiveness of Australia's privacy structures. In November 2017, Australia announced its participation in the Asia-Pacific Economic Cooperation Cross-Border Privacy Rules (CBPR). The CBPR allows the flow of personal information across borders while providing effective protection. This is essential to maintain trust and confidence in digital information transfers.

Our work on the Privacy Amendment (Re-identification Offence) Bill 2016 has progressed and is before the Senate. The Bill amends the Privacy Act 1988 to improve protections of anonymised datasets published by the Australian Government. In this way, we are improving privacy protections for people to give greater confidence in how personal information is handled.

In March 2018, we commenced a review of existing financial hardship arrangements and how they work within Australia's consumer credit reporting framework. The review stems from concerns about how hardship arrangements are treated in the consumer credit reporting system. A discussion paper was released and submissions were received during June 2018. We expect to finalise the review later in 2018.

# Ratifying the Optional Protocol to the Convention against Torture

In December 2017, the Australian Government, with our assistance, ratified the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT). OPCAT is an international treaty aimed at preventing torture and cruel, inhuman or degrading treatment or punishment in places where people are deprived of their liberty. OPCAT entered into force in Australia in January 2018 and demonstrates Australia's commitment to preventing torture and mistreatment in places of detention.

Following ratification, we are working with the Commonwealth Ombudsman and state and territory governments to establish Australia's National Preventive Mechanism. This will be a cooperative network of government oversight bodies coordinated by the Commonwealth Ombudsman. The Human Rights Commissioner is leading civil society consultations on the implementation of OPCAT.

#### Other work

We lead Australia's engagement with the United Nations human rights treaty body system. We appeared before the United Nations Human Rights Committee regarding Australia's implementation of the International Covenant on Civil and Political Rights and submitted Australia's report under the Convention on the Rights of the Child, Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography and Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict. In partnership with the Department of Foreign Affairs and Trade, we prepared comprehensive briefing for the Australian delegation that appeared before the Committee on the Elimination of Racial Discrimination. This work demonstrates Australia's strong commitment to the United Nations human rights system, and to international scrutiny.

# PART 3 Management and accountability

| Governance                    | 52 |
|-------------------------------|----|
| External scrutiny             | 56 |
| Management and accountability | 62 |

# Governance

## Governance framework

The department's governance framework supports the achievement of its purpose. Our framework is an effective system for managing risk and fraud as well as human and financial resources through planning and assurance processes.

## Senior leadership

Our senior leadership team as at 30 June 2018 comprised:

#### Secretary

· Chris Moraitis PSM

#### **Deputy Secretaries**

- Iain Anderson, Civil Justice and Corporate Group
- · Michael Kingston, Australian Government Solicitor
- Sarah Chidgey, Criminal Justice and National Security Group (Acting)

More information about the department and the organisation chart is included in Part 1 of this report.

## Senior management committees

A number of governance for support the Secretary and ensure effective governance within the department.

#### **Executive Board**

The Executive Board is the primary decision-making body. The board sets the vision and strategy for the department, oversees risk and ensures organisational performance. It is responsible for driving organisational capability, culture and strategic stakeholder engagement. It comprises the Secretary and Deputy Secretaries, the Australian Government Solicitor, Chief Finance Officer, Chief Information Officer, First Assistant Secretary Strategy and Delivery Division and Head of Human Resources. A representative from each of the SES Band 2 and Band 1 cohorts rotate as members every six months.

#### **Senior Management Committee**

The Senior Management Committee is a forum for sharing information about significant corporate and strategic whole-of-department issues. It also serves as the Investment Review Board, ensuring capital investments and projects are aligned with the department's strategic priorities and are financially stable.

#### **Executive reviews**

Executive reviews enable Executive Board members to meet with senior management from each business unit throughout the year. The meetings focus on strategic priorities, risk management, emerging challenges and opportunities, workforce planning, resource allocation and progress of key initiatives.

#### **Audit and Risk Management Committee**

The Audit and Risk Management Committee comprises three external and two internal members. The Chief Operating Officer, Chief Finance Officer, the department's Governance Office and the ANAO are represented at the meetings. The committee provides independent assurance to the Secretary about the adequacy of the department's financial reporting, performance reporting, risk management framework, systems of internal control and internal audit function.

# **Corporate planning**

A corporate plan is developed each year in accordance with section 35(1)(b) of the Public Governance Performance and Accountability Act 2013 (PGPA Act). The plan details the priorities for the year ahead, how they will be achieved and how they will be measured as well as the factors that may affect us undertaking our activities. The plan is published on the department's website in August. It is the important link in the department's performance framework between the portfolio budget statements and the annual report.

FIGURE 2: Our planning and performance framework







# Risk management

The department's risk management framework is based on the Commonwealth Risk Management Policy and meets the requirements of section 16 of the PGPA Act.

We integrate risk management into everyday operations to foster a culture that promotes an open and proactive approach to managing risk. Risk assessment, informed risk taking and the anticipation and treatment of risk in meeting our objectives is encouraged and managed. Our risk oversight includes regular monitoring and reporting.

We share risk with our stakeholders, being other Australian Government entities, other jurisdictions (state, territory and international), ministers, suppliers and vendors, grant recipients, industry and communities. We undertake consultation and cooperation to effectively identify, understand and manage risks.

# **Security and Risk Management Committee**

The Security and Risk Management Committee is responsible for ensuring a cohesive and coordinated departmental approach to risk, fraud, business continuity and information, physical and personnel security.

# Fraud prevention and control

Fraud and corruption have the potential to damage our performance and business outcomes. The department minimises fraud risks by preventing, detecting, investigating, recording and reporting instances of fraud and corruption through the implementation of policies, procedures and practices that align with the Commonwealth Fraud Control Framework.

### Internal audit

Internal audit is a central component of our governance framework. Audit strengthens accountability and promotes good governance and transparency through independent and objective assurance.

We have an internal audit program that specifically considers our strategic priorities and risks. Our audit regime reinforces the appropriate use of resources, cost-effectiveness, self-assessment and continuous improvement.

### **Ethical standards**

During 2017–18, the department maintained the high ethical standards and behaviours of its employees. A review of the Program for Performance Improvement and Managing Underperformance policies undertaken by human resources confirmed our culture of commitment to the APS Values. The expectation of high performance and commitment to the APS Values, Code of Conduct and the APS Employment Principles were communicated to employees through consultation and education sessions.

Our induction program provides clear guidance for new employees in relation to the APS Values, Code of Conduct and Employment Principles. All new employees are provided with a copy of these documents. All employees sign a statement acknowledging they have read and understood the requirements in these documents for being an APS employee.

Managing Performance Concerns and Appropriate Behaviour workshops were developed in response to a 2016–17 APS Census that indicated employees were concerned about these matters. The workshops were well attended and reinforced the workplace behaviours expected of employees under the Code of Conduct.

The department participates in the Australian Public Service Commission Ethics Contact Officer Network. Information is available to employees regarding how to contact the Ethics Advisory Service to discuss any concerns they may have in this regard.

All alleged breaches of the Code of Conduct are treated seriously and managed in accordance with best practice.

# External scrutiny

The department's operations are subject to scrutiny from a number of external bodies, including the Australian National Audit Office, the Commonwealth Ombudsman, various parliamentary committees and the courts. A number of significant decisions will impact on our operations into the future

## **Judicial decisions**

#### Liem v Republic of Indonesia (2017) FCA 1303

Mr Liem was found eligible for surrender to the Republic of Indonesia in relation to alleged embezzlement and money laundering offences. Mr Liem applied to the Federal Court for a review of the magistrate's finding of surrender eligibility. One of the key issues before the Federal Court was whether the request material from Indonesia was capable of establishing that Mr Liem was 'accused' of the extradition offences (i.e. whether Mr Liem was wanted for prosecution for those offences in Indonesia, as opposed to only being the subject of investigation).

The Federal Court found that Mr Liem was accused of the extradition offences and held that the interpretation of Australia's extradition legislation needs to take into account differences in criminal justice systems in countries and that, when viewed holistically, a prosecution process had commenced against Mr Liem in Indonesia.

#### Ng v Attorney-General (2017) FCA 1392

Mr Ng was originally sentenced to a term of imprisonment in the People's Republic of China. He was transferred to Australia under the Treaty between the Government of Australia and the Government of the People's Republic of China concerning Transfer of Sentenced Persons to serve the balance of his sentence as though he was a federal offender who had the same sentence imposed on him in Australia. After returning to Australia, Mr Ng was released on licence on compassionate grounds. Ten weeks after his release, Mr Ng applied to have all of his licence conditions removed or, alternatively, the removal of the condition that required Mr Ng to have the written permission of the Attorney-General to leave Australia. Mr Ng sought judicial review of the decision of the delegate to refuse to make an order to amend the terms of release on licence. Mr Ng was unsuccessful on all grounds for review.

## Burns v Corbett (2018) HCA 15

In 2013, NSW resident, Mr Burns brought a claim against Victoria resident, Ms Corbett, in the then Administrative Decisions Tribunal of NSW (ADT). Mr Burns alleged that Ms Corbett engaged in acts contrary to s 49ZT of the Anti-Discrimination Act 1977 (NSW). The ADT found that Ms Corbett had breached s 49ZT and ordered that she refrain from engaging in the relevant conduct and publish an apology. Ms Corbett filed an appeal to the Appeal Panel of the ADT (since replaced by the NSW Civil and Administrative Tribunal (NCAT)). The Appeal Panel of NCAT dismissed Ms Corbett's appeal. The Registrar of NCAT issued a certificate under s 114 of the Anti-Discrimination Act 1977 for the purpose of enforcing the order originally made by the ADT (subsequently deemed to have been made by NCAT).

Mr Burns prosecuted Ms Corbett for contempt in the NSW Supreme Court. The basis of the contempt was Ms Corbett's non-compliance with the certified order of the ADT. Once filed in the registry of the Supreme Court, the certificate for the order was deemed to operate as 'a judgment of that Court' by s 114 of the *Anti-Discrimination Act 1977*. Ordinarily, an order made by a Supreme Court is valid and enforceable until set aside.

On 3 February 2017, the NSW Court of Appeal held that NCAT did not have jurisdiction to determine disputes between residents of different states but rejected the Commonwealth's primary reason for this (an implication from the Constitution) and accepted an alternative Commonwealth submission (that flowed from s 109 inconsistency between s 39 of the *Judiciary Act 1903* and the state law).

The matter was subsequently appealed to the High Court of Australia. The High Court unanimously dismissed the appeals from the NSW Court of Appeal and held that certain provisions of the *Civil and Administrative Tribunal Act 2013* (NSW) were invalid to the extent that they purported to confer jurisdiction on NCAT in relation to matters between residents of different states (s 75 (iv)).

This matter is significant as it confirms that state tribunals cannot exercise judicial powers to determine any of the matters dealt with in s 75 and s 76 of the Constitution including the matters:

- in which the Commonwealth is a party (s 75(iii))
- arising under the Constitution or involving its interpretation (s 76(i))
- arising under any Commonwealth law (s 76(ii))
- in which the parties are residents of different states (s 75(iv)).

The department is preparing policy advice on the approaches that may be adopted by the Commonwealth to address the implications of this case.

#### Re: Kelvin (2017) FamCAFC 258

In 2017, the then Attorney-General intervened in the matter of *Re: Kelvin*, a special case stated to the Full Court of the Family Court of Australia and made submissions arguing for a change in the law to remove the need for family court involvement in decisions about administering stage two hormone treatment to children suffering gender dysphoria. The Attorney-General argued that, absent controversy, such decisions fall within the normal bounds of parental responsibility, and competent children should also able to consent to treatment (that is, where the child is *Gillick* competent). The Full Court of the Family Court of Australia delivered its judgment on 30 November 2017 and, adopting many of the Attorney-General's submissions in this case, departed from its previous decision in *Re: Jamie.* Following the decision in *Re Kelvin*, absent controversy, parents and Gillick-competent children are able to consent to stage two hormone treatment for gender dysphoria without court involvement. The decision of the Full Court, in the main, aligned with the then Attorney-General's submission.

This decision is significant in that, in appropriate circumstances, authorisation for treatment of gender dysphoria is within the bounds of parental responsibility and that young people with gender dysphoria can access medical treatment without involvement of the court. This decision has subsequently been followed and expanded on by the court in the decision of *Re: Matthew* (2018) FamCA 161, where the court held that is not required to determine for stage 3 surgical treatment of gender dysphoria that a child is Gillick-competent to consent when the treating practitioners agree the treatment is therapeutic and that the child is competent.

#### Alley v Gillespie (2018) HCA 11

During the course of the reporting year, Common Informers (Parliamentary Disqualifications) Act 1975 was the subject of scrutiny from the High Court in the matter of Alley v Gillespie (2018) HCA 11. The plaintiff commenced a common informer action that, as a preliminary matter, required a determination whether the defendant was incapable of sitting as a member of the House of Representatives for the purposes of s 44 of the Constitution. The matter raised the question whether the High Court had jurisdiction to determine the eligibility of a member of the House of Representatives in a common informer action.

Consistent with the Commonwealth's position, the High Court decided that whether a person is incapable of sitting as a member of the House of Representatives by reason of the Constitution is a question to be determined by that House, unless it resolves to refer the matter to the Court of Disputed Returns pursuant to s 376 of the Commonwealth Electoral Act 1918.

# Reports by parliamentary committees

#### **Parliamentary Joint Standing Committee on Treaties**

#### Extradition – Jordan

Report 177 of the Joint Standing Committee on Treaties on the extradition and mutual assistance treaties that Australia negotiated with the Hashemite Kingdom of Jordan was presented to Parliament on 15 February 2018. Recommendation 2 of the report is that the department supplement its current annual reporting framework with information about people extradited from Australia in order to provide additional transparency on the operation of the extradition regime. Following government acceptance of this recommendation, the department will include in this and future annual reports de-identified statistical information in relation to Australian nationals extradited by Australia. This information will cover whether a trial has taken place, the verdict handed down, the sentence imposed and the total number of extradited Australian nationals who are receiving consular assistance.

### Parliamentary Joint Committee on Intelligence and Security

#### Review of Foreign Influence Transparency Scheme Bill 2017

The PJCIS tabled its report on the Foreign Influence Transparency Scheme Bill on 25 June 2018. The Bill provides transparency for the government and the Australian community of the nature, level and extent of foreign influence in political and governmental processes in Australia. The Bill established for the first time in Australia a scheme requiring registration of persons seeking to influence Australia's political or governmental processes on behalf of a foreign principal. The government accepted all 52 recommendations and introduced amendments into the House of Representatives on 26 June 2018 to implement the recommendations. The legislation was passed on 28 June 2018.

#### Advisory Report on the National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2017

The PJCIS tabled its report on the National Security Legislation Amendment (Espionage and Foreign Interference) Bill on 7 June 2018. The government accepted all 60 recommendations and introduced amendments into the House of Representatives on 26 June 2018 to implement the recommendations. The legislation was passed on 28 June 2018.

# Review of the 'Declared Area' Provisions and Review of police stop, search and seizure powers, the control order regime and the preventative detention order regime

On 1 March 2018, the PJCIS tabled two reports into the counter-terrorism provisions: a review into police stop, search and seize powers, the control order regime and the preventative detention order regime (PJCIS Powers Report) and a report into the declared areas provisions (PJCIS Declared Areas Report). On 16 October 2017, three related reports of the Independent National Security Legislation Monitor (INSLM) were tabled: the review of the declared areas provisions, the review of Divisions 104 and 105 of the Criminal Code (including the interoperability of the control order regime with the continuing detention order regime in Division 105A of the Criminal Code), and the review of Division 3A of Part IAA of the *Crimes Act* 1914 (2017 INSLM Review).

In response, the department, in consultation with the Department of Home Affairs, developed the Counter-Terrorism Legislation Amendment Bill (No. 1) 2018, which was introduced on 24 May 2018. The Bill extends the operation of counter-terrorism provisions in the Criminal Code, the *Crimes Act 1914* and the *Australian Security Intelligence Organisation Act 1979* (ASIO Act) ahead of their expiry in September 2018. The Bill ensures that law enforcement and security agencies have access to these provisions to respond to the threat of terrorist activities in Australia. The Bill implements the first part of the government's response to the recommendations made by the PJCIS and INSLM reviews. The Bill passed the House of Representatives on 25 June 2018. The department and the Department of Home Affairs will develop legislation for introduction in late 2018 to implement the remaining recommendations.

#### Senate Economics References Committee

On 28 March 2018, the Senate Economics References Committee released its report following an inquiry into Australia's foreign bribery arrangements. The committee made 22 recommendations, including recommendations to strengthen the legal and enforcement frameworks against foreign bribery and building a culture of integrity and compliance. The committee supported the reforms in the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2017.

#### Senate Standing Committee on Legal and Constitutional Affairs

#### Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2017

On 20 April 2018, the Senate Select Committee reported on the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2017 and made four recommendations. The Bill will enhance the tools available to law enforcement to tackle corporate crime, including bribery of foreign public officials. The Bill will strengthen existing foreign bribery laws and introduce a new corporate offence of failing to prevent foreign bribery. The Bill also introduces a deferred prosecution agreement scheme for serious corporate offences.

#### Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2017

This Bill amends a range of Commonwealth criminal laws to improve the effectiveness of Commonwealth criminal justice arrangements. For example, the Bill will amend the *Australian Federal Police Act 1979* to enable the Australian Federal Police to cooperate with international organisations and non-government organisations. It amends the *Crimes Act 1914* to clarify the custody notification obligations of investigating officials when they intend to question Aboriginal and Torres Strait Islander peoples. It also authorises the collection, use and disclosure of information for the purposes of preventing, detecting, investigating or dealing with fraud

or corruption against the Commonwealth. On 8 August 2017, the Senate Standing Committee reported on the Bill and made two recommendations, which were implemented, as well as a subsequent recommendation that the Bill be passed.

#### Criminal Code Amendment (Impersonating a Commonwealth Body) Bill 2017

On 14 September 2017, the Senate referred the Bill to the committee. The Bill introduces new offences and a new injunction power to prohibit and restrain conduct amounting to false representation of a Commonwealth body. The purpose of the legislation is to promote public confidence in all communications from Commonwealth bodies. On 13 November 2017, the Senate Standing Committee reported on the Bill and recommended that the Bill be passed without amendment.

#### Family Law Amendment (Parenting Management Hearings) Bill 2017

On 26 March 2018, the Senate Legal and Constitutional Affairs Legislation Committee tabled its report on the Bill. The Committee recommended that the Bill be passed, subject to the government considering and, where appropriate, actioning six recommendations.

#### Family Law Amendment (Family Violence and Other Measures) Bill 2017

On 20 April 2018, the Senate Legal and Constitutional Affairs Legislation Committee tabled its report on the Family Law Amendment (Family Violence and Other Measures) Bill 2017. The Committee recommended that the Bill be passed. The Opposition made a dissenting report with three recommendations, and the Australian Greens published additional comments with two recommendations, which the Government has considered.

The Government responded to the Committee's report when it introduced amendments to the Bill during the Spring 2018 sitting period. The amendments removed measures from the Bill which would have criminalised breaches of family law personal protection injunctions, with a view to reconsidering this issue following the Australian Law Reform Commission's comprehensive review of the family law system. This accorded with one of the Opposition's recommendations in its dissenting report to the Senate Committee.

#### **Senate Standing Committee on Regulations and Ordinances**

The Attorney-General responded to the Senate Standing Committee on Regulations and Ordinances Monitor Report 1 of 2018 and raised a concern about the Extradition Legislation Amendment (2017 Measures No. 1) Regulations 2017. The Explanatory Statement for the Regulations was amended to reflect the comments from the Senate Standing Committee on Regulations and Ordinances. The matter was concluded in Monitor Report 3 of 2018, dated 21 March 2018.

#### Standing Committee on Social Policy and Legal Affairs

On 6 December 2017, the Social Policy and Legal Affairs Committee tabled its report: A better family law system to support and protect those affected by family violence. The Committee made 33 recommendations about improvements to the family law system.

# **Independent Intelligence Review**

On 18 July 2017, the Prime Minister released the unclassified report of the 2017 Independent Intelligence Review and announced the government 'accepted the recommendations ...as a sound basis to reform Australia's intelligence arrangements'. A number of recommendations will be implemented including the establishment of an Office of National Intelligence, transformation of the Australian Signals Directorate into a statutory agency and boosting Australia's cyber security. Of particular relevance to the department, the government commissioned a Comprehensive Review of the Legislative Frameworks of the National Intelligence Community as recommended by the review. The review will be conducted by Mr Dennis Richardson AO with the support of the department.

## **External audit**

During 2017–18, the ANAO conducted two audits involving the activities of the department:

- · ANAO performance audit: Mitigating Insider Threats through Personnel. The audit considered the efficiency and effectiveness of security vetting services provided by the Australian Government Security Vetting Agency, as well as the compliance of selected entities with personnel security requirements, including the department. The Auditor-General tabled the report on 11 May 2018. Recommendations relevant to the department related to our policy role and support for the Australian Government Security Vetting Agency services as well as the department's personnel security arrangements. The department accepted and is implementing all relevant recommendations.
- · ANAO performance audit: Cyber Resilience. The audit assessed the effectiveness of the management of cyber risks by the Department of the Treasury, the National Archives of Australia and Geoscience Australasia. The ANAO considered the security frameworks these entities were operating and recommended that the Attorney-General's Department, the Department of Home Affairs and the Australian Signals Directorate strengthen the guidance for entities related to mitigation, verification processes and compliance transparency and accountability. The Auditor-General tabled the report on 28 June 2018. Recommendations relevant to the department were agreed and we are undertaking significant reforms to the Protective Security Policy Framework. We will also release a 2017–18 consolidated whole-of-government Protective Security Compliance Report and future reports to improve transparency and accountability. We continue to collaborate with the Department of Home Affairs, the Australian Signals Directorate and other stakeholders to meet cyber security requirements.

# **Management and accountability**

# Our people

Having highly effective staff is central to achieving the department's objectives. Our ongoing success depends on attracting and retaining employees who are skilled, outward-looking, engage effectively with risk and respond well to shifting priorities. As our external environment evolves and the needs of the department change, our employee capabilities are reviewed to keep pace with what we need to achieve.

# Staff profile

As at 30 June 2018, the department had 1463 employees engaged in ongoing functions. Information is provided in Table 12.

TABLE 12: Staffing trends at 30 June 2017 and 2018

| Staff classification                                  | 2016–17 | 2017–18 |
|---|---------|---------|
| TOTAL STAFF   | 2,128   | 1,463   |
| Ongoing   | 1,723   | 1,282   |
| Non-ongoing   | 337     | 126     |
| Irregular/intermittent/casual                         | 68      | 55      |
| Average age (years)                                   | 38      | 39      |
| Average length of AGD service (years)                 | 3.9     | 5.4     |
| Proportion female (%)                                 | 67.2    | 67.5    |
| Proportion male (%)                                   | 32.8    | 32.5    |
| Proportion part-time (%)                              | 16.7    | 18.6    |
| Proportion Indigenous (%)                             | 1.6     | 1.7     |
| Proportion with a disability (%)                      | 1.1     | 1.6     |
| Proportion from a non-English-speaking background (%) | 4.5     | 4.1     |
| SES   | 184     | 162     |
| EL1 and 2 equivalent                                  | 731     | 497     |
| APS 1–6 equivalent                                    | 1,213   | 804     |
| Total excluding casuals                               | 2,060   | 1,408   |

Note: Classifications are based on substantive positions.

#### Staff turnover and retention

During 2017–18, the department's ongoing staff separation rate was seven per cent. The rate includes all separations for ongoing employees and consists of terminations, redundancies, resignations and retirements. It does not include movement of ongoing employees to other agencies or machinery-of-government transfers.

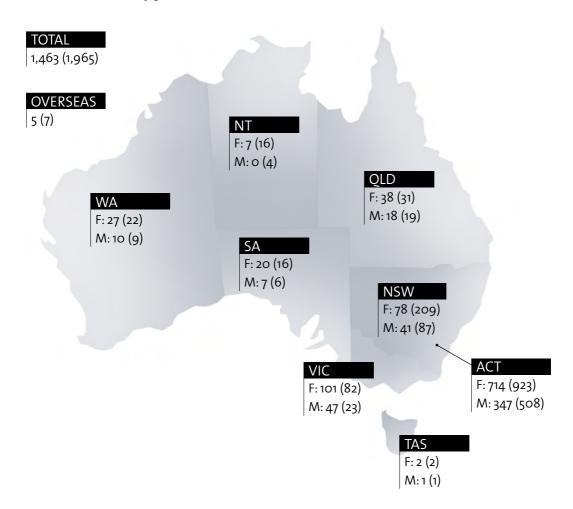
Table 13 provides the full-time equivalent figures for substantive classifications (with the exception of casuals) for 2017 and 2018. Figure 2 shows staff totals by gender and location as at 30 June 2018 and 2017 (in brackets).

TABLE 13: Staffing by classification as at 30 June 2017 and 2018

| Substantive<br>Classification | Females | Males | 2017<br>Total | Females | Males | 2018<br>Total |
|-------------------------------|---------|-------|---------------|---------|-------|---------------|
| Cadet                         | 2.0     | 0.0   | 2.0           | 0       | o     | o             |
| APS 1-2                       | 5.0     | 6.2   | 11.2          | 5.2     | 3.9   | 9.1           |
| APS 3                         | 31.8    | 17.6  | 49.4          | 32.2    | 14.8  | 47            |
| Graduate                      | 32.0    | 16.0  | 48.0          | 18      | 7     | 25            |
| APS 4                         | 175.4   | 58.0  | 233.4         | 128.7   | 41.8  | 170.5         |
| APS 5-6                       | 534-5   | 227.6 | 762.1         | 344.3   | 128.9 | 473.2         |
| Executive Level 1             | 279.3   | 148.7 | 428.0         | 171.7   | 107.7 | 279.4         |
| Executive Level 2             | 160.6   | 94.5  | 255.1         | 114.4   | 65.8  | 180.2         |
| SES1                          | 72.2    | 63.3  | 135.5         | 67      | 53.6  | 120.6         |
| SES <sub>2</sub>              | 7.0     | 23.9  | 30.9          | 4       | 20.9  | 24.9          |
| SES <sub>3</sub>              | 3.0     | 4.0   | 7.0           | 1       | 4     | 5             |
| Total                         | 1,302.9 | 66o.6 | 1,963.5       | 886.5   | 448.4 | 1,334.9       |

Notes: Figures include all APS full-time equivalent employees with the exception of casuals.

FIGURE 3: Staff totals by gender and location as at 30 June 2018 (2017)



### **Staff remuneration**

Salary ranges related to employment classification, consistent with the relevant enterprise agreement, are provided in Table 14.

TABLE 14: Salary ranges as at 30 June 2018

| Classification                 | Salary range under<br>Schedule 1 of the<br>Attorney-General's<br>Department Enterprise<br>Agreement 2016<br>(employees other than<br>AGS employees) | Salary under Schedule 2 of the Attorney-General's Department Enterprise Agreement 2016 (AGS employees) | Salary ranges<br>under Section 24(1)<br>determinations |
|--------------------------------|---|--|--|
| SES Band 3                     | n/a   | n/a  | \$262,338 – \$366,108                                  |
| SES Band 2                     | n/a   | n/a  | \$194,487 – \$310,927                                  |
| SES Band 1                     | n/a   | n/a  | \$147,806 – \$268,234                                  |
| Executive Level 2              | \$121,638 – \$195,906   | \$117,096 – \$199,614  | n/a  |
| Executive Level 1              | \$99,970 – \$137,000  | \$92,415 – \$141,986   | n/a  |
| APS Level 6                    | \$82,506 – \$118,179  | \$74,774 – \$126,072   | n/a  |
| APS Level 5                    | \$72,551 – \$84,262   | \$63,036 – \$115,566   | n/a  |
| APS Level 4                    | \$65,044 – \$81,955   | \$50,643 – \$80,794  | n/a  |
| APS Level 3                    | \$58,362 – \$69,647   | \$49,669 – \$67,990  | n/a  |
| Graduate APS                   | \$57,930 – \$59,376   | \$57,930 – \$68,384  | n/a  |
| APS Level 2                    | \$52,265 – \$57,956   | \$45,730 – \$64,114  | n/a  |
| APS Level 1                    | \$46,182 – \$51,038   | \$41,455 – \$51,038  | n/a  |
| Cadet APS (practical training) | \$45,276 – \$50,037   | n/a  | n/a  |
| Cadet APS<br>(full-time study) | \$24,702  | n/a  | n/a  |

Note: Where a salary level for a particular classification appearing in column two or three exceeds the maximum salary applicable to a classification set out in Schedule 1 or 2, respectively, of the AGD Agreement, this is the result of an employee in receipt of supplementary salary under an IFA under clause 3.55 of the AGD Agreement or through their salary being maintained on movement from another agency under clause 3.13 or 3.14 of the AGD Agreement.

#### **SES** remuneration

Remuneration for the department's SES employees is established through collective and individual determinations made under section 24(1) of the Public Service Act 1999. The two collective determinations in place covering SES employees are for AGS (other than casual SES employees) and other than AGS employees. In addition, five casual SES employees in AGS are covered by individual determinations made under section 24(1) of the Public Service Act 1999.

Salary levels for SES employees are generally set at rates within a salary band applicable to each SES classification. At 30 June 2018, there were 154 SES employees covered by the collective section 24(1) determinations.

### **Employment programs**

The Graduate Development Program recruits and develops high-calibre graduates for two streams; policy and legal practice. Graduates from a range of academic backgrounds are attracted to the program. The program supports the department by building future leadership and technical capability.

The graduate program has three stages of learning: gaining confidence in the department and the APS, building capability and developing future technical capability and leadership skills. The program allows graduates to transition to practising lawyers and into policy, legal and project officer roles. The program builds capability through on-the-job employee development and through their exposure to networks and external expertise. The program is supported by supervisors and mentors who play a vital role in coaching and developing graduates.

The department has ranked in the top 75 Graduate Development Programs for the last six years by the Australian Association of Graduate Employers and has continued to improve its ranking each year. Our program continues to perform well compared with other graduate programs in the public and private sectors.

In January 2018, 35 graduates completed the 2017 graduate program. As a result of machinery-ofgovernment changes, 12 of the 2017 graduates transferred to the Department of Home Affairs in December 2017.

In February 2018, 37 graduates commenced the 2018 program. This cohort includes one Indigenous graduate recruited through the APSC Indigenous graduate recruitment campaign.

At the end of 2017, two participants successfully completed the 2016–17 Indigenous Australian Government Development Program and six participants commenced the 2017–18 program. The 15-month program includes on-the-job learning, exposure to the Indigenous Employee Network and other department networks and education through a Diploma in Government qualification. The department partners with the Department of Jobs and Small Business to deliver this program.

#### Diverse workforce

The department has a culture that embraces diversity, flexibility and inclusion. We recognise and promote a diverse workforce that is innovative, productive and delivers better organisational outcomes. Our Flexibility and Inclusion Action Plan outlines the practical measures we take to create a culture where staff can contribute and develop their careers to their full potential regardless of age, race, background or gender.

Under the direction of the Diversity Council and Diversity Committee, our employee-led networks cover matters related to women, disability, cultural and linguistic diversity, Indigenous and LGBTI identification. These networks support and promote inclusion in the department through a variety of events, initiatives and advice on departmental policy.

Further information is available on the department's website (www.ag.gov.au/about/pages/workplacediversity.aspx).

### Diversity strategy

The department's Diversity Strategy demonstrates the commitment to a culture that values respect, fosters inclusiveness and embraces the unique skills and qualities of employees.

As a member of the APS Secretaries Equality and Diversity Council, we actively work to create an inclusive and respectful workplace for everyone. We continually promote the importance of an inclusive, diverse and flexible culture for the benefit of employees and the work they do.

### Gender equality

Our Gender Equality Action Plan is guided by the Balancing the future: The Australian Public Services gender equality strategy 2016–19. The plan has five action areas to meet gender equality targets for the department, including a target of 50:50 at the SES Band 2 level by 2021. This plan and our Flexibility and Inclusion Action Plan are designed to inspire an open and inclusive culture.

## **Supporting Indigenous employees**

Our Reconciliation Action Plan 2017–19 commenced in August 2017 with a two-year vision to improve engagement and retention opportunities for Aboriginal and Torres Strait Islander peoples. The plan's principles, outlined by Reconciliation Australia, include relationships, respect and opportunities. This is further supported by the Secretary's foundation membership as a Male Champion of Change.

Our Indigenous Employee Network is a source of counsel to the department on workplace issues affecting Aboriginal and Torres Strait Islander employees. Network members assist in organising special events and activities, such as NAIDOC Week and Reconciliation Week.

Our SES-level Indigenous champion advocates for Aboriginal and Torres Strait Islander employees and is a member of the Indigenous Champions Network, led by the Department of Human Services.

### Supporting employees with disability

The National Disability Strategy 2010–20 sets out a 10-year, national policy framework to improve the lives of people with disability, promote participation and create an inclusive society. A high-level, two-yearly report tracks progress against each of the six outcome areas of the strategy and shows how people with a disability are faring. These reports are available on the Department of Social Services website (www.dss.gov.au).

Under the direction of the As One: Making it Happen, APS Disability Employment Strategy 2016–19, the department will develop a Disability Action Plan during 2018–19. A working group was established in 2018 with representatives from each business group.

We continue to participate in the RecruitAbility recruitment scheme that allows applicants with disability, who have opted in to the scheme and meet the minimum requirements of an advertised role, to advance to a further stage in the selection process. Merit remains the basis for engagement and promotion.

The department is a gold member of the Australian Network on Disability and we were a major sponsor of the national conference held in May 2018. This partnership has improved our ability to identify and remove barriers that might prevent employees with disability or a long-term medical or mental health condition from achieving full participation at work, including job mobility and career development.

### Multicultural access and equity

We improve our understanding of Australia's culturally and linguistically diverse populations in order to reflect those needs in the development and delivery of policy, programs and services, both within the department and within Australian communities.

The department's Multicultural Access and Equity Plan commenced in December 2017. The plan is a commitment to multicultural access and inclusion in the way we work and in the outcomes we deliver. The plan fulfils our obligations under the Australian Government Multicultural Access and Equity Policy.

Further information is available on the Attorney-General's Department website (www.ag.gov.au/About/Pages/MulticulturalAccessandEquityPlan.aspx).

## **Supporting LGBTI staff**

For the last two years the department has participated in the Australian Workplace Equality Index. The index is Australia's definitive national benchmark on lesbian, gay, bisexual, transgender and intersex (LGBTI) workplace inclusion. The survey and assessment is conducted by Pride in Diversity of which the department is a member. The index gauges the overall effectiveness of LGBTI inclusion and identifies opportunities to improve our culture of inclusion.

## Learning and development

Our strategic workforce plan, Broader Horizons – Agile, Global, Diverse, details the workforce we need now and into the future. Our learning programs and activities align with the plan to strengthen workforce capability by using the experience-exposure-education model.

Our priority this year was to strengthen leadership and middle manager capability through the Manager Essentials Program, Coaching for Performance and the Confident Leaders Mentoring Program. Learning programs include tools and resources available to all employees.

This year, our learning and development calendar included inductions, core skills training and activity based learning. We support portfolio agencies by offering training opportunities to their employees.

Our employees can access study assistance and scholarship programs to complete studies and gain formal qualifications. The department provides support in the forms of financial reimbursement and study leave.

### Performance management

The department's performance management framework facilitates effective performance conversations. We support performance and development to ensure we have the skills and capabilities needed as an organisation into the future. This is outlined in our strategic workforce plan, Broader Horizons: Agile, Global, Diverse. Our Program for Performance Improvement applies to all employees and includes mid-cycle and quarterly check-ins, as well as an end-ofcycle review and rating. We also encourage regular, informal performance conversations.

Following a review of our performance management framework in 2017, we simplified and consolidated policy to clarify roles and responsibilities, which has increased the capability and personal accountability of individuals for their professional development. A workshop for managers, Managing Underperformance, was developed to assist managers identify and address employee and team underperformance and provide practical solutions to assist them in their roles.

#### **Probation**

Following an ANAO report on managing performance in the Australian Public Service, probation for new employees was re-introduced in October 2017. Probation is now a condition of engagement for all new ongoing and non-ongoing employees whose contracts exceed 12 months.

## **Workplace** agreements

The Attorney-General's Department Enterprise Agreement 2016 (AGD Agreement) provides the remuneration and conditions for all non-SES employees. The AGD Agreement provides different salary structures and other remuneration provisions for AGS employees. This reflects the arrangements formerly in place under previous enterprise agreements.

The AGD Agreement allows individual flexibility arrangements (IFAs) for remuneration arrangements, superannuation, working hours, leave, allowances, overtime rates and penalty rates. As at 30 June 2018, 1299 employees were covered by the AGD Agreement; 88 of these employees were covered by IFAs.

## Non-salary benefits

The department, through its industrial arrangements with employees, permits employees to package their remuneration to combine monetary and non monetary benefits. The main non salary benefits include a motor vehicle accessed through novated lease arrangements and additional salary sacrificed superannuation contributions.

### Performance pay

Employees within AGS may earn or be awarded performance pay in accordance with the AGD Agreement (for non-SES employees) or the determination made under s24(1) of the Public Service Act 1999, which provides for the remuneration and other conditions to apply to SES employees within AGS. There are three types of performance-based bonuses:

- Net production bonus: employees designated as a Lawyer or Paralegal with a fee earning target are eligible to receive a net production bonus equivalent to 20 per cent of the employee's net production above their net production target. The bonus is paid where the employee's overall performance is assessed as at least 'satisfactory' under the performance management program.
- Discretionary bonus: AGS has a pool of funds of up to \$150,000 per year available to award to employees who are eligible for the net production bonus. The bonus is paid at the Secretary's discretion, having regard to any other bonuses the employee may be entitled to receive, the employee's responsibilities and their overall contribution. The pool of funds is not required to be expended each year.
- Percentage-of-salary bonus: outposted lawyers, graduate APS employees and other roles as determined by the Secretary are eligible to earn up to 10 per cent of their salary in a percentage-of-salary bonus. The bonus is paid where the employee's overall performance is assessed as above 'satisfactory' under the performance management program.

TABLE 15: Performance payments made in 2017-18 to AGS staff

| Classification    | Number of<br>employees<br>who received<br>performance pay | Aggregate<br>amount of<br>performance pay | Average amount of performance pay | Range of performance payments |
|-------------------|---|---|-----------------------------------|-------------------------------|
| SES Band 3        | 2   | \$72,664                                  | \$36,332                          | \$32,665 – \$40,000           |
| SES Band 2        | 15  | \$420,766                                 | \$28,051                          | \$1,783 – \$42,123            |
| SES Band 1        | 77  | \$1,041,755                               | \$13,529                          | \$73 – \$42,729               |
| Executive Level 2 | 68  | \$758,471                                 | \$11,154                          | \$331 – \$40,899              |
| Executive Level 1 | 39  | \$317,184                                 | \$8,133                           | \$37 – \$39,865               |
| APS 6             | 48  | \$275,450                                 | \$5,739                           | \$34 – \$20,877               |
| APS 5             | 16  | \$48,343                                  | \$3,021                           | \$278 – \$14,259              |
| APS 4             | 1   | \$2,449                                   | \$2,449                           | N/A                           |
| APS 3             | 0   | N/A                                       | N/A                               | N/A                           |
| Graduate APS      | 13  | \$24,000                                  | \$1,846                           | \$1,000 – \$3,000             |
| APS 2             | 0   | N/A                                       | N/A                               | N/A                           |
| Total             | 279   | \$2,961,082                               | \$110,254                         | \$34 – \$42,729               |

Note: AGS performance bonuses are typically paid in August and September of each year, based on performance in the previous financial year. The data in the table above reflects payments made in 2017–18 for performance in 2016–17. This includes payments for individuals who commenced with or left AGS during the financial year. The average amount of performance pay is the average for those who received a bonus. The range of performance pay is the range for those who received a bonus.

## Work health and safety

The department is committed to providing and maintaining a safe and healthy workplace for all employees and meeting our obligations under the Work Health and Safety Act 2011 (Cth) (WHS Act) and the Safety, Rehabilitation and Compensation Act 1988.

The department's National Health and Safety Committee met four times during 2017–18.

### Reporting incidents and enforcement measures under the WHS Act

No notifiable incidents were reported under section 38 of the WHS Act.

No enforcement measures or improvement notices were issued under Part 10 of the WHS Act being Improvement Notices, Prohibition Notices, Non disturbance Notices, Remedial Action and Injunctions.

No enforceable undertakings under Part 11 of the WHS Act applied to the department's operations.

### Other initiatives

Our Mental Health Wellbeing Program commenced in October 2017. The program is a structured model for assessing and identifying psychological wellbeing risks and guides training, early intervention support and wellbeing assessments. The program promotes resilience, mental health and vicarious trauma training as well as comprehensive wellbeing assessments and complements and expands existing mental health support initiatives. A Mental Health Matters intranet page was published in December 2017 providing a dedicated source of information, resources and programs related to mental health.

We maintain an Employee Assistance Program that provides free, confidential and professional counselling services for employees and their family members. Services include trauma and critical incident debriefing to help resolve work and other issues that may affect an employee's work performance or wellbeing. Our trained health and safety representatives conduct workstation assessments and external providers complete more complex assessments. During 2017–18, 237 workstation assessments were conducted; 51 of these were conducted by health and safety representatives.

Influenza vaccinations were available in April and May 2018 with 737 employees electing to receive the vaccination (47 per cent of total staff). Financial reimbursement options for eyesight testing, quit smoking solutions, and equipment for health and wellbeing remain available to employees under the health and wellbeing program.

## Workers' compensation performance

Our focus in 2017–18 remained on preventing psychological injury claims by implementing early intervention support. The department continues to perform well in managing worker's compensation claims. The worker's compensation premium for 2017–18 was 0.55 per cent of payroll costs, which compares favourably to the scheme average premium of 1.23 per cent.

## Compliance with the Carer Recognition Act 2010

The department promotes an awareness and understanding of the Statement for Australia's Carers. The statement is included on the department's intranet and available to all employees. The department is cognisant of, and has regard to, the statement in reviewing internal human resources policies. The department's human resource policies are consistent with the statement.

## Asset management, purchasing and grants

### Asset management

Management of the department's assets is governed by the Secretary's Instructions on asset management and aligns with government best practice. The department maintains an asset register, asset management policies and a capital management plan. A rolling annual stocktake is carried out to maintain the accuracy of the information in the asset register. The department's fixed assets include office fit outs, purchased and internally developed software, computer equipment, infrastructure and centrally held library materials.

### **Purchasing**

Our procurement policies and practices reflect the principles in the Commonwealth Procurement Rules (CPRs). We focus on:

- value for money
- · encouraging competition
- the efficient, effective, economical and ethical use of government resources
- accountability and transparency
- compliance with other Australian Government policies.

A central procurement hub within the department provides advice to employees undertaking procurement and contract management activities. The hub undertakes quality assurance testing of procurement activities and periodically reviews procurement-related documentation and training material to ensure consistency with the CPRs and other policies. The department uses a procurement module within its financial management information system to enhance administrative workflows and procurement compliance.

### Small-to-medium enterprises

The department supports small business participation in the Australian Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance website (www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts).

The department recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website (www.treasury.gov.au).

The department supports the use of small and medium enterprises through:

- an electronic invoice processing system used to facilitate on-time payment performance
- use of Commonwealth Contracting Suite template contracts for low- and high-risk procurements
- compliance with the government's Supplier Pay on Time or Pay Interest Policy
- small and medium enterprises being able to request payment by credit card for procurements valued at \$10,000 or less.

#### Consultants

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website (www.tenders.gov.au).

The department engages consultants where it lacks specialist expertise or when independent research, review or assessment is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations and provide independent advice, information and develop creative solutions to assist in the department's decision-making. Prior to engaging consultants, the department takes into account the skills and resources required for the task, the skills available internally and the cost effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the Public Governance, Performance and Accountability Act 2013 and related regulations including the CPRs and relevant internal policies.

During 2017–18, the department entered into 11 new consultancy contracts, involving total actual payments of \$1.678m (inclusive of GST). In addition, five ongoing consultancy contracts were active, involving total actual payments of \$443,956 (inclusive of GST).

**TABLE 16:** Expenditure on consultancy

| Financial year    | 2016–17 | 2017–18 |
|-------------------|---------|---------|
| Expenditure (\$m) | 3.632   | 2.122*  |

<sup>\*</sup> Does not include consultancies for functions that transferred to the Department of Home Affairs under the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018.

#### **Contracts**

During 2017–18, all department contracts contained clauses that provided for ANAO access to the supplier's premises for any purpose associated with the contract or any review of the supplier's performance under the contract.

During 2017–18, the department had no contracts in excess of \$10,000 that were exempt from being reported on AusTender on the basis that they would disclose matters exempt under the Freedom of Information Act 1982.

## Advertising and market research

Under section 311A of the Commonwealth Electoral Act 1918, the department is required to disclose payments of \$13,200 or more (inclusive of GST) to specific types of organisations. These organisations are advertising agencies, market research organisations, polling organisations, media advertising organisations and direct mail organisations.

During 2017–18, the department conducted two advertising campaigns: the National Firearms Amnesty Campaign and the National Security Campaign (see Table 17). These campaigns have moved to the Department of Home Affairs as part of the machinery-of-government changes. Further information on advertising campaigns is available on the department's website and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance website (www.finance.gov.au/ advertising/).

There were no payments to polling organisations or direct mail organisations.

TABLE 17: Payments to advertising, market research and other designated organisations

| Name of organisation                 | Payment (\$) | Purpose   | Key |
|--------------------------------------|--------------|---|-----|
| Identity Care Aust & NZ Ltd          | 50,500       | Biometrics and ID Security                                  | В   |
| Orima Research Pty Ltd               | 56,973       | CERT Expansion  | В   |
| Tobias and Tobias Pty Ltd            | 178,076      | CERT Awareness Raising                                      | В   |
| Whereto Research Based<br>Consulting | 68,181       | National Security Hotline                                   | В   |
| Mitchell & Partners Australia        | 74,953       | Stay Smart Online Week: non-campaign government advertising | С   |
| Mitchell & Partners Australia        | 13,232       | Non-campaign government advertising                         | С   |
| Mitchell & Partners Australia        | 476,232      | National Firearms Amnesty Campaign: pre-amnesty advertising | С   |
| Mitchell & Partners Australia        | 5,060,702    | National Security Campaign advertising                      | С   |

#### Key

- A: Paid to a creative advertising agency to develop advertising campaign.
- B: Paid to a market research organisation.
- C: Paid to a media advertising organisation for placing government advertising (both campaign and non-campaign) in the media.

#### Grants

The department manages its grants programs in accordance with the Australian Government's legislative framework, the Commonwealth Grant Rules and Guidelines and the department's grant management procedures. Information on grants awarded by the department for the period 1 July 2017 to 31 December 2017 is available on our website. Information on grants awarded by the department for the period 1 January 2018 to 30 June 2018 is available on the Australian Government Grant Connect website.

During 2017–18, the department published information for 22 grant programs, being:

- Australia-New Zealand Counter-Terrorism Committee\*
- Community Legal Services Program
- Countering Violent Extremism to Prevent Terrorism\*
- Ex gratia assistance New Zealand citizens\*
- **Expensive Commonwealth Criminal Cases Fund**
- Family Relationships Services Program
- Financial assistance towards legal costs and related expenses
- Financial assistance towards legal costs and related expenses expenses for witnesses to the Royal Commission into Institutional Responses to Child Sexual Abuse
- Financial assistance towards legal costs and related expenses expenses for witnesses to the Royal Commission into the Protection and Detention of Children in the Northern Territory
- Financial assistance towards legal costs and related expenses expenses for witnesses to the Royal Commission into Misconduct in the Banking, Superannuation and Financial **Services Industry**
- Grants to Australian Organisations Program

- Human Trafficking and Slavery Prevention\*
- Indigenous Legal Assistance Program
- Legal support services for survivors engaging with the Commonwealth redress scheme for survivors of institutional child sexual abuse
- Native Title Respondents Scheme
- One-off grant to maintain the Commonwealth Sentencing Database
- One-off grant for a Risk and Resilience Program in security, disaster and emergency management\*
- One-off grant for a National Awareness Campaign on Police Officer Mental Wellbeing\*
- Payments for the provision of community legal services legal advice service supporting the Royal Commission into Institutional Responses to Child Sexual Abuse
- Payments for the provision of community legal services legal advice supporting the Royal Commission into the Protection and Detention of Children in the Northern Territory
- Protecting the rights of older Australians
- Safer Communities Fund\*.
- \* Transferred to the Department of Home Affairs in accordance with the Administrative Arrangements Order of 20 December 2017.

### **Ecologically sustainable development**

In 2017–18, we continued to mitigate the effects of our impact on the environment through:

- electronic document management systems and web-based information-sharing tools that reduce or eliminate the need to print and retain paper copies of documents
- videoconferencing to reduce the need for local, interstate and international travel
- identifying and implementing ways to improve the energy efficiency of our facilities
- ensuring that new leases entered into comply with the Australian Government's energy policy
- procuring energy-efficient equipment and lighting solutions, including a smart lighting system that activates only when work areas are occupied
- recycling facilities in all work areas.

The integration of energy-efficiency practices into our organisation and planning processes allows us to reduce our energy costs and decrease the consumption of resources.

### The Sustainability Network

The department's Sustainability Network has continued to champion environmentally friendly work practices and initiatives. The Sustainability Network provides the leadership, motivation and information to raise awareness and increase participation in these work practices and initiatives. Activities include:

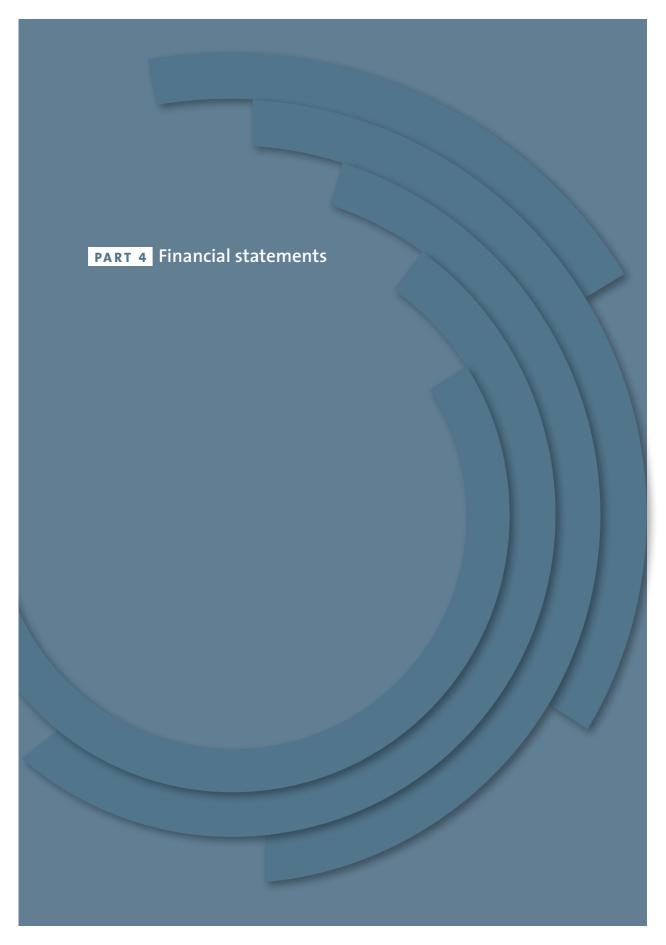
- promoting and encouraging environmentally sustainable work practices
- raising awareness and understanding of environmental issues
- · providing information about environmental initiatives
- providing a forum for staff to discuss sustainable work practices.

In 2017–18, the Sustainability Network partnered with Industry Superannuation Property Trust to offer all staff a free re-usable coffee cup to reduce the department's waste.

# Freedom of information

### Information Publication Scheme

Entities subject to the Freedom of Information Act 1982 are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a Section 8 statement in an annual report. The Section 8 statement and a plan showing the information we publish in accordance with the scheme requirements is available on the department's website (www.ag.gov.au/RightsAndProtections/FOI/Pages/InformationPublicationScheme.aspx).



## Financial performance 2017–18

The department's financial performance is summarised in Table 18 and Table 19 below. Our resource statement and the table showing expenses by outcome are provided on pages 148 to 152.

The major impact on the department in 2017-18 was the Administrative Arrangements Orders (AAOs) of 20 December 2017 and 10 May 2018. As a result of the AAOs \$23.667 million of departmental funding and \$37.438 million of administered funding was transferred to the Department of Home Affairs in 2017–18. The transfer also included departmental net assets of \$44.289 million and administered net assets of \$102.728 million.

### Analysis of financial performance

The departmental operating result for 2017–18 was a surplus of \$20.506m after providing for income tax expense and asset revaluation surplus compared to a surplus of \$7.558 million in 2016-17. The surplus is primarily due to a strong performance by the Australian Government Solicitor over the financial year and the timing of implementing budget measures.

The total administered expenses for 2017–18 was \$426.166 million compared to \$622.135 million in 2016–17. The 2017–18 expenses include \$64.614 million for the royal commissions, \$294.887 million in grant payments and \$14.391 million paid to the corporate entity within the portfolio (Australian Human Rights Commission).

In addition to the transfer of funding due to the AAOs, the decrease in administered expenditure from 2016–17 to 2017–18 was primarily due to the completion of the Royal Commission into the Protection and Detention of Children in the Northern Territory, the Royal Commission into Institutional Responses to Child Sexual Abuse and the Data Retention Industry Grants Program in 2016-17.

**TABLE 18:** Departmental financial performance

|  | 30 June 2018<br>(\$'000) | 30 June 2017<br>(\$'000) | Variance<br>(\$'000) |
|--|--------------------------|--------------------------|----------------------|
| Operating Expense (including depreciation) | 323,400                  | 333,868                  | (10,468)             |
| Write-down and impairment of assets        | 117                      | 11,209                   | (11,092)             |
| Total Expenses                             | 323,517                  | 345,077                  | (21,560)             |
| Own-source revenue                         | 160,388                  | 157,635                  | 2,753                |
| Gains                                      | 495                      | 495                      | -                    |
| Net own-source income                      | 160,883                  | 158,130                  | 2,753                |
| Net cost of services                       | 162,634                  | 186,947                  | (24,313)             |
| Revenue from Government                    | 181,822                  | 199,889                  | (18,067)             |
| Income Tax Equivalent                      | (4,667)                  | (5,277)                  | 610                  |
| Operating surplus (deficit)                | 14,521                   | 7,665                    | 6,856                |
| Changes in asset revaluation surplus       | 5,985                    | (107)                    | 6,092                |
| Total comprehensive income (loss)          | 20,506                   | 7,558                    | 12,948               |

**TABLE 19:** Administered financial performance

|   | 30 June 2018<br>(\$'000) | 30 June 2017<br>(\$'000) | Variance<br>(\$'000) |
|---|--------------------------|--------------------------|----------------------|
| Expenses administered on behalf of government       | 411,775                  | 622,135                  | (210,360)            |
| Payments to corporate Commonwealth entities         | 14,391                   | -                        | 14,391               |
| Total expenses administered on behalf of government | 426,166                  | 622,135                  | (195,969)            |
| Total non-taxation revenue                          | 26,201                   | 48,967                   | (22,766)             |





#### INDEPENDENT AUDITOR'S REPORT

#### To the Attorney-General

#### Opinion

In my opinion, the financial statements of the Attorney-General's Department for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards Reduced Disclosure Requirements and the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015; and
- (b) present fairly the financial position of the Attorney-General's Department as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Attorney-General's Department, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule:
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

#### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Attorney-General's Department in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) to the extent that they are not in conflict with the Auditor-General Act 1997. I have also fulfilled my other 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

#### Key audit matter

Accuracy and cut-off of revenue, and completeness of trade and receivables, from rendering of services.

Refer to Note 4.2A Sale of goods and rendering

#### How the audit addressed the matter

The audit procedures I applied to address the matter included:

agreeing a sample of recorded transactions from a list of AGS matters to the associated

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of services and Note 6.1B Trade and other receivables

The Attorney-General's Department generates revenue from a number of different revenue streams including from rendering of services by the Australian Government Solicitor (AGS). AGS revenue from rendering of services is considered a key audit matter because:

- it is a significant component of the Attorney-General's Department's revenue; and
- the value and timing of revenue recognition is determined by management with reference to time recorded on various AGS matters: management's judgement concerning the completion and recovery of matters; and the valuation of work-in-progress at year end.

For the year ended 30 June 2018 the amount for rendering of services was \$160.20 million and goods and services receivables \$48.22 million.

- time recorded in dealing with those matters to substantiate that the underlying services were provided; and that invoices were issued to customers in the correct period;
- a review of trade receivables (including workin-progress) to assess the appropriateness of management's judgement for the timing of recognition; and
- an analysis over impairment for receivables at year-end which included assessing methodology management's for reasonableness and a review of the ageing of receivables.

#### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Attorney-General's Department the Secretary is responsible under the Public Governance, Performance and Accountability Act 2013 for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards -Reduced Disclosure Requirements and the rules made under that Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the Secretary is responsible for assessing the Attorney-General's Department's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 National Audit Office 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 the financial statements.

As part of an audit in accordance with the Australian National Audit Office 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 statements, 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 entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;

- conclude on the appropriateness of the Accountable Authority'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 entity'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 statements 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 entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

Lesa Craswell **Executive Director** 

Delegate of the Auditor-General

Canberra 23 August 2018

# Contents

| Ce  | rtification  |     |
|-----|--|-----|
| Sta | atement by the Accountable Authority and Chief Financial Officer   | 84  |
| Pr  | imary financial statements   | 85  |
|     | atement of comprehensive income                                    | 85  |
|     | atement of financial position                                      | 86  |
| Sta | atement of changes in equity                                       | 87  |
|     | sh flow statement  | 89  |
|     | Iministered schedule of comprehensive income                       | 90  |
|     | Iministered schedule of assets and liabilities                     | 91  |
|     | Iministered seriedale of assets and habilities                     | -   |
|     | Iministered cash flow statement                                    | 92  |
|     |  | 93  |
| O۱  | verview  | 95  |
| No  | otes to the financial statements                                   | 97  |
| 1.  | Budgetary reports and variances                                    | 97  |
| 2.  | People and relationships   | 106 |
|     | 2.1 Employee benefits expenses                                     | 106 |
|     | 2.2 Employee provisions  | 106 |
|     | 2.3 Superannuation provision – former Solicitors-General's pension | 107 |
|     | 2.4 Key management personnel remuneration                          | 111 |
|     | 2.5 Related party disclosures                                      | 111 |
| 3.  | Funding  | 112 |
|     | 3.1 Appropriations   | 112 |
|     | 3.2 Special and client funds accounts                              | 117 |
|     | 3.3 Regulatory charging summary                                    | 119 |
| 4.  | Financial performance  | 120 |
|     | 4.1 Expenses (excluding employee benefits expenses)                | 120 |
|     | 4.2 Revenue and gains  | 122 |
| 5.  | Income and expenses administered on behalf of Government           | 124 |
|     | 5.1 Administered – expenses (excluding employee benefits expenses) | 124 |
|     | 5.2 Administered – income  | 127 |
| 6.  | Financial position   | 128 |
|     | 6.1 Financial assets   | 128 |
|     | 6.2 Non-financial assets   | 130 |
|     | 6.3 Payables   | 132 |
|     | 6.4 Other provisions   | 133 |
| 7.  | Assets and liabilities administered on behalf of Government        | 136 |
| •   | 7.1 Administered – financial assets                                | 136 |
|     | 7.2 Administered – non-financial assets                            | 138 |
|     | 7.3 Administered – payables  | 140 |
|     | 7.4 Administered – other provisions                                | 140 |
| 8.  | Managing uncertainties   | 141 |
| _   | 8.1 Contingent assets and liabilities                              | 141 |
| 9.  | Other information  | 143 |
| -   | 9.1 Restructuring  | 143 |
|     | 9.2 Administered – impact of Royal Commissions on the 2017–18      | 145 |
|     | administered financial statements                                  |     |

### ATTORNEY-GENERAL'S DEPARTMENT

#### STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Attorney-General's Department will be able to pay its debts as and when they fall due.

**Chris Moraitis PSM** 

Secretary

23rd day of August 2018

**Trevor Kennedy** 

A/g Chief Financial Officer 23rd day of August 2018

### ATTORNEY-GENERAL'S DEPARTMENT STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2018

| Suppliers         4.1A         92,129         94,957           Grants         4.1B         896         1,382           Write-down and impairment of assets and other expenses         4.1C         117         11,203           Resources provided free of charge         4.1D         6,041  | NET COST OF SERVICES  | Notes        | 2018<br>\$'000 | 2017<br>\$'000 |
|---|---|--------------|----------------|----------------|
| Suppliers         4.1A         92,129         94,957           Grants         4.1B         896         1,382           Write-down and impairment of assets and other expenses         4.1C         117         11,203           Resources provided free of charge         4.1D         6,041  |   |              |                |                |
| Grants         4.1B         896         1,382           Write-down and impairment of assets and other expenses         4.1C         117         11,205           Resources provided free of charge         4.1D         6,041         1           Depreciation and amortisation         6.2A         18,587         20,175           Total expenses         323,517         345,077           OWN SOURCE INCOME           Own-source revenue         4.2A         160,323         157,573           Interest - deposits         4.2B         65         65           Total own-source revenue         160,388         157,635           Gains         4.2C         495         495           Total gains         4.2C         495         495           Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         4.1E         4,667         5,277           Surplus after income tax on continuing operations         4.1E         4,667         5,277           Surplus after income tax on continuing operations  | Employee benefits   | 2.1A         | 205,747        | 217,350        |
| Write-down and impairment of assets and other expenses       4.1C       117       11,205         Resources provided free of charge       4.1D       6,041   | Suppliers   | 4.1A         | 92,129         | 94,957         |
| Resources provided free of charge         4.1D         6,041         1           Depreciation and amortisation         6.2A         18,587         20,175           Total expenses         323,517         345,077           OWN SOURCE INCOME         Own-source revenue           Sale of goods and rendering of services         4.2A         160,323         157,573           Interest - deposits         4.2B         65         65         665           Total own-source revenue         160,388         157,632           Gains         Other gains         4.2C         495         495         495           Total gains         4.2C         495         495         495           Total own-source income         160,883         158,130         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         19,188         12,942           Surplus after income tax on continuing operations         14,521         7,665           OTHER COMPREHENSIVE INCOME         14,521         7,665           OTHER comprehensive income         5,985         (1  | Grants  | 4.1B         | 896            | 1,382          |
| Depreciation and amortisation         6.2A         18,587         20,175           Total expenses         323,517         345,077           OWN SOURCE INCOME           Own-source revenue         328         160,323         157,573           Sale of goods and rendering of services         4.2A         160,323         157,573           Interest - deposits         4.2B         65         65           Total own-source revenue         4.2B         65         62           Gains         4.2C         495         495         495           Other gains         4.2C         495         495         495           Total gains         4.95         495         495         495           Total own-source income         160,883         158,130         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         4.1E         4,667         5,277           Surplus after income tax on continuing operations         4.1E         4,667         5,277           Surplus after income tax on continuing operations         5,985         (107   | Write-down and impairment of assets and other expenses                    | 4.1C         | 117            | 11,209         |
| Total expenses         323,517         345,077           OWN SOURCE INCOME           Own-source revenue           Sale of goods and rendering of services         4.2A         160,323         157,573           Interest - deposits         4.2B         65         66           Total own-source revenue         4.2C         495         495           Total gains         4.2C         495         4.95           Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         4.1E         4,667         5,277           Surplus after income tax on continuing operations         4.1E         4,667         5,277           Colspan="2">Colspan="2">Colspan="2">2 19,885         5,985         (107)           16,043         18,865         19  | Resources provided free of charge   | 4.1D         | 6,041          | -              |
| OWN SOURCE INCOME           Own-source revenue         4.2A         160,323         157,573           Sale of goods and rendering of services         4.2B         65         65           Interest - deposits         4.2B         65         65           Total own-source revenue         160,388         157,635           Gains         4.2C         495         495           Total gains         4.95         495         495           Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         4.1E         4,667         5,277           Surplus after income tax on continuing operations         4.1E         4,667         5,277           OTHER COMPREHENSIVE INCOME         Items not subject to subsequent reclassification to 'net cost of service'         Changes in asset revaluation surplus         5,985         (107           Total other comprehensive income         5,985         (107  | Depreciation and amortisation   | 6.2A         | 18,587         | 20,179         |
| Own-source revenue         Sale of goods and rendering of services       4.2A       160,323       157,573         Interest - deposits       4.2B       65       66         Total own-source revenue       160,388       157,635         Gains       4.2C       495       495         Other gains       495       495       495         Total gains       495       495       495         Total own-source income       160,883       158,130         Net cost of services       162,634       186,947         Revenue from government - departmental appropriations       4.2D       181,822       199,885         Surplus before income tax on continuing operations       19,188       12,942         Income tax expense       4.1E       4,667       5,277         Surplus after income tax on continuing operations       14,521       7,665         OTHER COMPREHENSIVE INCOME       14,521       7,665         Items not subject to subsequent reclassification to 'net cost of service'       5,985       (107         Changes in asset revaluation surplus       5,985       (107         Total other comprehensive income       5,985       (107   | Total expenses  | <del>-</del> | 323,517        | 345,077        |
| Sale of goods and rendering of services       4.2A       160,323       157,573         Interest - deposits       4.2B       65       62         Total own-source revenue       160,388       157,635         Gains       4.2C       495       495         Other gains       4.2C       495       495         Total gains       495       495       495         Net cost of services       160,883       158,130         Net cost of services       162,634       186,947         Revenue from government - departmental appropriations       4.2D       181,822       199,885         Surplus before income tax on continuing operations       19,188       12,945         Income tax expense       4.1E       4,667       5,277         Surplus after income tax on continuing operations       14,521       7,665         OTHER COMPREHENSIVE INCOME       14,521       7,665         Items not subject to subsequent reclassification to 'net cost of service'       5,985       (107         Changes in asset revaluation surplus       5,985       (107         Total other comprehensive income       5,985       (107  | OWN SOURCE INCOME   |              |                |                |
| Interest - deposits   | Own-source revenue  |              |                |                |
| Total own-source revenue         160,388         157,635           Gains         4.2C         495         495           Total gains         495         495         495           Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         19,188         12,942           Income tax expense         4.1E         4,667         5,277           Surplus after income tax on continuing operations         14,521         7,665           OTHER COMPREHENSIVE INCOME         Items not subject to subsequent reclassification to 'net cost of service'         Changes in asset revaluation surplus         5,985         (107           Total other comprehensive income         5,985         (107  | Sale of goods and rendering of services                                   | 4.2A         | 160,323        | 157,573        |
| Gains           Other gains         4.2C         495         495           Total gains         495         495         495           Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,889           Surplus before income tax on continuing operations         19,188         12,942           Income tax expense         4.1E         4,667         5,277           Surplus after income tax on continuing operations         14,521         7,665           OTHER COMPREHENSIVE INCOME         Items not subject to subsequent reclassification to 'net cost of service'         5,985         (107           Changes in asset revaluation surplus         5,985         (107           Total other comprehensive income         5,985         (107  | Interest - deposits   | 4.2B         | 65             | 62             |
| Other gains         4.2C         495         495           Total gains         495         495         495           Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,889           Surplus before income tax on continuing operations         19,188         12,942           Income tax expense         4.1E         4,667         5,277           Surplus after income tax on continuing operations         14,521         7,665           OTHER COMPREHENSIVE INCOME         14,521         7,665           Items not subject to subsequent reclassification to 'net cost of service'         5,985         (107           Changes in asset revaluation surplus         5,985         (107           Total other comprehensive income         5,985         (107   | Total own-source revenue  | <u>-</u>     | 160,388        | 157,635        |
| Total gains         495         495           Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         19,188         12,942           Income tax expense         4.1E         4,667         5,277           Surplus after income tax on continuing operations         14,521         7,665           OTHER COMPREHENSIVE INCOME         Items not subject to subsequent reclassification to 'net cost of service'         5,985         (107           Changes in asset revaluation surplus         5,985         (107           Total other comprehensive income         5,985         (107   | Gains   |              |                |                |
| Total own-source income         160,883         158,130           Net cost of services         162,634         186,947           Revenue from government - departmental appropriations         4.2D         181,822         199,885           Surplus before income tax on continuing operations         19,188         12,942           Income tax expense         4.1E         4,667         5,277           Surplus after income tax on continuing operations         14,521         7,665           OTHER COMPREHENSIVE INCOME         Items not subject to subsequent reclassification to 'net cost of service'         5,985         (107           Changes in asset revaluation surplus         5,985         (107           Total other comprehensive income         5,985         (107   | Other gains   | 4.2C         | 495            | 495            |
| Net cost of services  162,634  186,947  Revenue from government - departmental appropriations  Surplus before income tax on continuing operations  Income tax expense  4.1E  4.667  5.277  Surplus after income tax on continuing operations  OTHER COMPREHENSIVE INCOME  Items not subject to subsequent reclassification to 'net cost of service'  Changes in asset revaluation surplus  Total other comprehensive income  162,634  186,947  199,888  12,942  4.1E  4.667  5.277  5.7665  14,521  7.665  (107  Total other comprehensive income   | Total gains   | -            | 495            | 495            |
| Revenue from government - departmental appropriations  Surplus before income tax on continuing operations Income tax expense Income tax expense  OTHER COMPREHENSIVE INCOME Items not subject to subsequent reclassification to 'net cost of service' Changes in asset revaluation surplus  Total other comprehensive income  4.2D  181,822 199,885 1,985 19,188 12,942 14,667 5,277 14,521 7,665 107 107 107 107 107 107 107 107 107 107   | Total own-source income   | -            | 160,883        | 158,130        |
| Surplus before income tax on continuing operations Income tax expense | Net cost of services  | _            | 162,634        | 186,947        |
| Income tax expense 4.1E 4,667 5,277  Surplus after income tax on continuing operations 14,521 7,665  OTHER COMPREHENSIVE INCOME  Items not subject to subsequent reclassification to 'net cost of service'  Changes in asset revaluation surplus 5,985 (107  Total other comprehensive income 5,985 (107)   | Revenue from government - departmental appropriations                     | 4.2D         | 181,822        | 199,889        |
| Surplus after income tax on continuing operations 14,521 7,665  OTHER COMPREHENSIVE INCOME  Items not subject to subsequent reclassification to 'net cost of service'  Changes in asset revaluation surplus 5,985 (107)  Total other comprehensive income 5,985 (107)   | Surplus before income tax on continuing operations                        | -            | 19,188         | 12,942         |
| OTHER COMPREHENSIVE INCOME  Items not subject to subsequent reclassification to 'net cost of service'  Changes in asset revaluation surplus  Total other comprehensive income  5,985 (107)  | Income tax expense  | 4.1E         | 4,667          | 5,277          |
| Items not subject to subsequent reclassification to 'net cost of service'       Changes in asset revaluation surplus     5,985     (107       Total other comprehensive income     5,985     (107   | Surplus after income tax on continuing operations                         | -<br>-       | 14,521         | 7,665          |
| Changes in asset revaluation surplus     5,985     (107       Total other comprehensive income     5,985     (107   | OTHER COMPREHENSIVE INCOME  |              |                |                |
| Total other comprehensive income 5,985 (107   | Items not subject to subsequent reclassification to 'net cost of service' |              |                |                |
|   | Changes in asset revaluation surplus                                      |              | 5,985          | (107)          |
|   | Total other comprehensive income  | <del>-</del> | 5,985          | (107)          |
| Total comprehensive income attributable to the Australian Government 20,506 7,558   | Total comprehensive income attributable to the Australian Government      | -            | 20,506         | 7,558          |

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

Budget variance commentary is disclosed in Note 1.1.

### ATTORNEY-GENERAL'S DEPARTMENT STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

| ASSETS  | Notes                | 2018<br>\$'000                  | 2017<br>\$'000                    |
|---|----------------------|---------------------------------|-----------------------------------|
| Financial assets  |                      |                                 |                                   |
| Cash and cash equivalents   | 6.1A                 | 55,735                          | 43,923                            |
| Trade and other receivables   | 6.1B                 | 104,892                         | 113,571                           |
| Total financial assets  | _                    | 160,627                         | 157,494                           |
| Non-financial assets  |                      |                                 |                                   |
| Land and buildings  | 6.2A                 | 53,370                          | 56,690                            |
| Heritage and cultural   | 6.2A                 | 3,774                           | 4,204                             |
| Property, plant and equipment                                       | 6.2A                 | 9,968                           | 20,868                            |
| Intangibles – computer software                                     | 6.2A                 | 9,271                           | 24,823                            |
| Other non-financial assets  | 6.2C                 | 8,047                           | 10,662                            |
| Total non-financial assets  | _                    | 84,430                          | 117,247                           |
| Total assets  | _                    | 245,057                         | 274,741                           |
| LIABILITIES Payables Suppliers Grants Other payables Total payables | 6.3A<br>6.3B<br>6.3C | 40,247<br>-<br>29,579<br>69,826 | 41,825<br>300<br>30,230<br>72,355 |
| Provisions  |                      |                                 |                                   |
| Employee provisions   | 2.2A                 | 53,571                          | 68,075                            |
| Makegood provisions   | 6.4A                 | 316                             | 41                                |
| Other provisions  | 6.4B                 | 13                              | 142                               |
| Total provisions  | _                    | 53,900                          | 68,258                            |
| Total liabilities   | _                    | 123,726                         | 140,613                           |
| Net assets  |                      | 121,331                         | 134,128                           |
| EQUITY  |                      |                                 |                                   |
| Contributed equity  |                      | 234,935                         | 250,345                           |
| Reserves  |                      | 26,589                          | 20,604                            |
| Accumulated deficit   | _                    | (140,193)                       | (136,821)                         |
| Total equity  | _                    | 121,331                         | 134,128                           |

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

Budget variance commentary is disclosed in Note 1.1.

ATTORNEY-GENERAL'S DEPARTMENT STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2018

| Notes | and project of | and in a       | Meyer to a A   | Accept rotation rose | Contri         | Contributed | viimo leteT    | , in           |
|-------|----------------|----------------|----------------|----------------------|----------------|-------------|----------------|----------------|
| 200   |                | ca iii ga      | 3000           |                      | din ha         | 5           |                | funh           |
|       | 2018<br>\$'000 | 2017<br>\$'000 | 2018<br>\$'000 | 2017<br>\$'000       | 2018<br>\$'000 | 2017        | 2018<br>\$'000 | 2017<br>\$'000 |
|       | (136 821)      | (144 486)      | 20 604         | 20.711               | 250 345        | 220 841     | 134 128        | 106.066        |
|       | (136,821)      |                | 20,604         | 20,711               | 250,345        | 229,841     | 134,128        | 106,066        |
|       | 1              | 1              | 5.985          | (107)                | 1              | ı           | 5.985          | (107)          |
|       | 14,521         | 7,665          | 1              | Ì                    | •              | I           | 14,521         | 7,665          |
|       | 14,521         | 7,665          | 5,985          | (107)                | 1              | I           | 20,506         | 7,558          |
|       |                |                |                |                      |                |             |                |                |
|       | (17,894)       | I              | ı              | I                    | ı              | I           | (17,894)       | I              |
| 9.1A  | ı              | I              | ı              | I                    | (44,289)       | I           | (44,289)       | ı              |
|       | ı              | ı              | ı              | I                    | 11,156         | 15,773      | 11,156         | 15,773         |
|       | 1              | 1              | ı              | ı                    | 17,723         | 4,731       | 17,723         | 4,731          |
|       | (17,894)       | 1              | _              | _                    | (15,410)       | 20,504      | (33,304)       | 20,504         |
|       | (140,193)      | (136,821)      | 56,589         | 20,604               | 234,935        | 250,345     | 121,331        | 134,128        |

Balance carried forward from previous period

Opening balance

Adjusted opening balance

Comprehensive Income

Total comprehensive income Surplus/(Deficit) for the period Other comprehensive income

Transactions with owners

Distributions to owners

Returns on capital Returns of capital Dividends

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

Restructuring: Department of Home Affairs

Total transactions with owners Closing balance as at 30 June Equity injection - Appropriations

Departmental Capital Budget

Contributions by owners

### **Accounting Policy**

### **Equity injections**

Amounts appropriated which are designated as 'equity injections' (less any formal reductions) and Departmental Capital Budget (DCB) are recognised directly in contributed equity in that year.

#### Restructuring of administrative arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to Owners
The Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

Budget variance commentary is disclosed in Note 1.1.

### ATTORNEY-GENERAL'S DEPARTMENT **CASH FLOW STATEMENT**

for the period ended 30 June 2018

|  | Notes    | 2018<br>\$'000 | 2017<br>\$'000 |
|--|----------|----------------|----------------|
| OPERATING ACTIVITIES   |          |                |                |
| Cash received  |          |                |                |
| Sale of goods and rendering of services                            |          | 171,043        | 151,869        |
| Appropriations   |          | 207,306        | 223,615        |
| GST received   |          | 4,427          | 6,659          |
| Interest   |          | 65             | 62             |
| Total cash received  | _        | 382,841        | 382,205        |
| Cash used  |          |                |                |
| Employees  |          | 212,558        | 211,892        |
| Suppliers  |          | 106,241        | 98,142         |
| Grants   |          | 1,196          | 1,348          |
| Income taxes paid  |          | 4,667          | 5,277          |
| Section 74 receipts transferred to Official Public Account         | _        | 31,622         | 43,476         |
| Total cash used  | _        | 356,284        | 360,135        |
| Net cash from operating activities                                 | _        | 26,557         | 22,070         |
| INVESTING ACTIVITIES   |          |                |                |
| Cash used  |          |                |                |
| Purchase of land and buildings                                     |          | 15,291         | 12,103         |
| Purchase of property, plant and equipment                          |          | 4,187          | 9,072          |
| Purchase of intangibles – computer software                        | _        | 6,909          | 10,629         |
| Total cash used  | _        | 26,387         | 31,804         |
| Net cash used by investing activities                              | _        | (26,387)       | (31,804)       |
| FINANCING ACTIVITIES   |          |                |                |
| Cash received Contributed equity                                   |          | 20,682         | 20,504         |
| Total cash received  | <u>-</u> | 20,682         | 20,504         |
| Cash used  | _        |                |                |
| Dividends paid   |          | 9,040          | _              |
| Total cash used  | _        | 9.040          |                |
| Net cash from financing activities                                 | _        | 11.642         | 20,504         |
| not out in an interioring doubties                                 | _        | 11,072         | 20,004         |
| Net increase/(decrease) in cash held                               |          | 11,812         | 10,770         |
| Cash and cash equivalents at the beginning of the reporting period |          | 43,923         | 33,153         |
| Cash and cash equivalents at the end of the reporting period       | 6.1A     | 55,735         | 43,923         |
|  | _        |                |                |

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

Budget variance commentary is disclosed in Note 1.1.

### ATTORNEY-GENERAL'S DEPARTMENT ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

for the period ended 30 June 2018

|   |       | 2018      | 2017      |
|---|-------|-----------|-----------|
|   | Notes | \$'000    | \$'000    |
| NET COST OF SERVICES  |       |           |           |
| EXPENSES  |       |           |           |
| Employee benefits   | 2.1B  | 16,574    | 46,489    |
| Suppliers   | 5.1A  | 76,744    | 101,690   |
| Subsidy to Law Courts Limited   | 5.1B  | 3,246     | 3,446     |
| Personal benefits - direct  | 5.1C  | 3,802     | 28,187    |
| Grants  | 5.1D  | 294,887   | 437,141   |
| Write-down and impairment of assets and other expenses                            | 5.1E  | 14,125    | (13)      |
| Payments to corporate Commonwealth entities                                       | 5.1F  | 14,391    | -         |
| Depreciation and amortisation   | 7.2A  | 2,397     | 5,195     |
| Total expenses  | _     | 426,166   | 622,135   |
|   | _     |           |           |
| INCOME  |       |           |           |
| Revenue   |       |           |           |
| Non-taxation revenue  |       |           |           |
| Rendering of services   | 5.2A  | 11,825    | 32,478    |
| Interest from loans to state and territory governments                            | 5.2B  | 2,327     | 2,674     |
| Competitive neutrality - Australian Government Solicitor                          | 5.2C  | 3,657     | 2,857     |
| Recoveries - personal benefit recoveries  | 5.2D  | 222       | 565       |
| Other non-taxation revenue  | 5.2E  | 8,170     | 10,393    |
| Total non-taxation revenue  | _     | 26,201    | 48,967    |
| Net cost of services  | _     | 399,965   | 573,168   |
| Deficit on continuing operations  | _     | (399,965) | (573,168) |
| OTHER COMPREHENSIVE INCOME  |       |           |           |
| Items not subject to subsequent reclassification to net cost of services          |       |           |           |
| Changes in asset revaluation surplus  |       | 49,980    | 5,945     |
| Actuarial (losses) on defined benefit plans - former Solicitor-Generals' pensions | 2.3   | (501)     | (81)      |
| Total other comprehensive income  | _     | 49,479    | 5.864     |
| Total comprehensive loss attributable to the Australian Government                | -     | (350,486) | (567,304) |
|   | _     | <u> </u>  |           |
| The above schedule should be read in conjunction with the accompanying notes.     |       |           |           |
|   |       |           |           |
| Budget variance commentary is disclosed in Note 1.1.                              |       |           |           |

### ATTORNEY-GENERAL'S DEPARTMENT ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES

as at 30 June 2018

|  |               | 2018    | 2017    |
|--|---------------|---------|---------|
|  | Notes         | \$'000  | \$'000  |
| ASSETS   |               |         |         |
| Financial assets   |               |         |         |
| Cash and cash equivalents  | 7.1A          | 8,705   | 4       |
| oans and receivables   | 7.1B          | 868     | 135,417 |
| nvestments   | 7.1C          | 401,216 | 351,236 |
| Total financial assets   | _             | 410,789 | 486,657 |
| Non-financial assets   |               |         |         |
| and and buildings  | 7.2A          | 1,291   | 880     |
| Property, plant and equipment  | 7.2A          | 70      | 3,030   |
| ntangibles   | 7.2A          | -       | 835     |
| Other non-financial assets   | 7.2C          | -       | 642     |
| Total non-financial assets   | · <del></del> | 1,361   | 5,387   |
| Total assets administered on behalf of Government                    | _             | 412,150 | 492,044 |
| LIABILITIES  |               |         |         |
| Payables   |               |         |         |
| Suppliers  | 7.3A          | 4,417   | 13,769  |
| Grants   | 7.3B          | 3,185   | 9,639   |
| Other payables   | 7.3C          | 95      | 328     |
| Total payables   | _             | 7,697   | 23,736  |
| Provisions   |               |         |         |
| Employee provisions  | 2.2B          | -       | 2,619   |
| Superannuation provision - former Solicitor-Generals' pensions       | 2.3           | 5,912   | 5,671   |
| Other provisions   | 7.4           | -       | 1,323   |
| Total provisions   | _             | 5,912   | 9,613   |
| Total liabilities administered on behalf of Government               | _             | 13,609  | 33,349  |
| Net assets   | _             | 398,541 | 458,695 |
| The above schedule should be read in conjunction with the accompanyi | na notes      |         |         |
|  | ng notos.     |         |         |
| udget variance commentary is disclosed in Note 1.1                   |               |         |         |

Budget variance commentary is disclosed in Note 1.1.

### ATTORNEY-GENERAL'S DEPARTMENT ADMINISTERED RECONCILIATION SCHEDULE

for the period ended 30 June 2018

|  | 2018      | 2017      |
|--|-----------|-----------|
|  | \$'000    | \$'000    |
| Opening assets less liabilities as at 1 July                             | 458,695   | 433,112   |
| Adjustment for recognition of cash held in special account <sup>1</sup>  | 16,386    | -         |
| Adjusted opening assets less liabilities as at 1 July                    | 475,081   | 433,112   |
| Net cost of services   |           |           |
| Income   | 26,201    | 48,967    |
| Expenses   |           |           |
| Payments to entities other than corporate Commonwealth entities          | (411,772) | (622,135) |
| Payments to corporate Commonwealth entities                              | (14,391)  | -         |
| Other comprehensive income   |           |           |
| Revaluations transferred to reserves                                     | 49,980    | 5,945     |
| Actuarial (losses) - former Solicitor-Generals' pensions taken to equity | (501)     | (81)      |
| Transfers (to)/from the Australian Government                            |           |           |
| Appropriation transfers from the Official Public Account (OPA)           |           |           |
| Administered assets and liabilities appropriations                       | 3,044     | 19,311    |
| Annual appropriations  |           |           |
| Payments to entities other than corporate Commonwealth entities          | 457,004   | 606,811   |
| Payments to corporate Commonwealth entities                              | 14,439    | -         |
| Special appropriations (unlimited)                                       |           |           |
| Payments to entities other than corporate Commonwealth entities          | 4,458     | 26,872    |
| Appropriation transfers to OPA   |           |           |
| Transfers to OPA   | (102,274) | (60,107)  |
| Restructuring (refer to Note 9.1B)                                       | (102,728) |           |
| Closing assets less liabilities as at 30 June                            | 398,541   | 458,695   |

<sup>&</sup>lt;sup>1</sup> Under the Public Governance, Performance and Accountability (Financial Reporting ) Rule 2015 Division 6 (of Part 6) – Special Accounts section 48(7) changes have been made that result in the requirement to disclose administered special accounts held in the OPA as cash equivalents in the department's administered financial statements.

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

#### **Accounting Policy**

#### Administered cash transfers to and from the Official Public Account

Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the entity on behalf of the Government and reported as such in the administered cash flow statement and in the administered reconciliation schedule.

### ATTORNEY-GENERAL'S DEPARTMENT ADMINISTERED CASH FLOW STATEMENT

for the period ended 30 June 2018

|  |          | 2018      | 2017      |
|--|----------|-----------|-----------|
|  | Notes    | \$'000    | \$'000    |
|  |          | ,         | <b>\$</b> |
| OPERATING ACTIVITIES                                     |          |           |           |
| Cash received  |          |           |           |
| Rendering of services                                    |          | 20,904    | 2,651     |
| Interest from loans to state and territory governments   |          | 799       | 1,245     |
| GST received   |          | 44,815    | 21,989    |
| Competitive neutrality - Australian Government Solicitor |          | 3,657     | 2,857     |
| Recoveries - personal benefit recoveries                 |          | 222       | 565       |
| Other non-taxation revenue:                              |          |           |           |
| Recovery of unspent grant funding                        |          | 390       | 411       |
| Torres Strait Regional Authority receipts                |          | 800       | 800       |
| Proceeds of Crime Act 2002 receipts                      |          | 862       | 6,120     |
| Other revenue  |          | 4,652     | 3,062     |
| Total cash received                                      |          | 77,101    | 39,700    |
|  | _        |           |           |
| Cash used  |          |           |           |
| Grants   |          | 331,146   | 433,173   |
| Subsidy to Law Courts Limited                            |          | 3,246     | 3,446     |
| Personal benefits - direct                               |          | 4,062     | 28,467    |
| Suppliers  |          | 86,324    | 118,690   |
| Employees  |          | 19,426    | 45,872    |
| Payments to corporate Commonwealth entities              | <u>_</u> | 14,391    |           |
| Total cash used  | _        | 458,595   | 629,648   |
| Net cash flows used by operating activities              | _        | (381,494) | (589,948) |
| INVESTING ACTIVITIES                                     |          |           |           |
| Cash received  |          |           |           |
| Repayments of advances and loans from state governments  |          | _         | 16,360    |
| Total cash received                                      | -        |           | 16,360    |
| Total cash received                                      | -        |           | 10,000    |
| Cash used  |          |           |           |
| Purchase of land and buildings                           |          | 1,291     | 16        |
| Purchase of property, plant and equipment                |          | 125       | 746       |
| Advances and loans made to state governments             |          | 1,446     | 18,534    |
| Total cash used  |          | 2,862     | 19,296    |
| Net cash flows used by investing activities              | _        | (2,862)   | (2,936)   |

### ATTORNEY-GENERAL'S DEPARTMENT ADMINISTERED CASH FLOW STATEMENT

| for the period ended 30 June 2018   |              |                |                |
|---|--------------|----------------|----------------|
|   | Notes        | 2018<br>\$'000 | 2017<br>\$'000 |
| FINANCING ACTIVITIES  |              |                |                |
| Cash received   |              |                |                |
| Contributed equity - transfer from Official Public Account  | _            | 3,044          | 19,311         |
| Net cash flows from financing activities  | _            | 3,044          | 19,311         |
| Net decrease in cash held   | _            | (381,312)      | (573,573)      |
| Cash and cash equivalents at the beginning of the reporting period  Cash from Official Public Account |              | 16,390         | 1              |
| Appropriations  |              | 457,004        | 606,811        |
| Special Appropriations  |              | 4,458          | 26,872         |
| Payments to corporate Commonwealth entities   |              | 14,439         | -              |
| Total cash from official public account   | _            | 475,901        | 633,683        |
| Cash to Official Public Account for   |              |                |                |
| Appropriations  |              | (101,086)      | (52,974)       |
| Special Appropriations  |              | (1,188)        | (7,133)        |
| Total cash to official public account   | <del>-</del> | (102,274)      | (60,107)       |
| Cash and cash equivalents at the end of the reporting period  | 7.1A         | 8,705          | 4              |
| This statement should be read in conjunction with the accompanying notes.                             |              |                |                |

### Overview

#### Objectives of the Attorney-General's Department

The Attorney-General's Department supports the Attorney-General in achieving a just and secure society through the maintenance and improvement of Australia's law, justice, security and integrity frameworks. It is a not-for-profit entity.

The department provides expert advice and services on a range of law and justice issues to the Attorney-General, the Hon Christian Porter MP, and the Australian Government.

The department's outcome statement has been amended to reflect changes under the Administrative Arrangements Orders (AAO) of 20 December 2017 and 10 May 2018 and consequential transfers of appropriation under section 75 of the Public Governance, Performance and Accountability Act 2013.

The department's outcome is described below together with its related programs.

Outcome: A just and secure society through the maintenance and improvement of Australia's law, justice, security and integrity frameworks.

There are nine programs within the Outcome: Attorney-General's Department Operating Expenses - Civil Justice and Legal Services (1.1), Attorney-General's Department Operating Expenses - National Security and Criminal Justice (1.2) (the majority of functions under this program were transferred to the Department of Home Affairs under the AAOs of 20 December 2017 and 10 May 2018), Australian Government Solicitor (1.3), Justice Services (1.4), Family Relationships (1.5), Indigenous Legal and Native Title Assistance (1.6), National Security and Criminal Justice (1.7) (transferred to the Department of Home Affairs on 20 December 2017), Australian Government Disaster Financial Support Payments (1.8) (transferred to the Department of Home Affairs on 20 December 2017) and Royal Commissions (1.9).

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

The department's activities contributing toward the outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the department in its own right. Administered activities involve the management or oversight by the department, on behalf of the government, of items controlled or incurred by the government.

#### Basis of preparation of the financial statements

The financial statements are required by section 42 of the Public Governance, Performance and Accountability Act 2013 and are general purpose financial statements.

The financial statements and notes have been prepared in accordance with:

- Financial Reporting Rule (FFR) for reporting periods ending on or after 1 July 2017; and
- Australian Accounting Standards and Interpretations Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets and liabilities 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 statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

#### **New Australian Accounting Standards**

Adoption of New Australian Accounting Standard Requirements No accounting standard has been adopted earlier than the application date as stated in the standard. Future Australian Accounting Standard Requirements

The following new standards, amendments to standards and interpretations were issued by the Australian Accounting Standards Board prior to the sign-off date. These are expected to have a financial impact on the department for future reporting periods:

| Standard/Interpretation                        | Application date for the entity | Nature of impending change/s in accounting policy and likely impact on initial application   |
|--|---------------------------------|--|
| AASB 15 Revenue from Contracts with Customers  | 1 Jan 2019                      | AASB 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  |
| AASB 16 Leases                                 | 1 Jan 2019                      | AASB 16 brings all leases onto the balance sheet of lessees, thereby increasing the transparency surrounding such arrangements and making the lessee's balance sheet better reflect the economics of its transactions.   |
| AASB 1058 Income of Not-for-Profit<br>Entities | 1 Jan 2019                      | AASB 1058 establishes principles for not-for-profit entities that apply to: transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and the receipt of volunteer services. |

#### **Taxation**

The department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

#### Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Administered items are distinguished by shading in the financial statements.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

#### Events after the reporting period

#### Departmental

On 1 July, the Intelligence Services Amendment (Establishment of the Australian Signals Directorate) Act 2018 (No. 25, 2018) commenced, consolidating responsibility for a variety of cyber security-related functions within the Australian Signals Directorate (ASD) as an independent statutory agency. This included responsibilities for the functions previously performed by CERT Australia within AGD.

In respect of the functions relinquished, the net book value of assets and liabilities to be transferred from AGD to ASD for no consideration and de-recognised as at 1 July 2018.

Subject to agreement between respective Chief Financial Officers, AGD assets and liabilities to be transferred to ASD at 1 July 2018

|   | \$'000                             |
|---|------------------------------------|
| Assets Financial assets Non-financial assets Total assets | 76<br><u>9,398</u><br><b>9,474</b> |
| Liabilities   |                                    |
| Financial liabilities                                     | 3,302                              |
| Non-financial liabilities                                 | 1,902                              |
| Total liabilities   | 5,204                              |
| Net assets relinquished                                   | 4,270                              |

#### **Administered**

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the department.

## Note 1: Budgetary Reports and **Variances**

The following tables provide a comparison of the budget as presented in the 2017-18 Portfolio Budget Statements (PBS) to the 2017-18 final outcome as presented in accordance with the Australian Accounting Standards for the department. The budget is not audited. Explanations of major variances are provided below.

### 1.1A Departmental budgetary reports

#### ATTORNEY-GENERAL'S DEPARTMENT STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2018

|   | Original |          |                    |
|---|----------|----------|--------------------|
|   | Budget   | Actual   | Variance 1         |
|   | 2018     | 2018     | 2018               |
|   | \$'000   | \$'000   | \$'000             |
| NET COST OF SERVICES  |          |          |                    |
| EXPENSES  |          |          |                    |
| Employee benefits   | 221,762  | 205,747  | (16,015)           |
| Suppliers   | 157,443  | 92,129   | (65,314)           |
| Grants  | · -      | 896      | 896                |
| Write-down and impairment of assets and other expenses  | -        | 117      | 117                |
| Resources provided free of charge   | -        | 6,041    | 6,041              |
| Depreciation and amortisation   | 22,698   | 18,587   | (4,111)            |
| Total expenses  | 401,903  | 323,517  | (78,386)           |
| OWN SOURCE INCOME   |          |          |                    |
| Own-source revenue  |          |          |                    |
| Sale of goods and rendering of services   | 181,898  | 160,323  | (21,575)           |
| Interest - deposits   | 100      | 65       | (35)               |
| Other revenue   | 2,073    | _        | (2,073)            |
| Total own-source revenue  | 184,071  | 160,388  | (23,683)           |
| Gains   |          |          |                    |
| Other gains   | 495      | 495      | _                  |
| Total gains   | 495      | 495      |                    |
| Total own-source income   | 184,566  | 160,883  | (23,683)           |
|   |          | <u> </u> |                    |
| Net cost of services  | 217,337  | 162,634  | (54,703)           |
| Payanua from gayarament, departmental appropriations  | 203,970  | 181,822  | (22 149)           |
| Revenue from government - departmental appropriations  Surplus before income tax on continuing operations | (13,367) | 19,188   | (22,148)<br>32,555 |
| Income tax expense  | (13,367) | 4,667    | 4,667              |
| Surplus after income tax on continuing operations   | (13,367) | 14,521   | 27,888             |
| Surplus dits. Moone tax on community operations   | (10,001) | 14,021   | 21,000             |
| OTHER COMPREHENSIVE INCOME  |          |          |                    |
| Items not subject to subsequent reclassification to 'net cost of service'                                 |          |          |                    |
| Changes in asset revaluation surplus  |          | 5,985    | 5,985              |
| Total other comprehensive income  | -        | 5,985    | 5,985              |
| Total comprehensive income attributable to the Australian<br>Government                                   | (13,367) | 20,506   | 33,873             |
|   |          |          |                    |

<sup>1.</sup> Between the actual and original budgeted amounts for 2018. Explanations of major variances are provided further below.

### ATTORNEY-GENERAL'S DEPARTMENT STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

|                                 | Original |         |            |
|---------------------------------|----------|---------|------------|
|                                 | Budget   | Actual  | Variance 1 |
|                                 | 2018     | 2018    | 2018       |
|                                 | \$'000   | \$'000  | \$'000     |
| ASSETS                          |          |         |            |
| Financial assets                |          |         |            |
| Cash and cash equivalents       | 39,021   | 55,735  | 16,714     |
| Trade and other receivables     | 98,691   | 104,892 | 6,201      |
| Total financial assets          | 137,712  | 160,627 | 22,915     |
| Non-financial assets            |          |         |            |
| Land and buildings              | 47,232   | 53,370  | 6,138      |
| Heritage and cultural           | 4,204    | 3,774   | (430)      |
| Property, plant and equipment   | 35,012   | 9,968   | (25,044)   |
| Intangibles – computer software | 23,318   | 9,271   | (14,047)   |
| Other non-financial assets      | 5,661    | 8,047   | 2,386      |
| Total non-financial assets      | 115,427  | 84,430  | (30,997)   |
| Total assets                    | 253,139  | 245,057 | (8,082)    |
| LIABILITIES                     |          |         |            |
| Payables                        |          |         |            |
| Suppliers                       | 35,290   | 40,247  | 4,957      |
| Other payables                  | 14,894   | 29,579  | 14,685     |
| Total payables                  | 50,184   | 69,826  | 19,642     |
| Provisions                      |          |         |            |
| Employee provisions             | 57,873   | 53,571  | (4,302)    |
| Makegood provisions             | _        | 316     | 316        |
| Other provisions                | 67       | 13      | (54)       |
| Total provisions                | 57,940   | 53,900  | (4,040)    |
| Total liabilities               | 108,124  | 123,726 | 15,602     |
| Net assets                      | 145,015  | 121,331 | (23,684)   |

<sup>1.</sup> Between the actual and original budgeted amounts for 2018. Explanations of major variances are provided further below.

### ATTORNEY-GENERAL'S DEPARTMENT STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2018

|  | Original  |           |            |
|--|-----------|-----------|------------|
|  | Budget    | Actual    | Variance 1 |
|  | 2018      | 2018      | 2018       |
|  | \$'000    | \$'000    | \$'000     |
| CONTRIBUTED EQUITY                           |           |           |            |
| Opening balance                              |           |           |            |
| Balance carried forward from previous period | 262,043   | 250,345   | (11,698)   |
| Adjusted opening balance                     | 262,043   | 250,345   | (11,698)   |
| Transactions with owners                     |           |           |            |
| Distributions to owners                      |           |           |            |
| Distribution of equity                       | 4,942     | -         | (4,942)    |
| Contributions by owners                      |           |           |            |
| Departmental Capital Budget                  | 18,369    | 11,156    | (7,213)    |
| Equity injection - Appropriations            | 8,383     | 17,723    | 9,340      |
| Other  | (1,079)   | (44,289)  | (43,210)   |
| Total transactions with owners               | 30,615    | (15,410)  | (46,025)   |
| Closing balance as at 30 June                | 292,658   | 234,935   | (57,723)   |
| RETAINED EARNINGS                            |           |           |            |
| Opening balance                              |           |           |            |
| Balance carried forward from previous period | (152,839) | (136,821) | 16,018     |
| Adjusted opening balance                     | (152,839) | (136,821) | 16,018     |
| Comprehensive Income                         |           |           |            |
| Surplus/(Deficit) for the period             | (13,367)  | 14,521    | 27,888     |
| Total comprehensive income                   | (13,367)  | 14,521    | 27,888     |
| Transactions with owners                     |           |           |            |
| Distributions to owners                      |           |           |            |
| Dividends                                    | (2,147)   | (17,894)  | (15,747)   |
| Closing balance as at 30 June                | (168,353) | (140,193) | 28,160     |
|  |           | _         |            |

### ATTORNEY-GENERAL'S DEPARTMENT STATEMENT OF FINANCIAL POSITION (CONT.)

as at 30 June 2018

| Budget         Actual         Variance 1           2018         2018         2018         2018           2018         2018         2018         2018           2000         \$'000         \$'000           ASSET REVALUATION RESERVE         Popening balance         20,710         20,604         (106)           Balance carried forward from previous period         20,710         20,604         (106)           Adjusted opening balance         -         5,985         5,985           Other comprehensive income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY         Opening balance         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income         129,914         134,128         4,214           Comprehensive Income         13,367         14,521         27,888           Other comprehensive income         13,367         14,521         27,888           Total comprehensive income         (13,367)         20,506         33,873  |  | Original<br>Original |          |            |
|--|--|----------------------|----------|------------|
| S  |  | •                    | Actual   | Variance 1 |
| ASSET REVALUATION RESERVE  |  | 2018                 | 2018     | 2018       |
| Opening balance         20,710         20,604         (106)           Adjusted opening balance         20,710         20,604         (106)           Comprehensive Income         -         20,710         20,604         (106)           Comprehensive Income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY         Opening balance         3         4,214         4,  |  | \$'000               | \$'000   | \$'000     |
| Balance carried forward from previous period         20,710         20,604         (106)           Adjusted opening balance         20,710         20,604         (106)           Comprehensive Income         -         5,985         5,985           Other comprehensive income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY         Opening balance         -         5,985         5,879           Balance carried forward from previous period         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income         -         129,914         134,128         4,214           Comprehensive Income         -         14,521         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Total comprehensive income         -         (13,367)         20,506         33,873 <td>ASSET REVALUATION RESERVE</td> <td></td> <td></td> <td></td>  | ASSET REVALUATION RESERVE                    |                      |          |            |
| Adjusted opening balance         20,710         20,604         (106)           Comprehensive Income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY         Opening balance         32,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income         129,914         134,128         4,214           Comprehensive Income         129,914         134,128         4,214           Comprehensive Income         14,521         27,888         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         (2,147)         (17,894)         (15,747)           Distributions to owners         (2,147)         (17,894)         (15,747)           Distributions by owners         (2,147)         (17,894)         (15,747)           Departmental Cap  | Opening balance                              |                      |          |            |
| Comprehensive Income           Other comprehensive income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY           Opening balance           Balance carried forward from previous period         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income           Surplus/(Deficit) for the period         (13,367)         14,521         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners           Distribution of equity         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         -         (4,942)           Contributions by owners           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340 </td <td>Balance carried forward from previous period</td> <td>20,710</td> <td>20,604</td> <td>(106)</td>  | Balance carried forward from previous period | 20,710               | 20,604   | (106)      |
| Other comprehensive income         -         5,985         5,985           Total comprehensive income         -         5,985         5,985           Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY           Opening balance         Balance carried forward from previous period         129,914         134,128         4,214           Comprehensive Income           Surplus/(Deficit) for the period         (13,367)         14,521         27,888           Other comprehensive income         (13,367)         14,521         27,888           Other comprehensive income         (13,367)         20,506         33,873           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         Distributions to owners           Distributions to owners         Captage of the period of equity         4,942         -         (4,942)           Contributions by owners         Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)   | Adjusted opening balance                     | 20,710               | 20,604   | (106)      |
| Total comprehensive income         -         5,985         5,985           Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY           Opening balance           Balance carried forward from previous period         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income           Surplus/(Deficit) for the period         (13,367)         14,521         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         0         13,367)         20,506         33,873           Transactions with owners         0         (2,147)         (17,894)         (15,747)           Distributions to owners         0         (2,147)         (17,894)         (15,747)           Distributions by owners         0         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transacti  | Comprehensive Income                         |                      |          |            |
| Closing balance as at 30 June         20,710         26,589         5,879           TOTAL EQUITY           Opening balance         Balance carried forward from previous period         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income           Surplus/(Deficit) for the period         (13,367)         14,521         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         Distributions to owners           Distributions to owners         Contributions of equity         (2,147)         (17,894)         (15,747)           Distributions by owners         Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)   | Other comprehensive income                   | -                    | 5,985    | 5,985      |
| TOTAL EQUITY Opening balance  Balance carried forward from previous period  Adjusted opening balance  Comprehensive Income  Surplus/(Deficit) for the period  Other comprehensive income  Transactions with owners  Dividends  Dividends  Distributions to equity  Contributions by owners  Departmental Capital Budget  Equity injection - Appropriations  Total transactions with owners  Dital transactions with owners  Equity injection - Appropriations  Total transactions with owners  Equity injections with owners  28,468  Contributions with owners  Equity injections with owners  28,468  Contributions with owners  Equity injection - Appropriations  Equity injection with owners  Equity injection with owners  Equity injections with owners  Equity injections with owners  Equity injections with owners  Equity injections with owners  Equity injection with with with with with with with with | Total comprehensive income                   | -                    | 5,985    | 5,985      |
| Opening balance           Balance carried forward from previous period         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income         \$\text{219,914}\$         134,128         4,214           Comprehensive Income         \$\text{213,367}\$         14,521         27,888           Other comprehensive income         \$\text{7}\$,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         \$\text{0}\$         \$\text{2}\$         \$\text{17}\$         (17,894)         (15,747)           Dividends         \$(2,147)         (17,894)         (15,747)         \$\text{0}\$         \$\text{18}\$         \$\text{19}\$         \$\text{4}\$         \$\text{4}\$         \$\text{20}\$         \$\text{4}\$  | Closing balance as at 30 June                | 20,710               | 26,589   | 5,879      |
| Balance carried forward from previous period         129,914         134,128         4,214           Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income         \$\text{219,914}\$         134,128         4,214           Comprehensive Income         \$\text{213,367}\$         14,521         27,888           Other comprehensive income         \$\text{-}\$ 5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         \$\text{013,367}\$         (17,894)         (15,747)           Dividends         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         \$\text{-}\$ (4,942)           Contributions by owners         \$\text{-}\$ 18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)  | TOTAL EQUITY                                 |                      |          |            |
| Adjusted opening balance         129,914         134,128         4,214           Comprehensive Income         Surplus/(Deficit) for the period         (13,367)         14,521         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         0         0         0         33,873           Distributions to owners         0         0         0         0         11,749         0         0         15,747         0   | Opening balance                              |                      |          |            |
| Comprehensive Income           Surplus/(Deficit) for the period         (13,367)         14,521         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         Distributions to owners           Dividends         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         -         (4,942)           Contributions by owners         Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)   | Balance carried forward from previous period | 129,914              | 134,128  | 4,214      |
| Surplus/(Deficit) for the period         (13,367)         14,521         27,888           Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         Uservibutions to owners           Distribution of equity         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         -         (4,942)           Contributions by owners         User/ Contributions by owners           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)   | Adjusted opening balance                     | 129,914              | 134,128  | 4,214      |
| Other comprehensive income         -         5,985         5,985           Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         Uservibutions to owners           Dividends         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         -         (4,942)           Contributions by owners           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)  | Comprehensive Income                         |                      |          |            |
| Total comprehensive income         (13,367)         20,506         33,873           Transactions with owners         Distributions to owners           Dividends         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         -         (4,942)           Contributions by owners           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)   | Surplus/(Deficit) for the period             | (13,367)             | 14,521   | 27,888     |
| Transactions with owners         Distributions to owners       (2,147)       (17,894)       (15,747)         Dividends       (2,147)       (17,894)       (15,747)         Distribution of equity       4,942       -       (4,942)         Contributions by owners       Departmental Capital Budget       18,369       11,156       (7,213)         Equity injection - Appropriations       8,383       17,723       9,340         Other       (1,079)       (44,289)       (43,210)         Total transactions with owners       28,468       (33,304)       (61,772)   | Other comprehensive income                   | -                    | 5,985    | 5,985      |
| Distributions to owners           Dividends         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         -         (4,942)           Contributions by owners           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)  | Total comprehensive income                   | (13,367)             | 20,506   | 33,873     |
| Dividends         (2,147)         (17,894)         (15,747)           Distribution of equity         4,942         -         (4,942)           Contributions by owners           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)  | Transactions with owners                     |                      |          |            |
| Distribution of equity         4,942         -         (4,942)           Contributions by owners         ***         ***         (7,213)           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)  | Distributions to owners                      |                      |          |            |
| Contributions by owners           Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)   | Dividends                                    | (2,147)              | (17,894) | (15,747)   |
| Departmental Capital Budget         18,369         11,156         (7,213)           Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)   | , ,  | 4,942                | -        | (4,942)    |
| Equity injection - Appropriations         8,383         17,723         9,340           Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)   | •  |                      |          |            |
| Other         (1,079)         (44,289)         (43,210)           Total transactions with owners         28,468         (33,304)         (61,772)  |  | •                    | •        |            |
| Total transactions with owners 28,468 (33,304) (61,772)  |  | ,                    | ,        | •          |
|  | Other  |                      | ,        | (43,210)   |
| Closing balance as at 30 June 145,015 121,331 (23,684)   | Total transactions with owners               |                      | (33,304) | (61,772)   |
|  | Closing balance as at 30 June                | 145,015              | 121,331  | (23,684)   |

<sup>1.</sup> Between the actual and original budgeted amounts for 2018. Explanations of major variances are provided further below.

### ATTORNEY-GENERAL'S DEPARTMENT **CASH FLOW STATEMENT**

for the period ended 30 June 2018

|  | Original |          |            |
|--|----------|----------|------------|
|  | Budget   | Actual   | Variance 1 |
|  | 2018     | 2018     | 2018       |
|  | \$'000   | \$'000   | \$'000     |
| OPERATING ACTIVITIES   |          |          |            |
| Cash received  |          |          |            |
| Sale of goods and rendering of services                            | 180,433  | 171,043  | (9,390)    |
| Appropriations   | 204,218  | 207,306  | 3,088      |
| GST received   | -        | 4,427    | 4,427      |
| Interest   | 100      | 65       | (35)       |
| Total cash received  | 384,751  | 382,841  | (1,910)    |
| Cash used  |          |          |            |
| Employees  | 221,178  | 212,558  | (8,620)    |
| Suppliers  | 156,581  | 106,241  | (50,340)   |
| Grants   | -        | 1,196    | 1,196      |
| Income taxes paid  | -        | 4,667    | 4,667      |
| Section 74 receipts transferred to Official Public Account         | -        | 31,622   | 31,622     |
| Total cash used  | 377,759  | 356,284  | (21,475)   |
| Net cash from operating activities                                 | 6,992    | 26,557   | 19,565     |
| INVESTING ACTIVITIES   |          |          |            |
| Cash used  |          |          |            |
| Purchase of land and buildings                                     | 6,178    | 15,291   | 9,113      |
| Purchase of property, plant and equipment                          | 19,172   | 4,187    | (14,985)   |
| Purchase of intangibles and internally developed intangibles       | 6,344    | 6,909    | 565        |
| Total cash used  | 31,694   | 26,387   | (5,307)    |
| Net cash used by investing activities                              | (31,694) | (26,387) | 5,307      |
| FINANCING ACTIVITIES   |          |          |            |
| Cash received  |          |          |            |
| Contributed equity   | 30,140   | 20,682   | (9,458)    |
| Total cash received  | 30,140   | 20,682   | (9,458)    |
| Cash used  |          |          |            |
| Dividends paid   | 2,147    | 9,040    | 6,893      |
| Total cash used  | 2,147    | 9.040    | 6,893      |
| Net cash from financing activities                                 | 27,993   | 11,642   | (16,351)   |
| Net increase/(decrease) in cash held                               | 3,291    | 11,812   | 8,521      |
| , ,  | •        | *        | *          |
| Cash and cash equivalents at the beginning of the reporting period | 35,730   | 43,923   | 8,193      |
| Cash and cash equivalents at the end of the reporting period       | 39,021   | 55,735   | 16,714     |
|  |          |          |            |

<sup>1.</sup> Between the actual and original budgeted amounts for 2018. Explanations of major variances are provided further below.

The following tables provide a comparison of the budget as presented in the 2017-18 Portfolio Budget Statements (PBS) to the 2017-18 final outcome as presented in accordance with the Australian Accounting Standards for the department. The budget is not audited.

Explanations of major variances are provided below.

| Affected line items                      | Variance<br>Amount<br>\$'000 | Explanation of major variance   |
|--|------------------------------|---|
| Statement of Comprehensive Income        |                              |   |
| Employee benefits                        | (16,015)                     | The variance is due to the transfer of national security functions to the Department of Home Affairs following the Administrative Arrangements Order (AAO) of 20 December 2017 and 10 May 2018.   |
| Suppliers                                | (65,314)                     | The variance is primarily due to the inclusion of AGS disbursement expenses of \$30m in the budget which is offset by disbursement revenue in the actuals.  |
|  |                              | In addition, a number of programs had underspends against budget, including the Cyber Security NPP - \$10m; AGS - \$11m; and national security programs transferred to the Department of Home Affairs - \$6m.   |
| Resources provided free of charge        | 6,041                        | The variance is due to the recognition of resources provided free of charge (including employee payments) to the Department of Home Affairs following the AAO discussed above. The total value of this resource was \$6.041m and covered the period of 20 December 2017 to 8 February 2018. |
| Depreciation and amortisation            | (4,111)                      | The variance is primarily due to the transfer of national security assets to the Department of Home Affairs following the AAO of 20 December 2017 and 10 May 2018.  |
| Sales of goods and rendering of services | (21,575)                     | The variance is primarily due to the inclusion of AGS disbursement revenues of \$30m in the budget which is offset by disbursement expenses in the actuals.   |
| Statement of Financial Position          |                              |   |
| Cash and cash equivalents                | 16,714                       | The variance reflects a better than expected operating outcome for the AGS.   |
| Property, plant and equipment            | (25,044)                     | The variance is due to the transfer of national security assets to the Department of Home Affairs following the AAO of 20 December 2017 and 10 May 2018.  |
| Intangibles                              | (14,047)                     | As above.   |
| Other payables                           | 14,685                       | The budgeted estimate for other payables is made on a rolling three-year historical trend, which has resulted in an estimate being less than the 2017-18 actual.  |
| Employee provisions                      | (4,302)                      | The variance is due to the transfer of national security functions to the Department of Home Affairs following the AAOs of 20 December 2017 and 10 May 2018.  |

### 1.1B: Administered budgetary reports

ATTORNEY-GENERAL'S DEPARTMENT

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

for the period ended 30 June 2018

|   | Original  |           |            |
|---|-----------|-----------|------------|
|   | Budget    | Actual    | Variance 1 |
|   | 2018      | 2018      | 2018       |
|   | \$'000    | \$'000    | \$'000     |
| NET COST OF SERVICES  |           |           |            |
| EXPENSES  |           |           |            |
| Employee benefits   | 11,654    | 16,574    | 4,920      |
| Suppliers   | 69,916    | 76,744    | 6,828      |
| Subsidy to Law Courts Limited   | 3,492     | 3,246     | (246       |
| Personal benefits - direct  | 4,076     | 3,802     | (274       |
| Grants  | 318,183   | 294,887   | (23,296    |
| Write-down and impairment of assets and other expenses                            | 7,213     | 14,125    | 6,912      |
| Payments to corporate Commonwealth entities                                       | 14,439    | 14,391    | (48        |
| Depreciation and amortisation   | 4,368     | 2,397     | (1,971     |
| Total expenses  | 433,341   | 426,166   | (7,175     |
| NCOME   |           |           |            |
| Revenue   |           |           |            |
| Non-taxation revenue  |           |           |            |
| Sale of goods and rendering of services   | 2,458     | 11,825    | 9,367      |
| Interest from loans to state and territory governments                            | 7,327     | 2,327     | (5,000     |
| Competitive neutrality - Australian Government Solicitor                          | -         | 3,657     | 3,657      |
| Recoveries - personal benefit recoveries  | -         | 222       | 222        |
| Other non-taxation revenue  | 24,748    | 8,170     | (16,578    |
| Total non-taxation revenue  | 34,533    | 26,201    | (8,332     |
| Total Income  | 34,533    | 26,201    | (8,332     |
| Net cost of services  | 398,808   | 399,965   | 1,157      |
| Deficit on continuing operations  | (398,808) | (399,965) | 1,157      |
| OTHER COMPREHENSIVE INCOME  |           |           |            |
| tems not subject to subsequent reclassification to net cost of services           |           |           |            |
| Changes in asset revaluation surplus  | -         | 49,980    | 49,980     |
| Actuarial (losses) on defined benefit plans - former Solicitor-Generals' pensions | -         | (501)     | (501       |
| Total other comprehensive income  | -         | 49,479    | 49,479     |
| Total comprehensive loss attributable to the Australian Government                | (398,808) | (350,486) | 48,322     |

<sup>1.</sup> Between the actual and original budgeted amounts for 2018. Explanations of major variances are provided further below.

### ATTORNEY-GENERAL'S DEPARTMENT ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES

as at 30 June 2018

|  | Original<br>Budget | Actual  | Variance <sup>1</sup> |
|--|--------------------|---------|-----------------------|
|  | 2018               | 2018    | 2018                  |
|  | \$'000             | \$'000  | \$'000                |
| ASSETS   |                    |         |                       |
| Financial assets   |                    |         |                       |
| Cash and cash equivalents                                      | -                  | 8,705   | 8,705                 |
| Loans and receivables  | 96,839             | 868     | (95,971)              |
| Investments  | 348,926            | 401,216 | 52,290                |
| Other financial assets   | 844                | -       | (844)                 |
| Total financial assets   | 446,609            | 410,789 | (35,820)              |
| Non-financial assets   |                    |         |                       |
| and and buildings  | -                  | 1,291   | 1,291                 |
| Property, plant and equipment                                  | 2,449              | 70      | (2,379)               |
| Intangibles  | 246                | -       | (246)                 |
| Total non-financial assets                                     | 2,695              | 1,361   | (1,334                |
| Total assets administered on behalf of Government              | 449,304            | 412,150 | (37,154)              |
| LIABILITIES  |                    |         |                       |
| Payables   |                    |         |                       |
| Suppliers  | 9,592              | 4,417   | (5,175                |
| Grants   | 5,781              | 3,185   | (2,596)               |
| Other payables   | 162                | 95      | (67)                  |
| Total payables   | 15,535             | 7,697   | (7,838)               |
| Provisions   |                    |         |                       |
| Superannuation provision - former Solicitor-Generals' pensions | 5,869              | 5,912   | 43                    |
| Total provisions   | 5,869              | 5,912   | 43                    |
| Total liabilities administered on behalf of Government         | 21,404             | 13,609  | (7,795)               |
| Net assets   | 427,900            | 398,541 | (29,359)              |

<sup>1.</sup> Between the actual and original budgeted amounts for 2018. Explanations of major variances are provided further below.

The following tables provide a comparison of the budget as presented in the 2017-18 Portfolio Budget Statements (PBS) to the 2017-18 final outcome as presented in accordance with the Australian Accounting Standards for the department. The budget is not audited.

Explanations of major variances are provided below.

| Affected line items                                    | Variance<br>Amount<br>\$'000 | Explanation of major variance  |
|--|------------------------------|--|
| Administered Schedule of Comprehensive Income          |                              |  |
| Employee benefits                                      | 4,920                        | The variance is due to the establishment of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (RCBSFS) in December 2017 and the extension of the Royal Commission into the Protection and Detention of Children in the Northern Territory (RCDCNT) till November 2017. |
| Suppliers  | 6,828                        | Refer above.   |
| Grants   | (23,296)                     | The variance is due to the transfer of national security functions to the Department of Home Affairs following the AAO of 20 December 2017.  |
| Write-down and impairment of assets and other expenses | 6,912                        | The variance is due to the revision of the amount owing by the Northern Territory Government for their contribution to the operations of the Royal Commission into the Protection and Detention of Children in the Northern Territory (RCDCNT) in 2016-17.   |
| Sales of goods and rendering of services               | 9,367                        | The variance is due to the Northern Territory Government's contribution for funding of the RCDCNT for 2017-18.   |
| Interest from loans to state and territory governments | (5,000)                      | The variance is due to the transfer of national security functions to the Department of Home Affairs following the AAO of 20 December 2017.  |
| Other non-taxation revenue                             | (16,578)                     | Proceeds of Crime Act 2002 receipts were less than budget.   |
| Administered Schedule of Assets and Liabilities        |                              |  |
| Cash and cash equivalents                              | 8,705                        | The variance is due to the initial recognition of the cash held in the Services for Other Entities and Trust Money special account in 2017-18.   |
| Loans and receivables                                  | (95,971)                     | The variance is due to the transfer of national security functions to the Department of Home Affairs following the AAO of 20 December 2017.  |
| Investments  | 52,290                       | The variance is primarily due to an increase in Commonwealth's investment in Law Courts Limited following a revaluation of Law Courts Limited's land and building assets.  |
| Property, plant and equipment                          | (2,379)                      | The variance is due to the transfer of national security assets to the Department of Home Affairs following the AAO of 20 December 2017.   |
| Suppliers payables                                     | (5,175)                      | The budgeted estimate for supplier payables is made on a rolling three-year historical trend, which has resulted in an estimate being more than the 2017-18 actual.  |
| Grants payables  | (2,596)                      | The budgeted estimate for grant payables is made on a rolling three-year historical trend, which has resulted in an estimate being more than the 2017-18 actual.   |

### Note 2: People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

4,240

3,749

68,075

| 2.1 Employee benefits expense <sup>1</sup>    |         |         |
|---|---------|---------|
|   | 2018    | 2017    |
|   | \$'000  | \$'000  |
|   | ·       | ·       |
| 2.1A: Employee benefits                       |         |         |
| Wages and salaries                            | 157,467 | 166,970 |
| Superannuation                                |         |         |
| Defined benefit plans                         | 14,904  | 17,661  |
| Defined contribution plans                    | 10,938  | 10,557  |
| Leave and other entitlements                  | 18,574  | 16,158  |
| Separation & redundancies                     | 480     | 1,667   |
| Other employee benefit expenses               |         |         |
| Recruitment and security vetting expenses     | 1,411   | 1,671   |
| Health & wellbeing payments to staff          | 742     | 750     |
| Study assistance                              | 397     | 571     |
| Other employee expenses                       | 834     | 1,345   |
| Total employee benefits                       | 205,747 | 217,350 |
| 2.1B: Administered - employee benefits        |         |         |
| Wages, salaries, leave and other entitlements | 14,802  | 41,619  |
| Superannuation                                |         |         |
| Defined benefit plans                         | -       | 19      |
| Defined contribution plans                    | 1,653   | 4,098   |
| Other employee benefits                       | 119     | 753     |
| Total employee benefits                       | 16,574  | 46,489  |
|   |         |         |
| 2.2 Employee provisions <sup>1</sup>          |         |         |
|   |         |         |
|   | 2018    | 2017    |
|   | \$'000  | \$'000  |
| 2.2A: Employee provisions                     |         |         |
| Leave   | 49,331  | 64,326  |

| 2.2B: Administered - employee provisions |   |       |
|--|---|-------|
| Leave                                    | - | 2,619 |
|  |   |       |

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

Superannuation - Australian Government Solicitor

| 2.3: Superannuation provision - former Solicitor-Generals' pensions |                |                |
|---|----------------|----------------|
|   | 2018<br>\$'000 | 2017<br>\$'000 |
| Present value of defined benefit obligations at end of the year     | 5,912          | 5,671          |
| Personal benefits provisions expected to be settled                 | 3,312          | 3,071          |
| No more than 12 months  | 446            | 442            |
| More than 12 months   | 5,466          | 5,229          |
| Total personal benefits   | 5,912          | 5,671          |

### Reconciliation of the net surplus/(deficit) to recognised assets and liabilities in the schedule of assets and liabilities administered on behalf of Government

|                              | 30 June | 30 June |
|------------------------------|---------|---------|
|                              | 2018    | 2017    |
| As at                        | \$'000  | \$'000  |
| Defined benefit obligation   | 5,912   | 5,671   |
| Net superannuation liability | 5,912   | 5,671   |

### Cumulative amount of actuarial gains and losses recognised in administered equity

|                          | 30 June | 30 June |
|--------------------------|---------|---------|
|                          | 2018    | 2017    |
| For the period ended     | \$'000  | \$'000  |
| Actuarial gains/(losses) | (501)   | (81)    |

### Total expense recognised in the schedule of comprehensive income administered on behalf of Government

|                            | 30 June | 30 June |
|----------------------------|---------|---------|
|                            | 2018    | 2017    |
| For the period ended       | \$'000  | \$'000  |
| Interest cost              | 191     | 153     |
| Net superannuation expense | 191     | 153     |

### Accounting policy:

Actuarial gains and losses are recognised immediately in administered equity in the year in which they occur.

### Scheme information:

Pension payments to former Solicitor-Generals are made under the Judges' Pensions Scheme. The Judges' Pensions Scheme is a defined benefit scheme. It provides 60% of the appropriate current judicial salary for eligible retired judges. The scheme is unfunded. Members do not contribute towards the cost of benefits.

Benefits payable (including payments of surcharge debt) under the Judges' Pensions Act 1968 and the Superannuation (Productivity Benefit) Act 1988 are paid from Consolidated Revenue on an emerging (or pay as you go) basis.

### Reconciliation of the present value of the defined benefit obligation Net liability at 1 July (5,671) (5,869)Interest cost (191) (153)Actuarial gains/(losses) (171)(315)experience changes in financial assumptions (330)234 Benefits paid 451 432 Net liability at 30 June (5,912) (5,671)Reconciliation of the fair value of scheme assets Opening fair value of scheme assets **Employer contributions** (451)(432)Benefits paid 451 432 Closing fair value of scheme assets

### Scheme assets:

The scheme is an unfunded arrangement with no assets.

### Expected rate of return on scheme assets:

As the fund has no assets, the expected rate of return on the scheme's assets is zero.

### Principal actuarial assumptions at the balance sheet date:

|                                | 30 June | 30 June |
|--------------------------------|---------|---------|
|                                | 2018    | 2017    |
| For the period ended           | \$'000  | \$'000  |
| Discount rate                  | 3.10%   | 2.70%   |
| Expected salary increase rate  | 4.00%   | 4.00%   |
| Expected pension increase rate | 4.00%   | 4.00%   |

### **Historical information:**

|   | 30 June | 30 June | 30 June |
|---|---------|---------|---------|
|   | 2018    | 2017    | 2016    |
| For the period ended                                    | \$'000  | \$'000  | \$'000  |
| Present value of defined benefit obligation             | 5,912   | 5,671   | 5,869   |
| Surplus/(deficit) in scheme                             | 5,912   | 5,671   | 5,869   |
| Experience adjustments gain/(loss) - scheme liabilities | (501)   | (81)    | (488)   |

The expected employer contributions in respect of 2018-19 are \$446,000.

### Funding arrangements for employer contributions

Contribution recommendations

The Scheme is unfunded. The defined benefits are not funded in advance.

Funding method

Where a benefit in the Scheme becomes payable, the Australian Government assumes responsibility for the payment from the Consolidated Revenue Fund.

Economic assumptions

The long-term economic assumptions adopted for the last actuarial review of the scheme as at 30 June 2018 were:

| Expected rate of return on assets (discount rate) | 3.1% |                                       |
|---|------|---------------------------------------|
| Expected salary increase rate                     | 4.0% | + a promotional salary increase scale |
| Expected pension increase                         | 4.0% | · ·                                   |

### Sensitivity analysis

A sensitivity analysis was undertaken whereby the sensitivity for salary related items was +/- 0.5 percentage points and the interest sensitivity was +/- 0.5 percentage points. Pensions are linked to the movements in the salaries paid to Judges. The results are not sensitive to changes in assumed CPI increases. The sensitivity analysis results are set out below:

### Defined benefit obligation

| Reported                  | \$5.9m |
|---------------------------|--------|
| Interest rate (-0.5%)     | \$6.2m |
| Interest rate (+0.5%)     | \$5.6m |
| Pension increases (+0.5%) | \$6.2m |
| Pension increases (-0.5%) | \$5.6m |
|                           |        |

The interest rate and probability weighted mean term of the liabilities is 10.0 years.

### Nature of asset/liability

The department has recognised a liability in the Schedule of Administered Assets and Liabilities in respect of its defined benefit superannuation arrangements administered on behalf of the Government. The scheme does not impose a legal liability on the department to cover any deficit that exists.

The liability instead rests with the Australian Government. The Government has established the Future Fund for the purpose of accumulating assets to help meet this liability. The Future Fund is also intended to cover other superannuation unfunded liabilities including in relation to military schemes, Commonwealth public servants and Governors-General.

### **Accounting Policy**

### Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period.

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The methodology for calculating the liability for long service leave was confirmed by reference to the work of an actuary who is periodically retained by the department. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

### Separation and redundancy

Provision is made for separation and redundancy benefit payments. The department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

### Superannuation

The department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedule and notes.

The department makes employer contributions to the CSS and PSS employee superannuation scheme at rates determined by an actuary to be sufficient to meet the cost to the Government for the superannuation entitlements of the department's employees. The department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

### Accounting judgements and estimates

The department recognises the present value of the superannuation provision associated with the former Solicitor-Generals' Pension Scheme. At 30 June each year the Australian Government Actuary will normally undertake an actuarial assessment of the scheme.

### 2.4: Key management personnel remuneration 1

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the department, directly or indirectly, including any director (whether executive or otherwise) of the department. The department has determined the key management personnel to be the Secretary, Deputy Secretaries, and Chief Financial Officer. Key management personnel remuneration is reported in the table below:

|   | 2018   | 2017   |
|---|--------|--------|
|   | \$'000 | \$'000 |
| Short-term employee benefits                                      |        |        |
| Salary  | 2,178  | 2,410  |
| Performance bonuses   | -      | 35     |
| Other <sup>2</sup>  | 47     | 35     |
| Total short-term employee benefits                                | 2,225  | 2,480  |
| Post-employment benefits  |        |        |
| Superannuation  | 316    | 396    |
| Total post-employment benefits                                    | 316    | 396    |
| Other long-term employee benefits                                 |        |        |
| Annual leave accrued  | 156    | 179    |
| Long service leave  | 69     | 66     |
| Total other long-term employee benefits                           | 225    | 245    |
| Total key management personnel remuneration expenses <sup>3</sup> | 2,766  | 3,121  |

The total number of key management personnel that are included in the above table are 8 (2017: 10).

### 2.5: Related party disclosures

### Related party relationships:

The department is an Australian Government controlled entity. Related parties to this department are key management personnel including the Portfolio Minister and the Secretary, Deputy Secretaries, the Chief Operating Officer and the Chief Financial Officer, and other Australian Government entities.

### Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Transactions with related parties of the department have occurred within normal customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the department would have entered into on an arm's-length basis. These transactions have not been separately disclosed.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the department, it has been determined that there are no related party transactions to be separately disclosed.

<sup>&</sup>lt;sup>1</sup> The above key management personnel remuneration excludes the remuneration and other benefits of the Attorney-General. The Attorney-General's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department. The role of the Minister for Justice ceased to exist as a result of the Administrative Arrangements Order of 20 December 2017. Note 2.4 was prepared on an accrual basis.

<sup>&</sup>lt;sup>2</sup> Other includes motor vehicle, other allowances and reportable fringe benefits.

<sup>&</sup>lt;sup>3</sup> The key management personnel remuneration included all substantive key management personnel and extended acting arrangements for the full year.

## Note 3: Funding

# This section identifies the Attorney-General's Department funding structure.

### 3.1: Appropriations

3.1A: Annual appropriations ('recoverable GST exclusive')

|                                       |                   |               | 2018 App                     | 2018 Appropriations                    |  |        |
|---------------------------------------|-------------------|---------------|------------------------------|--|--|--------|
|                                       | Appropriation Act | Adjustments t | Adjustments to appropriation |  |  |        |
|                                       | Annual            | PGPA Act      | PGPA Act                     | Total                                  | Appropriation applied in 2018 (current and prior |        |
|                                       | Appropriation \$  | \$'000        | \$1000 - c.                  | ************************************** | \$'000   | \$'000 |
| DEPARTMENTAL                          |                   |               |                              |  |  |        |
| Ordinary annual services              | 211,909           | 31,622        | (23,667)                     | 219,864                                | 207,390  | 12,474 |
| Capital budget ⁴                      | 22,212            | 1             | (11,056)                     | 11,156                                 | 11,548   | (392)  |
| Other services                        |                   |               |                              |  |  |        |
| Equity                                | 18,847            | ı             | (1,124)                      | 17,723                                 | 9,134  | 8,589  |
| Total departmental                    | 252,968           | 31,622        | (35,847)                     | 248,743                                | 228,072  | 20,671 |
| ADMINISTERED                          |                   |               |                              |  |  |        |
| Ordinary annual services              |                   |               |                              |  |  |        |
| Administered items                    | 437,547           | 20,554        | (35,439)                     | 422,661                                | 387,660  | 35,001 |
| Capital budget 4                      | 867               | 1             | (851)                        | 16                                     | 16   | 1      |
| Payments to corporate Commonwealth    | 14,439            | 1             | ı                            | 14,439                                 | 14,439   | 1      |
| entities                              |                   |               |                              |  |  |        |
| Other services                        |                   |               |                              |  |  |        |
| States, ACT, NT and Local Governments | 3,214             | •             | (1,969)                      | 1,246                                  | 1,916  | (029)  |
| Administered assets and liabilities   | 7,446             | •             | 1                            | 7,446                                  | 2,841  | 4,605  |
| Total administered                    | 463,513           | 20,554        | (38,259)                     | 445,808                                | 406,872  | 38,936 |

In 2017-18, departmental appropriations of \$6.420m were withheld (Section 51 of the PGPA Act) in accordance with budget measures taken by the Government. In 2017-18, \$1.336m of 2017-18 administered appropriations and \$2.144m of 2016-17 administered appropriations were withheld (Section 51 of the PGPA Act) in accordance with budget measures taken by the Government.

<sup>&</sup>lt;sup>2</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

<sup>3</sup> The variances reflect drawdowns of prior year appropriation and timing differences between expenses and cash outflows.

<sup>&</sup>lt;sup>4</sup> Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1 and 3). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

The following entities spend money from the Consolidated Revenue Fund (CRF) on behalf of the department:

Department of Finance;

Department of Human Services;

Department of Industry, Innovation and Science; and

Department of Social Services.

|                                       |                                      |                              | 2017 A                 | 2017 Appropriations |   |                       |
|---------------------------------------|--------------------------------------|------------------------------|------------------------|---------------------|---|-----------------------|
|                                       | Appropriation Act                    | Adjustments to appropriation | appropriation          |                     |   |                       |
|                                       | Annual<br>Appropriation <sup>1</sup> | PGPA Act<br>Section 74       | PGPA Act<br>Section 75 | Total appropriation | Appropriation applied in 2017 (current and prior years) | Variance <sup>2</sup> |
|                                       | \$,000                               | \$,000                       | \$,000                 | \$,000              | \$,000  | \$,000                |
| DEPARTMENTAL                          |                                      |                              |                        |                     |   |                       |
| Ordinary annual services              | 199,889                              | 43,476                       | ı                      | 243,365             | 230,229   | 13,136                |
| Capital budget <sup>3</sup>           | 15,773                               | 1                            | ı                      | 15,773              | 12,715  | 3,058                 |
| Other services                        |                                      |                              |                        |                     |   |                       |
| Equity                                | 4,731                                | 1                            | 1                      | 4,731               | 1,175   | 3,556                 |
| Total departmental                    | 220,393                              | 43,476                       | ı                      | 263,869             | 244,119   | 19,750                |
| ADMINISTERED                          |                                      |                              |                        |                     |   |                       |
| Ordinary annual services              |                                      |                              |                        |                     |   |                       |
| Administered items                    | 608,271                              | 2,758                        | ı                      | 611,029             | 557,810   | 53,219                |
| Capital budget <sup>3</sup>           | 856                                  | 1                            | ı                      | 856                 | 46  | 810                   |
| Other services                        |                                      |                              |                        |                     |   |                       |
| States, ACT, NT and Local Governments | 7,248                                | 1                            | 1                      | 7,248               | 6,162   | 1,086                 |
| Administered assets and liabilities   | 20,712                               | ı                            | ı                      | 20,712              | 19,265  | 1,447                 |
| Total administered                    | 637,087                              | 2,758                        | ı                      | 639,845             | 583,283   | 56,562                |

In 2016-17, departmental appropriations of \$0.700m were withheld (Section 51 of the PGPA Act) in accordance with budget measures taken by the Government. No departmental and administered appropriations were quarantined for administrative purposes.

The following entities spend money from the Consolidated Revenue Fund (CRF) on behalf of the department:

- Australian Financial Security Authority;
  - Department of Finance;
- Department of Human Services; Department of Industry, Innovation and Science; and
  - Department of Social Services.

<sup>&</sup>lt;sup>2</sup> The variances reflect drawdowns of prior year appropriation and timing differences between expenses and cash outflows.

<sup>&</sup>lt;sup>3</sup> Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

### 3.1B: Unspent annual appropriations ('recoverable GST exclusive')

|  | 2018   | 2017   |
|--|--------|--------|
| Authority  | \$'000 | \$'000 |
| 2016/17 Supply Act 1   | 29     | 29     |
| 2016/17 Supply Act 1 - Capital Budget (DCB) - Non Operating                  | _      | 519    |
| 2016/17 Supply Act 2 - Non Operating - Equity Injection Non Operating        | _      | 347    |
| 2016/17 Appropriation Act 1  | 8,491  | 37,973 |
| 2016/17 Appropriation Act 1 - Cash at Bank                                   | _      | 1,944  |
| 2016/17 Appropriation Act 1 - Capital Budget (DCB) - Non Operating           | 454    | 7,393  |
| 2016/17 Appropriation Act 2 - Non Operating - Equity Injection Non Operating | _      | 2,131  |
| 2016/17 Appropriation Act 3  | 8,538  | 8,538  |
| 2016/17 Appropriation Act 3 - Capital Budget (DCB) - Non Operating           | _      | 3,098  |
| 2016/17 Appropriation Act 4 - Non Operating - Equity Injection Non Operating | _      | 1,078  |
| 2017/18 Appropriation Act 1  | 15,147 | -      |
| 2017/18 Appropriation Act 1 - Cash at Bank                                   | 1,862  | _      |
| 2017/18 Appropriation Act 1 - Capital Budget (DCB) - Non Operating           | 6,321  | -      |
| 2017/18 Appropriation Act 2 - Non Operating - Equity Injection Non Operating | 1,681  | -      |
| 2017/18 Appropriation Act 3  | 2,957  | _      |
| 2017/18 Appropriation Act 3 - Capital Budget (DCB) - Non Operating           | 3,843  | _      |
| 2017/18 Appropriation Act 4 - Non Operating - Equity Injection Non Operating | 10,464 | _      |
| Total departmental   | 59,787 | 63,051 |
|  |        | 00,001 |
|  | 2018   | 2017   |
| Authority  | \$'000 | \$'000 |
| 2014/15 Appropriation Act 1  | -      | 2,253  |
| 2014/15 Appropriation Act 1 - Capital Budget (DCB) - Non Operating           | -      | 130    |
| 2014/15 Act 2 - Non Operating - Administered Assets and Liabilities          | -      | 6,092  |
| 2014/15 Appropriation Act 3  | -      | 319    |
| 2014/15 Act 4 - Non Operating - Administered Assets and Liabilities          | -      | 12,211 |
| 2015/16 Appropriation Act 1  | 1,063  | 1,815  |
| 2015/16 Appropriation Act 1 - Capital Budget (DCB) - Non Operating           | -      | 159    |
| 2015/16 Act 2 - Non Operating - Administered Assets and Liabilities          | 3,761  | 3,761  |
| 2015/16 Appropriation Act 2 - Specific Purpose Payment (SPP)                 | -      | 410    |
| 2015/16 Appropriation Act 3  | 1,488  | 1,704  |
| 2015/16 Act 4 - Non Operating - Administered Assets and Liabilities          | -      | 985    |
| 2016/17 Supply Act 1   | -      | 48     |
| 2016/17 Supply Act 1 - Capital Budget (DCB) - Non Operating                  | -      | 357    |
| 2016/17 Supply Act 2 - Non Operating - Administered Assets and Liabilities   | 125    | 199    |
| 2016/17 Appropriation Act 1  | -      | 8,150  |
| 2016/17 Appropriation Act 1 - Capital Budget (DCB) - Non Operating           | -      | 499    |
| 2016/17 Act 2 - Non Operating - Administered Assets and Liabilities          | 490    | 801    |
| 2016/17 Appropriation Act 2 - Specific Purpose Payment (SPP)                 | -      | 1,630  |
| 2016/17 Appropriation Act 3  | 35,842 | 61,575 |
| 2016/17 Act 4 - Non Operating - Administered Assets and Liabilities          | -      | 19,338 |
| 2017/18 Appropriation Act 1  | 14,769 | _      |
| 2017/18 Act 2 - Non Operating - Administered Assets and Liabilities          | 105    | -      |
|  | 34,402 |        |

4,500

122,436

96,545

Total administered

2017/18 Act 4 - Non Operating - Administered Assets and Liabilities

### 3.1C: Special appropriations ('recoverable GST exclusive')

|   |           |   | Appropriation A | pplied |
|---|-----------|---|-----------------|--------|
|   |           |   | 2018            | 2017   |
| Authority   | Туре      | Purpose   | \$'000          | \$'000 |
| High Court Justices (Long Leave<br>Payments) Act 1979         | Unlimited | To make provisions for long leave payments for Justices of the High Court.  | -               | 437    |
| Law Officers Act 1964   | Unlimited | To make payments of pensions and benefits to former Solicitors General. All transactions under this Act are recognised as Administered items. | 451             | 432    |
| Social Security (Administration) Act 1999 <sup>1</sup>        | Unlimited | To enable the payment of income support payments. All transactions under this Act are recognised as Administered items.                       | 2,798           | 25,995 |
| Public Governance, Performance and<br>Accountability Act 2013 | Refund    | To provide for payments under<br>Section 77 of the PGPA Act. All<br>transactions under this Act are<br>recognised as Administered<br>items.   | 20              | 8      |
| Total special appropriation applied                           |           |   | 3,269           | 26,872 |

Other Special Appropriations that had nil balances at the end of the 2017-18 financial year and for which there were no transactions debited or credited to them during the 2017-18 financial year are:

- Native Title Act 1993 Purpose: Payment of successful Native Title compensation claims;
- Native Title Amendment (Indigenous Land Use Agreements) Act 2017, Schedule 1 s.13(3): Payment of successful Native Title compensation claims;
- Family Law Act 1975 Purpose: Salary and Allowances of Judges;
- Federal Court of Australia Act 1976 Purpose: Salary and Allowances of Judges;
- Federal Circuit Court of Australia Act 1999 Purpose: Salary and Allowances of Judges;
- Judges (Long Leave Payments) Act 1979 Purpose: To make provision for long leave payments for Judges;
- High Court of Australia Act 1979 Purpose: Salary and Allowances of Judges;
- · Crimes (Superannuation Benefits) Act 1989 Purpose: Superannuation benefits paid or payable to or in respect of certain persons convicted of corruption offences, and for related purposes; and
- Commonwealth Places (Application of Laws) Act 1970 Purpose: Application and administration of laws in places acquired by the Commonwealth for public purposes.

3.1D: Disclosure by agent in relation to annual and special appropriations ('recoverable GST exclusive')

| Department of Finance <i>Parliamentary</i><br><i>Business Resources Act 2017</i> – Legal<br>assistance to ministers   | 000.\$ | 595            | 619            | Department of Finance <i>Parliamentary Business</i> Resources Act 2017 – Legal assistance to ministers  | 1              | ı              |
|---|--------|----------------|----------------|---|----------------|----------------|
| Department of Finance <i>Parliamentary</i> Entitlements Act 1990 s11, 5 (1)(b) and Bu Parliamentary Entitlements Regulations ass 1997, Part 3 - Legal assistance to ministers | 000.\$ | 495            | 508            | Department of Finance <i>Parliamentary</i> Del <i>Entitlements Act 1990 s11, 5 (1)(b) and</i> Researliamentary Entitlements Regulations 1997, mir <i>Part 3</i> - Legal assistance to ministers | 464            | 370            |
| Australian Public Service Commission<br>Payments in relation to the Remuneration<br>Tribunal Act 1973 s7(13) Remuneration<br>(including salary) or allowances                 | 000,\$ | 4,102          | 4,101          | Australian Public Service Commission Payments in relation to the Remuneration Tribunal Act 1973 s7(13) Remuneration (including salary) or allowances  | 3,902          | 3,902          |
|   | 2018   |                |                | 2017  |                |                |
|   |        | Total receipts | Total payments |   | Total receipts | Total payments |

### 3.2: Special and client funds accounts 1

|  | and Trust Mor | Department | Australian Government<br>Solicitor Operational<br>Special Account 2015 <sup>3</sup> |           |  |
|--|---------------|------------|---|-----------|--|
|  | 2018          | 2017       | 2018  | 2017      |  |
|  | \$'000        | \$'000     | \$'000  | \$'000    |  |
| Balance brought forward from previous    | 16,386        | 20,731     | 41,619  | 29,721    |  |
| Increases                                |               |            |   |           |  |
| Receipts                                 | 2,575         | 7,133      | 192,183   | 179,890   |  |
| Total increases                          | 2,575         | 7,133      | 192,183   | 179,890   |  |
| Available for payments                   | 18,961        | 27,864     | 233,802   | 209,611   |  |
| Decreases                                |               |            |   |           |  |
| Departmental                             |               |            |   |           |  |
| Payments made: suppliers                 | -             | -          | (180,113)   | (167,992) |  |
| Total departmental                       | -             | -          | (180,113)   | (167,992) |  |
| Administered                             |               |            |   |           |  |
| Payments made: suppliers                 | (10,256)      | (11,478)   | -   | ı         |  |
| Total administered                       | (10,256)      | (11,478)   | -   | _         |  |
| Total decreases                          | (10,256)      | (11,478)   | (180,113)   | (167,992) |  |
| Total balance carried to the next period | 8,705         | 16,386     | 53,689  | 41,619    |  |
| Balance represented by:                  |               |            |   |           |  |
| Cash held in departmental bank accounts  | -             | -          | 2,403   | 4,333     |  |
| Cash held in the Official Public Account | 8,705         | 16,386     | 51,286  | 37,286    |  |
| Total balance carried to the next period | 8,705         | 16,386     | 53,689  | 41,619    |  |

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

- (a) to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;
- (b) to disburse amounts in connection with services performed on behalf of other governments and bodies that are not non corporate Commonwealth entities;
- (c) to repay amounts where an Act or other law requires or permits the repayment of an amount received; and
- (d) to reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment.

This account is non-interest bearing and the balance is held in the Official Public Account.

- <sup>3</sup> Appropriation: Public Governance, Performance and Accountability Act 2013; section 78. Establishing Instrument: Public Governance, Performance and Accountability Act Determination 2015/02. Purpose: Amounts may be debited from the special account:
- (a) to pay for costs, expenses and other obligations incurred in relation to the provision of services by the AGS and AGS
- (b) to pay remuneration and employee entitlements of the AGS, and AGS lawyers and other AGD employees who ordinarily perform work under the supervision or direction of the AGS;
- (c) to pay for expenses that are incidental to administering the special account; and
- (d) to reduce the balance of the special account (and, therefore, the available appropriation) without making a real or notional payment.

This account is non-interest bearing and the balance is held in the Official Public Account and AGS operational bank accounts.

### Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

The Department of Human Services (DHS) provides assessment and payment services on behalf of AGD in disasteraffected locations to claimants assessed as being eligible and who meet the statutory conditions authorising payments to be made under the Social Security Act 1999. The conditions and circumstances under which payments are made may contribute to a circumstance where there is an incorrect payment arising from a mistake of fact.

Both AGD and DHS have an ongoing program designed to detect, and where appropriate, recover any unauthorised payment. The outcome of work undertaken during the 2017-18 financial year by both AGD and DHS identified the following:

<sup>&</sup>lt;sup>2</sup> Appropriation: Public Governance, Performance and Accountability Act 2013; section 78. Establishing Instrument: Financial Management and Accountability Determination 2011/04. Purpose: Amounts may be debited from the special account:

- In 2017-18 207 (2017: 20) potential non-compliant prior years payments totalling \$211,113 (2017: \$23,881) were
- No payments made in 2017-18 (2017: 96) are currently under investigation. In accordance with the Administrative Arrangements Order of 20 December 2017, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

### **Australian Government Solicitor Client Funds Special Account**

AGS receives money in trust for clients usually pending settlement of client transactions. These moneys are not available for legal practice operating purposes and are not recognised in the financial statements. Typically client funds are held for short periods where a settlement is delayed or title to funds is disputed. By arrangement with our clients interest may be payable to the client or the client's nominee or on the instructions of a court. AGS does not pay interest to its clients except where an arrangement has been made to do so.

|  | 2018    | 2017    |
|--|---------|---------|
|  | \$'000  | \$'000  |
| Australian Government Solicitor Client Funds Special Account |         |         |
| Balance brought forward from previous period                 | 29,860  | 20,208  |
| Add receipts   | 538,476 | 275,789 |
| Available for payments                                       | 568,336 | 295,997 |
|  |         |         |
| Less payments  | 547,100 | 266,137 |
| Total balance carried to the next period                     | 21,236  | 29,860  |

| 3.3: Regulatory charging summary <sup>1</sup> |        |        |
|---|--------|--------|
|   | 2018   | 2017   |
|   | \$'000 | \$'000 |
| Amounts applied                               |        |        |
| Departmental                                  |        |        |
| Annual appropriation                          | 6,896  | 10,043 |
| Total amounts applied                         | 6,896  | 10,043 |
| Expenses                                      |        |        |
| Departmental                                  | 6,749  | 10,258 |
| Total expenses                                | 6,749  | 10,258 |
| External revenue                              |        |        |
| Departmental                                  | 8,427  | 12,469 |
| Administered                                  | 2,623  | 2,523  |
| Total external revenue                        | 11,050 | 14,992 |

### Regulatory charging activities:

AusCheck Background Checking Service: coordinates national security background checks and related functions for the aviation, maritime and national health security schemes. The enabling legislation is the AusCheck Act 2007 and the AusCheck Regulations 2007.

Commonwealth Marriage Celebrants Program: supports the availability of services across Australia and regulates marriage celebrant performance to ensure professional, knowledgeable and legally correct services are delivered to marrying couples. The enabling legislation is the *Marriage (Celebrant Registration Charge) Act 2014* and the *Marriage Amendment (Celebrant Administration and Fees) Act 2014*.

Cost Recovery Impact Statements (CRISs) for the above activities are available at: www.homeaffairs.gov.au/crime/Documents/cost-recovery-impact-statement.pdf#search=auscheck www.ag.gov.au/FamiliesAndMarriage/Marriage/marriagecelebrants/Documents/MICAB-Cost-Recovery-Implementation-Statement-17-18.DOCX

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

### **Note 4: Financial Performance**

This section analyses the financial performance of the Attorney-General's Department for the year ended 2018.

### 4.1 Expenses (excluding employee benefits expenses) 1

| 4.1 Expenses (excluding employee benefits expenses)     |        |        |
|---|--------|--------|
|   | 2018   | 2017   |
|   | \$'000 | \$'000 |
|   | \$ 000 | \$ 000 |
|   |        |        |
| 4.4 A. Suppliore  |        |        |
| 4.1A: Suppliers Goods and services supplied or rendered |        |        |
| Accommodation expenses                                  | 6,963  | 6,075  |
| AusCheck expenditure                                    | 4,749  | 7,057  |
| Audit fees - internal                                   | 295    | 499    |
| Audit fees - Australian National Audit Office           | 495    | 495    |
| Consultants   | 1,947  | 3,614  |
| Contractors   | 3,380  | 4,828  |
| General office  | 6,283  | 7,194  |
| Information technology and communications               | 16,206 | 19,495 |
| Labour hire   | 5,505  | 1,914  |
| Legal fees <sup>2</sup>                                 | 1,745  | 52     |
| Library expenses  | 2,012  | 1,965  |
| Payments and contributions to external bodies           | 6,868  | 8,818  |
| Training and professional development                   | 1,837  | 2,462  |
| Travel  | 5,431  | 6,339  |
| Total goods and services supplied or rendered           | 63,716 | 70,807 |
| Goods supplied  | 4,062  | 3,736  |
| Services rendered                                       | 56,654 | 67,071 |
| Total goods and services supplied or rendered           | 63,716 | 70,807 |
| Total goods and solvious supplied of foliasion          |        | 70,001 |
| Other suppliers   |        |        |
| Operating lease rentals in connection with              |        |        |
| Minimum lease payments                                  | 25,424 | 20,165 |
| Workers compensation expenses                           | 1,531  | 2,061  |
| Payroll tax – Australian Government Solicitor           | 1,458  | 1,924  |
| Total other suppliers                                   | 28,413 | 24,150 |
| Total suppliers   | 92,129 | 94,957 |
|   |        |        |

### Leasing commitments

The Department in its capacity as lessee has the following operating leases that are effectively non-cancellable and comprise leases for office accommodation. Each lease is individual and may be subject to automatic percentage increases depending on the terms of the agreement.

### Operating lease commitments

| Within 1 year                     | 27,075  | 28,960  |
|-----------------------------------|---------|---------|
| Between 1 to 5 years              | 97,207  | 108,047 |
| More than 5 years                 | 36,546  | 92,240  |
| Total operating lease commitments | 160,828 | 229,247 |

The department currently has 19 (2017: 17) agreements for the lease of premises some of which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease. The department has made a provision to reflect the present value of this obligation.

### Accounting Policy

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

| 4.1B: Grants   |       |        |
|--|-------|--------|
| State and territory governments                              | _     | 258    |
| Non-profit organisations                                     | 346   | 824    |
| Other private sector   | _     | 300    |
| Other grants   | 550   | _      |
| Total grants   | 896   | 1,382  |
| 4.1C: Write-down and impairment of assets and other expenses |       |        |
| Write-down of property, plant and equipment                  | 116   | 377    |
| Impairment of financial instruments                          | -     | (45)   |
| Public Service Act 1999 s73 payments                         | -     | 55     |
| Written-down value of fitout to other agencies <sup>3</sup>  | -     | 10,822 |
| Unwinding of makegood expense                                | 1     | _      |
| Total write-down and impairment of assets and other expenses | 117   | 11,209 |
| 4.1D: Resources provided free of charge <sup>4</sup>         | 6,041 |        |
| 4.1E: Income tax expense                                     |       |        |
| Competitive neutrality - Australian Government Solicitor     | 4,667 | 5,277  |

### **Accounting Policy**

All borrowing costs are expensed as incurred.

The Australian Government Solicitor section of the department provides services on a for-profit basis and is subject to the Australian Government's Competitive Neutrality Policy. The above amounts have been calculated as being payable to the Australian Government in the form of company income tax under the Income Tax Assessment Acts had they applied. These amounts have been paid or are payable by the department to the Official Public Account.

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

<sup>&</sup>lt;sup>2</sup> Legal services provided by the Australian Government Solicitor (AGS) to the department totalling \$8.088m (2017: \$12.034m) have been eliminated from revenue and expenditure in these financial statements.

<sup>&</sup>lt;sup>3</sup> During 2016-17, the department vacated levels 2 and 3 of 4 National Circuit, Barton and transferred the remaining lease obligations and fitout to other Government agencies at no cost.

<sup>&</sup>lt;sup>4</sup> Resources provided free of charge by the department includes employee payments made to policy and program staff who transferred to the Department of Home Affairs for the period 20 December 2017 to 8 February 2018 and employee payments made to corporate staff who transferred to the Department of Home Affairs from the period 31 January 2018 until 8 February 2018.

### 4.2 Revenue and gains 1

|   | 2018    | 2017    |
|---|---------|---------|
|   | \$'000  | \$'000  |
| OWN SOURCE REVENUE                            |         |         |
| 4.2A: Sale of goods and rendering of services |         |         |
| Sale of goods                                 | 124     | 129     |
| Rendering of services                         | 160,199 | 157,444 |
| Total sale of goods and rendering of services | 160.323 | 157.573 |

### Accounting Policy

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer; and
- b) the department retains no managerial involvement or effective control over the goods.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting

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 impairment allowance account. Collectability of debts is reviewed during the financial year and at end of the reporting period. Impairment allowances are made when collectability of the debt is no longer probable.

### 4.2B: Interest revenue - deposits

65

62

### **Accounting Policy**

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

### **GAINS**

### 4.2C: Other gains 2

| Resources received free of charge - Australian National Audit Office | 495 |   |
|--|-----|---|
|  | 195 | _ |

495 495

### Accounting Policy

### Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gain depending on their nature. Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 9.1).

| 2018    | 2017    |
|---------|---------|
| \$'000  | \$'000  |
| 181,822 | 199,889 |

### 4.2D: Revenue from Government - departmental appropriations

### **Accounting Policy**

### Revenue from Government

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue from Government when the department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been

Appropriations receivable are recognised at their nominal amounts.

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

<sup>&</sup>lt;sup>2</sup> The ANAO provides audit services that are funded from Government appropriation. This amount of \$0.495m (2017: \$0.495m) reflects the value of these services to the department.

### Note 5: Income and **Expenses Administered on Behalf of Government**

This section analyses the activities that the Attorney-General's Department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

| 5.1 Administered - expenses (excluding employee benefits exper   | nse) <sup>1</sup>         |                |
|--|---------------------------|----------------|
|  | 2018                      | 2017           |
|  | \$'000                    | \$'000         |
|  | Ψ 000                     | ΨΟΟΟ           |
| 5.1A: Suppliers  |                           |                |
| Goods and services supplied or rendered  |                           |                |
| Accommodation expenses   | 4,285                     | 13,353         |
| Advertising  | 4,591                     | 403            |
| Concessional loan discount   | 109                       | 1,442          |
| Consultants and contractors  | 2,210                     | 6,677          |
| Contribution to Family Court of Western Australia operations   | 14,062                    | 14,208         |
| Corporate overhead expenses  | 2,013                     | 2,488          |
| Counselling expenses (Royal Commissions)   | 1,510                     | 2,683          |
| Family Law Act payments to states and territories  | 1,258                     | 1,150          |
| General office   | 7,013                     | 9,387          |
| Information technology and communications  | 4,170                     | 9,426          |
| Legal fees   | 23,454                    | 14,309         |
| Payments and contributions to external bodies  | 3,116                     | 13,848         |
| Publications preparation expenses  | 1,630                     | 1,087          |
| Training and equipment purchases   | 634                       | 18             |
| Travel   | 2,545                     | 5,843          |
| Total goods and services supplied or rendered  | 72,600                    | 96,322         |
| Goods supplied   | 760                       | 4,617          |
| Services rendered  | 71,840                    | 91,705         |
| Total goods and services supplied or rendered  | 72,600                    | 96,322         |
| Other suppliers  |                           |                |
| Operating lease rentals  |                           |                |
| Minimum lease payments   | 4,144                     | 5,368          |
| Total other suppliers  | 4,144                     | 5,368          |
| Total suppliers  | 76,744                    | 101,690        |
| Leasing commitments The department in its capacity as lessee has the following operating leases that                             | at are effectively non-ca | uncellable and |
| comprise leases for office accommodation. Each lease is individual and may be increases depending on the terms of the agreement. |                           |                |
| Operating lease  |                           | 4.005          |
| Within 1 year  |                           | 4,305          |
| Total operating lease  |                           | 4,305          |
| 5.1B: Subsidy to Law Courts Limited  | 3,246                     | 3,446          |

|  | 2018          | 2017    |
|--|---------------|---------|
|  | \$'000        | \$'000  |
|  | <b>\$</b> 555 | Ψοσο    |
| 5.1C: Personal benefits - direct                               |               |         |
| Australian Government Disaster Recovery Payments <sup>2</sup>  | 1,488         | 24,260  |
| Payments to Australian Victims of Terror Overseas <sup>3</sup> | 1,301         | 749     |
| Payment of victims of natural disasters <sup>2</sup>           | 470           | 1,864   |
| High Court Justices (Long Leave Payments) Act 1979 4           | -             | 437     |
| Former Solicitors-Generals' pensions - interest cost           | 191           | 153     |
| Witness expenses   | 56            | 381     |
| Other personal benefits  | 296           | 343     |
| Total personal benefits – direct                               | 3,802         | 28,187  |
|  |               |         |
| 5.1D: Grants   |               |         |
| Australian Government entities (related entities)              | 916           | 618     |
| State and territory governments                                | 22,277        | 23,031  |
| Local governments  | 827           | 4,639   |
| Non-profit organisations                                       | 104,551       | 114,357 |
| Other private sector   | 857           | 127,914 |
| Overseas   | 256           | 388     |
| Family relationship support payments                           | 159,514       | 156,653 |
| Other grants   | 5,689         | 9,541   |
| Total grants   | 294,887       | 437,141 |

Accounting Policy
The department administers a number of grant schemes on behalf of the Government. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

| 5.1E: Write-down and impairment of assets and other expenses           |        |      |
|--|--------|------|
| Write-down of property, plant and equipment and computer software      | 201    | -    |
| Impairment on financial instruments                                    | -      | (2)  |
| Impairment on personal benefit recoveries                              | -      | (24) |
| Unwinding of makegood expense  | 28     | 13   |
| Revision of amount owing by Northern Territory government <sup>5</sup> | 13,896 |      |
| Total write-down and impairment of assets and other expenses           | 14,125 | (13) |
| 5.1F: Payments to corporate Commonwealth entities 6                    |        |      |
| Australian Human Rights Commission                                     | 14,391 |      |
|  |        |      |

### **Accounting Policy**

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the department. The appropriation to the department is disclosed under the Funding section - Appropriations.

- <sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.
- <sup>2</sup> Payments made to individuals under the Australian Government Disaster Recovery Program (AGDRP), Disaster Income Recovery Allowance (DRA) Program and ex-gratia payments to New Zealand residents in Australia in response to natural disaster events. During 2017-18 there were no natural disasters (2016-17: 3).
- <sup>3</sup> These are event driven payments to victims of overseas terrorist events that may include events from current and previous years that have been declared by the Commonwealth Government.
- <sup>4</sup> Long leave payment made to justices of the High Court.
- <sup>5</sup> At 30 June 2017, the department estimated the Northern Territory Government's contribution towards the costs of the Royal Commission into the Protection and Detention of Children in the Northern Territory (RCDCNT) to be \$26.778m. At 30 June 2018 this amount was revised down to \$12.882m as a result of the cost of the RCDCNT being significantly less than budget. The amount of \$13.896m reflects the reduction to the Northern Territory Government's share of the cost of the RCDCNT at 30 June 2018.
- <sup>6</sup> During 2016-17, the Australian Human Rights Commission received its appropriation directly from the Department of Finance.

### 5.2 Administered - income 2018 2017 \$'000 \$'000 5.2A: Rendering of services 1 11,825 32.478

### Accounting Policy

All administered revenues are revenues relating to ordinary activities performed by the department on behalf of the Australian Government. As such, administered appropriation are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

| 5.2B: Interest from loans to state and territory governments <sup>2</sup> | 2,327 | 2,674  |
|---|-------|--------|
| 5.2C: Competitive neutrality – Australian Government Solicitor            | 3,657 | 2,857  |
| 5.2D: Recoveries – personal benefit recoveries <sup>2, 3</sup>            | 222   | 565    |
| 5.2E: Other non-taxation revenue  |       |        |
| Recovery of unspent grant funding   | 1,856 | 411    |
| Torres Strait Regional Authority receipts                                 | 800   | 800    |
| Proceeds of Crime Act 2002 receipts <sup>2</sup>                          | 862   | 6,120  |
| Other revenue   | 4,652 | 3,062  |
| Total other revenue   | 8,170 | 10,393 |

<sup>&</sup>lt;sup>1</sup> During 2016-17, the department recognised the Northern Territory Government's contribution for the operation of the Royal Commission into the Protection and Detention of Children in the Northern Territory (RCDCNT).

<sup>&</sup>lt;sup>2</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

<sup>&</sup>lt;sup>3</sup> The department has an arrangement with the Department of Human Services (DHS) to provide claiming channels and claim processing arrangements in respect of disaster recovery payments. The amount of \$0.222m (2017: \$0.565m) represents the value of overpayments recovered by DHS.

This section analyses the Attorney-General's Department's assets used to conduct its operations and the operating liabilities incurred as a result.

### **Note 6: Financial Position**

Employee related information is disclosed in the People and Relationships section.

### 6.1 Financial assets 1

|   | Notes    | 2018<br>\$'000 | 2017<br>\$'000 |
|---|----------|----------------|----------------|
| 6.1A: Cash and cash equivalents                           |          |                |                |
| Cash on hand or on deposit                                |          | 2,046          | 2,304          |
| Cash in special account – Australian Government Solicitor | 3.2      | 53,689         | 41,619         |
| Total cash and cash equivalents                           | <u> </u> | 55,735         | 43,923         |

### **Accounting Policy**

Cash and cash equivalents includes cash on hand, cash held with outsiders, demand deposits in bank accounts with an original maturity of three 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.

### 6.1B: Trade and other receivables

| Goods and services receivables                     |      |         |         |
|--|------|---------|---------|
| Goods and services                                 |      | 48,218  | 52,860  |
| Appropriations receivable                          |      |         |         |
| Existing programs                                  | 3.1B | 57,927  | 61,106  |
| Other receivables                                  |      |         |         |
| GST receivable from the Australian Taxation Office |      | 140     | 840     |
| Other  |      | -       | 12      |
| Total other receivables                            | _    | 140     | 852     |
| Total trade and other receivables (gross)          | _    | 106,285 | 114,818 |
| Less impairment allowance                          |      |         |         |
| Goods and services                                 |      | (1,393) | (1,247) |
| Total impairment allowance                         | _    | (1,393) | (1,247) |
| Total trade and other receivables (net)            | _    | 104,892 | 113,571 |

### Accounting Policy

The department classifies its financial assets as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

The department considers that the carrying amounts of financial instruments reported in the statement of financial position are a reasonable approximation of fair value.

The department is exposed to minimal credit risk as loans and receivables are cash and trade receivables. 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 of \$48,218,705 in 2018 (2017: \$52,860,848). The department has assessed the risk of default on payment and has allocated \$1,392,573 in 2018 (2017: \$1,247,449) to an impairment allowance account. This amount has been determined following an assessment of invoices greater than 90 days past due.

### 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 that are recognised at fair value through profit or loss.

### 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'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

### Reconciliation of the impairment allowance

### Movements in relation to 2018

|  | Goods and services | Total  |
|--|--------------------|--------|
|  | \$'000             | \$'000 |
| As at 1 July 2017  | 1,247              | 1,247  |
| Increase recognised in statement of comprehensive income | 146                | 146    |
| Total as at 30 June 2018                                 | 1,393              | 1,393  |
| Movements in relation to 2017                            |                    |        |
| As at 1 July 2016  | 1,350              | 1,350  |
| Amounts recovered and reversed                           | (103)              | (103)  |
| Total as at 30 June 2017                                 | 1,247              | 1,247  |

### **Accounting Policy**

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables 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 future cash flows discounted as the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

6.2 Non-financial assets 1

6.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

|  | Land<br>\$'000 | Leasehold<br>Buildings improvements<br>\$'000 | Leasehold<br>nprovements<br>\$'000 | Heritage<br>and<br>cultural <sup>2</sup> | Other property, plant & equipment \$'000 | Computer<br>software<br>\$'000 | Total<br>\$'000 |
|--|----------------|---|------------------------------------|--|--|--------------------------------|-----------------|
| As at 1 July 2017<br>Gross book value  | 1,400          | 510   | 83,265                             | 4,204                                    | 52,055                                   | 81,820                         | 223,254         |
| Accumulated deprediation, amortisation and impairment  Total as at 1 July 2017 | 1,400          | (61)  | 54,841                             | 4,204                                    | 20,868                                   | 24,823                         | 106,585         |
| Additions<br>By purchase   | 1              | 1   | 15.291                             | ı  | 4.187                                    | 539                            | 20.017          |
| Internally developed   | ı              | ı   | ı                                  | 1  | ı  | 6,370                          | 6,370           |
| Revaluations and impairments recognised in other comprehensive income          | 200            | 6)  | 3,668                              | ı  | 234                                      | 1                              | 4,093           |
| Depreciation and amortisation  | ı              | (20)  | (9,641)                            | ı  | (4,537)                                  | (4,389)                        | (18,587)        |
| Other movements  | ı              | ı   | (442)                              | ı  | 51                                       | 1                              | (391)           |
| Disposals  |                |   | ,                                  |  |  |                                | ,               |
| From disposal of entities or operations (including restructuring) 1            | ı              | ı   | (12,337)                           | (430)                                    | (10,732)                                 | (18,038)                       | (41,537)        |
| Other  | 1              | ı   | (30)                               | 1  | (103)                                    | (34)                           | (167)           |
| Total as at 30 June 2018   | 1,600          | 420   | 51,350                             | 3,774                                    | 896'6                                    | 9,271                          | 76,383          |
| Total as at 30 June 2018 represented by<br>Gross book value                    | 1,600          | 420   | 51,350                             | 3,774                                    | 27,375                                   | 60,221                         | 144,740         |
| Accumulated depreciation, amortisation and impairment                          |                | 1   |                                    |  | (17,407)                                 | (20,950)                       | (68,357)        |
| Total as at 30 June 2018   | 1,600          | 420   | 51,350                             | 3,774                                    | 896'6                                    | 9,271                          | 76,383          |

The carrying amount of computer software included \$1.322m (2017: \$2.795m) purchased software and \$7.950m (2017: \$22,028m) internally developed software.

No indicators of impairment were identified for land, buildings, other property, plant and equipment and intangibles.

No land, buildings, other property, plant and equipment and intangibles are expected to be sold or disposed of within the next 12

### Revaluations of non-financial assets

All revaluations were undertaken in accordance with the revaluation policy stated below. In 2018 there was a \$0.200m increment (2017: nil increment) for land; a \$0.009m decrement (2017: nil increment) for buildings on freehold land; and a \$3.668m increment (2017: nil increment) for leasehold improvements that were credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet.

### Property, plant and equipment

All revaluations were undertaken in accordance with the revaluation policy stated below. In 2018 there was a nil decrement (2017: nil decrement) for heritage and cultural and there was a \$0.234m increment for property, plant and equipment (2017: nil decrement) that was credited against the asset revaluation surplus by asset class and included in the equity section of the balance sheet.

On 30 June 2018, Jones Lang LaSalle conducted the revaluations.

### Contractual commitments for the acquisition of property, plant, equipment and intangible assets

Contractual commitments for the acquisition of property, plant, equipment and intangibles of \$0.897m are payable within one year and \$0.635m are payable within one to five years (2017: nil).

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

<sup>&</sup>lt;sup>2</sup> Land, buildings and other property, plant and equipment that met the definition of a heritage and cultural item were disclosed in the heritage and cultural asset class.

### **Accounting Policy**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amount at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

### Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the 'makegood' cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of leasehold improvements with a corresponding provision for the 'makegood' recognised.

### Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

The library assets which have been recognised as heritage assets are not depreciated, and all other library acquisitions are expensed in the year of acquisition.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable departmental asset are based on the following useful lives:

| acpartmental asset | are based on the lo | nowing ascial lives. |
|--------------------|---------------------|----------------------|
|                    | 2018                | 2017                 |
| Buildings on       |                     |                      |
| freehold land      | 25-50 years         | 25-50 years          |
| Leasehold          |                     |                      |
| improvements       | Lease term          | Lease term           |
| Property, plant    |                     |                      |
| and equipment      | 3-10 years          | 3 – 10 years         |
| Heritage and       |                     |                      |
| cultural (where    | Up to 480           |                      |
| applicable)        | years               | Up to 480 years      |

### Impairment

All assets were assessed for impairment at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

### Heritage and cultural

Heritage and cultural items include items that are of national, historical or cultural significance.

### Intangibles

The department's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's intangibles are 3 to 5 years (2016-17: 3 to 5 years).

All software assets were assessed for indications of impairment at 30 June.

### 6.2B: Fair value measurement

### Accounting policy

The department tests the procedures of the valuation model as an asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The department engaged Jones Lang LaSalle (JLL) to undertake a full revaluation and confirm that the models developed comply with AASB 13.

|                                 | Fair value meas<br>the end of the<br>peric | reporting |
|---------------------------------|--|-----------|
|                                 | 2018                                       | 2017      |
|                                 | \$'000                                     | \$'000    |
| Non-financial assets            |  |           |
| Land                            | 1,600                                      | 1,400     |
| Buildings on freehold land      | 420  | 449       |
| Leasehold improvements          | 51,350                                     | 54,841    |
| Property, plant and equipment   | 9,968                                      | 20,868    |
| Heritage and cultural (Library) | 3,774                                      | 4,204     |
| Total non-financial assets      | 67,112                                     | 81,762    |
| Total fair value measurements   | 67,112                                     | 81,762    |

There have been no changes to valuation techniques from the previous reporting period.

### 6.2C: Other non-financial assets

Prepayments 8,047 10.662

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

| 6.3 Payables <sup>1</sup>   |                |                |
|---|----------------|----------------|
|   | 2018<br>\$'000 | 2017<br>\$'000 |
|   | \$ 000         | \$ 000         |
| 6.3A: Suppliers   |                |                |
| Trade creditors   | 6,927          | 13,651         |
| Accrued payables  | 13,619         | 16,031         |
| Dividend payable – Australian Government Solicitor                      | 8,854          | -              |
| Operating lease rentals   | 10,847         | 12,143         |
| Total suppliers   | 40,247         | 41,825         |
| Supplier payables are expected to be settled in no more than 12 months. |                |                |
| Settlement is usually made net 30 days.                                 |                |                |
| 6.3B: Grants  |                |                |
| Other   | _              | 300            |
| Total grants  | _              | 300            |
| Grant payables are expected to be settled in no more than 12 months.    |                |                |
| 6.3C: Other payables  |                |                |
| Wages and salaries  | 6,126          | 4,806          |
| Separations and redundancies  | 35             | 537            |
| Other employee payables   | 206            | 601            |
| Unearned income   | 6,922          | 10,595         |
| Lease incentives <sup>2</sup>   | 16,290         | 13,691         |
| Total other payables  | 29,579         | 30,230         |

### **Accounting Policy**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

### Financial liabilities

Financial liabilities are classified as other financial liabilities.

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

The department considers that the carrying amounts of financial instruments reported in the statement of financial position are a reasonable approximation of fair value.

The department's financial liabilities are trade creditors. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and other funding mechanisms available to the department (eg Advance to the Finance Minister) to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

All financial liabilities are expected to be settled within 12 months.

The department holds basic financial instruments that do not expose it to market risks. The department is not exposed to 'Currency risk' or 'Other price risk'.

The only interest-bearing items on the Statement of Financial Position are finance leases. All bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

### Other financial liabilities

Other financial liabilities 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 are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

<sup>&</sup>lt;sup>2</sup> The department has received incentives in the form of cash and discounted rent on entering into property operating leases.

| 6.4 Other provisions                             |                                  |                 |
|--|----------------------------------|-----------------|
|  | 2018<br>\$'000                   | 2017<br>\$'000  |
| 6.4A: Makegood provisions                        |                                  |                 |
| Provision for restoration obligations            | 316                              | 41              |
|  | Provision for restoration \$'000 | Total<br>\$'000 |
| As at 1 July 2017                                | 41                               | 41              |
| Additional provisions made                       | 274                              | 274             |
| Unwinding of discount or change in discount rate | 1                                | 1               |
| Total as at 30 June 2018                         | 316                              | 316             |
| 6.4B: Other provisions                           |                                  |                 |
| Provision for onerous lease                      | 13                               | 142             |
|  | Provision for onerous            |                 |
|  | lease                            | Total           |
|  | \$'000                           | \$'000          |
| As at 1 July 2017                                | 142                              | 142             |
| Amounts reversed                                 | (129)                            | (129)           |
| Total as at 30 June 2018                         | 13                               | 13              |

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

### Note 7: Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result the Attorney-General's Department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

| ä  | pplied for depa           | rumentai reportir                           | ıg.             |
|--|---------------------------|---|-----------------|
| 7.1 Administered - financial assets <sup>1</sup>                       |                           |   |                 |
|  |                           |   |                 |
|  |                           | 2018  | 2017            |
|  |                           | \$'000                                      | \$'000          |
| 7.1A: Cash and cash equivalents  |                           |   |                 |
| Cash on hand or deposit  |                           | -   | 4               |
| Cash held in special account   |                           | 8,705                                       | -               |
| Total cash and cash equivalents  |                           | 8,705                                       | 4               |
| 7.1B: Loans and receivables  |                           |   |                 |
| Goods and services receivables   |                           | 346   | 26,993          |
| Advances and loans 1,2   |                           |   |                 |
| State and territory governments  |                           | <u> </u>                                    | 101,337         |
| Other receivables  |                           |   |                 |
| Other  |                           | 4   | 28              |
| Personal benefit recoveries 1,3  |                           | -   | 1,584           |
| GST receivable from Australian Taxation Office                         |                           | 520   | 6,743           |
| Total other receivables  |                           | 524   | 8,355           |
| Total loans and receivables (gross)                                    |                           | 870   | 136,685         |
| Less impairment allowance  |                           |   |                 |
| Goods and services   |                           | (2)   | (2)             |
| Personal benefit recoveries <sup>1</sup>                               |                           | -   | (1,266)         |
| Total impairment allowance   |                           | (2)   | (1,268)         |
| Total trade and other receivables (net)                                |                           | 868   | 135,417         |
| Reconciliation of the impairment allowance                             |                           |   |                 |
| Movements in relation to 2018  |                           |   |                 |
|  | Goods and services \$'000 | Personal<br>benefit<br>recoveries<br>\$'000 | Total<br>\$'000 |
| As at 1 July 2017  | 2                         | 1,266                                       | 1,268           |
| Amounts transferred under restructuring of administrative arrangements | _                         | (1,266)                                     | (1,266)         |
| Total as at 30 June 18   | 2                         | -   | 2               |
| Movements in relation to 2017  |                           |   |                 |
| As at 1 July 2016  | 143                       | 1,290                                       | 1,433           |
| Amounts recovered and reversed   | (139)                     | -   | (139)           |
| Increase recognised in net cost of services                            | (2)                       | (24)  | (26)            |
| Total as at 30 June 2017   | 2                         | 1,266                                       | 1,268           |
|  |                           |   |                 |

| Net gains from financial assets           | 2018<br>\$'000 | 2017<br>\$'000 |
|---|----------------|----------------|
| Loans and receivables                     |                |                |
| Interest revenue                          | 2,327          | 2,674          |
| Impairment on financial instruments       | -              | 2              |
| Impairment of personal benefit recoveries |                | 24             |
| Net gains on loans and receivables        | 2,327          | 2,700          |

### Accounting policy

The administered activities of the department are exposed to minimal credit risk as the majority of financial assets are trade receivables. 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 receivables \$345,831 (2017: \$129,914,063). The department has assessed the risk of default on payment and has allocated \$1,585 (2017: \$1,268,779) to an impairment allowance account. This amount has been determined following an assessment of invoices greater than 90 days.

### 7.1C: Investments

| Investments in associates                  |         |         |
|--|---------|---------|
| Australian Human Rights Commission         | 2,283   | (438)   |
| High Court of Australia                    | 233,032 | 226,056 |
| Investments in jointly controlled entities |         |         |
| Law Courts Limited <sup>4</sup>            | 165,901 | 125,618 |
| Total investments                          | 401,216 | 351,236 |

### **Details of investments**

|                                    | Owne | Ownership |  |
|------------------------------------|------|-----------|--|
|                                    | 2018 | 2017      |  |
| Name of entity                     | %    | %         |  |
| Jointly controlled entities        | 47.5 | 47.5      |  |
| Law Courts Limited                 |      |           |  |
| Associates                         |      |           |  |
| Australian Human Rights Commission | 100  | 100       |  |
| High Court of Australia            | 100  | 100       |  |

### **Accounting Policy**

Administered investments in associates and jointly controlled entities are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2018. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the end of the reporting period.

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

<sup>&</sup>lt;sup>2</sup> Loans are made to State and Territory Governments for periods up to 100 years. No security is required. Principal will be repaid in full by maturity. Interest rates are either fixed or variable. Interest payments are made annually.

<sup>&</sup>lt;sup>3</sup> Recovery action undertaken by the Department of Human Services in respect of payments made under the Australian Government Disaster Recovery Program and Disaster Income Recovery Subsidy.

<sup>&</sup>lt;sup>4</sup> During 2017–18, Law Courts Limited undertook a revaluation of land and buildings. This resulted in an increase in the value of the Commonwealth's investment in Law Courts Limited.

# 7.2 Administered - non-financial assets 1

# 7.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

|   | Buildings<br>\$'000 | Leasehold<br>improvements<br>\$'000 | Other property, plant & equipment \$ | Computer<br>software<br>\$'000 | Total<br>\$'000 |
|---|---------------------|-------------------------------------|--------------------------------------|--------------------------------|-----------------|
| As at 1 July 2017<br>Gross book value                               | -                   | 11,462                              | 10,336                               | 4,554                          | 26,352          |
| Accumulated depreciation, amortisation and impairment               |                     | (10,582)                            | (2,306)                              | (3,719)                        | (21,607)        |
| Total as at 1 July 2017   | 1                   | 880                                 | 3,030                                | 835                            | 4,745           |
|   |                     |                                     |                                      |                                |                 |
| By purchase   | 1                   | 1,291                               | 125                                  | 1                              | 1,416           |
| Depreciation and amortisation                                       | ı                   | (880)                               | (1,000)                              | (217)                          | (2,397)         |
|   |                     |                                     |                                      |                                |                 |
| From disposal of entities or operations (including restructuring) 1 | 1                   | •                                   | (1,880)                              | (318)                          | (2,198)         |
| Property, plant and equipment                                       | 1                   | 1                                   | (207)                                | ı                              | (207)           |
| Total as at 30 June 2018  | 1                   | 1,291                               | 20                                   | •                              | 1,361           |
| Total as at 30 June 2018 represented by                             |                     |                                     |                                      |                                |                 |
| Gross book value  | 1                   | 1,291                               | 293                                  | 3,323                          | 4,907           |
| Accumulated depreciation, amortisation and impairment               | 1                   | 1                                   | (223)                                | (3,323)                        | (3,546)         |
| Total as at 30 June 2018  |                     | 1,291                               | 0/2                                  | 1                              | 1,361           |

<sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

The carrying amount of computer software included nil (2017; \$0.737m) purchased software and nil (2017; \$0.098m) internally developed software.

No indicators of impairment were found for land, buildings, other property, plant and equipment and intangibles.

No land, buildings, other property, plant and equipment and intangibles are expected to be sold or disposed of within the next 12 months.

### Revaluations of non-financial assets

### Land and buildings

All revaluations were undertaken in accordance with the revaluation policy stated in Note 6.2A. In 2018 no increment or decrement (2017: nil increment) for buildings on freehold land and leasehold improvements were taken to the asset revaluation surplus by asset class and included in the equity section of the balance sheet.

### Property, plant and equipment

All revaluations were undertaken in accordance with the revaluation policy stated in Note 6.2A. In 2018 there was a nil increment for property, plant and equipment (2017: nil increment) was credited against the asset revaluation surplus by asset class and included in the equity section of the balance sheet.

On 30 June 2018, Jones Lang LaSalle conducted the revaluations.

### Contractual commitments for the acquisition of property, plant, equipment and intangible assets

Contractual commitments for the acquisition of property, plant, equipment and intangibles of \$0.269m are payable within one year (2017: nil).

### 7.2B: Fair value measurement

|  | Fair value mea<br>the end of th<br>peri | e reporting |
|--|---|-------------|
|  | 2018                                    | 2017        |
|  | \$'000                                  | \$'000      |
| Financial assets Investments in associates   | 235,315                                 | 225,618     |
| Investments in associates Investments in jointly controlled entities                   | 165,901                                 | 125,618     |
| Total financial assets   |   |             |
| Total financial assets   | 401,216                                 | 351,236     |
| Non-financial assets   |   |             |
| Leasehold improvements   | 1,291                                   | 880         |
| Property, plant and equipment  | 70                                      | 3,031       |
| Total non-financial assets   | 1,361                                   | 3,911       |
| Total fair value measurements of assets in the administered schedule of assets         |   |             |
| and liabilities  | 402,577                                 | 355,147     |
|  |   |             |
| There have been no changes to valuation techniques from the previous reporting period. |   |             |
|  |   |             |
|  | 2018                                    | 2017        |
|  | \$'000                                  | \$'000      |
|  | <b>\$ 000</b>                           | \$ 000      |
|  |   |             |
| 7.2C: Other non-financial assets   |   |             |
| Prepayments  | _                                       | 642         |
|  |   |             |
| No indicators of impairment were found for other non-financial assets.                 |   |             |

| 7.3 Administered - payables <sup>1</sup>  |                   |         |
|---|-------------------|---------|
| Tio Administración payables   |                   |         |
|   | 2018              | 2017    |
|   |                   |         |
|   | \$'000            | \$'000  |
|   |                   |         |
| 7.3A: Suppliers   |                   |         |
| Trade creditors   | 146               | 3,254   |
| Accrued payables  | 4,271             | 10,306  |
| Operating lease rentals   |                   | 209     |
| Total suppliers   | 4,417             | 13,769  |
| Cumpliars synasted to be cottled in no more than 10 months                              |                   |         |
| Suppliers expected to be settled in no more than 12 months.                             |                   |         |
| Settlement is usually net 30 days.  |                   |         |
| Solitonion to doddiny flot oo dayo.   |                   |         |
| 7.3B: Grants  |                   |         |
| State and territory governments   | 3,185             | 145     |
| Non-profit organisations  | · -               | 3,791   |
| Overseas  | -                 | 56      |
| Other   | -                 | 5,647   |
| Total grants  | 3,185             | 9,639   |
|   |                   |         |
| Grants expected to be settled in no more than 12 months.                                |                   |         |
|   |                   |         |
| Settlement is usually made according to the terms and conditions of each grant. This is | usually within 30 | days of |
| performance or eligibility.   |                   |         |
|   |                   |         |
| 7.3C: Other payables  |                   | 050     |
| Superannuation  | -                 | 259     |
| Other   | 95                | 69      |
| Total other payables  | 95                | 328     |

Other payables expected to be settled in no more than 12 months.

# 7.4 Administered - other provisions 7.4A: Makegood provisions Provision for restoration obligations 1,323

<sup>&</sup>lt;sup>1</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

### **Note 8: Managing Uncertainties**

This section analyses how the Attorney-General's Department manages financial risk within its operating environment.

### 8.1: Contingent assets and liabilities

### 8.1A: Departmental contingent assets and liabilities

|                                       | 2018   | 2017   |
|---------------------------------------|--------|--------|
| Claims for damages                    | \$'000 | \$'000 |
| Contingent assets                     |        |        |
| Balance from previous period          | 645    | 345    |
| New contingent assets recognised      | -      | 395    |
| Re-measurement                        | (238)  | _      |
| Rights expired                        | (390)  | (95)   |
| Total contingent assets               | 17     | 645    |
|                                       |        |        |
| Contingent liabilities                |        |        |
| Balance from previous period          | (534)  | -      |
| New contingent liabilities recognised | (287)  | (534)  |
| Re-measurement                        | 29     | _      |
| Liabilities realised                  | 65     | _      |
| Obligations expired                   | 440    | -      |
| Total contingent liabilities          | (287)  | (534)  |
| Net contingent liabilities            | (270)  | 111    |

### Quantifiable contingencies

The department estimates \$287,000 of contingent liabilities in respect of claims for damages/costs (2017: \$534,000). This amount represents an estimate of the department's liability based on precedent in such cases. The department is

The department estimates \$17,000 of contingent assets in respect of claims for damages/costs (2017: \$645,000). This amount represents the department's estimate of claims against persons/organisations based on ongoing cases. The estimate is based on precedent in such cases.

### Unquantifiable contingent liabilities

The department is party to a number of civil litigation matters arising out of its statutory duty to administer the laws for which it is responsible. As at the date of this report there are no matters where costs have been awarded against the Department.

### Unquantifiable contingent assets

Conversely, the department, like any other party to civil litigation may be entitled to recover costs arising out of such litigation if it is successful. There are no matters at the date of this report where the department reasonably expects to have an award of costs in its favour.

### Future compensation claims

The Scheme for Compensation for Detriment caused by Defective Administration (CDDA) allows agencies to provide compensation to persons who have been adversely affected by their maladministration, but who have no legal means to seek redress, such as a legal claim. It is not possible to estimate the value of future CDDA claims.

### **Accounting Policy**

Contingent liabilities and contingent assets are not recognised in the statement of financial position 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.

### 8.1B Administered contingent assets and liabilities

### Unquantifiable administered contingencies

### Native Title Costs and Agreements (access to geospatial data)

Under the Native Title Act 1993 (the NTA) and the Native Title Amendment (Indigenous Land Use Agreements) Act 2017, Schedule 1 s. 13(3), the Commonwealth will be liable for any compensation found to be payable in respect of compensable acts for which the Commonwealth is responsible.

The Australian Government has entered into agreements with State and Territory Governments to access their geospatial land tenure data, which is essential to support the National Native Title Tribunal in achieving its outcomes. Under these agreements the Australian Government provides indemnities against third-party claims arising from errors in the data.

At balance date the department is unable to reliably measure the future value of potential claims, and no provision for these claims has been recognised in the Administered financial statements.

### **Future compensation claims**

The Scheme for Compensation for Detriment caused by Defective Administration (CDDA) allows agencies to provide compensation to persons who have been adversely affected by their maladministration, but who have no legal means to seek redress, such as a legal claim. It is not possible to estimate the value of future CDDA claims.

### **Note 9: Other Information**

### 9.1 Restructuring

### 9.1A: Departmental restructuring

2018

### Functions relinquished:

National security policy and operations, law enforcement policy and operations, protective services at Commonwealth establishments and diplomatic and consular premises in Australia, critical infrastructure protection co-ordination, Commonwealth emergency management, natural disaster relief, recovery and mitigation policy and financial assistance including payments to the states and territories and the Australian Government Disaster Recovery Payment 1

|  | \$'000   |
|--|----------|
| Functions relinquished to the Department of Home Affairs |          |
| Assets relinquished                                      |          |
| Receivables  | 5,706    |
| Appropriation receivable                                 | 17,514   |
| Land and buildings                                       | 12,337   |
| Property, plant and equipment                            | 10,732   |
| Heritage and cultural                                    | 430      |
| Intangibles  | 18,038   |
| Other non-financial assets                               | 311      |
| Total assets relinquished                                | 65,068   |
| Liabilities relinquished                                 |          |
| Supplier payables  | (3,691)  |
| Other payables   | (3,776)  |
| Employee provisions                                      | (13,312) |
| Total liabilities relinquished                           | (20,779) |
| Net assets relinquished <sup>2</sup>                     | 44,289   |

<sup>1.</sup> In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.

The net assets relinquished from all entities were \$44.289m (2016-17: nil).

### 9.1B: Administered restructuring

2018

### Functions relinquished:

National security policy and operations, law enforcement policy and operations, protective services at Commonwealth establishments and diplomatic and consular premises in Australia, critical infrastructure protection co-ordination, Commonwealth emergency management, natural disaster relief, recovery and mitigation policy and financial assistance including payments to the states and territories and the Australian Government Disaster Recovery Payment 1

|  | \$'000  |
|--|---------|
| Functions relinquished to the Department of Home Affairs |         |
| Assets relinquished                                      |         |
| Receivables  | 105,113 |
| Property, plant and equipment                            | 1,880   |
| Intangibles  | 318     |
| Other non-financial assets                               | 922     |
| Total assets relinquished                                | 108,233 |
| Liabilities relinquished                                 |         |
| Supplier payables  | (5,505) |
| Total liabilities relinquished                           | (5,505) |
| Net assets relinquished <sup>2</sup>                     | 102,728 |

- 1. In accordance with the Administrative Arrangements Orders of 20 December 2017 and 10 May 2018, national security, commonwealth emergency management, natural disaster relief and Australian Government Disaster Recovery Payment programs and functions were transferred to the Department of Home Affairs.
- 2. The net assets relinquished from all entities were \$102.728m (2016-17: nil).

| 9.2A: Details of Royal Commission financial activities included in the 2017-18 administered schedule of comprehensive income | e 2017-18 administered schedt              | ule of comprehensiv | <u>ve income</u>           |                    |
|--|--|---------------------|----------------------------|--------------------|
|  | Administered (excluding Royal Commissions) | RCIRCSA 1<br>\$'000 | RCDCNT <sup>2</sup> \$1000 | RCBSFS 3<br>\$'000 |
| EXPENSES   |  |                     |                            |                    |
| Employee benefits  | 492  | 11,404              | 2,081                      | 2,597              |
| Suppliers  | 43,669                                     | 11,958              | 8,509                      | 12,608             |
| Subsidy to Law Courts Limited  | 3,246                                      | •                   |                            |                    |
| Personal benefits  | 3,746                                      | က                   | 30                         | 23                 |
| Grants   | 294,887                                    | •                   |                            |                    |
| Depreciation and amortisation  | 922  | 1,441               |                            | 뚕                  |
| Write-down and impairment of assets and other expenses   | 199  | 30                  | 13,896                     |                    |
| Payments to corporate Commonwealth entities  | 14,391                                     | ı                   | ı                          | 1                  |
| Total expenses administered on behalf of Government  | 361,552                                    | 24,836              | 24,516                     | 15,262             |
| INCOME   |  |                     |                            |                    |
| Non-taxation revenue   |  |                     |                            |                    |
| Rendering of services  | 4,733                                      | 78                  | 7,064                      |                    |
| Interest from loans to state and territory governments   | 2,327                                      | 1                   | 1                          |                    |
| Competitive neutrality - Australian Government Solicitor   | 3,657                                      |                     | 1                          | 1                  |

16,574 76,744 3,246 3,802 294,887 2,397 14,125 14,391

Total \$'000

426,166

11,825 2,327 3,657 222

8,170

26,201

7,064

28

8,170 222

Recoveries - personal benefit recoveries

Other non-taxation revenue

Total income

19,109

At 15 December 2017 the Royal Commission into Institutional Responses to Child Sexual Abuse (RCIRCSA) ceased.

At 17 November 2017 the Royal Commission into the Protection and Detention of Children in the Northern Territory (RCDCNT) ceased.

The department is responsible for maintaining the ongoing operations of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry RCBSFS).

# PART 5 Appendixes

| Appendix 1: | Entity resource statement 2017–18 | 148 |
|-------------|-----------------------------------|-----|
| Appendix 2: | Client service charter            | 153 |
| Appendix 3: | The International Criminal Court  | 154 |
| Appendix 4: | Extradition and mutual assistance | 155 |

# APPENDIX 1: Entity resource statement 2017–18

### **TABLE 20:** Entity Resource Statement

|   | Actual available<br>appropriation<br>for 2017–18<br>\$'000<br>(a) | Payments<br>made<br>2017–18<br>\$'000<br>(b) | Balance<br>remaining<br>2017–18<br>\$'000<br>(a) minus (b) |
|---|---|--|--|
| Ordinary annual services <sup>1</sup>                     |   |  | ., .,  |
| Departmental appropriation <sup>2</sup>                   | 282,149   | 217,076                                      | 65,073   |
| Total   | 282,149   | 217,076                                      | 65,073   |
| Administered expenses                                     |   |  |  |
| Outcome 1 <sup>3</sup>                                    | 400,788   | 387,676                                      |  |
| Payments to corporate entities <sup>4</sup>               | 14,391  | 14,391                                       |  |
| Total   | 415,179   | 402,067                                      |  |
| Total ordinary annual services (A)                        | 697,328   | 619,143                                      |  |
| Other services <sup>5</sup>                               |   |  |  |
| Administered expenses                                     |   |  |  |
| Specific payments to States, ACT, NT and Local Government |   |  |  |
| Outcome 1 <sup>6</sup>                                    | 1,916   | 1,916  |  |
| Total   | 1,916   | 1,916  |  |
| Departmental non-operating                                |   |  |  |
| Equity injections <sup>7</sup>                            | 21,279  | 9,134  | 12,145   |
| Total   | 21,279  | 9,134  | 12,145   |
| Administered non-operating                                |   |  |  |
| Administered assets and liabilities <sup>8</sup>          | 7,446   | 2,841  |  |
| Total   | 7,446   | 2,841  |  |
| Total other services (B)                                  | 30,641  | 13,891                                       |  |
| Total available annual appropriations and payments        | 727,969   | 633,034                                      |  |

|  | Actual available appropriation for 2017–18 | Payments<br>made<br>2017–18 | Balance<br>remaining<br>2017–18 |
|--|--|-----------------------------|---------------------------------|
|  | \$'000                                     | \$'000                      | \$'000                          |
|  | (a)  | (b)                         | (a) minus (b)                   |
| Special appropriations   |  |                             |                                 |
| Special appropriations limited by criteria/<br>entitlement   |  |                             |                                 |
| Law Officers Act 1964 s 16(13) – former<br>Solicitors-General                                      |  | 451                         |                                 |
| Public Governance, Performance and Accountability Act 2013   |  | 20                          |                                 |
| Social Security (Administration) Act 1999 –<br>Australian Victims of Terrorism Overseas<br>Payment |  | 1,301                       |                                 |
| Social Security (Administration) Act 1999  |  | 1,497                       |                                 |
| Total special appropriations (C)   |  | 3,269                       |                                 |
| Special accounts   |  |                             |                                 |
| Opening balance  | 58,005                                     |                             |                                 |
| Non-appropriation receipts to special accounts   | 194,758                                    |                             |                                 |
| Payments made  |  | 190,369                     |                                 |
| Total special account (D)  | 252,763                                    | 190,369                     | 62,394                          |
|  |  |                             |                                 |
| Total resourcing and payments A+B+C+D  | 980,732                                    | 826,672                     |                                 |
| Less payments to corporate bodies through annual appropriations                                    | 14,391                                     | 14,391                      |                                 |
| Total net resourcing and payments for entity   | 966,341                                    | 812,281                     |                                 |

### Notes

- <sup>1</sup> Appropriation Act (No.1) 2017–18 and Appropriation Act (No.3) 2017–18. This includes prior year departmental appropriation and section 74 retained revenue receipts.
- <sup>2</sup> Includes an amount of \$11.140m in 2017–18 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.
- <sup>3</sup> Includes an amount of \$0.016m in 2017–18 for the Administered Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.
- 4 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.
- <sup>5</sup> Appropriation Act (No.2) 2017–18 and Appropriation Act (No.4) 2017–18.
- <sup>6</sup> Actual available appropriation includes \$0.671m for prior year accrued expenses.
- <sup>7</sup> This may also include prior year equity injections.
- <sup>8</sup> This may also include prior year administered assets and liabilities.

TABLE 21: Expenses by Program

|   | Budget*<br>2017–18<br>\$'000<br>(a) | Actual<br>expenses**<br>2017–18<br>\$'000<br>(b) | Variation<br>2017—18<br>\$'000<br>(a) minus (b) |
|---|-------------------------------------|--|---|
| PROGRAM 1.1: Attorney-General's Department Operating E                | xpenses – Civ                       | il Justice and Le                                | gal Services                                    |
| Departmental expenses   |                                     |  |   |
| Departmental appropriation <sup>1</sup>                               | 65,235                              | 64,597   | 638   |
| Expenses not requiring appropriation in the Budget year               | 7,104                               | 8,295  | (1,191)   |
| Total for Program 1.1 <sup>2</sup>                                    | 72,339                              | 72,892   | (553)   |
|   |                                     |  |   |
| PROGRAM 1.2: Attorney-General's Department Operating Criminal Justice | Expenses – Na                       | ational Security                                 | and   |
| Departmental appropriation <sup>1</sup>                               | 148,374                             | 138,646  | 9,728   |
| Expenses not requiring appropriation in the Budget year               | 4,692                               | 5,479  | (787)   |
| Total for Program 1.2 <sup>2</sup>                                    | 153,066                             | 144,125  | 8,941   |
|   |                                     |  |   |
| PROGRAM 1.3: Australian Government Solicitor                          |                                     |  |   |
| Departmental expenses   |                                     |  |   |
| Special accounts  |                                     |  |   |
| Australian Government Solicitor Operational Special Account           | 134,767                             | 120,012  | 14,755  |
| Total for Program 1.3   | 134,767                             | 120,012  | 14,755  |
|   |                                     |  |   |
| PROGRAM 1.4: Justice services   |                                     |  |   |
| Administered expenses   |                                     |  |   |
| Ordinary annual services (Appropriation Act Nos. 1 and 3)             | 62,972                              | 55,693   | 7,279   |
| Special appropriations  | 470                                 | 191  | 279   |
| Expenses not requiring appropriation in the Budget year               | 4,988                               | 2,989  | 1,999   |
| Total for Program 1.4   | 68,430                              | 58,873   | 9,557   |
|   |                                     |  |   |
| PROGRAM 1.5: Family relationships                                     |                                     |  |   |
| Administered expenses   |                                     |  |   |
| Ordinary annual services (Appropriation Act Nos. 1 and 3)             | 166,196                             | 166,196  | _   |
|   |                                     |  |   |

| PROGRAM 1.6: Indigenous Legal and Native Title Assistance Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 74,772 74,772 — Total for Program 1.6 74,772 74,772 —  PROGRAM 1.7: National Security and Criminal Justice Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 23,817 29,156 (5,339) Other services (Appropriation Bill Nos. 2 and 4) 1,245 1,358 (113) Special appropriations 1,745 1,301 444 Special Accounts 18,961 12,318 6,643 Expenses not requiring appropriation in the Budget year — 1,230 (1,230) Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 34 — Special appropriations 4,398 1,924 2,474 Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160) Total for Program 1.9 78,190 64,613 13,577 |  | Budget*<br>2017–18<br>\$'000<br>(a) | Actual<br>expenses**<br>2017–18<br>\$'000<br>(b) | Variation<br>2017—18<br>\$'000<br>(a) minus (b) |
|---|--|-------------------------------------|--|---|
| Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 74,772 74,772 —  Total for Program 1.6 74,772 74,772 —  PROGRAM 1.7: National Security and Criminal Justice  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 23,817 29,156 (5,339) Other services (Appropriation Bill Nos. 2 and 4) 1,245 1,358 (113) Special appropriations 1,745 1,301 444 Special Accounts 18,961 12,318 6,643 Expenses not requiring appropriation in the Budget year — 1,230 (1,230) Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 — Special appropriations 4,398 1,924 2,474 Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | DDOCDAM 1 S. Indigenous Legal and Native Title Assistance              | (4)                                 | (0)  | (a) minas (b)                                   |
| Ordinary annual services (Appropriation Act Nos. 1 and 3) 74,772 74,772 —  Total for Program 1.6 74,772 74,772 —  PROGRAM 1.7: National Security and Criminal Justice  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3)3 23,817 29,156 (5,339)  Other services (Appropriation Bill Nos. 2 and 4)3 1,245 1,358 (113)  Special appropriations 1,745 1,301 444  Special Accounts 18,961 12,318 6,643  Expenses not requiring appropriation in the Budget year — 1,230 (1,230)  Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 34 —  Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   |  |                                     |  |   |
| Total for Program 1.6 74,772 74,772 —  PROGRAM 1.7: National Security and Criminal Justice  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3)3 23,817 29,156 (5,339)  Other services (Appropriation Bill Nos. 2 and 4)3 1,245 1,358 (113)  Special appropriations 1,745 1,301 444  Special Accounts 18,961 12,318 6,643  Expenses not requiring appropriation in the Budget year — 1,230 (1,230)  Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 -  Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | ·  | 74.772                              | 74.772   | _   |
| Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3)3 23,817 29,156 (5,339) Other services (Appropriation Bill Nos. 2 and 4)3 1,245 1,358 (113) Special appropriations 1,745 1,301 444 Special Accounts 18,961 12,318 6,643 Expenses not requiring appropriation in the Budget year - 1,230 (1,230) Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 34 - Special appropriations 4,398 1,924 2,474 Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  |  |                                     |  | _   |
| Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3)3 23,817 29,156 (5,339) Other services (Appropriation Bill Nos. 2 and 4)3 1,245 1,358 (113) Special appropriations 1,745 1,301 444 Special Accounts 18,961 12,318 6,643 Expenses not requiring appropriation in the Budget year - 1,230 (1,230) Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 34 - Special appropriations 4,398 1,924 2,474 Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  |  |                                     |  |   |
| Ordinary annual services (Appropriation Act Nos. 1 and 3)3 23,817 29,156 (5,339) Other services (Appropriation Bill Nos. 2 and 4)3 1,245 1,358 (113) Special appropriations 1,745 1,301 444 Special Accounts 18,961 12,318 6,643 Expenses not requiring appropriation in the Budget year - 1,230 (1,230) Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 - Special appropriations 4,398 1,924 2,474 Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | •  |                                     |  |   |
| Other services (Appropriation Bill Nos. 2 and 4)3 1,245 1,358 (113) Special appropriations 1,745 1,301 444 Special Accounts 18,961 12,318 6,643 Expenses not requiring appropriation in the Budget year - 1,230 (1,230) Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 - Special appropriations 4,398 1,924 2,474 Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | •  |                                     |  |   |
| Special appropriations 1,745 1,301 444 Special Accounts 18,961 12,318 6,643 Expenses not requiring appropriation in the Budget year - 1,230 (1,230)  Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 34 - Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | Ordinary annual services (Appropriation Act Nos. 1 and 3) <sup>3</sup> | 23,817                              | 29,156   | (5,339)   |
| Special Accounts Expenses not requiring appropriation in the Budget year — 1,230 (1,230)  Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 - Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | Other services (Appropriation Bill Nos. 2 and 4) $^3$                  | 1,245                               | 1,358  | (113)   |
| Expenses not requiring appropriation in the Budget year - 1,230 (1,230)  Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 - Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | Special appropriations   | 1,745                               | 1,301  | 444   |
| Total for Program 1.7 45,768 45,363 405  PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 - Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | Special Accounts   | 18,961                              | 12,318   | 6,643   |
| PROGRAM 1.8: Australian Government Disaster Financial Support payments  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | Expenses not requiring appropriation in the Budget year                | -                                   | 1,230  | (1,230)   |
| Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 - Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | Total for Program 1.7  | 45,768                              | 45,363   | 405   |
| Ordinary annual services (Appropriation Act Nos. 1 and 3) 34 34 34 2,474  Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | PROGRAM 1.8: Australian Government Disaster Financial Sup              | pport paymer                        | nts  |   |
| Special appropriations 4,398 1,924 2,474  Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | Administered expenses  |                                     |  |   |
| Total for Program 1.8 4,432 1,958 2,474  PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | Ordinary annual services (Appropriation Act Nos. 1 and 3)              | 34                                  | 34   | _   |
| PROGRAM 1.9: Royal Commissions  Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | Special appropriations   | 4,398                               | 1,924  | 2,474   |
| Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | Total for Program 1.8  | 4,432                               | 1,958  | 2,474   |
| Administered expenses  Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737  Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | PROGRAM 1.9: Royal Commissions   |                                     |  |   |
| Ordinary annual services (Appropriation Act Nos. 1 and 3) 72,981 49,244 23,737 Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)  | Administered expenses  |                                     |  |   |
| Expenses not requiring appropriation in the Budget year 5,209 15,369 (10,160)   | •  | 72,981                              | 49,244   | 23,737  |
|   |  |                                     |  |   |
|   |  | 78,190                              | 64,613   |   |

|   | Budget*<br>2017–18<br>\$'000<br>(a) | Actual<br>expenses**<br>2017–18<br>\$'000<br>(b) | Variation<br>2017—18<br>\$'000<br>(a) minus (b) |
|---|-------------------------------------|--|---|
| TOTALS BY APPROPRIATION TYPE                              |                                     |  |   |
| Administered expenses                                     |                                     |  |   |
| Ordinary annual services (Appropriation Act Nos. 1 and 3) | 400,772                             | 375,095  | 25,677  |
| Other services (Appropriation Bill Nos. 2 and 4)          | 1,245                               | 1,358  | (113)   |
| Special appropriations                                    | 6,613                               | 3,416  | 3,197   |
| Special accounts  | 18,961                              | 12,318   | 6,643   |
| Expenses not requiring appropriation in the Budget year   | 10,197                              | 19,588   | (9,391)   |
| Departmental expenses                                     |                                     |  |   |
| Departmental appropriation <sup>1</sup>                   | 213,609                             | 203,243  | 10,366  |
| Special accounts  | 134,767                             | 120,012  | 14,755  |
| Expenses not requiring appropriation in the Budget year   | 11,796                              | 13,774   | (1,978)   |
| Total expenses  | 797,960                             | 748,804  | 49,156  |
|   | 2017–18                             | 2017–18  |   |
| Average Staffing Level (number)                           | 1,591                               | 1,599  |   |

Full year budget, including any subsequent adjustments made to the 2017–18 Budget.

<sup>\*\*</sup> Expenses in this table are reported on an accrual basis.

<sup>&</sup>lt;sup>1</sup> Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1 and 3) and retained revenue receipts under the section 74 of the PGPA Act.

<sup>&</sup>lt;sup>2</sup> Departmental expenses include amounts eliminated in the financial statements for transactions between programs.

<sup>&</sup>lt;sup>3</sup> Actual figure includes expenses accrued at the date of the AAO changes, and funding was transferred to Department of Home Affairs, for those expenses.

### APPENDIX 2: Client service charter

The department is committed to achieving and maintaining a high level of service in all areas. This includes providing quality information and advice to members of the public that is timely, responsive and apolitical.

In the past year, the department received 1945 enquiries. The department responded to 914 enquiries, of these, three were complaints (defined as concerning the standard of service provided by us, or the diligence, competence, behaviour or attitude of our staff).

We referred 491 enquiries to another Australian Government, state or territory agency. Action was not required for 540 items of correspondence.

Approximately 197 items of correspondence were not responded to within 28 days. This was due to reasons including the necessary diversion of resources to other priority tasks, the complexity of the correspondence or administrative error.

Table 22 shows compliance against the standards of the department's service charter.

**TABLE 22:** Department client service charter—compliance with service standards

| Department service standard   | Compliance with<br>service standard |
|---|-------------------------------------|
| A reply in plain English within 28 days of receipt of complaint or enquiry.           | Partial                             |
| Personal information used only in accordance with the law.                            | Yes                                 |
| Work will be undertaken with care, diligence and sensitivity to the needs of clients. | Yes                                 |
| Strong commitment to accountability and continuous improvement.                       | Yes                                 |
| Clients will be treated with courtesy, fairness and respect.                          | Yes                                 |
| Staff will act responsively to client needs.  | Yes                                 |

## APPENDIX 3: The International Criminal Court

The International Criminal Court Act 2002 came into force on 28 June 2002. Section 189 of that Act provides that the department must publish each year, as an appendix to its annual report, a report on the operation of the Act, the operations of the International Criminal Court (ICC) and the impact of the operations of the ICC on Australia's legal system.

### **Operation of the International Criminal Court Act**

The International Criminal Court Act 2002 establishes mechanisms to facilitate Australia's compliance with its obligations under the Rome Statute of the International Criminal Court (the Rome Statute), including those relating to the provision of investigative assistance and the arrest and surrender of suspects. The crimes over which the ICC can exercise jurisdiction under the Rome Statute (genocide, war crimes and crimes against humanity) are criminalised under Australia's domestic law and, in each instance, apply whether or not the alleged offence occurs in Australia and regardless of whether the alleged offender is an Australian national. The ICC also has jurisdiction over a fourth crime, the crime of aggression with effect from 17 July 2018. The crime of aggression is defined in those amendments as the 'planning, preparation, initiation or execution, by a person in a position effectively to exercise control over or to direct the political or military action of a State, of an act of aggression which, by its character, gravity and scale, constitutes a manifest violation of the Charter of the United Nations'.

The ICC's jurisdiction over the crime of aggression originates from amendments to the Rome Statute adopted in 2010. Australia has not ratified the 2010 amendments; as such the crime of aggression is not criminalised under Australia's domestic law.

Under the Rome Statute a case will be inadmissible before the ICC if the relevant conduct is being investigated or prosecuted by a State with jurisdiction, unless the State is unwilling or genuinely unable to carry out the investigation or prosecution. Australian authorities can therefore investigate and prosecute crimes within the ICC's jurisdiction, allowing Australia to retain primary jurisdiction over such crimes alleged to have been committed in Australian territory or by Australian citizens.

### **Operation of the International Criminal Court**

In June 2018, 123 countries were States Parties to the Rome Statute. The ICC's jurisdiction is currently limited to the crimes of genocide, crimes against humanity, war crimes and the crime of aggression (with effect from 17 July 2018), and is confined to crimes committed after the Rome Statute entered into force in 2002.

### Impact on Australia's legal system

During the reporting year, the operations of the ICC had no discernible impact on Australia's legal system. The future impact of ICC operations depends on the number of active prosecutions and investigations undertaken as well as the number and nature of requests for assistance received by Australia.

### APPENDIX 4: Extradition and mutual assistance

This appendix provides an overview of the number of extradition and mutual assistance requests carried forward, made and received and finalised during the 2017–18 financial year. To ensure confidentiality of the extradition and mutual assistance requests made by Australia to foreign countries and received from foreign countries, the department does not provide information about individual cases.

To provide greater transparency in relation to the extradition requests made and received during the financial year, this appendix includes information about the number of individuals surrendered to and from Australia through the extradition process during 2017-18, the citizenship of these individuals and the categories of offending for which they were surrendered.

### International transfer of prisoners

**TABLE 23:** International transfer of prisoners

| International transfer of prisoners          | 2016–17 | 2017–18 |
|--|---------|---------|
| Applications made to transfer from Australia | 21      | 18      |
| Applications made to transfer to Australia   | 13      | 12      |

### Extradition matters dealt with in 2017-18 or continuing

TABLE 24: Extradition requests made by Australia

| Extradition requests made by Australia | 2017–18 |
|--|---------|
| Requests carried forward               | 20      |
| New requests made                      | 19      |
| Requests granted                       | 9       |
| Requests withdrawn                     | 1       |
| Requests refused                       | 2       |

Note: there is an anomaly between the recorded number of requests on foot compared with the number of requests carried forward, made and finalised. This follows an audit of the case database that revealed that certain cases had been incorrectly named as requests rather than enquiries.

TABLE 25: Australian extradition requests granted

| Australian extradition requests granted | 2017–18 |
|---|---------|
| Canada                                  | 1       |
| Indonesia                               | 1       |
| Serbia                                  | 1       |
| United Kingdom                          | 1       |
| Thailand                                | 1       |
| United Arab Emirates                    | 4       |

TABLE 26: Citizenship of people surrendered to Australia

| Citizenship of people surrendered to Australia | 2017–18 |
|--|---------|
| Australian                                     | 7       |
| Lebanese                                       | 1       |
| American                                       | 1       |
| Afghan   | 1       |
| British  | 1       |

Note: There were no Australian permanent residents extradited to Australia. As some fugitives hold dual nationality, the numbers total more than the number of people surrendered.

TABLE 27: Major categories of offences for which people were surrendered to Australia

| Categories of offences for which people were surrendered to Australia | 2017-18 |
|---|---------|
| Manslaughter  | 1       |
| Drug offences   | 6       |
| People smuggling  | 1       |
| Corporate offences  | 1       |

TABLE 28: Extradition requests made to Australia

| Extradition requests made to Australia   | 2017–18 |
|--|---------|
| Requests carried forward                 | 65      |
| New requests received                    | 40      |
| Requests granted                         | 8       |
| Requests withdrawn                       | 8       |
| Requests refused by the Attorney-General | 1       |
| Requests refused by the courts           | 0       |
| Requests otherwise finalised             | 21      |
| Requests continuing                      | 79      |

Note: Requests otherwise finalised include requests in which the suspect was not located in Australia and requests returned to the foreign country for further information and not pursued. There is an anomaly between the recorded number of requests on foot compared with the number of requests carried forward, received and finalised. This follows an audit of the case database that revealed that certain cases had been incorrectly named as requests rather than enquiries.

TABLE 29: Extradition requests granted by Australia

| Extradition requests granted by Australia | 2017–18 |
|---|---------|
| Ireland                                   | 3       |
| United Kingdom                            | 2       |
| United States of America                  | 3       |

TABLE 30: Citizenship of people surrendered by Australia

| Citizenship of people surrendered by Australia | 2017–18 |
|--|---------|
| Australian                                     | 3       |
| New Zealander                                  | 1       |
| Irish  | 2       |
| Vietnamese                                     | 1       |
| Chinese  | 1       |
| British  | 2       |
| American                                       | 1       |
| Russian  | 1       |

Note: As some of these people held dual nationality, the numbers total more than the number of people surrendered. There were two Australian permanent residents extradited from Australia.

TABLE 31: Major categories of offences for which people were surrendered

| Major categories of offences for which people were surrendered | 2017–18 |
|--|---------|
| Child sex offences   | 1       |
| Assault  | 2       |
| Fraud  | 3       |
| Corruption   | 1       |
| Perjury  | 1       |
| Customs offences   | 1       |

Note: The number of requests granted and number of persons surrendered in a financial year can differ due to the lapse of time between a surrender determination and a surrender being affected. Extradition requests vary considerably in complexity and the time it takes to resolve them. The complexity of an extradition request depends on the alleged criminal offence or offences and the alleged criminal conduct underlying the offence. The time taken to resolve an extradition request can vary from a few years, if a fugitive wishes to contest extradition and exercise all rights of review and appeal, to a few months if a fugitive consents to extradition.

### Mutual assistance matters dealt with in 2017–18 or continuing

TABLE 32: Mutual assistance in criminal matters requests made by Australia

| Mutual assistance in criminal matters requests made by Australia | 2017–18 |
|--|---------|
| Requests carried forward   | 481     |
| New requests made/requests reopened                              | 352     |
| Requests finalised   | 351     |
| Requests continuing  | 482     |
|  |         |

TABLE 33: Mutual assistance in criminal matters requests made to Australia

| Mutual assistance in criminal matters requests made to Australia | 2017–18 |
|--|---------|
| Requests carried forward   | 246     |
| New requests/requests reopened                                   | 409     |
| Requests finalised   | 429     |
| Requests continuing  | 226     |

### Comparative statistics for extradition and mutual assistance cases

TABLE 34: Extradition requests made by Australia, 2006–07 to 2017–18

| Year    | Cases carried forward | New requests<br>made | Requests<br>granted | Requests<br>refused | Requests<br>otherwise<br>finalised |
|---------|-----------------------|----------------------|---------------------|---------------------|------------------------------------|
| 2006-07 | 17                    | 24                   | 9                   | 4                   | 3                                  |
| 2007-08 | 25                    | 15                   | 14                  | О                   | 4                                  |
| 2008-09 | 22                    | 25                   | 9                   | 4                   | 2                                  |
| 2009–10 | 30                    | 19                   | 13                  | 3                   | 2                                  |
| 2010-11 | 31                    | 21                   | 12                  | 0                   | 3                                  |
| 2011-12 | 37                    | 14                   | 9                   | 0                   | 5                                  |
| 2012-13 | 37                    | 16                   | 14                  | 1                   | 4                                  |
| 2013-14 | 34                    | 15                   | 18                  | О                   | 6                                  |
| 2014-15 | 25                    | 9                    | 8                   | 0                   | 0                                  |
| 2015–16 | 24                    | 6                    | 5                   | 3                   | 2                                  |
| 2016–17 | 20                    | 7                    | 6                   | 0                   | 1                                  |
| 2017–18 | 20                    | 19                   | 9                   | 2                   | 1                                  |

TABLE 35: Extradition requests made to Australia, 2006-07 to 2017-18

|         | Cases carried forward | New requests made | Requests<br>granted | Requests<br>refused | Requests<br>otherwise<br>finalised |
|---------|-----------------------|-------------------|---------------------|---------------------|------------------------------------|
| 2006-07 | 37                    | 22                | 8                   | О                   | 6                                  |
| 2007-08 | 45                    | 12                | 9                   | 1                   | 6                                  |
| 2008-09 | 41                    | 17                | 10                  | 2                   | 8                                  |
| 2009-10 | 38                    | 30                | 6                   | 1                   | 11                                 |
| 2010-11 | 50                    | 23                | 5                   | 0                   | 11                                 |
| 2011-12 | 57                    | 22                | 10                  | 1                   | 16                                 |
| 2012-13 | 52                    | 23                | 11                  | 2                   | 15                                 |
| 2013-14 | 47                    | 43                | 13                  | 2                   | 18                                 |
| 2014-15 | 57                    | 32                | 10                  | 1                   | 13                                 |
| 2015–16 | 60                    | 28                | 11                  | 1                   | 16                                 |
| 2016–17 | 60                    | 16                | 9                   | 1                   | 1                                  |
| 2017–18 | 65                    | 40                | 8                   | 1                   | 21                                 |

TABLE 36: Mutual assistance requests made by Australia, 2006-07 to 2017-18

|         | Cases carried forward | New requests made | Requests<br>finalised | Requests refused |
|---------|-----------------------|-------------------|-----------------------|------------------|
| 2006-07 | 270                   | 220               | 176                   | 0                |
| 2007-08 | 314                   | 225               | 298                   | 0                |
| 2008-09 | 241                   | 184               | 186                   | 0                |
| 2009–10 | 239                   | 182               | 192                   | 0                |
| 2010-11 | 229                   | 203               | 175                   | 0                |
| 2011–12 | 257                   | 263               | 225                   | 0                |
| 2012-13 | 295                   | 292               | 259                   | 0                |
| 2013-14 | 328                   | 352               | 303                   | 0                |
| 2014-15 | 377                   | 338               | 321                   | 0                |
| 2015–16 | 397                   | 366               | 304                   | 0                |
| 2016–17 | 468                   | 307               | 294                   | 0                |
| 2017–18 | 481                   | 352               | 351                   | 0                |

TABLE 37: Mutual assistance requests made to Australia, 2005–06 to 2017–18

|         | Cases<br>carried forward | New requests made | Requests<br>finalised | Requests refused |
|---------|--------------------------|-------------------|-----------------------|------------------|
| 2006-07 | 249                      | 239               | 242                   | 0                |
| 2007-08 | 246                      | 290               | 385                   | 0                |
| 2008-09 | 151                      | 340               | 338                   | 0                |
| 2009-10 | 156                      | 380               | 373                   | 1                |
| 2010-11 | 162                      | 427               | 438                   | 0                |
| 2011–12 | 151                      | 387               | 391                   | 1                |
| 2012-13 | 146                      | 398               | 385                   | 1                |
| 2013-14 | 159                      | 321               | 345                   | 0                |
| 2014-15 | 135                      | 340               | 316                   | 0                |
| 2015–16 | 166                      | 398               | 383                   | 0                |
| 2016–17 | 192                      | 429               | 375                   | 0                |
| 2017–18 | 246                      | 409               | 429                   | 2                |

### International war crimes

In 2017–18, Australia received one mutual assistance request from the ICC. There were no requests from the International Criminal Tribunal for the former Yugoslavia nor the International Criminal Tribunal for Rwanda in 2017-18.

### Breaches of undertakings

In response to the Joint Standing Committee on Treaties Report 91 and the House Standing Committee on Social Policy and Legal Affairs' Advisory report on the Extradition and Mutual Assistance in Criminal Matters Legislation Amendment Bill 2011, the Australian Government undertook to report all breaches of undertakings in extradition or mutual assistance processes that come to the attention of the government, in the department's annual report. No breaches of undertakings have come to the department's attention in 2017–18. Additionally, the department has not noted any breaches of substantive obligations contained in bilateral extradition treaties during the reporting period.

### Additional extradition reporting

As noted in the 2018 Government Response to the Joint Standing Committee on Treaties Report 177, the department will include in its annual reports additional information in relation to Australian nationals who have been extradited from Australia. This information will include, where available, de-identified statistics regarding the trial and sentence and the total number of extradited Australian nationals who are currently receiving consular assistance.

# PART 6 Aids to access

| Glossary of abbreviations and acronyms | 162 |
|--|-----|
| List of requirements                   | 163 |
| List of tables                         | 167 |
| Index                                  | 168 |

# Glossary of abbreviations and acronyms

| ADT Administrative Decisions Tribunal AGS Australian Government Solicitor AIFS Australian Institute of Family Studies ALRC Australian Law Reform Commission APS Australian Public Service CALD Culturally and linguistically diverse CBPR Cross-Border Privacy Rules CERT Computer Emergency Response Team COAG Council of Australian Governments ECCCF Expensive Commonwealth Criminal Cases Fund FOI Freedom of Information INSLM Independent National Security Legislation Monitor ICSC Joint Cyber Security Centre KPI Key Performance Indicator NCAT NSW Civil and Administrative Tribunal OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment PGPA Public Governance, Performance and Accountability Act 2013 PILON Pacific Islands Law Officers Network PICIS Parliamentary Joint Committee on Intelligence and Security RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory SES Senior Executive Service | ACSC    | Australian Cyber Security Centre   |
|--|---------|--|
| AIFS Australian Institute of Family Studies  ALRC Australian Law Reform Commission  APS Australian Public Service  CALD Culturally and linguistically diverse  CBPR Cross-Border Privacy Rules  CERT Computer Emergency Response Team  COAG Council of Australian Governments  ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | ADT     | Administrative Decisions Tribunal  |
| ALRC Australian Law Reform Commission  APS Australian Public Service  CALD Culturally and linguistically diverse  CBPR Cross-Border Privacy Rules  CERT Computer Emergency Response Team  COAG Council of Australian Governments  ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | AGS     | Australian Government Solicitor  |
| APS Australian Public Service  CALD Culturally and linguistically diverse  CBPR Cross-Border Privacy Rules  CERT Computer Emergency Response Team  COAG Council of Australian Governments  ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | AIFS    | Australian Institute of Family Studies   |
| CALD Culturally and linguistically diverse  CBPR Cross-Border Privacy Rules  CERT Computer Emergency Response Team  COAG Council of Australian Governments  ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | ALRC    | Australian Law Reform Commission   |
| CBPR Cross-Border Privacy Rules  CERT Computer Emergency Response Team  COAG Council of Australian Governments  ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | APS     | Australian Public Service  |
| CERT Computer Emergency Response Team  COAG Council of Australian Governments  ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | CALD    | Culturally and linguistically diverse  |
| COAG Council of Australian Governments  ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | CBPR    | Cross-Border Privacy Rules   |
| ECCCF Expensive Commonwealth Criminal Cases Fund  FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | CERT    | Computer Emergency Response Team   |
| FOI Freedom of Information  INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | COAG    | Council of Australian Governments  |
| INSLM Independent National Security Legislation Monitor  JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | ECCCF   | Expensive Commonwealth Criminal Cases Fund   |
| JCSC Joint Cyber Security Centre  KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | FOI     | Freedom of Information   |
| KPI Key Performance Indicator  NCAT NSW Civil and Administrative Tribunal  OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | INSLM   | Independent National Security Legislation Monitor                                    |
| NCAT  NSW Civil and Administrative Tribunal  OPCAT  Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA  Public Governance, Performance and Accountability Act 2013  PILON  Pacific Islands Law Officers Network  PJCIS  Parliamentary Joint Committee on Intelligence and Security  RCIRCSA  Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT  Royal Commission into Protection and Detention of Children in the Northern Territory  | JCSC    | Joint Cyber Security Centre  |
| OPCAT Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | KPI     | Key Performance Indicator  |
| Degrading Treatment or Punishment  PGPA Public Governance, Performance and Accountability Act 2013  PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | NCAT    | NSW Civil and Administrative Tribunal  |
| PILON Pacific Islands Law Officers Network  PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | OPCAT   |  |
| PJCIS Parliamentary Joint Committee on Intelligence and Security  RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | PGPA    | Public Governance, Performance and Accountability Act 2013                           |
| RCIRCSA Royal Commission into Institutional Responses to Child Sexual Abuse  RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory  | PILON   | Pacific Islands Law Officers Network   |
| RCPDCNT Royal Commission into Protection and Detention of Children in the Northern Territory   | PJCIS   | Parliamentary Joint Committee on Intelligence and Security                           |
| · · · · · · · · · · · · · · · · · · ·  | RCIRCSA | Royal Commission into Institutional Responses to Child Sexual Abuse                  |
| SES Senior Executive Service   | RCPDCNT | Royal Commission into Protection and Detention of Children in the Northern Territory |
|  | SES     | Senior Executive Service   |

# List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ (d) requires this table to be included in annual reports as an aid to access.

| PGPA Rule<br>Reference | Description  | Requirement                             | Part of<br>Report |
|------------------------|--|---|-------------------|
| 17AD(g)                | Letter of transmittal  |   | iii               |
| 17Al                   | A copy of the letter of transmittal signed and dated by the accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report. | Mandatory                               | iii               |
| 17 AD(h)               | Aids to access   |   | 162–167           |
| 17AJ(a)                | Table of Contents  | Mandatory                               | v–vi              |
| 17AJ(b)                | Alphabetical index   | Mandatory                               | 168-173           |
| 17AJ(c)                | Glossary of abbreviations and acronyms   | Mandatory                               | 162               |
| 17AJ(d)                | List of requirements   | Mandatory                               | 163–166           |
| 17AJ(e)                | Details of contact officer   | Mandatory                               | ii                |
| 17AJ(f)                | Entity's website address   | Mandatory                               | ii                |
| 17AJ(g)                | Electronic address of report   |   | ii                |
|                        | Review by accountable authority  |   | 2-4               |
| 17AD(a)                | A review by the accountable authority of the entity  | Mandatory                               | 2-4               |
| 17AD(b)                | Overview of the entity   |   | 5-7               |
| 17AE(1)(a)(i)          | A description of the role and functions of the entity.   | Mandatory                               | 5                 |
| 17AE(1)(a)(ii)         | A description of the organisational structure of the entity.   | Mandatory                               | 5–6               |
| 17AE(1)(a)(iii)        | A description of the outcomes and programs administered by the entity.   | Mandatory                               | 6                 |
| 17AE(1)(a)(iv)         | A description of the purposes of the entity as included in corporate plan.   | Mandatory                               | 11-14             |
| 17AE(1)(b)             | An outline of the structure of the portfolio of the entity.  | Portfolio<br>departments –<br>Mandatory | 7                 |
| 17AE(2)                | Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.                   | If applicable,<br>Mandatory             | 5                 |
| 17AD(c)                | Report on the performance of the entity  |   | 10-50             |
|                        | Annual Performance Statements  |   | 10-50             |
| 17AD(c)(i); 16F        | Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.   | Mandatory                               | 10                |
| 17AD(c)(ii)            | Report on Financial Performance in accordance with section 17AF  |   |                   |
| 17AF(1)(a)             | A discussion and analysis of the entity's financial performance.   | Mandatory                               | 78-79             |
| 17AF(1)(b)             | A table summarising the total resources and total payments of the entity.  | Mandatory                               | 148–152           |

| PGPA Rule<br>Reference | Description   | Requirement                 |         |
|------------------------|---|-----------------------------|---------|
| 17AF(2)                | If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results. | If applicable,<br>Mandatory | N/A     |
| 17AD(d)                | Management and Accountability   |                             | 52-76   |
|                        | Corporate Governance  |                             | 52-55   |
| 17AG(2)(a)             | Information on compliance with section 10 (fraud systems).  | Mandatory                   | iii, 54 |
| 17AG(2)(b)(i)          | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.  | Mandatory                   | iii     |
| 17AG(2)(b)(ii)         | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.   | Mandatory                   | iii     |
| 17AG(2)(b)(iii)        | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.  | Mandatory                   | iii     |
| 17AG(2)(c)             | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.  | Mandatory                   | 52-55   |
| 17AG(2)(d)<br>– (e)    | A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.   | If applicable,<br>Mandatory | N/A     |
|                        | External Scrutiny   |                             |         |
| 17AG(3)                | Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.  | Mandatory                   | 56–61   |
| 17AG(3)(a)             | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.  | If applicable,<br>Mandatory | 56–58   |
| 17AG(3)(b)             | Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman.   | If applicable,<br>Mandatory | 58–61   |
| 17AG(3)(c)             | IInformation on any capability reviews on the entity that were released during the period.  | If applicable,<br>Mandatory | N/A     |
|                        | Management of Human Resources   |                             |         |
| 17AG(4)(a)             | An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.  | Mandatory                   | 62–70   |
| 17AG(4)(b)             | Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:  • Statistics on staffing classification level  • Statistics on full-time employees  • Statistics on part-time employees  • Statistics on gender   | Mandatory                   | 62–65   |
|                        | Statistics on staff location  |                             |         |
|                        | Statistics on employees who identify as Indigenous.   |                             |         |

| PGPA Rule<br>Reference | Description  | Requirement                 | Part of<br>Report |
|------------------------|--|-----------------------------|-------------------|
| 17AG(4)(c)             | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common-law contracts and determinations under subsection 24(1) of the <i>Public Service Act</i> 1999.  | Mandatory                   | 69                |
| 17AG(4)(c)(i)          | Information on the number of SES and non-SES employees covered by agreements identified in paragraph 17AG(4)(c).   | Mandatory                   | 65                |
| 17AG(4)(c)(ii)         | The salary ranges available for APS employees by classification level.   | If applicable,<br>Mandatory | 65                |
| 17AG(4)(c)(iii)        | A description of non-salary benefits provided to employees.  | If applicable,<br>Mandatory | 69                |
| 17AG(4)(d)(i)          | Information on the number of employees at each classification level who received performance pay.  | If applicable,<br>Mandatory | 70                |
| 17AG(4)(d)(ii)         | Information on aggregate amounts of performance pay at each classification level.  | If applicable,<br>Mandatory | 70                |
| 17AG(4)(d)(iii)        | Information on the average amount of performance payment, and range of such payments, at each classification level.  | Mandatory                   | 70                |
| 17AG(4)(d)(iv)         | Information on aggregate amount of performance payments.   | Mandatory                   | 70                |
|                        | Assets Management  |                             |                   |
| 17AG(5)                | An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.   | If applicable,<br>Mandatory | 72                |
|                        | Purchasing   |                             |                   |
| 17AG(6)                | An assessment of entity performance against the Commonwealth Procurement Rules.  | Mandatory                   | 72                |
|                        | Consultants  |                             |                   |
| 17AG(7)(a)             | A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). | Mandatory                   | 73                |
| 17AG(7)(b)             | A statement that "During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]".  | Mandatory                   | 73                |
| 17AG(7)(c)             | A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.   | Mandatory                   | 73                |
| 17AG(7)(d)             | A statement that "Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."  | Mandatory                   | 73                |
|                        | ANAO Access Clauses  |                             |                   |
| 17AG(8)                | If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.  | If applicable,<br>Mandatory | 73                |

| PGPA Rule<br>Reference | Description  | Requirement                 | Part of<br>Report  |
|------------------------|--|-----------------------------|--------------------|
|                        | Exempt contracts   | ·                           | <u> </u>           |
| 17AG(9)                | If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.               | If applicable,<br>Mandatory | 73                 |
|                        | Small business   |                             |                    |
| 17AG(10)(a)            | A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises and Small Enterprise participation statistics are available on the Department of Finance's website."  | Mandatory                   | 72                 |
| 17AG(10)(b)            | An outline of the ways in which the procurement practices of the entity support SMEs.  | Mandatory                   | 72                 |
| 17AG(10)(c)            | If the entity is considered by the department administered by the Finance Minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."  | If applicable,<br>Mandatory | 72                 |
|                        | Financial Statements   |                             |                    |
| 17AD(e)                | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.   | Mandatory                   | 80-145             |
| 17AD(f)                | Other Mandatory Information  |                             | 80-145             |
| 17AH(1)(a)(i)          | If the entity conducted advertising campaigns, a statement that "During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website." | If applicable,<br>Mandatory | 73                 |
| 17AH(1)(a)(ii)         | If the entity did not conduct advertising campaigns, a statement to that effect.   | If applicable,<br>Mandatory | N/A                |
| 17AH(1)(b)             | A statement that "Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]".  | If applicable,<br>Mandatory | 74                 |
| 17AH(1)(c)             | Outline of mechanisms of disability reporting, including reference to website for further information.   | Mandatory                   | 68                 |
| 17AH(1)(d)             | Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.  | Mandatory                   | 76                 |
| 17AH(1)(e)             | Correction of material errors in previous annual report.   | If applicable,<br>Mandatory | N/A                |
| 17AH(2)                | Information required by other legislation.   | Mandatory                   | 71, 73, 76,<br>154 |

# **List of tables**

| Table 1: Corporate Plan 2017–21 strategic priorities mapped to 2017–18 Portfolio Budget Statements objectives | 11  |
|---|-----|
| Table 2: KPI performance statement for Strategic Priority 1: Legal  | 15  |
| Table 3: Activity performance statement for Strategic Priority 1: Legal                                       | 16  |
| Table 4: KPI performance statement for Strategic Priority 2: Security   | 24  |
| Table 5: Activity performance statement for Strategic Priority 2: Security                                    | 24  |
| Table 6: KPI performance statement for Strategic Priority 3: Justice  | 30  |
| Table 7: Activity performance statement for Strategic Priority 3: Justice                                     | 31  |
| Table 8: KPI performance statement for Strategic Priority 4: Crime  | 40  |
| Table 9: Activity performance statement for Strategic Priority 4: Crime                                       | 41  |
| Table 10: KPI performance statement for Strategic Priority 5: Rights  | 48  |
| Table 11: Activity performance statement for Strategic Priority 5: Rights                                     | 48  |
| Table 12: Staffing trends at 30 June 2017 and 2018  | 62  |
| Table 13: Staffing by classification as at 30 June 2017 and 2018  | 63  |
| Table 14: Salary ranges as at 30 June 2018  | 65  |
| Table 15: Performance payments made in 2017–18 to AGS staff   | 70  |
| Table 16: Expenditure on consultancy  | 73  |
| Table 17: Payments to advertising, market research and other designated organisations                         | 74  |
| Table 18: Departmental Financial Performance  | 78  |
| Table 19: Administered Financial Performance  | 79  |
| Table 20: Entity Resource Statement 2017–18   | 148 |
| Table 21: Expenses by program 2017–18   | 150 |
| Table 22: Department client service charter—compliance with service standards                                 | 153 |
| Table 23: International transfer of prisoners   | 155 |
| Table 24: Extradition requests made by Australia  | 155 |
| Table 25: Australian extradition requests granted   | 155 |
| Table 26: Citizenship of people surrendered to Australia  | 156 |
| Table 27: Major categories of offences for which people were surrendered to Australia                         | 156 |
| Table 28: Extradition requests made to Australia  | 156 |
| Table 29: Extradition requests granted by Australia   | 156 |
| Table 30: Citizenship of people surrendered by Australia  | 157 |
| Table 31: Major categories of offences for which people were surrendered                                      | 157 |
| Table 32: Mutual assistance in criminal matters requests made by Australia                                    | 157 |
| Table 33: Mutual assistance in criminal matters requests made to Australia                                    | 158 |
| Table 34: Extradition requests made by Australia, 2006–07 to 2017–18  | 158 |
| Table 35: Extradition requests made to Australia, 2006–07 to 2017–18  | 158 |
| Table 36: Mutual assistance requests made by Australia, 2006–07 to 2017–18                                    | 159 |
| Table 37: Mutual assistance requests made to Australia, 2006–07 to 2017–18                                    | 159 |

| Index   | Australian Human Rights Commission (AHRC), 7<br>Australian Institute of Family Studies, 35, 36 |  |  |
|---|--|--|--|
|   | Australian Law Reform Commission (ALRC), 7, 34, 37   |  |  |
| <b>A</b>  | Australian National Audit Office (ANAO), 61  |  |  |
| abbreviations and acronyms, 162   | access clauses, 73   |  |  |
| Aboriginal and Torres Strait Islander Australians                         | Australian Network on Disability, 68   |  |  |
| family law scholarships, 36   | Australian Security Intelligence Organisation (ASIO),  |  |  |
| legal assistance services, 37–38<br>staff, 62, 66, 67                     | 23,40  |  |  |
|   | Australian Signals Directorate, 11, 28   |  |  |
| about the department, 5–7   | В  |  |  |
| address, ii   | banking royal commission see Royal Commissions   |  |  |
| administered expenses, 78   | bankruptcy reforms, 38   |  |  |
| Administrative Appeals Tribunal (AAT), 7                                  | bonuses, 70  |  |  |
| appointments, 37  | bribery see foreign bribery laws   |  |  |
| practices and procedures review, 37                                       | Budapest Convention, 44  |  |  |
| advertising and market research, 73–74                                    | business units, 6  |  |  |
| advice see legal services and advice                                      | C  |  |  |
| alternative dispute resolution, 34, 36                                    | Carer Recognition Act 2010, compliance with, 71  |  |  |
| amalgamation, tribunal, 37  | child abduction, parental, 36  |  |  |
| ANAO access clauses, 73   | Child Abuse Royal Commission Implementation  |  |  |
| annual report contact officer, ii   | Taskforce, 21  |  |  |
| anonymised datasets, 50   | child protection activities, 35–36, 46, 50 see also child                                      |  |  |
| anti-corruption initiatives, 43   | sexual abuse   |  |  |
| anti-money laundering, 45   | child sexual abuse   |  |  |
| APS Values, Code of Conduct and Employment                                | National Redress Scheme for Institutional Child  |  |  |
| Principles, 54–55   | Sexual Abuse, 20   |  |  |
| asset management, 72  | offender travel prohibition, 45, 46  |  |  |
| Attorney-General, 7   | online, 44, 46   |  |  |
| support for, 16, 17–18  | see also Royal Commissions   |  |  |
| Attorney-General's Department   | choice of court agreements, 39   |  |  |
| machinery-of-government changes, 5, 11–12, 23, 40                         | citizenship surrenders, 156, 157   |  |  |
| ministerial responsibilities, 7   | Civil Justice and Corporate Services Group   |  |  |
| operational groups, 6   | (departmental), 5–6  |  |  |
| organisational structure, 5–6   | client service charter, 153  |  |  |
| outcome, 6<br>portfolio, 7  | code of conduct see APS Values, Code of Conduct and  |  |  |
| programs, 6   | Employment Principles  |  |  |
| purpose, 11–14  | Committee on the Elimination of Racial   |  |  |
| responsibilities, 7   | Discrimination, 50   |  |  |
| roles and functions, 5  | Commonwealth criminal offences, 38   |  |  |
| senior leadership, 6  | Commonwealth Games 2018, 28  |  |  |
| Audit and Risk Management Committee, 53                                   | Commonwealth Ombudsman, 7, 50  |  |  |
| audits  | Commonwealth Parole Office, 43   |  |  |
| external, 61  | community legal centres, funding for, 37   |  |  |
| internal, 54  | Community Legal Services Program, 38   |  |  |
| AusTender, 73   | Computer Emergency Response Team (CERT Australia),   |  |  |
| Australian Bureau of Statistics, 33                                       | 26   |  |  |
| Australian Commission for Law Enforcement Integrity                       | constitutional litigation see litigation   |  |  |
| (ACLEI), 7  | consultancies, 73  |  |  |
| Australian Cyber Security Centre (ACSC), 28                               | consumer hardship arrangements, 50   |  |  |
| Australian Defence Force call-out procedures, 27                          | contact details, ii  |  |  |
| Australian Federal Police, 45   | contracts, 73  |  |  |
| Australian Financial Security Authority (AFSA), 7                         | Convention against Torture and Other Cruel, Inhuman  |  |  |
| Australian Government Cyber Security Strategy, 28                         | or Degrading Treatment or Punishment, 50   |  |  |
| Australian Government Solicitor (AGS), 5–6, 20 client survey feedback, 15 | Convention for the Recognition and Enforcement of Foreign Judgments, 39                        |  |  |

| Convention on Choice of Court Agreements, 39                | events and activities, 67                                 |
|---|---|
| Convention on Cybercrime, 26                                | Executive Board, 52                                       |
| Convention on the Rights of the Child, 50                   | expenses by program, 150–152                              |
| corporate governance see governance                         | Expensive Commonwealth Criminal Cases Fund, 38            |
| corporate plan, 11–12, 53                                   | external audit, 61  |
| Council of Attorneys-General, 18, 49                        | external scrutiny, 56–61                                  |
| Family Violence Working Group, 35                           | extradition and mutual assistance, 18–19, 45, 46, 56, 58, |
| Council of Australian Governments (COAG), 18, 27, 35        | 155–160   |
| Counter-Fraud Community-of-Practice, 43                     | extradition statistics 2017–18, 155, 156, 158–159         |
| counter-terrorism, 27, 45 see also Security (Strategic      | mutual assistance statistics 2017–18, 157–159             |
| Priority 2)   | F   |
| Crime (Strategic Priority 4), 12, 40–46                     | facial biometric matching, 25                             |
| key performance indicators, 40–41                           | family and domestic violence, 18, 35                      |
| machinery-of-government changes, 40                         | Family Court of Australia                                 |
| performance statements, 40–41                               | amalgamation, 37  |
| stakeholder survey feedback, 40                             | appointments, 37  |
| Criminal Code Act 1995, 17                                  | Family Dispute Resolution Practitioner Accreditation      |
| Criminal Justice and National Security Group                | scheme, 36  |
| (departmental), 5–6   | family law  |
| Cross-Border Privacy Rules, 49–50                           | dispute resolution services, 34, 35, 36                   |
| cyber security and cybercrime, 26, 28, 44                   | legal services, 36  |
| D   | system review, 34–35                                      |
| data breaches, 49   | family law advocates, 35                                  |
| de facto couples, superannuation splitting for, 34          | family law scholarships, 36                               |
| debt agreement safeguards, 38                               | Family Relationships Online website, 36                   |
| Department of Defence, 11, 27                               | Family Relationships Services Program, 36                 |
| procurements and projects, 19                               | family violence see family and domestic violence          |
| Department of Foreign Affairs and Trade, 21, 50             | Federal Circuit and Family Court of Australia, 37         |
| Department of Home Affairs, 12, 23, 40, 43                  | Federal Circuit Court of Australia                        |
| Department of Jobs and Small Business, 66                   | appointments, 37  |
| Department of Social Services, 20, 36, 38                   | Federal Court of Australia, 7                             |
| Department of the Prime Minister and Cabinet, 12            | appointments, 37  |
| Deputy Secretaries, 52                                      | federal prisoners, transfer of, 43                        |
| Disability Action Plan, 68                                  | feedback, 13–14   |
| disability, staff with, 62, 68                              | female barristers, briefing of, 19                        |
| diversity, staff, 67  | female staff, 62, 63                                      |
| domestic security functions, changes to, 11                 | financial performance summary, 78–79                      |
| domestic violence <i>see</i> family and domestic violence   | financial statements 2017–18, 80–145                      |
| dual citizenship cases <i>see</i> parliamentary eligibility | firearms, surrender of, 44                                |
| proceedings   | Flexibility and Inclusion Action Plan, 67                 |
| E   | flexibility arrangements, staff, 69                       |
| ecologically sustainable development, 75                    | foreign bribery laws, 43                                  |
| elder abuse, 18, 49   | foreign fighters, 27                                      |
| email address, ii   | Foreign Influence Transparency Scheme, 3, 25, 28, 58      |
| emergency management functions, changes to, 12              | foreign judgments, recognition and enforcement of, 39     |
| Employee Assistance Program, 71                             | Fraud Liaison Forum, 43                                   |
| employees see staff   | fraud prevention and control, iii, 43, 54                 |
| employment programs, 66                                     | freedom of information, 76                                |
| enduring powers of attorney, 49                             | functions see roles and functions                         |
| Enterprise Agreement, 69                                    | Future Frigates, SEA5000, 19                              |
| Entity Resource Statement, 148–149                          | . a.a. e 1116aces, 527 (5000, 19                          |
| environmental performance, 75                               |   |
|   |   |
| espionage and foreign interference, 28                      |   |
| ethical standards, 54                                       |   |

exempt contracts, 73

| G  | J  |
|--|--|
| Gender Equality Action Plan (departmental) 67            | Joint Cyber Security Centre program, 26                                |
| gender of staff, 62–64                                   | judicial decisions, 56–58  |
| General Counsel Working Group, 19                        | Justice (Strategic Priority 3), 11, 29–39                              |
| governance, 52–55  | key performance indicators, 30   |
| Government Law Group sessions (AGS), 20                  | performance statements, 30–32  |
| Graduate Development Program, 66                         | stakeholder survey feedback, 29  |
| graduates, 63  | K  |
| grants, 74–75  | key performance indicators, 13   |
| guns see firearms, surrender of                          | Crime (Strategic Priority 4), 40–41 Justice (Strategic Priority 3), 30 |
| Н  | Legal (Strategic Priority 1), 15–17                                    |
| Hague Conference on Private International Law, 39        | Rights (Strategic Priority 5), 48                                      |
| health and wellbeing programs, staff, 71                 | Security (Strategic Priority 2), 24                                    |
| High Court of Australia, 7, 17                           | L  |
| constitutional litigation, 18                            | leadership, senior, 6,52   |
| security enhancements, 37                                | learning and development, staff, 68–69                                 |
| Home Affairs see Department of Home Affairs              | Legal (Strategic Priority 1), 11, 15–22                                |
| Home Insulation Program class action, 18                 | key performance indicators, 15   |
| human resources see staff                                | performance statements, 15–17  |
| human rights see Rights (Strategic Priority 5)           | stakeholder survey feedback, 15  |
| human trafficking and slavery, 45                        | legal aid commissions, funding for, 37, 38                             |
| I  | legal assistance services, 37–38                                       |
| incident reporting, 71                                   | legal financial assistance schemes, 38                                 |
| Independent Intelligence Review, 61                      | Legal Policy Champions Program, 44                                     |
| Independent National Security Legislation Monitor        | legal services and advice, 11, 17                                      |
| (INSLM), 7, 25   | commercial and contractual matters, 19                                 |
| Indigenous Australian Government Development             | constitutional litigation, 17–18                                       |
| Program, 66  | family law policy issues, 34   |
| Indigenous Legal Assistance Program, 37                  | to government agencies, 18–19, 22                                      |
| Indigenous Legal Services Program, 38                    | human rights, 49   |
| Indigenous staff, 62, 66, 67                             | international, 21–22, 39<br>legal opinions, 22                         |
| influenza vaccines, 71                                   | see also Australian Government Solicitor (AGS)                         |
| Information Publication Scheme, 76                       | Legal Services Directions 2017, 19                                     |
| Inspector-General of Intelligence and Security (IGIS), 7 | legal services review, 19  |
| institutional child sexual abuse see child sexual abuse  | legal training, forums and workshops (AGS), 20                         |
| International Covenant on Civil and Political Rights, 50 | legislation, 11, 22, 31  |
| international crime, 26, 28                              | bankruptcy, 38–39  |
| bilateral treaties on, 45, 46                            | bribery and foreign influence, 43, 58                                  |
| International Criminal Court                             | child sex offenders, 45, 46  |
| section 189 report, 154                                  | counter-terrorism, 27  |
| International Criminal Courts, 45                        | data breaches, 49  |
| international litigation and arbitration, 21–22, 39      | debt agreements, 38  |
| international partnerships and collaboration             | Defence Act 1903, 24   |
| civil litigation rules and procedures, 39                | espionage and foreign interference, 25, 28                             |
| criminal law enforcement, 45, 46                         | extradition, 45<br>Native Title Act 1993, 22                           |
| cross-border privacy rules, 49–50                        | family and domestic violence, 35                                       |
| Pacific policing and crime prevention, 44                | family law, 34   |
| security, 26   | international civil law, 39  |
| Interpol, 26   | international crime cooperation, 45                                    |
|  | maintenance orders, 34–35  |
|  | management of, 22  |
|  | marriage law reform, 33  |
|  | personal property securities, 38–39                                    |
|  | re-identification offence, 50  |
|  | sunsetting, 22   |
|  | superannuation, 34   |

| Legislation Act 2003, 22   | 0   |
|--|---|
| Legislative Options Report, 32   | occupational health and safety see work health                          |
| lesbian, gay, bisexual, transgender and intersex (LGBTI)                                   | and safety  |
| staff, 68  | OECD Working Group on Bribery, 43                                       |
| list of requirements, 163–166  | Office of the Australian Information Commissioner                       |
| list of tables, 167  | (OAIC), 7, 49   |
| litigation, 56–58  | Office of the Commonwealth Director of Public<br>Prosecutions (CDPP), 7 |
| commercial and contractual, 19   | Office of Parliamentary Counsel (OPC), 7                                |
| constitutional, 17–18<br>international, 21–22, 39  | older Australians, 49   |
| parole, extradition and international prisoner   |   |
| transfers, 18, 56  | operating result, 78<br>operational groups (departmental), 5–6          |
| live sheep export, 19  | Optional Protocol to the Convention against Torture                     |
| lone-wolf terrorism attacks, 27  | and Other Cruel, Inhuman or Degrading Treatment                         |
| M  | or Punishment, 49, 50   |
| machinery-of-government changes, 6, 11–12, 23, 25, 40,                                     | organisational structure, 5–6   |
| 41–42  | changes 2017–18, 6, 11–12, 23, 25, 40, 41–42                            |
| maintenance orders, 34–35  | organised crime see serious and organised crime                         |
| male staff, 62, 63   | outcome, 6  |
| management and accountability, 62–76   | outlook for 2018–19, 3–4  |
| management committees, 52–53   | P   |
| marriage celebrants, 33–34   | Pacific Islands Law Officers Network, 44                                |
| Marriage Law Postal Survey 2017, Australian, 19  | Pacific Legal Policy Twinning Program, 44                               |
| marriage law reform, 33–34   | Pacific policing and crime prevention, 44                               |
| mental health and wellbeing, staff, 71   | parental child abduction, 36  |
| ministerial changes, 11  | Parenting Management Hearings, 34                                       |
| ministerial responsibilities, 7  | parliament, services to, 17   |
| Moraitis, Chris (Secretary), 6, 52   | parliamentary committees, 35  |
| motor vehicle leases, 69   | reports by, 58–60   |
| Multicultural Access and Equity Plan, 68   | Parliamentary Counsel appointments, 22                                  |
| Murray–Darling Basin water management, 19  | parliamentary eligibility proceedings, 18                               |
| mutual assistance requests see extradition and mutual assistance                           | Parliamentary Joint Committee on Intelligence and<br>Security, 27, 28   |
| N  | parole decisions, 18, 43  |
| National Apology to Victims and Survivors of   | part-time staff, 62   |
| Institutional Child Sexual Abuse, 21   | partnerships and collaboration see international                        |
| National Archives of Australia (NAA), 7  | partnerships and collaboration; states and                              |
| National Firearms Amnesty, 44  | territories, partnerships with  |
| National Housing Finance and Investment  | performance criteria<br>Crime (Strategic Priority 4), 40–41             |
| Corporation, 19  | Justice (Strategic Priority 4), 40 41                                   |
| national intelligence functions, changes to, 11  | Legal (Strategic Priority 1), 15  |
| National Judicial College of Australia, 35<br>National Marriage Equality Working Group, 33 | Rights (Strategic Priority 5), 48                                       |
|  | Security (Strategic Priority 2), 24                                     |
| National Partnership Agreement on Legal Assistance<br>Services 2015–2020, 29, 37           | performance management framework, 70                                    |
| National Plan on Elder Abuse, 49   | performance measurement, 12–14  |
| National Redress Scheme for Institutional Child Sexual                                     | see also World Justice Project Rule of Law Index                        |
| Abuse, 20  | performance pay, 70<br>personal information, protection of, 50          |
| native title reforms, 22   | personal property securities framework review, 38–39                    |
| Native Title Respondents Scheme, 32  | Porter, the Hon Christian MP (Attorney-General), 7                      |
| Nauru, Commonwealth personnel working in, 45   | portfolio, 7  |
| non-salary benefits, 69  | changes in 2017–18, 6, 11–12, 23, 25, 40, 41–42                         |
| Northern Australian Aboriginal Justice Agency, 37  | Portfolio Budget Statements 2017–18, 11, 53                             |
| Notifiable Data Breaches Scheme, 49  | Post Order Support Pilot, 36  |
| notifiable incidents 71  |   |

| powers of attorney see enduring powers of attorney              | small business, payments to, 72   |
|---|---|
| prisoner transfers, international, 45, 46, 155                  | small-to-medium enterprises, 72   |
| privacy protection, 49–50                                       | social media  |
| pro bono work (AGS), 20   | cyber security awareness, 28  |
| probation, new employees, 69                                    | Solicitor-General, 7, 17  |
| procurement, 72   | staff   |
| programs, 6, 11–12  | cadets, 65  |
| Protective Security Policy Framework revision, 27–28            | classifications, 62, 63   |
| Public Governance, Performance and Accountability               | culturally and linguistically diverse, 68   |
| Act 2013, 12  | with disability, 68   |
|   | diversity, 67   |
| purchasing, 72  | Enterprise Agreement, 69  |
| purpose, 11–14  | flexibility arrangements, 69  |
| Q   | gender, 62–64<br>gender equality, 67  |
| questioning and detention warrants, review of, 25               | graduates, 65   |
| R   | learning and development, 68–69   |
| Reconciliation Action Plan 2017–19, 67                          | LGBTI, 68   |
| RecruitAbility scheme, 68                                       | locations, 64   |
| responsible minister, 7   | networks, 67  |
| Review of Commonwealth Legal Services, 19                       | performance management, 69  |
| Rights (Strategic Priority 5), 12, 47–50                        | profile, 62   |
| key performance indicators, 48                                  | salary ranges, 65   |
| performance statements, 48–49                                   | turnover and retention, 63  |
| stakeholder survey feedback, 47                                 | work health and safety, 71  |
| risk management, 54   | stakeholder survey 2018, 13–14  |
| roles and functions, 5  | Crime strategic priority, 40  |
| Royal Commissions   | Justice strategic priority, 29  |
| Institutional Responses to Child Sexual Abuse, 18,              | Legal strategic priority, 15  |
| 20, 21, 38  | Rights strategic priority, 47   |
| Misconduct in the Banking, Superannuation and                   | Security strategic priority, 23   |
| Financial Services Industry, 6, 18, 21, 38                      | states and territories, partnerships and collaboration with   |
| Protection and Detention of Children in the                     | elder abuse consultation paper, 49  |
| Northern Territory, 21, 38                                      | enduring powers of attorney, 49   |
| rule of law adherence see World Justice Project Rule            | legal assistance services, 37   |
| of Law Index  | Stay Smart Online program, 28   |
| S   | strategic priorities, 11–13   |
| sabotage laws, 28   | strategic workforce plan, 68–69   |
| same-sex marriage see Marriage Law Postal Survey;               | structure see organisational structure  |
| marriage law reform   | sunsetting of legislative instruments, 22   |
| Secretary, 6, 52  |   |
| overview 2017–18, 2–4   | superannuation splitting, 34  |
| section 44 matters <i>see</i> parliamentary eligibility matters | Sustainability Network, 75<br>T   |
| Security (Strategic Priority 2), 11, 23–28                      | terrorism, 27, 45   |
| key performance indicators, 24                                  | Timor-Leste maritime boundary treaty, 21  |
| machinery-of-government changes, 23                             | tobacco plain packaging laws, 22  |
| performance statements, 24–25                                   | torture and mistreatment, prevention of, 50   |
| stakeholder survey feedback, 23                                 | trade secrets, theft of, 28   |
| Security and Risk Management Committee, 54                      | trusted insiders, 28  |
| Senior Executive Service (SES), 62, 63                          | U   |
| remuneration, 66  | underperformance management, 69   |
| senior leadership, 6, 52  | United Nations Convention against Corruption, 43  |
| senior management committees, 52–53                             | United Nations Convention against Corraption, 43  United Nations Convention on the Law of the Sea, 21 |
| separated families, research on, 31                             | United Nations Human Rights Committee, 21, 50   |
| separation rate, staff, 63                                      |   |
| serious and organised crime, 43                                 | United Nations Office on Drugs and Crime, 43  |
| Significant Legal Issues Committee, 19                          |   |

```
violent extremism, 27
W
war crimes, 45, 159
webinars (AGS), 20
websites
   departmental, ii
   Family Relationships Online, 36
   ministerial, 7
Western Sydney Airport project, 19
Western Sydney City Deal, 19
Women's Safety Package, 35
work health and safety, 71
workers' compensation, 71
Working Group on Bribery, OECD, 43
workplace agreements, 69
workstation assessments, 71
World Justice Project Rule of Law Index, 14
   civil justice benchmark, 29
   criminal justice benchmark, 40
   fundamental rights benchmark, 47
World Trade Organization, 22
year ahead, 3-4
year in review, 2-3
```