

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Office of the Director of Public Prosecutions (DPP) is established under the *Director of Public Prosecutions Act 1983*. The DPP is within the portfolio of the Commonwealth Attorney-General, but the Office operates independently of the political process. The Office is headed by a Director, who is appointed for a statutory term of up to seven years.

The DPP's vision is to provide a prosecution service to the Commonwealth and the people of Australia which is fair, independent, accountable, effective and efficient in order to advance social justice by deterring and discouraging breaches of Commonwealth law and ensuring that serious offenders are brought to justice.

The primary role of the DPP is to prosecute offences against Commonwealth law, including Corporations Law, and to recover the proceeds of Commonwealth crime. The DPP is not an investigative agency. It prosecutes cases investigated by other agencies.

The DPP has as its outcome to contribute to the safety and well-being of the people of Australia and to help protect the resources of the Commonwealth through the maintenance of law and order and by combating crime.

APPROPRIATIONS AND RESOURCING

The total appropriation for the DPP in the 2003–04 Budget is \$66.177m. Table 1.1 shows appropriations (2003–04) and other revenue by outcome.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The DPP does not have an appropriation for an equity injection or loan or an appropriation for administered capital.

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS — APPROPRIATIONS 2003–04

Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs)					Administered				Total Appropriations
	Revenue from Government (Appropriations)			Revenue from other sources	Price of outputs	Annual Appropriations		Special Appropriations	Total Administered Appropriations	
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs)			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	
To contribute to the safety and well-being of the people of Australia and to help protect the resources of the Commonwealth through the maintenance of law and order and by combating crime	66,177	-	66,177 97%	1,716	67,893	-	-	-	-	66,177
Total	66,177	-	66,177	1,716	67,893	-	-	-	-	66,177
Departmental capital (equity injections and loans)									-	
Administered capital									-	
Total Appropriations									66,177	

1. Columns C, E and I refer to information provided in Total Resources for Outcome tables.
 2. Under the Appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
 3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
 4. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies). Non-appropriated departmental and administered revenues are detailed in Table 1.3.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

MEASURES — AGENCY SUMMARY

Table 1.2: Summary of measures disclosed in the 2003–04 Budget

Measure	Outcome	Outputs affected	Appropriations Budget 2003–2004 (\$'000)			Appropriations Forward Estimate 2004–2005 (\$'000)			Appropriations Forward Estimate 2005–2006 (\$'000)			Appropriations Forward Estimate 2006–2007 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Proceeds of Crime legislation - additional funding for implementation	1	1.1	-	1,945	1,945	-	2,934	2,934	-	-	-	-	-	-
Identity fraud - improving and increasing the number of investigations	1	1.1	-	1,999	1,999	-	2,989	2,989	-	2,989	2,989	-	2,989	2,989
Total			-	3,944	3,944	-	5,923	5,923	-	2,989	2,989	-	2,989	2,989

RECEIPTS FROM INDEPENDENT SOURCES

Table 1.3: Receipts from Independent Sources

	Estimated Revenue 2002–2003 \$'000	Estimated Revenue 2003–2004 \$'000
DEPARTMENTAL REVENUE		
Charging for goods and services	1,050	1,050
Sub-lease rent	117	117
Interest	48	-
Other	76	76
Comcare receipts	33	33
Resources received free of charge – Commonwealth Government Agencies	60	60
Resources received free of charge – Other	380	380
Total Estimated Departmental Revenue	1,764	1,716
Administered Revenue		
Court fines and costs	18,310	18,310
Total Estimated Administered Revenue	18,310	18,310

Note: This table is prepared on an accrual basis with reference to Table 3.1 and table 3.7.

SPECIAL APPROPRIATIONS

The DPP does not have any special appropriations.

SPECIAL ACCOUNTS

Table 1.5: Estimates of special account flows and balances

Special Account	Budget Estimate - 2003-04, Heavy Figures				
	<i>Estimated Actual - 2002-03, Light figures</i>				
	Opening			Adjust-	Closing
	Balance	Receipts	Payments	ments	Balance
	2003-04	2003-04	2003-04	2003-04	2003-04
	2002-03	2002-03	2002-03	2002-03	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Special Accounts:					
Other Trust Monies Account (FMA Act s20)	-	-	-	-	-
- Agency Component	-	-	-	-	-
Services for Other Governments and Non-Agency Bodies Account (FMA Act s20)	-	33	33	-	-
- Comcare Component	-	33	33	-	-
Administered Special Accounts:					
Other Trust Monies Account (FMA Act s20)	-	1,928	1,928	-	-
- Fines & Costs Component	14	1,914	1,928	-	-
Other Trust Monies Account (FMA Act s20)	-	-	-	-	-
- Bonds Component	-	-	-	-	-
Law Enforcement Projects Account (FMA Act s20)	-	-	-	-	-
	-	-	-	-	-
Total Special Accounts	-	1,961	1,961	-	-
	14	1,947	1,961	-	-

Acts Glossary:

FMA Act = *Financial Management and Accountability Act 1997*

Section 2: Outcomes and outputs information

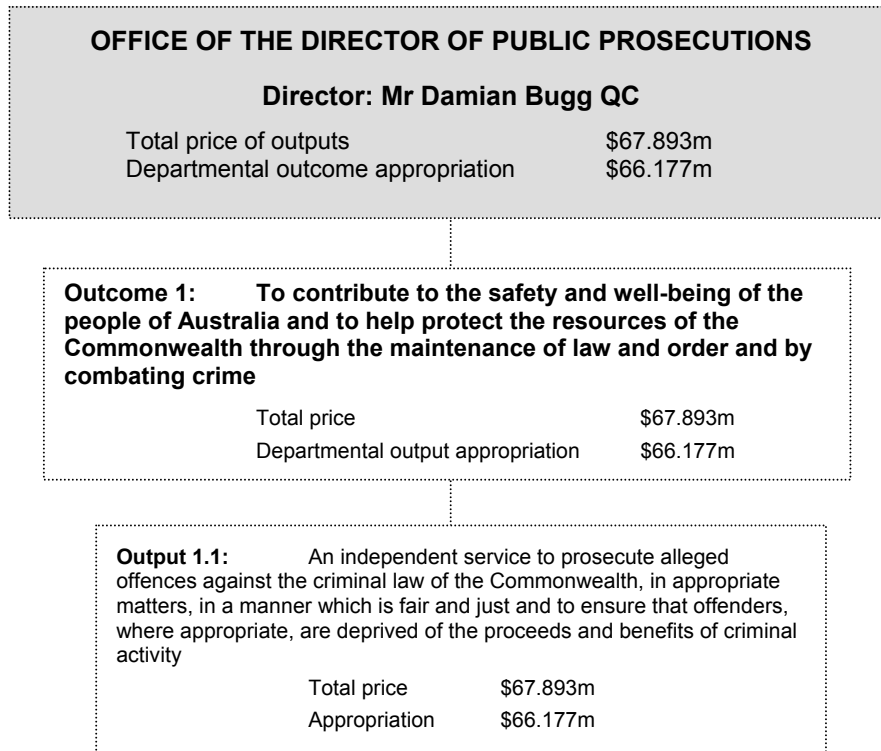
OUTCOMES AND OUTPUT GROUPS

The Office of the Director of Public Prosecutions works to achieving the outcome specified by Government. The following section provides a departmental overview, and then the outcome is discussed. Map 2 shows the relationship between the outcome and output.

Financial and non-financial information is provided as follows:

- Map 2 - details outcome and output resourcing and illustrates the relationship between the outcome and contributing outputs.
- Table 2.1.1 - details financial information for outcome 1.
- Table 2.2.1 - details non-financial information for outcome 1.

Map 2: Outcomes and output groups



CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the outcome and output structure for the DPP.

OUTCOME 1 — TO CONTRIBUTE TO THE SAFETY AND WELL-BEING OF THE PEOPLE OF AUSTRALIA AND TO HELP PROTECT THE RESOURCES OF THE COMMONWEALTH THROUGH THE MAINTENANCE OF LAW AND ORDER AND BY COMBATING CRIME

Measures affecting Outcome 1

See Table 1.2

Proceeds of Crime legislation - additional funding for implementation

The Government will provide \$6.2m over the two years 2003–04 and 2004–05 (\$6.1m for expenses and \$0.1m for capital) to fund prosecutions made by the DPP under the *Proceeds of Crime Act 2002*, and for the control and realisation of seized assets by the Insolvency and Trustee Service Australia (ITSA). Future funding for this measure will be subject to a review of the impact of the legislation on the workloads of the DPP and ITSA.

The funding for the DPP for this measure is \$4.9m over two years.

The *Proceeds of Crime Act 2002* came into effect on 1 January 2003. It is a comprehensive civil confiscation regime to allow the Commonwealth to freeze and confiscate the assets of people involved in serious crime.

Identity fraud - improving and increasing the number of investigations

The Government will increase the number of investigations into identity fraud. The measure will involve enhanced use of external and internal data sources to detect cases of fraud and will apply to all payment types.

Identify fraud investigation services will be purchased from the Australian Federal Police. Funding of \$11.0m over four years will also be provided to the DPP to assist in the prosecution of cases.

This measure is expected to lead to savings in social welfare payments of \$97.4m and will cost \$37.3m to administer to give a net savings of \$60.1m over four years.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003–04 appropriations translate to total resourcing for the DPP for outcome 1: revenue from government (appropriations), revenue from other sources and the total price of the output.

Table 2.1.1: Total resources for Outcome 1 (\$'000)

	Estimated Actual 2002–03 \$'000	Budget Estimate 2003–04 \$'000
Departmental appropriations		
Output 1.1 - An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity	62,516	66,177
Total revenue from government (appropriations) Contributing to price of departmental outputs	62,516 97%	66,177 97%
Revenue from other sources		
Output 1.1 - An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity	1,731	1,683
Total revenue from other sources	1,731	1,683
Total price from departmental outputs (Total revenue from government and from other sources)	64,247	67,860
from Special Accounts (estimated payments from Special Account balances)		
Comcare (SRC Act 1998)	33	33
Total Departmental Special Account outflows	33	33
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	64,280	67,893
Average Staffing Level	450	480

Administered Special Accounts shown in Table 1.5 are not part of agency resourcing.

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The Office of the Director of Public Prosecutions (DPP) has one outcome:

To contribute to the safety and well-being of the people of Australia and to help protect the resources of the Commonwealth through the maintenance of law and order and by combating crime

There is one output for DPP's outcome:

An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1 provides information on the strategies chosen to deliver outcome 1, and shows the links between the output and the outcome.

Table 2.2.1: Performance information for Outcome 1

Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
Output 1.1: An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity	
Prosecutions resulting in a conviction	90%
Defended summary hearings resulting in a conviction	60%
Defended committals resulting in a committal hearing	80%
Defended trials resulting in a conviction	60%
Prosecution sentence appeals upheld in summary matters	60%
Prosecution sentence appeals upheld	60%
Applications for restraining orders that succeeded	90%
Applications for pecuniary penalty orders that succeeded	90%
Applications for forfeiture orders that succeeded	90%

Results against performance indicators are reported in the DPP's Annual Reports, copies of which are available from the DPP's website at www.DPP.gov.au.

EVALUATIONS

Effective law enforcement depends on cooperation and the DPP has a responsibility to assist other agencies to perform their role in the process. From time to time the DPP undertakes client surveys, the results of which are published in the Annual Report. The DPP obtains feedback via regular liaison with clients.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted Departmental Statement of Financial Performance.

The DPP's budgeted operating revenues in 2003-04 are to increase by \$3.613m (5.6%) over the estimated actual for 2002-03, made up of:

- New funding for the budget measures detailed in Table 1.2 of \$3.944m;
- Funding for employer superannuation increases of \$0.641m;
- Funding for the cessation of the Agency Banking Incentive Scheme of \$0.190m;
- Reduction in funding on removal of the Capital Use Charge of \$1.294m;
- Reduction in interest earned on cessation of the Agency Banking Incentive Scheme of \$0.048m; and
- Aggregate effect of CPI adjustments of \$0.180m.

The DPP's budgeted operating expenses in 2003-04 are to increase by \$6.045m (9.8%) over the estimated actual for 2002-03, made up of:

- Expenditure for the budget measures detailed in Table 1.2 of \$3.944m;
- Expenditure on the superannuation increases of \$1.500m;
- Increases in salaries and suppliers of \$1.121m; and
- Reduction in provision for losses on sale of assets and asset write-downs of \$0.520m.

As noted above, the Capital Use Charge is removed from 2003-04 and no further payments will be made.

Changes in the forward estimate years reflect the ongoing effects of the above points. The reductions in 2005-06 are due to continuing funding for the Proceeds of Crime legislation being the subject of a review in the context of that year's budget.

Budgeted Departmental Statement of Financial Position.

The DPP's budgeted net assets position of \$11.822m remains unchanged from the 2002-03 estimated actuals.

Changes of note are:

- Reduction to cash and an increase in receivables on implementation of the Government's Budget Estimates and Framework Review recommendation to cease the Agency Banking Incentive Scheme and introduce a just in time appropriation draw-down regime. This will see our current cash holdings returned to the Department of Finance and Administration in return for the right to draw-down cash when required; and
- The effect of office accommodation projects in 2004-05 and 2005-06, leading to an increase in the net book value of non-financial assets and a corresponding decrease in appropriations receivable.

Budgeted Departmental Statement of Cash Flows.

The DPP's cash flows reflect the comments made above.

Changes of note are:

- No increase in net cash held due to the implementation of the Government's Budget Estimates and Framework Review recommendation to introduce a just in time appropriation draw-down regime;
- Increase in cash used for investing activities due to office accommodation projects in 2004-05 and 2005-06; and
- Cessation of interest receipts and capital use charge payments.

Schedules of administered activity

The DPP's administered activity is the recording of fines, costs, pecuniary penalties and reparations imposed by courts from successful prosecutions. It is very difficult to accurately estimate these amounts, therefore, the same amounts have been shown each year.

Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

Items of note are:

- Total amounts imposed by the courts are initially recognised as revenues. Amounts of reparations that are payable to other Government Agencies are then shown as an expense.
- A significant amount of debts outstanding to the DPP may not be recovered as fines and costs may be converted by serving time in prison, by performing

community service or similar provisions. A number may also be written off as irrecoverable.

- Other Agencies are responsible for the collection of reparations, including any debt write-off action.

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government - appropriations	62,516	66,177	69,633	67,706	69,023
Revenues from government – resources received free of charge	60	60	60	60	60
Goods and services	1,167	1,167	1,154	1,064	1,071
Interest	48	-	-	-	-
Other	489	489	489	489	489
Revenues from ordinary activities	64,280	67,893	71,336	69,319	70,643
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	34,231	39,194	41,790	40,166	40,913
Suppliers	23,297	24,899	25,746	25,353	25,930
Depreciation and amortisation	3,300	3,300	3,300	3,300	3,300
Write-down of assets	480	-	-	-	-
Net loss from sale of assets	40	-	-	-	-
Other	500	500	500	500	500
Expenses from ordinary activities (excluding borrowing costs expense)	61,848	67,893	71,336	69,319	70,643
Borrowing costs expense	-	-	-	-	-
Operating surplus or deficit from ordinary activities	2,432	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	2,432	-	-	-	-
Capital use Charge Paid*	1,122	-	-	-	-
Net surplus or (deficit) after CUC	1,310	-	-	-	-

* The Capital use Charge will be discontinued from 1 July 2003.

Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	15,757	199	199	199	199
Receivables	195	10,795	9,467	12,358	15,046
Total financial assets	15,952	10,994	9,666	12,557	15,245
Non-financial assets					
Land and buildings	4,991	8,524	10,102	8,730	7,358
Infrastructure, plant and equipment	5,162	6,025	5,992	5,001	4,213
Intangibles	1,080	1,107	1,134	1,011	888
Other	900	795	795	795	795
Total non-financial assets	12,133	16,451	18,023	15,537	13,254
Total assets	28,085	27,445	27,689	28,094	28,499
LIABILITIES					
Interest bearing liabilities					
Other (Note 1)	1,969	792	467	372	277
Provisions					
Employees	11,027	11,563	12,145	12,645	13,145
Payables					
Suppliers	3,255	3,255	3,255	3,255	3,255
Other	12	13	-	-	-
Total liabilities	16,263	15,623	15,867	16,272	16,677
EQUITY					
Outside equity interest					
Contributed equity	1,479	1,479	1,479	1,479	1,479
Reserves	4,476	4,476	4,476	4,476	4,476
Retained surpluses or accumulated deficits	5,867	5,867	5,867	5,867	5,867
Total outside equity interest	11,822	11,822	11,822	11,822	11,822
Total equity	11,822	11,822	11,822	11,822	11,822
Total liabilities and equity	28,085	27,445	27,689	28,094	28,499
Total assets and liabilities by maturity:					
Current assets	16,852	11,789	10,461	13,352	16,040
Non-current assets	11,233	15,656	17,228	14,742	12,459
Current liabilities	7,307	7,308	7,295	7,295	7,295
Non-current liabilities	8,956	8,315	8,572	8,977	9,382

Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	62,516	71,139	70,985	64,827	66,347
Sales of goods and services	1,297	1,255	1,233	1,157	1,164
Interest	190	-	-	-	-
GST ITC receipts (net)	1,793	1,913	1,894	1,850	1,900
Other	39	39	39	39	39
Total cash received	65,835	74,346	74,151	67,873	69,450
Cash used					
Employees	33,461	38,396	40,946	39,403	40,150
Suppliers	27,361	27,727	27,826	27,149	27,776
Other	16,058	500	500	500	500
Total cash used	76,880	66,623	69,272	67,052	68,426
Net cash from operating activities	(11,045)	7,723	4,879	821	1,024
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	94	50	28	13	13
Total cash received	94	50	28	13	13
Cash used					
Purchase of land and buildings	715	4,905	2,950	-	-
Purchase of property, plant and equipment	244	2,168	1,257	284	487
Purchase of intangibles	600	700	700	550	550
Total cash used	1,559	7,773	4,907	834	1,037
Net cash from investing activities	(1,465)	(7,723)	(4,879)	(821)	(1,024)
FINANCING ACTIVITIES					
Cash used					
Capital use charge	1,204	-	-	-	-
Other	548	-	-	-	-
Total cash used	1,752				
Net cash from financing activities	(1,752)				
Net increase (decrease) in cash held	(14,262)				
Cash at the beginning of the reporting period	14,461	199	199	199	199
Cash at the end of the reporting period	199	199	199	199	199

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
Purchase of Non-financial Assets					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources	1,593	7,773	4,907	834	1,037
Total	1,593	7,773	4,907	834	1,037

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003–04)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
Carrying amount at the start of year	-	4,991	4,991	5,162	5,162	1,080	-	11,233
Additions	-	4,905	4,905	2,168	2,168	700	-	7,773
Disposals	-	-	-	(40)	(40)	(10)	-	(50)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(1,372)	(1,372)	(1,265)	(1,265)	(663)	-	(3,300)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	8,524	8,524	6,025	6,025	1,107	-	15,656
Total additions								
Self funded	-	4,905	4,905	2,168	2,168	700	-	7,773
Appropriations								
Total	-	4,905	4,905	2,168	2,168	700	-	7,773

Table 3.6: Schedule of Budgeted Revenues and Expenses Administered on behalf of Government for the period ended 30 June

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
REVENUES					
Non-taxation					
Other sources of non-taxation revenues	18,310	18,310	18,310	18,310	18,310
Total non-taxation	18,310	18,310	18,310	18,310	18,310
Total revenues administered on behalf of the Government	18,310	18,310	18,310	18,310	18,310
EXPENSES					
Write-down of assets	1,290	1,290	1,290	1,290	1,290
Other	15,218	15,218	15,218	15,218	15,218
Total expenses administered on behalf of the Government	16,508	16,508	16,508	16,508	16,508
Extraordinary items	-	-	-	-	-

Table 3.7: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government as at 30 June

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
ASSETS					
Financial assets					
Receivables	5,456	5,456	5,456	5,456	5,456
Total financial assets	5,456	5,456	5,456	5,456	5,456
Non-financial assets					
Other non-financial assets	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of the Government	5,456	5,456	5,456	5,456	5,456
LIABILITIES					
Total liabilities administered on behalf of the Government	-	-	-	-	-

Table 3.8: Schedule of Budgeted Administered Cash Flows for the period ended 30 June

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
Operating Activities					
Cash received					
Other	1,914	1,928	1,928	1,928	1,928
Total cash received	1,914	1,928	1,928	1,928	1,928
Cash used					
Cash to Official Public Account	1,802	1,802	1,802	1,802	1,802
Other	126	126	126	126	126
Total cash used	1,928	1,928	1,928	1,928	1,928
Net cash from operating activities	(14)	-	-	-	-
Net increase in cash held	(14)	-	-	-	-
Cash at the beginning of the reporting period	14	-	-	-	-
Cash at the end of the reporting period	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The budgeted financial statements have been prepared on the same basis and policies as that used for the audited financial statements, a copy of which is available from the DPP's website at www.DPP.gov.au.

Changes to Accounting Policies

The only significant change in accounting policies is the cessation of the Capital Use Charge from 2003-04 onwards.

1. Other Debt - Lease Incentives

Several of the office accommodation leases have lease incentives for free fitout and rent abatement. In line with Australian Accounting Standard 17 these incentives are recognised as a debt and written down over the life of the lease payments.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

Cross Agency Overview

The DPP and the Australian Taxation Office (ATO) have negotiated a purchaser/provider arrangement under which the DPP will provide a prosecution service to the ATO for offences under the '*A New Tax System*' legislation. Negotiations for 2003-04 are not yet concluded.

COST RECOVERY ARRANGEMENTS

Summary of Cost Recovery Impact Statement

The DPP has no cost recovery arrangements encompassing fees and charges related to the provision of goods and services to the private and other non-government sectors of the economy.

