



Queensland Government

Department of Justice and Attorney-General

Financial Statements

for the financial year ended

30 June 2015

Department of Justice and Attorney-General Financial Statements 2014-15

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General Information

These financial statements cover the Department of Justice and Attorney-General.

The Department of Justice and Attorney-General is a Queensland Government Department established under the *Public Service Act 2008*.

The department is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the department is:

50 Ann Street
BRISBANE QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department's financial statements please call (07) 3239 6251, email garry.davis@justice.qld.gov.au or visit the departmental internet site www.justice.qld.gov.au.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

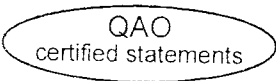
Department of Justice and Attorney-General
Statement of Comprehensive Income
for the year ended 30 June 2015

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	Notes	2015 \$'000	2014 \$'000
Income from Continuing Operations			
Appropriation revenue	2	1,228,002	959,450
User charges and fees	3	105,262	96,025
Grants and other contributions	4	110,163	97,804
Other revenues	5	11,542	10,126
Total Revenue		1,454,969	1,163,405
Gains on disposal		104	133
Total Income from Continuing Operations		1,455,073	1,163,538
Expenses from Continuing Operations			
Employee expenses	6,7	775,268	644,414
Supplies and services	8	478,550	364,373
Grants and subsidies	9	6,361	5,540
Depreciation and amortisation	15,16	188,325	139,050
Impairment losses		373	20
Other expenses	10	8,681	6,685
Total Expenses from Continuing Operations		1,457,558	1,160,082
Operating Result from Continuing Operations		(2,485)	3,456
Operating Result for the Year		(2,485)	3,456
Other Comprehensive Income			
<u>Items that will not be reclassified subsequently to Operating Result:</u>			
Increase (decrease) in asset revaluation surplus	20	83,643	333,015
Total items that will not be reclassified subsequently to Operating Result		83,643	333,015
Total Other Comprehensive Income		83,643	333,015
Total Comprehensive Income		81,158	336,471

The accompanying notes form part of these statements.

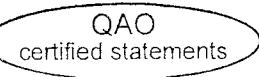
Department of Justice and Attorney-General
Statement of Financial Position
as at 30 June 2015



	Notes	2015 \$'000	2014 \$'000
Current Assets			
Cash and cash equivalents	11	77,355	82,292
Receivables	12	47,564	71,308
Inventories	13	4,657	4,002
Biological assets		200	37
Other current assets	14	13,243	11,492
Total Current Assets		143,019	169,131
Non Current Assets			
Biological assets		303	269
Intangible assets	15	25,429	28,035
Property, plant and equipment	16	3,894,013	3,903,427
Total Non Current Assets		3,919,745	3,931,731
Total Assets		4,062,764	4,100,862
Current Liabilities			
Payables	17	73,721	91,321
Accrued employee benefits	18	23,034	24,558
Other current liabilities	19	2,577	2,202
Total Current Liabilities		99,332	118,081
Non Current Liabilities			
Accrued employee benefits	18	31	6
Other non current liabilities	19	1,513	2,583
Total Non Current Liabilities		1,544	2,589
Total Liabilities		100,876	120,670
Net Assets		3,961,888	3,980,192
Equity			
Contributed equity		2,998,534	3,097,996
Accumulated surplus		298,709	296,972
Asset revaluation surplus	20	664,645	585,224
Total Equity		3,961,888	3,980,192

The accompanying notes form part of these statements.

Department of Justice and Attorney-General
Statement of Changes in Equity
for the year ended 30 June 2015



	Accumulated Surplus/Deficit	Asset Revaluation Surplus (Note 20)	Contributed Equity	TOTAL
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	295,195	250,531	966,688	1,512,414
Operating result from continuing operations	3,456	-	-	3,456
<i>Other Comprehensive Income</i>				
- Increase/(Decrease) in asset revaluation surplus	-	333,015	-	333,015
<i>Total Comprehensive Income for the Year</i>	3,456	333,015	-	336,471
<i>Transactions with Owners as Owners:</i>				
- Appropriated equity injections (Note 2)	-	-	21,288	21,288
- Equity withdrawals (Note 2)	-	-	(123,813)	(123,813)
- Equity classification adjustment (Note 20)	(1,678)	1,678	-	-
- Involuntary asset transfer	-	-	2,233,832	2,233,832
<i>Net Transactions with Owners as Owners</i>	(1,678)	1,678	2,131,307	2,131,307
Balance as at 30 June 2014	296,972	585,224	3,097,996	3,980,192
Balance as at 1 July 2014	296,972	585,224	3,097,996	3,980,192
Operating result from continuing operations	(2,485)	-	-	(2,485)
<i>Other Comprehensive Income</i>				
- Increase/(Decrease) in asset revaluation surplus	-	83,643	-	83,643
<i>Total Comprehensive Income for the Year</i>	(2,485)	83,643	-	81,158
<i>Transactions with Owners as Owners:</i>				
- Appropriated equity injections (Note 2)	-	-	63,849	63,849
- Equity withdrawals (Note 2)	-	-	(162,975)	(162,975)
- Equity withdrawals non-appropriated	-	-	(635)	(635)
- Equity classification adjustment (Note 20)	4,222	(4,222)	-	-
- Involuntary asset transfer (Note 1(ag), 15 and 16)	-	-	299	299
<i>Net Transactions with Owners as Owners</i>	4,222	(4,222)	(99,462)	(99,462)
Balance as at 30 June 2015	298,709	664,645	2,998,534	3,961,888

The accompanying notes form part of these statements.

Department of Justice and Attorney-General
Statement of Cash Flows
for the year ended 30 June 2015

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	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Service appropriation receipts		1,243,081	969,498
User charges and fees		119,263	91,949
Grants and other contributions		100,088	63,911
GST input tax credits from ATO		35,248	38,582
GST collected from customers		12,558	10,164
Interest receipts		281	504
Other		11,061	9,336
<i>Outflows:</i>			
Employee expenses		(773,695)	(639,042)
Supplies and services		(502,048)	(333,989)
Grants and subsidies		(6,360)	(5,540)
Insurance premiums		(4,956)	(5,469)
GST paid to suppliers		(36,670)	(41,917)
GST remitted to ATO		(12,021)	(10,404)
Other		(1,103)	(583)
Net cash provided by (used in) operating activities	21	184,727	147,000
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		120	159
<i>Outflows:</i>			
Payments for property, plant and equipment		(88,275)	(54,259)
Payments for intangibles		(3,331)	(3,420)
Net cash provided by (used in) investing activities		(91,486)	(57,520)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		63,849	21,288
<i>Outflows:</i>			
Equity withdrawals		(163,610)	(123,813)
Net cash provided by (used in) financing activities		(99,761)	(102,525)
Net increase (decrease) in cash and cash equivalents		(6,520)	(13,045)
Increase (decrease) in cash and cash equivalents from restructuring		1,583	70,366
Cash and cash equivalents at beginning of financial year		82,292	24,971
Cash and cash equivalents at end of financial year	11	77,355	82,292

The accompanying notes form part of these statements.



**Department of Justice & Attorney-General
STATEMENT OF COMPREHENSIVE INCOME BY MAJOR DEPARTMENTAL SERVICES
for the year ended 30 June 2015**

	Criminal and Civil Justice Services#		Fair and Safe Work Services#		Legal Services #		Human Rights Protection Services#		Liquor, Gaming and Fair Trading Services#		Youth Justice Services#		Custodial Operation Services#		Probation and Parole Services#		Inter- Departmental Service Eliminations		Total	
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Income from Continuing Operations*																				
Appropriation revenue	238,822	31,676	21,320	33,083	72,378	141,179	614,431	75,113	-	-	-	-	-	-	-	-	-	-	-	1,228,002
User charges and fees	31,935	22,766	29,994	13,207	7,077	1,392	18,764	453	-	-	-	-	-	-	-	-	-	-	-	105,262
Grants and other contributions	2,572	92,062	5,108	1,447	569	1,198	5,914	1,293	-	-	-	-	-	-	-	-	-	-	-	110,163
Other revenues	79	707	231	2	7	7	10,381	128	-	-	-	-	-	-	-	-	-	-	-	11,542
Total Revenue	273,408	147,201	56,653	47,739	80,031	143,776	649,490	76,987	-	-	-	-	-	-	-	-	-	-	-	1,454,969
Gains on disposal	-	9	-	-	-	11	77	-	-	-	-	-	-	-	-	-	-	-	-	104
Total Income from Continuing Operations	273,408	147,210	56,653	47,739	80,031	143,787	649,567	76,994	-	-	-	-	-	-	-	-	-	-	-	1,455,073
Expenses from Continuing Operations																				
Employee expenses	133,662	85,421	36,908	33,019	50,242	92,935	287,023	56,058	-	-	-	-	-	-	-	-	-	-	-	775,268
Supplies and services	87,859	54,517	17,914	16,027	27,275	40,025	237,354	17,895	-	-	-	-	-	-	-	-	-	-	-	478,550
Grants and subsidies	244	5,467	19	32	39	51	444	65	-	-	-	-	-	-	-	-	-	-	-	6,361
Depreciation and amortisation	50,668	1,747	867	1,003	2,045	10,125	119,732	2,138	-	-	-	-	-	-	-	-	-	-	-	188,325
Impairment losses	11	6	-	1	3	5	347	-	-	-	-	-	-	-	-	-	-	-	-	373
Other expenses	1,009	537	205	251	360	687	5,225	407	-	-	-	-	-	-	-	-	-	-	-	8,681
Total Expenses from Continuing Operations	273,453	147,695	55,913	50,333	79,964	143,828	650,125	76,563	-	-	-	-	-	-	-	-	-	-	-	1,457,558
Operating Result from Continuing Operations	(45)	(485)	740	(2,594)	67	(41)	(558)	431	-	-	-	-	-	-	-	-	-	-	-	(2,485)
Other Comprehensive Income																				
Increase (decrease) in asset revaluation surplus	17,242	-	-	-	-	5,367	60,980	54	-	-	-	-	-	-	-	-	-	-	-	83,643
Total Other Comprehensive Income	17,242	-	-	-	-	5,367	60,980	54	-	-	-	-	-	-	-	-	-	-	-	83,643
Total Comprehensive Income	17,197	(485)	740	(2,594)	67	5,326	60,422	485	-	-	-	-	-	-	-	-	-	-	-	81,158

* Allocation of income and expenses from corporate services (disclosure only):

Income	11,780	4,415	2,466	3,070	4,231	8,429	25,046	4,996	-	-	-	-	-	-	-	-	-	-	-	64,433
Expenses	11,806	4,429	2,471	3,077	4,240	8,448	25,101	5,007	-	-	-	-	-	-	-	-	-	-	-	64,579

Refer Note 1(y)

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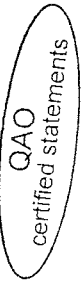
Department of Justice & Attorney-General
STATEMENT OF COMPREHENSIVE INCOME BY MAJOR DEPARTMENTAL SERVICES (continued)
for the year ended 30 June 2015

	2014 \$'000	Fair and Safe Work Services# 2014 \$'000	Legal Services # 2014 \$'000	Human Rights Protection Services# 2014 \$'000	Liquor, Gaming and Fair Trading Services# 2014 \$'000	Youth Justice Services# 2014 \$'000	Custodial Operation Services# 2014 \$'000	Probation and Parole Services# 2014 \$'000	Inter- Departmental Service Eliminations 2014 \$'000	Total 2014 \$'000
Income from Continuing Operations*										
Appropriation revenue	225,753	33,965	19,897	22,144	73,684	134,711	398,718	50,578	-	959,450
User charges and fees	31,009	15,577	29,772	13,257	4,614	1,300	12,351	411	(12,266)	96,025
Grants and other contributions	2,401	81,654	5,676	1,309	468	1,164	4,167	975	-	97,804
Other revenues	462	703	183	25	12	66	8,617	58	-	10,126
Total Revenue	259,625	131,899	55,528	36,735	78,768	137,241	423,853	52,022	(12,266)	1,163,405
Gains on disposal/remeasurement of assets	22	8	3	3	5	10	70	12	-	133
Total Income from Continuing Operations	259,647	131,907	55,531	36,738	78,773	137,251	423,923	52,034	(12,266)	1,163,538
Expenses from Continuing Operations										
Employee expenses	134,027	78,583	35,315	24,037	50,838	93,080	191,118	37,416	-	644,414
Supplies and services	73,496	43,629	18,061	12,808	25,505	35,683	154,764	12,693	(12,266)	364,373
Grants and subsidies	267	4,792	32	16	45	57	187	144	-	5,540
Depreciation and amortisation	51,578	1,570	980	715	2,303	8,270	72,474	1,160	-	139,050
Impairment losses	2	1	-	14	-	3	-	-	-	20
Other expenses	299	126	54	195	93	169	5,346	403	-	6,685
Total Expenses from Continuing Operations	259,669	128,701	54,442	37,785	78,784	137,262	423,889	51,816	(12,266)	1,160,082
Operating Result from Continuing Operations	(22)	3,206	1,089	(1,047)	(11)	(11)	34	218	-	3,456
Other Comprehensive Income										
Increase (decrease) in asset revaluation surplus	4,540	-	-	-	-	(1,634)	329,682	427	-	333,015
Total Other Comprehensive Income	4,540	-	-	-	-	(1,634)	329,682	427	-	333,015
Total Comprehensive Income	4,518	3,206	1,089	(1,047)	(11)	(1,645)	329,716	645	-	336,471

* Allocation of income and expenses from corporate services (disclosure only):

Income	12,695	6,197	2,429	2,324	4,332	8,396	24,045	5,225	-	65,643
Expenses	12,699	6,198	2,429	2,324	4,334	8,398	24,051	5,226	-	65,659

Refer Note 1(y)



Department of Justice & Attorney-General
STATEMENT OF ASSETS AND LIABILITIES BY MAJOR DEPARTMENTAL SERVICES
 as at 30 June 2015

	Criminal and Civil Justice Services#		Fair and Safe Work Services#		Legal Services#		Human Rights Protection Services#		Liquor, Gaming and Fair Trading Services#		Youth Justice Services#		Custodial Operation Services#		Probation and Parole Services#		Total	
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Current Assets																		
Cash and cash equivalents	16,290	13,469	9,815	2,932	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921	2,921
Receivables	9,684	3,740	5,709	1,575	3,518	3,518	3,518	3,518	3,518	3,518	3,518	3,518	3,518	3,518	3,518	3,518	3,518	3,518
Inventories	110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	2,666	881	387	598	357	357	357	357	357	357	357	357	357	357	357	357	357	357
Total Current Assets	28,750	18,090	15,911	5,105	6,796	6,796	6,796	6,796	6,796	6,796	6,796	6,796	6,796	6,796	6,796	6,796	6,796	6,796
Non Current Assets																		
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	11,023	1,395	1,943	1,244	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096	6,096
Property, plant and equipment	1,131,247	4,155	923	1,161	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886
Total Non Current Assets	1,142,270	5,550	2,866	2,405	7,982	7,982	7,982	7,982	7,982	7,982	7,982	7,982	7,982	7,982	7,982	7,982	7,982	7,982
Total Assets	1,171,020	23,640	18,777	7,510	14,778	14,778	14,778	14,778	14,778	14,778	14,778	14,778	14,778	14,778	14,778	14,778	14,778	14,778
Current Liabilities																		
Payables	13,747	5,183	1,436	1,407	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735	3,735
Accrued employee benefits	5,106	3,227	1,141	1,106	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289
Other current liabilities	780	615	140	83	901	901	901	901	901	901	901	901	901	901	901	901	901	901
Total Current Liabilities	19,633	9,025	2,717	2,596	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Non Current Liabilities																		
Accrued employee benefits	-	-	31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non current liabilities	917	273	169	2	111	111	111	111	111	111	111	111	111	111	111	111	111	111
Total Non Current Liabilities	917	273	200	2	111	111	111	111	111	111	111	111	111	111	111	111	111	111
Total Liabilities	20,550	9,298	2,917	2,598	6,036	6,036	6,036	6,036	6,036	6,036	6,036	6,036	6,036	6,036	6,036	6,036	6,036	6,036

Refer Note 1(y)

* Please note the department has systems in place to allocate assets and liabilities by major departmental service.

**Department of Justice & Attorney-General
STATEMENT OF ASSETS AND LIABILITIES BY MAJOR DEPARTMENTAL SERVICES (continued)
as at 30 June 2015**

	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Criminal and Civil Justice Services#	Fair and Safe Work Services#	Legal Services#	Human Rights Protection Services#	Liquor, Gaming and Fair Trading Services#	Youth Justice Services#	Custodial Operation Services#	Probation and Parole Services#	Total						
Current Assets															
Cash and cash equivalents	13,133	18,063	7,547	4,748	4,959	1,145	26,362	6,335	82,292						
Receivables	8,459	4,320	7,056	1,025	5,328	13,255	27,048	4,817	71,308						
Inventories	201	-	-	-	-	362	3,439	-	4,002						
Biological assets	-	-	-	-	-	-	37	-	37						
Other current assets	1,628	674	325	315	369	1,093	6,516	572	11,492						
Total Current Assets	23,421	23,057	14,928	6,088	10,656	15,855	63,402	11,724	169,131						
Non Current Assets															
Biological assets	-	-	-	-	-	-	269	-	269						
Intangible assets	12,409	1,196	2,386	1,062	5,626	163	4,583	610	28,035						
Property, plant and equipment	1,148,818	4,410	1,215	1,145	1,502	277,458	2,452,856	18,023	3,903,427						
Total Non Current Assets	1,161,227	5,606	3,601	2,207	7,128	277,621	2,457,708	16,633	3,931,731						
Total Assets	1,184,648	28,663	18,529	8,295	17,784	293,476	2,521,110	28,357	4,100,862						
Current Liabilities															
Payables	11,803	6,373	1,416	1,175	6,079	12,738	43,475	8,262	91,321						
Accrued employee benefits	4,797	6,229	814	618	1,061	322	8,847	1,870	24,558						
Other current liabilities	580	692	145	93	507	56	101	28	2,202						
Total Current Liabilities	17,180	13,294	2,375	1,886	7,647	13,116	52,423	10,160	118,081						
Non Current Liabilities															
Accrued employee benefits	-	-	6	-	-	-	-	-	6						
Other non current liabilities	1,458	628	314	23	85	10	28	37	2,583						
Total Non Current Liabilities	1,458	628	320	23	85	10	28	37	2,589						
Total Liabilities	18,638	13,922	2,695	1,909	7,732	13,126	52,451	10,197	120,670						

Refer Note 1(y)

* Please note the department has systems in place to allocate assets and liabilities by major departmental service.

Department of Justice and Attorney-General

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

Objectives and Principal Activities of the Department of Justice and Attorney-General

Note 1:	Summary of Significant Accounting Policies
Note 2:	Reconciliation of Payments from Consolidated Fund to Appropriation Revenue Recognised in Statement of Comprehensive Income
	Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity
Note 3:	User Charges and Fees
Note 4:	Grants and Other Contributions
Note 5:	Other Revenues
Note 6:	Employee Expenses
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Note 8:	Supplies and Services
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Note 10:	Other Expenses
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Note 12:	Receivables
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Note 15:	Intangible Assets
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Objectives and Principal Activities of the Department of Justice and Attorney-General

The Department of Justice and Attorney-General aims to deliver an equitable and effective justice system, ensure fairness, health and safety in workplaces and the community and improve safety and fairness for Queensland businesses and consumers. The key strategic objectives of the department are that:

- Workplace and legal rights are upheld and protected;
- Criminal, civil and workplace justice is accessible, timely, cost effective, fair, equitable and independent;
- The rights and interests of adults with impaired decision making capacity, victims of crime, children and other vulnerable people are protected;
- Productivity is enhanced through fairer and safer workplaces;
- Safety and fairness for Queensland businesses, consumers and workers is improved;
- Provision of a fair and balanced response to young people in contact with the youth justice system; and
- Community safety and crime prevention through the humane containment, supervision and rehabilitation of offenders.

The department is predominantly funded for the departmental services it delivers by Parliamentary appropriations. It also receives fee for service revenue, industry contributions and grants primarily to undertake:

- Crown Law professional services;
- Births, Deaths and Marriages registry functions;
- Workplace Health and Safety education, compliance and enforcement programs;
- Activities in the Electrical Safety Office;
- Liquor and Gaming regulatory services; and
- Corrective Services industries.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Department of Justice and Attorney-General has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's *Minimum Reporting Requirements for the year ending 30 June 2015*, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Department of Justice and Attorney-General has applied those requirements applicable to not-for-profit entities, as the Department of Justice and Attorney-General is a not-for-profit department. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the department. The department has no controlled entities.

The major departmental services undertaken by the department are disclosed in Note 1(y).

Department of Justice and Attorney-General
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(c) Administered Transactions and Balances

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are disclosed in Note 26. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

(d) Trust and Agency Transactions and Balances

The department undertakes certain trustee transactions on behalf of various external parties and also performs certain agency transactions.

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in Note 27. Applicable audit arrangements are also shown.

(e) Appropriation Revenue /Administered Revenue

Appropriations provided under the *Annual Appropriation Act 2013* are recognised as revenue when received. An accrual is made for an appropriation receivable where Queensland Treasury approval has been obtained.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations.

(f) User Charges and Fees, Penalties and Fines

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

Fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer to Note 26(c).

(g) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding agreements.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 1(aa).

(h) Special Payments

Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within Other Expenses (Note 10). However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

(i) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

(j) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events as disclosed in Note 12 and Note 26 (i).

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

Debtors in relation to monetary penalties administered on a whole-of-government basis are recorded at the amount ordered by the Court. These debtors include fines where a warrant has been issued as well as unenforceable debts, with impairment being provided for based on an assessment of future recoverability. No interest is charged and no security is obtained.

(k) Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of the department's normal selling pattern.

Expenses associated with marketing, selling, and distribution are deducted to determine net realisable value.

Inventories held for distribution are those inventories that the department distributes for no or nominal consideration. These consist of mediation skills training manuals for the Dispute Resolution Branch and bedding, clothing, footwear and uniforms for Queensland Corrective Services. Inventories held for distribution are measured at cost adjusted, where applicable, for any loss of service potential.

(l) Biological Assets

Under AASB 141 *Agriculture*, biological assets are defined as 'living animals and plants'. The department's assets falling into this category are livestock of beef cattle, pigs, goats and horses. Livestock are valued at market value (fair value) less point of sale costs. Market value is the price expected to be received if sold in normal market conditions on the day of valuation.

(m) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland department (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

(n) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Buildings (including heritage buildings)	\$10,000
Land	\$1
Plant and Equipment	\$5,000
Other (including artwork)	\$5,000

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the Department of Justice and Attorney-General are included with buildings.

(o) Revaluations of Non Current Physical and Intangible Assets

Land, buildings and heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable (refer also to an explanation later in this note regarding the impact of different methods of accounting for accumulated depreciation and accumulated impairment losses in conjunction with revaluations).

In respect of the above mentioned asset classes, the cost of items acquired during the financial year has been judged by management of the Department of Justice and Attorney-General to materially represent their fair value at the end of the reporting period.

Plant and equipment, is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Intangible assets are measured at their historical cost, unless there is an active market for the assets concerned (in which case they are measured at fair value).

Property, plant and equipment classes measured at fair value (refer above) are revalued on an annual basis by appraisals undertaken by an independent professional valuer, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the department's Financial Services Branch, who determine the specific revaluation practices and procedures. Financial Services Branch reviewed its revaluation practices to ensure compliance with AASB 13 and reported the revaluation outcomes to the department's Audit Committee.

Revaluations using independent professional valuer appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This is arranged by the Financial Services Branch after consultation with the Audit Committee.

Materiality concepts (according to the *Framework for the Preparation and Presentation of Financial Statements*) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to Note 1(p)).

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The Department of Justice and Attorney-General ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. Cardno (Qld) Pty Ltd supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to Cardno (Qld) Pty Ltd. Cardno (Qld) Pty Ltd provides assurance of their robustness, validity and appropriateness for application to the relevant assets.

(o) Revaluations of Non Current Physical and Intangible Assets (cont'd)

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation:

- for assets revalued using a cost valuation approach (e.g. depreciated replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

(p) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the department's Property, Plant and Equipment is outlined in Note 16.

(q) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the department. The residual value is zero for all the department's intangible assets.

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Purchased Software

The purchase cost of this software has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to the department.

Internally Generated Software

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the department.

(r) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

Land and artwork are not depreciated as they have an unlimited useful life.

All intangible assets of the department have finite useful lives and are amortised on a straight line basis.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment and intangibles.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

Items comprising the department's technical library are expensed on acquisition.

Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

(r) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment (cont'd)

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rate %
Buildings and land improvements	1.3 - 20.0
Heritage and cultural assets (excluding artwork)	2.1 - 11.1
Plant and equipment:	
Leasehold improvements	5.6 - 50.0
Audio equipment	5.3 - 33.3
Computer equipment	5.9 - 33.3
Office equipment	3.3 - 20.0
Electrical equipment	5.6 - 33.3
Medical equipment	3.8 - 11.1
Furniture	5.3 - 14.3
Plant and machinery	2.5 - 20.0
Other	2.2 - 33.3
Intangible assets:	
Software Purchased	5.9 - 33.3
Software Internally Generated	5.9 - 33.3

(s) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also Note 1(o).

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

(t) Leases

The department has entered into a number of operating leases under which the lessor retains substantially all the risks and benefits incidental to ownership.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

The department does not have any finance leases.

Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

(u) Payables

Trade creditors are recognised upon receipt of the goods and services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(v) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss - Note 11
- Receivables - held at amortised cost - Note 12
- Payables - held at amortised cost - Note 17.

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

The department does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.

(w) Employee Benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employee's annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

No provision for annual leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(w) Employee Benefits (cont'd)

Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the department's financial statements, the liability being held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Judicial and Commissioner Allowance

Liabilities for judicial and commissioner allowances are recognised and measured as the amount due but unpaid at reporting date based on allowances prescribed by sections 16 to 22 of the *Judicial Remuneration Act 2007*. Allowances are allowed to accrue up to seven years and any unused portion beyond this period is no longer payable. Refer to Note 18 and 26(k).

In accordance with AASB 119 *Employee Benefits*, the State Actuary calculates the judges long leave liability by applying the gross discount rate which is the annually convertible yield of a notional duration matched Commonwealth Government nominal bond at the relevant date, as published by the Reserve Bank of Australia.

Under the *Judicial Remuneration Act 2007*, Queensland Industrial Relations Commissioners are provided an annual allowance to be used for educational purposes. Payments for education activities undertaken by Commissioners are made from the allowance as costs are incurred for these activities. Allowances are allowed to accrue up to seven years and any unused portion beyond this period is no longer payable.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury. Refer to Note 7 for the disclosures on key management personnel and remuneration.

(x) Allocation of Revenues and Expenses from Ordinary Activities to Corporate Services

The department discloses revenues and expenses attributable to corporate services in the Statement of Comprehensive Income by Major Departmental Services.

(y) Major Departmental Services

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

Criminal and Civil Justice

Criminal and Civil Justice includes Queensland's courts and tribunals. It also provides coronial and prosecution services. This service area provides diversion programs to address crime related social problems, Justice of the Peace services and civil and criminal mediation services across the State. It contributes to the department's objectives to improve the administration of Queensland's justice system and protect the rights and interests of Queenslanders.

Fair and Safe Work

Fair and Safe Work provides workplace health and safety services and workers' compensation policy advice. It supports a fair and equitable industrial relations framework for the private sector in Queensland. It develops and enforces standards for electrical safety and promotes strategies for improved electrical safety performance. This service area contributes to the department's objective to improve health, safety and fairness in workplaces and the community.

Legal

Legal provides independent legal services for public sector agencies and the State. It also develops and coordinates proposals for justice related legislation and provides advice on law reform and justice policy. This service area contributes to the department's objectives to improve the administration of Queensland's justice system and protect the rights and interests of Queenslanders.

Human Rights Protection

Human Rights Protection provides guardianship and victims of crime services. It also provides births, deaths and marriages registration services. It contributes to the department's objective to protect the rights and interests of Queenslanders.

Liquor, Gaming and Fair Trading

Liquor, Gaming and Fair Trading provides regulatory and consumer protection services across the liquor, gaming, and general services sectors. It encourages marketplace and industry integrity fostering business and consumer confidence while implementing initiatives that minimise harm from liquor and gambling and educating and protecting vulnerable consumers. This service area contributes to the department's objective to improve safety and fairness for Queensland businesses and consumers.

Youth Justice

Youth Justice provides early intervention, statutory youth justice and detention services to hold young people to account for their actions, encourage their reintegration into the community and promote community safety. This includes boot camps, conferencing and detention centres. Youth Justice also develops and implements strategies to meet the needs of youth justice clients and their families. This service area contributes to the department's objective of improving youth justice services.

Probation and Parole

Queensland Corrective Services provide supervision and rehabilitation of offenders in the community. Probation and Parole ensures offenders are appropriately supervised and receive the control and treatment interventions they need to reintegrate successfully into the community and reduce their likelihood of re-offending.

Custodial Operations

Queensland Corrective Services provide community safety and crime prevention through the humane containment, supervision and rehabilitation of offenders in correctional centres throughout Queensland. A variety of programs and support services are provided to assist offenders to successfully reintegrate into the community upon their release.

(z) Insurance

The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(aa) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

(ab) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(ac) Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Department of Justice and Attorney-General. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 12).

(ad) Issuance of Financial Statements

The financial statements are authorised for issue by the Director-General and the Executive Director of Financial Services at the date of signing the Management Certificate.

(ae) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

- Valuation of Property, Plant and Equipment - Notes 1(o) - (p) and Note 16;
- Provisions - Note 26;
- Contingencies - Note 24; and
- Amortisation and Depreciation of Intangibles and Property, Plant and Equipment - Note 1(r), Note 15 and Note 16.

Further, the matters covered in each of those notes (except for Depreciation and Amortisation) necessarily involve estimation uncertainty with the potential to materially impact on the carrying amount of the department's assets and liabilities in the next reporting period. Reference should be made to the respective notes for more information.

(af) Other Presentation Matters

Currency and Rounding - Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives - Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

In addition, the classification of certain expenses was reviewed during 2014-15, with the comparative figures being restated. Further information on this can be found in note 8 (Supplies and Services) and note 9 (Grants and Subsidies).

Due to machinery-of-Government changes on 16 February 2015, the 2015 figures include balances of functions transferred to the department on 1 March 2015 and related transactions for the same period to 30 June 2015.

Current/Non-Current Classification - Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(ag) Machinery of Government Changes

- As of 1 July 2014, certain functions of the Commission for Children and Young People and Child Guardian was transferred to the Department of Justice and Attorney-General, in line with recommendations of the Queensland Child Protection Commission of Inquiry.

As a result of these changes, the following assets and liabilities were transferred to the department:

	2015 \$'000
Controlled	
Assets	
Cash at bank	1,583
Receivables	23
Other current assets	14
Intangible assets	455
	2,075
Liabilities	
Payables	36
Accrued employee benefits	766
	802
Net Assets	1,273

- The functions and responsibilities for Public Sector Industrial and Employee Relations were transferred from the Public Service Commission to the Department of Justice and Attorney-General as a consequence of a machinery-of-Government change as per the *Public Service Departmental Administrative Arrangements Order (No.2) 2015* with effect from 1 March 2015.

No assets or liabilities were transferred to the department, as a result of these changes.

(ah) New and Revised Accounting Standards

The department did not voluntarily change any of its accounting policies during 2014-15. The only Australian Accounting Standard changes applicable for the first time as from 2014-15 that have had a significant impact on the Department of Justice and Attorney-General's financial statements are those arising from AASB 1055 *Budgetary Reporting*.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the Department of Justice and Attorney-General has included in these financial statements a comprehensive new note 'Budget vs Actual Comparison' (note 28). This note discloses the department's original published budgeted figures for 2014-15 compared to actual results, with explanations of major variances, in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. Note 28 also include a comparison between the original published budgeted figures for 2014-15 compared to actual results, and explanations of major variances, in respect of the department's major classes of administered income, expenses, assets and liabilities.

(ah) New and Revised Accounting Standards (cont'd)

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* amends AASB 13 *Fair Value Measurement* effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy (refer to note 1(p)). Accordingly, the following disclosures for level 3 fair values in note 16 will no longer be required:

- the disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

As the amending standard was released in early July 2015, the Department of Justice and Attorney-General has not early adopted this relief in these financial statements, as per instructions from Queensland Treasury. However, the Department of Justice and Attorney-General will be early adopting this disclosure relief as from the 2015-16 reporting period (also on instructions from Queensland Treasury).

The department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, the Department of Justice and Attorney-General has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The department applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

From reporting periods beginning on or after 1 July 2016, the department will need to comply with the requirements of AASB 124 *Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The department already discloses information about the remuneration expenses for key management personnel (refer to note 7) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for the department's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

AASB 15 *Revenue from Contracts with Customers* will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the department's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the department has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The department is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

AASB 9 *Financial Instruments* and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the Department of Justice and Attorney-General are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the department's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Department of Justice and Attorney-General has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Department of Justice and Attorney-General enters into, all of the department's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in Notes 1(v)). In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the department's operating result.

Another impact of AASB 9 relates to calculating impairment losses for the department's receivables. Assuming no substantial change in the nature of the department's receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the department will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Department of Justice and Attorney-General's activities, or have no material impact on the department.

	2015 \$'000	2014 \$'000
2. Reconciliation of Payments from Consolidated Fund to Appropriation Revenue Recognised in Statement of Comprehensive Income		
Budgeted appropriation revenue	1,215,814	537,412
Transfers from/to other departments - Redistribution of public business	1,056	431,601
Transfers from/to other headings - Variation in Headings	26,211	273
Total Appropriation Receipts (cash)	1,243,081	969,286
Less: Opening balance of appropriation revenue receivable	25,472	35,308
Plus: Closing balance of appropriation revenue receivable	10,393	25,472
Appropriation Revenue recognised in Statement of Comprehensive Income	1,228,002	959,450
Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity		
Budgeted equity adjustment appropriation	(35,494)	(19,671)
Transfers from/to other departments - Redistribution of public business	-	(69,650)
Treasurer's transfers	(26,211)	(273)
Lapsed equity adjustment	(20,713)	(20,248)
Equity adjustment receipts (payments)	(82,418)	(109,842)
Less: Opening balance equity withdrawal payable	8,041	512
Plus: Closing balance equity withdrawal payable	(8,667)	8,041
Less: Opening balance equity injection receivable	-	212
Equity adjustment recognised in Contributed Equity	(99,126)	(102,525)
3. User Charges and Fees		
Crown Law professional services	25,166	25,304
Agency fees and commissions	526	791
Licensing and registration charges	4,715	3,865
Criminal history checks	1,786	1,889
Fines and fees	37,527	37,576
Civil marriages and certificates	2,370	2,519
Self-Insurer levy	9,005	6,005
Sale of services	21,965	14,245
Other	2,202	3,831
Total	105,262	96,025

Department of Justice and Attorney-General

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
4. Grants and Other Contributions		
Grants *	11,267	9,625
Contributions from WorkCover	75,275	65,546
Industry contributions	13,757	13,619
Donations-assets	600	375
Goods and services received below fair value **	9,264	8,639
Total	110,163	97,804

* Grants include \$4.825 million (2014: \$5,419 million) received from the Legal Practitioner Interest on Trust Accounts Fund for the Legal Services Commission and associated disciplinary functions, \$1.096 million (2014: \$1.063 million) received from the Public Trustee of Queensland in accordance with section 63A of the *Public Trustee Act 1978* for the operations of the Office of the Adult Guardian, \$2.461 million (2014: \$2,117 million) received from Queensland Health for Queensland Workplaces Wellness Advisory Service and Incentive Scheme, \$0.538 million (2014: \$0.538 million) received for funding Illicit Court Diversion Program, \$0.234 million (2014: \$0.276 million) received for Youth Justice programs and \$1.760 million received for funding Queensland Corrective Service grants.

** Received from	<i>Goods/Services</i>		
Queensland Health	Laboratory services	520	880
Department of Public Works	Archival services	7,081	6,059
Queensland Police Service	Labour costs	1,663	1,700
		9,264	8,639

5. Other Revenues

Interest *	281	504
Fines and enforceable undertakings	274	256
Post capitalised assets	-	21
General recoveries	87	527
Impairment gain **	125	12
Photocopying	63	137
Goods and services provided to prisoners	10,086	7,747
Sundry	626	922
Total	11,542	10,126

* The department no longer earns interest on its surplus funds with Queensland Treasury Corporation, with the exception of Crown Law which operates a separate bank account and is still part of the Cash Management Incentives Regime.

** Refer to Note 12 for details of the recognised impairment gain.

6. Employee Expenses

Employee Benefits

Wages and salaries	602,412	474,951
Employer superannuation contributions *	73,710	57,724
Long service leave levy/expense *	13,578	10,797
Annual leave levy/expense *	60,054	48,883
Termination benefits	1,679	4,373
Other employee benefits	4,428	2,035

Employee Related Expenses

Workers' compensation premium *	11,044	12,086
Payroll tax	-	27,547
Other employee related expenses	8,363	6,018
Total	775,268	644,414

* Refer to Note 1(w).

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	2015	2014
Number of Employees:	8,540	8,068

**Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

7. Key Management Personnel and Remuneration Expenses

a) Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Director-General	The Director-General is responsible for the services delivered by the Department of Justice and Attorney-General, which comprise the provision of an equitable and effective justice system, ensuring fairness, health and safety in workplaces and the community, improving safety and fairness for Queensland businesses and consumers, the provision of a fair and balanced response to young people in contact with the youth justice system and providing community safety and crime prevention through the humane containment, supervision and rehabilitation of offenders.	CEO / s.92 Public Service Act 2008	Appointed 4th June 2015 21st March 2015 to 3rd June 2015 (Temporary Assignment) Appointed 3rd December 2012 (ceased 1st May 2015)
Deputy Director-General, Office of Fair and Safe Work Queensland	The Deputy Director-General is responsible for the efficient, effective and economic administration of fair and safe work services within the department. This service contributes to the departmental objective to improve health, safety and fairness in workplaces and the community.	SES 4 / s.110 Public Service Act 2008	9th January 2014
Acting Deputy Director-General, Justice Services	The Deputy Director-General is responsible for the efficient, effective and economic administration of justice services within the department and supports the achievement of the departmental objectives to improve the administration of Queensland's justice system and protect the rights and interests of Queenslanders.	SES 4 / s.112 Public Service Act 2008 (Acting on higher duties)	25th March 2015 - 30th September 2015 (Temporary Assignment)
Deputy Director-General, Liquor, Gaming and Fair Trading	The Deputy Director-General is responsible for the efficient, effective and economic administration of liquor, gaming and fair trading services within the department, ensuring the departmental objective to improve safety and fairness for Queensland businesses and consumers is met.	SES 4 / s.110 Public Service Act 2008	17th April 2009
Deputy Director-General, Queensland Corrective Services (formerly Acting Commissioner, Queensland Corrective Services)	The Deputy Director-General is responsible for the management of Queensland Corrective Services, providing advice, leadership and coordination for correctional interventions.	SES 4 / s.110 Public Service Act 2008	10th December 2014
Assistant Director-General, Youth Justice	The Assistant Director-General is responsible for the efficient, effective and economic administration of youth justice services.	SES 3 / s.110 Public Service Act 2008	21st May 2014
Assistant Director-General, Corporate Services	The Assistant Director-General is responsible for the efficient, effective and economic administration of corporate services supporting the department to meet its' goals and objectives.	SES 3 / s.110 Public Service Act 2008	21st May 2014
Acting Assistant Director-General, Strategic Policy, Legal and Executive Services	The Assistant Director-General is responsible for the efficient, effective and economic administration of strategic policy and legal and executive services within the department.	SES 3 / s.112 Public Service Act 2008 (Acting on higher duties)	30th March 2015 - 30th June 2015 (Temporary Assignment)
Crown Solicitor	The Crown Solicitor is responsible for resolving conflict of interests when Crown Law is representing and setting the professional and ethical standards of the legal practice.	CEO equivalent / s.119 on s.122 contract Public Service Act 2008	3rd November 2008
Executive Director, Financial Services	The Executive Director, Financial Services is responsible for direction of the efficient, effective and economic financial administration of the department.	SES 2 / s.110 Public Service Act 2008	12th September 2014

b) Remuneration Expenses

Remuneration policy for the agency's key management personnel is set by the Queensland Public Service Commission as provided for under the Public Service Act 2008. The remuneration and other terms of employment (including motor vehicle entitlements) for the key management personnel are specified in employment contracts. The Director-General's contract under the previous Government also provides for an At Risk Component payment.

For the 2014-15 year, remuneration packages of key management personnel increased by 2.2% in accordance with government policy.

**Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

7. Key Management Personnel and Remuneration Expenses (cont'd)

b) Remuneration Expenses (cont'd)

The following disclosures focus on the expenses incurred by the department during the respective reporting periods, that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprise the following components:-

- Short term employee expenses which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
 - performance payments recognised as an expense during the year.
 - non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

The mutually agreed terms for separating Director-General considered all relevant clauses of their contract. The payment for the Director-General's separation was determined prior to 30 June 2015 and is included in the below expenses for 2014-15.

1 July 2014 - 30 June 2015

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Director-General 1 Jul 14 to 30 Apr 15, 4 Jun 15 to 30 Jun 15	515	3	8	50	\$'000 185	\$'000 771
Acting Director-General 21 Mar 15 to 3 Jun 15	52	1	1	6	-	60
Deputy Director-General, Fair and Safe Work Queensland 1 Jul 14 to 30 Jun 15	228	3	4	26	-	261
Deputy Director-General, Justice Services 1 Jul 14 to 20 Mar 15	185	2	4	20	-	211
Acting Deputy Director-General, Justice Services 28 Mar 15 to 30 Jun 15	53	1	1	7	-	62
Deputy Director-General, Liquor, Gaming and Fair Trading 1 Jul 14 to 30 Jun 15	243	3	5	27	-	278
Deputy Director-General, Queensland Corrective Services 1 Jul 14 to 30 Jun 15	202	3	4	18	-	227
Assistant Director-General, Youth Justice 1 Jul 14 to 30 Jun 15	212	3	4	22	-	241
Assistant Director-General, Corporate Services 1 Jul 14 to 30 Jun 15	208	3	4	22	-	237
Assistant Director-General, Strategic Policy, Legal and Executive Services 1 Jul 14 to 24 Mar 15	166	2	3	18	-	189
Acting Assistant Director-General, Strategic Policy, Legal and Executive Services 30 Mar 15 to 30 Jun 15	54	1	1	5	-	61
Crown Solicitor 1 Jul 14 to 30 Jun 15	279	3	5	32	-	319
Executive Director, Financial Services 1 Jul 14 to 30 Jun 15	168	-	3	17	-	188

Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

7. Key Management Personnel and Remuneration Expenses (cont'd)

b) Remuneration Expenses (cont'd)

1 July 2013 - 30 June 2014

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Director-General 1 Jul 13 to 30 Jun 14	432	3	8	48	\$'000	\$'000
Deputy Director-General, Fair and Safe Work Queensland 1 Jul 13 to 30 Jun 14	229	3	5	26	-	491
Deputy Director-General, Justice Services 1 Jul 13 to 4 Jul 13, 9 Jan 14 to 30 Jun 14	123	2	2	10	-	263
Acting Deputy Director-General, Justice Services 8 Jul 13 to 8 Jun 14	122	2	2	10	-	137
Deputy Director-General, Liquor, Gaming and Fair Trading 1 Jul 13 to 30 Jun 14	225	22	4	26	-	136
Acting Commissioner, Queensland Corrective Services 1 Nov 13 to 30 Jun 14	132	1	3	16	-	277
Assistant Director-General, Youth Justice 1 Jul 13 to 28 Jul 13, 21 May 14 to 30 Jun 14	49	1	1	4	-	152
Acting Assistant Director-General, Youth Justice 29 Jul 13 to 20 May 14	161	3	3	14	-	55
Assistant Director-General, Corporate Services 1 Jul 13 to 28 Mar 14, 21 May 14 to 30 Jun 14	51	23	1	17	-	181
Acting Assistant Director-General, Corporate Services 1 Jul 13 to 20 May 14	182	3	3	17	-	92
Assistant Director-General, Strategic Policy, Legal and Executive Services 1 Jul 13 to 30 Jun 14	200	3	4	22	-	205
Crown Solicitor 1 Jul 13 to 30 Jun 14	248	34	5	31	-	229
Executive Director, Financial Services 1 Jul 13 to 30 Jun 14	158	-	3	17	-	318
						178

**Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

7. Key Management Personnel and Remuneration Expenses (cont'd)

c) Performance Payments

The remuneration package for the Director-General under the previous Government included a potential At Risk Component payment up to a maximum of \$71,126. Eligibility for such a performance payment in respect of 2013-14 was conditional on the achievement of objectives that are documented in that position's performance agreement.

The total remuneration package for the Director-General included a portion that is "at risk" and paid only if they met or exceeded the agreed performance standards. The performance evaluation process comprised:

- reporting on end of year achievement and self-assessment by the Director-General against their performance agreement/intended outcomes;
- a rigorous, independent and objective assessment of the Director-General's performance at the end of the financial year, culminating in recommendations to the Premier; and
- the Premier's ultimate discretion regarding whether the Director-General was paid an At Risk Component payment and, if so, how much.

No At Risk Component payment was made for 2014-15 in accordance with the Government's commitment to discontinue such payments.

In the 2014-15 financial year no performance expense payments in relation to the achievement of objectives in the 2013-14 financial year were made.

The basis for performance payments expensed in the 2013-14 financial year is set out below:

Position	Basis for payment	Date Paid	Amount
Director-General	Consistent with the abovementioned timeframe and process, this payment relates to the achievement of performance criteria during 2012-13. The payment made was determined in accordance with the terms of the performance agreement for this position.	13 November 2013	\$24,056

	2015 \$'000	2014 \$'000
8. Supplies and Services		
Computing expenses	24,888	21,178
Consultants and contractors	21,778	14,866
Legal costs	4,127	2,968
Motor vehicle costs	10,901	10,164
Printing, postage and stationery	7,865	6,855
Property tenancy and maintenance	144,131	111,676
Subscriptions	1,891	1,795
Telephone	9,540	6,754
Travel	12,715	8,820
Witness and juror fees	5,251	5,709
Payment for shared services and other service contributions	29,425	26,361
Document archiving and destruction costs	8,221	7,155
Outsourced works	116,989	80,923
Plant and equipment maintenance	4,119	4,553
Burial costs	2,956	2,774
Offender expenses	47,703	30,252
Cost of goods and services provided to prisoners	9,224	7,038
Bank charges	580	268
Other	16,246	14,264
Total	478,550	364,373

During 2014-15, the department reviewed the classification of various expenses previously reported as either 'Supplies and Services' or 'Grants and Subsidies'. This is in response to the introduction by Queensland Treasury of new guidance to better distinguish between these two broad expense categories, and facilitate greater transparency about overall Supplies and Services expenses. This new guidance was effective as from 2014-15, and comparative figures for Supplies and Services have been restated accordingly. As a consequence of the department's review, approximately \$22.278 million of expenses for 2013-14 has been reclassified to Supplies and Services from Grants and Subsidies.

9. Grants and Subsidies

Queensland Corrective Services Program Grants	334	130
Safe Work Australia	2,012	1,962
Anzac Day Trust	1,259	1,221
Queensland Working Women's Service	250	250
National Coroners' Information System	105	101
Healthy Worker Initiative	1,879	1,478
Workers' Compensation Advisory and Education Services	151	-
Other	371	398
Total	6,361	5,540

As explained in note 8 above, during 2014-15 the department reviewed the classification of various expenses previously reported as either 'Supplies and Services' or 'Grants and Subsidies'. Comparative figures for Grants and Subsidies have been restated accordingly. As a consequence, approximately \$22.278 million of expenses for 2013-14 has been reclassified to Supplies and Services from Grants and Subsidies.

Department of Justice and Attorney-General

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015	2014
	\$'000	\$'000
10. Other Expenses		
Insurance premium - QGIF	4,800	3,397
External audit fees *	392	460
Operating lease rentals	174	83
Goods and services provided below fair value	2,927	2,522
Losses from disposal of property, plant & equipment	110	113
Losses: Public moneys	2	3
Special payments: Ex-gratia payments **	44	17
Capital work in progress written off	155	45
Other	77	45
Total	8,681	6,685

* Total audit fees paid to the Queensland Audit Office relating to the 2014-15 financial statements are quoted to be \$403,100 (2014: \$410,000). There are no non-audit services included in this amount.

** Special payments:

- the department paid ex-gratia payments to detainees who were detained past their release date.
- an out-of-court settlement was paid to a private individual involved in a work place health and safety dispute.
- the department paid an ex-gratia payment to an individual for sitting fees.

11. Cash and Cash Equivalents

Imprest accounts	115	119
Cash at bank	77,240	82,173
Total	77,355	82,292

Departmental bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds, except for Crown Law, which operates its own bank account and is still part of the Cash Management Incentives Regime - Refer Note 5. Interest earned on cash deposited with the Queensland Treasury Corporation earned between 1.19% and 1.75% in 2015 (2014: 1.56% to 1.80%).

The department does not trade in foreign currency and is not materially exposed to commodity price changes. The department is exposed to interest rate risk through cash deposited in interest bearing accounts. The department does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy. If interest rates would change by +/-1% from the year end rates applicable to the department's financial assets and liabilities, with all other variables held constant, the department would have a surplus and equity increase/(decrease) of \$109,000 (2014: \$101,000). This is mainly attributable to the department's exposure to variable interest rates on its cash holdings with the Queensland Treasury Corporation.

12. Receivables

Trade debtors	17,890	25,448
Less: Allowance for impairment loss	(983)	(1,108)
	16,907	24,340
GST receivable	5,936	5,052
	5,936	5,052
Long service leave reimbursements	2,636	2,999
Annual leave reimbursements	11,616	13,400
Appropriation revenue receivable	10,393	25,472
Other	76	45
Total	47,564	71,308

	2015 \$'000	2014 \$'000
12. Receivables (cont'd)		
Movements in Allowance for Impairment		
Balance at 1 July	1,108	80
Increase/decrease in allowance recognised in the operating result	248	7
Amounts provided for in machinery-of-Government during the year	-	1,041
Amounts written-off during the year	(373)	(20)
Balance at 30 June	983	1,108
13. Inventories		
Supplies and consumables - at cost		
Justice of the Peace merchandise	110	133
Bulk fuel	363	313
Bedding	155	171
Uniforms, clothing and other merchandise	1,536	1,346
	2,164	1,963
Inventory held for sale - at cost		
Raw materials	765	677
Work in progress	599	376
Finished goods	544	400
Canteen	585	586
	2,493	2,039
Total	4,657	4,002
14. Other Assets		
Current		
Prepayments	13,225	11,472
Other	18	20
Total	13,243	11,492
15. Intangible Assets		
Software purchased: At cost		
Gross	13,907	13,142
Less: Accumulated amortisation	(11,061)	(9,977)
	2,846	3,165
Software internally generated: At cost		
Gross	89,657	87,627
Less: Accumulated amortisation	(68,188)	(64,459)
	21,469	23,168
Software work in progress:		
At cost	1,114	1,702
	1,114	1,702
Total	25,429	28,035

15. Intangible Assets (cont'd)

Intangibles Reconciliation

	Software Purchased		Software Internally Generated		Software WIP		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Carrying amount at 1 July	3,165	3,586	23,168	20,668	1,702	1,065	28,035	25,319
Acquisitions	-	-	-	-	3,331	3,420	3,331	3,420
Transfers between classes and property, plant and equipment assets	765	277	2,395	2,773	(3,919)	(3,050)	(759)	-
Involuntary asset transfer	-	336	455	3,901	-	267	455	4,504
Amortisation	(1,084)	(1,034)	(4,549)	(4,174)	-	-	(5,633)	(5,208)
Carrying amount at 30 June	2,846	3,165	21,469	23,168	1,114	1,702	25,429	28,035

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

All intangible assets of the department have finite useful lives and are amortised on a straight line basis. Refer to Note 1 (r).

The department has software with an original cost of \$3.680 million (2014: \$5.289 million) and a written down value of zero still being used in provision of services. The Criminal Injury Compensation System (original cost of \$0.234 million) is to be decommissioned in 2015-16 after all the data is migrated to the VAQ system. The Symantec Enterprise Vault (original cost \$0.343 million) is planned to be decommissioned in 2015-16 with the implementation of Office 365. System Centre Windows 7 MOE (original cost of \$0.189 million) stage 2 of upgrade to Windows 8 is to be completed in 2015-16. The Microster Software (original cost of \$0.795 million) upgrade planned to be completed in 2015-16. The Jury System (original cost of \$0.5 million) business analysis was completed in 2013-14 and now funding is being sought to implement the chosen system in 2015-16.

The Revs System (original cost of \$0.804 million), Fund Management System (original cost of \$0.320 million) and CLO Software (original cost of \$0.165 million) are being retained as legacy systems. There are no current plans to replace the other systems.

Department of Justice and Attorney-General

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
16. Property, Plant and Equipment		
Land: At fair value		
Gross	429,369	428,604
	<u>429,369</u>	<u>428,604</u>
Buildings: At fair value		
Gross	4,823,868	4,645,720
Less: Accumulated depreciation	(1,531,081)	(1,337,066)
	<u>3,292,787</u>	<u>3,308,654</u>
Heritage and cultural assets: At fair value		
Gross	63,430	61,807
Less: Accumulated depreciation	(41,615)	(39,058)
	<u>21,815</u>	<u>22,749</u>
Plant and equipment: At cost		
Gross	190,429	180,719
Less: Accumulated depreciation	(121,057)	(109,729)
	<u>69,372</u>	<u>70,990</u>
Work in progress:		
At cost	80,670	72,430
Total	<u>3,894,013</u>	<u>3,903,427</u>

Land

The department's courthouses, juvenile justice sites and correctional centres land was last revalued based on specific appraisals by Cardno (QLD) Pty Ltd as at 31 March 2011, 31 March 2013 and 31 March 2014 respectively. In determining the values, adjustments were made to the sales data to take into account the location of the department's land, its size, street/road frontage and access, and any significant restrictions.

Cardno (QLD) Pty Ltd performed a desktop index based valuation as at 31 March 2015 which valued land, in respect of courthouses, correctional centres and juvenile justice sites, based on land indices developed by assessing the movements in the current market value in each relevant property market using Level 2 fair value measurements.

Cardno (QLD) Pty Ltd advised there was no further material changes in 'fair value' as at 30 June 2015.

All land assets were valued by Neil Teves (AAPI) a registered valuer (No. 382) of Cardno (QLD) Pty Ltd.

Buildings

All of the department's buildings in respect of correctional centres, courthouses and juvenile justice sites have been assessed as specialised buildings and land improvements.

The department's courthouses, juvenile justice sites and correctional centres buildings were last revalued based on specific appraisals by Cardno (QLD) Pty Ltd as at 31 March 2011, 31 March 2013 and 31 March 2014 respectively.

The specialised buildings and land improvements are valued using depreciated replacement cost method, adjusting for the associated depreciation. As depreciation adjustments are considered as significant unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

The fair value of all types of buildings and land improvements as at 31 March 2015 were determined using appropriate indices supplied by Cardno (QLD) Pty Ltd. Indices were estimated based on price movements of recent actual costs, contract data for similar structures, cost guides, other relevant publications such as Rawlinson's rates for building and construction and Cardno's internal database of unit rates. The basis of derivation of these indices are consistent with the underlying data inputs adopted for the last specific appraisal.

The Cleveland Youth Detention Centre (CYDC) was revalued based on specific appraisals by Cardno (QLD) Pty Ltd as at 31 March 2015. This was due to significant capital works being performed at this location.

Cardno (QLD) Pty Ltd advised there was no further material changes in 'fair value' as at 30 June 2015.

All specialised buildings and land improvement assets were valued by Neil Teves (AAPI) a registered valuer (No. 382) of Cardno (QLD) Pty Ltd.

16. Property, Plant and Equipment (cont'd)

Heritage and Cultural Assets

In performing a desktop index based valuation for heritage buildings as at 31 March 2015, Cardno (QLD) Pty Ltd determined sub-asset indices by assessing the movement in replacement costs since last year's valuation with reference to actual recent costs, contract data for similar structures, cost guides and other relevant publications such as Rawlinson's rates for building and construction and Cardno's internal database of unit rates. The valuation represents the cost of replacing the service potential of the building using Level 3 fair value measurements, however the heritage aspects of the building have not been valued.

The department's courthouses were last revalued based on specific appraisals by Cardno (QLD) Pty Ltd as at 31 March 2011.

Cardno (QLD) Pty Ltd advised there was no further material changes in 'fair value' as at 30 June 2015.

All heritage buildings were valued by Neil Teves (AAPI) a registered valuer (No. 382) of Cardno (QLD) Pty Ltd.

In respect of artwork, valuation is determined by a comparison to similar examples of the artists work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years.

Independent valuations of the artworks were performed as at 31 March 2015 by Bettina MacAulay of MacAulay Partners, a registered valuer on the Australian Government Approved Valuers list. The valuer advised the valued asset values are unchanged as at 30 June 2015. The fair value of artwork at 30 June 2015 is \$5.447 million (2014: \$5.185 million).

Plant and Equipment

The department has plant and equipment with an original cost of \$23.604 million (2014: \$26.046 million) and a written down value of zero still being used in the provision of services. This is largely in relation to leasehold improvements (original cost of \$9.940 million), computer equipment (original cost of \$2.464 million), court audio visual equipment (original cost of \$3.499 million) and plant and machinery (original cost of \$2.729 million). The department is planning to expend approximately \$25.103 million on asset replacement programs from 2015-16 to 2019-20.

No assets have been temporarily idle for twelve months or more that are material to their asset class.

16. Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation

	Land		Buildings		Heritage and Cultural Assets		Plant and Equipment		Work In Progress (WIP)		Total	
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Carrying amount at 1 July 2014	428,604	3,308,654	22,749	70,990	72,430	3,903,427						
Acquisitions	-	-	-	1,512	86,763	88,275						
Goods received below fair value	-	-	-	600	-	600						600
Disposals	-	-	(16)	(104)	-	(120)						(120)
Capital WIP written off	-	-	-	-	(155)	(155)						(155)
Transfers between classes and intangible assets	-	67,127	354	11,646	(78,368)	759						759
Involuntary asset transfer	(240)	(264)	-	780	-	276						276
Revaluation increments (Note 20)	1,063	92,823	511	-	-	94,397						94,397
Revaluation decrements (Note 20)	(58)	(10,696)	-	-	-	(10,754)						(10,754)
Depreciation	-	(164,857)	(1,783)	(16,052)	-	(182,692)						(182,692)
Carrying amount at 30 June 2015	429,369	3,292,787	21,815	69,372	80,670	3,894,013						

16. Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation

	Land		Buildings		Heritage and Cultural Assets		Plant and Equipment		Work In Progress		Total	
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Carrying amount at 1 July 2013	193,814	1,074,471	24,207	31,156	136,931	1,460,579						
Acquisitions	-	-	-	1,174	53,085	54,259						
Goods received below fair value	-	97	-	277	-	374						
Assets not previously recognised	-	21	-	-	-	21						
Disposals	-	(74)	-	(106)	-	(180)						
Transfers between classes and intangible assets	999	100,376	312	33,808	(135,495)	-						
Involuntary asset transfer	135,041	2,018,373	-	17,878	17,909	2,189,201						
Revaluation increments (Note 20)	107,331	281,659	493	-	-	389,483						
Revaluation decrements (Note 20)	(8,581)	(47,519)	(368)	-	-	(56,468)						
Depreciation	-	(118,750)	(1,895)	(13,197)	-	(133,842)						
Carrying amount at 30 June 2014	428,604	3,308,654	22,749	70,990	72,430	3,903,427						

**Department of Justice & Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

16. Property, Plant and Equipment (cont'd)

Level 3 Significant unobservable inputs and relationship to fair value

2015

Correctional Centres

Description	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Buildings and Land Improvements	Depreciated Replacement Cost	Indices - movement in costs	3%	A significant increase or decrease in the indices would result in a significantly higher or lower valuation.

Courthouses

Description	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Buildings and Land Improvements	Depreciated Replacement Cost	Indices - movement in costs Indices were applied only to the asset components which had material impact on fair value.	0% to 5%	A significant increase or decrease in the indices would result in a significantly higher or lower valuation.

Juvenile Justice Sites

Description	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Buildings and Land Improvements	Depreciated Replacement Cost	Indices - movement in costs	3%	A significant increase or decrease in the indices would result in a significantly higher or lower valuation.

Department of Justice & Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

16. Property, Plant and Equipment (cont'd)

Level 3 Significant unobservable inputs and relationship to fair value

2014

Correctional Centres

Description	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Buildings and Land Improvements	Depreciated Replacement Cost	Direct cost per square meter	\$200 - \$65,000 per m2 (Avg \$5,000)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower valuation.
		Locality factors due to remoteness of location	1 - 1.7	A significantly higher locality factor would result in a significantly higher valuation.
		Condition assessment	1 - 5 (Avg Condition = 1)	A significant increase or decrease in condition rating would result in a significantly higher or lower valuation.
		Useful life assessment	10 - 60 years (Avg 27 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Courthouses

Description	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Buildings and Land Improvements	Depreciated Replacement Cost	Indices - movement in costs Indices were applied only to the asset components which had material impact on fair value.	0% to 5%	A significant increase or decrease in the indices would result in a significantly higher or lower valuation.

Juvenile Justice Sites

Description	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Buildings and Land Improvements	Depreciated Replacement Cost	Indices - movement in costs Due to immaterial impact on fair value, indices were not applied to any building component	-5% -to +3%	A significant increase or decrease in the indices would result in a significantly higher or lower valuation.

Department of Justice and Attorney-General

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
17. Payables		
Trade creditors	71,618	64,962
Other	2,103	26,359
Total	73,721	91,321
18. Accrued Employee Benefits		
Current		
Wages outstanding	4,526	2,076
Annual leave levy payable	14,755	17,244
Long service leave levy payable	3,195	4,730
Judicial and commissioner allowance (refer Note 1 (w))	558	508
Total	23,034	24,558
Non-Current		
Judges' Long leave	31	6
Total	31	6
19. Other Liabilities		
Current		
Unearned revenue	1,388	901
Lease incentive liability	1,122	1,121
Other	67	180
Total	2,577	2,202
Non-Current		
Lease incentive liability	1,428	2,503
Security deposits	85	80
Total	1,513	2,583

Department of Justice and Attorney-General

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

20. Asset Revaluation Surplus by Class

2015				
	Land	Buildings	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2014	188,169	382,939	14,116	585,224
Revaluation increments	1,063	92,823	511	94,397
Revaluation decrements	(58)	(10,696)	-	(10,754)
Equity classification adjustment*	76	(4,290)	(8)	(4,222)
Balance 30 June 2015	189,250	460,776	14,619	664,645
2014				
	Land	Buildings	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2013	89,419	147,121	13,991	250,531
Revaluation increments	107,331	281,659	493	389,483
Revaluation decrements	(8,581)	(47,519)	(368)	(56,468)
Equity classification adjustment*	-	1,678	-	1,678
Balance 30 June 2014	188,169	382,939	14,116	585,224

* Equity reclassification between the asset revaluation surplus and accumulated surplus is due to the disposal of non-current assets which had previously been revalued.

	2015 \$'000	2014 \$'000
21. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating result	(2,485)	3,456
Depreciation and amortisation expense	188,325	139,050
Donated assets received	(600)	(375)
Post capitalised assets	-	(21)
Loss on sale of property, plant and equipment	110	113
Net gains from disposal of property, plant and equipment	(104)	(133)
Capital work in progress written off	155	45
Change in assets and liabilities:		
(Increase)/decrease in appropriation revenue receivable	15,080	9,836
(Increase)/decrease in trade receivables	7,433	(2,264)
(Increase)/decrease in GST input tax credits receivable	(884)	(3,576)
(Increase)/decrease in long service leave reimbursement receivables	363	176
(Increase)/decrease in annual leave reimbursement receivables	1,784	(7,371)
(Increase)/decrease in other receivables	(31)	47
(Increase)/decrease in inventories	(655)	(3,572)
(Increase)/decrease in biological assets	(197)	(306)
(Increase)/decrease in prepayments/other	(1,751)	(8,071)
Increase/(decrease) in accounts payable	(17,606)	34,809
Increase/(decrease) in accrued employee benefits	(1,499)	15,721
Assets and Liabilities of an operating nature (assumed)/relinquished as a result of machinery-of-Government changes	(2,015)	(30,244)
Increase/(decrease) in unearned revenue	487	564
Increase/(decrease) in lease incentive liability	(1,074)	(1,069)
Increase/(decrease) in other current liabilities	(113)	180
Increase/(decrease) in security deposits	5	5
Net cash from operating activities	184,727	147,000

22. Non-Cash Financing and Investing Activities

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses are set out in Notes 4 and 10 respectively.

Assets and liabilities received or transferred by the department as a result of machinery-of-Government changes are set out in Note 1(ag).

23. Commitments for Expenditure

(a) Non-Cancellable Operating Leases

2015 **2014**
\$'000 **\$'000**

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	51,707	45,823
Later than one year and not later than five years	116,916	105,298
Later than five years	43,552	58,940
Total	212,175	210,061

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

The above total includes Non-Cancellable Operating Leases relating to the Office of Industrial Relations that is to be transferred to Queensland Treasury as a consequence of a machinery-of-Government change from 1 July 2015. The transfer of these Non-Cancellable Operating Leases to Queensland Treasury are yet to be negotiated (Refer Note 25).

The department is negotiating operating leases which were not finalised as at 30 June 2015. As no formal contract has been certified these are not disclosed as commitments.

(b) Non-Capital Expenditure Commitments

Commitments for non-capital expenditure at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	147,558	136,669
Later than one year and not later than five years	133,764	208,440
Later than five years	76,242	-
Total	357,564	345,109

\$1.795 million of Non-Capital Expenditure Commitments relate to the Office of Industrial Relations (formerly Office of Fair and Safe Work Queensland) which will be transferred to Queensland Treasury from 1 July 2015 as a result of a machinery-of-Government change (Refer Note 25).

23. Commitments for Expenditure (cont'd)

(c) Capital Expenditure Commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

2015	Buildings \$'000	Intangible Assets \$'000
Payable:		
Not later than one year	11,399	216
Total	11,399	216
2014	Buildings \$'000	Intangible Assets \$'000
Payable:		
Not later than one year	32,681	249
Later than one year and not later than five years	160	-
Total	32,841	249

24. Contingencies

Litigation in progress

At 30 June 2015, the following cases were filed in the courts naming the State of Queensland acting through the Department of Justice and Attorney-General as defendant:

	2015	2014
	Number of cases	Number of cases
High Court	-	1
Total	-	1

Effective 1 July 2001, the Department of Justice and Attorney-General joined the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants. This includes any cases that existed as at 1 July 2001 and cases that have arisen since that date.

The *Victims of Crime Assistance Act 2009* which became effective 1 December 2009, established a new administrative process to enable the department to initiate recovery action in relation to amounts paid under that Act and the former *Criminal Offence Victims Act 1995*. Before the department may recover from a person all or part of the assistance granted to someone else, a Notice of Intended Recovery must be issued to the person, advising the amount of grant assistance paid, details of the incident and the available dispute options. The department believes that it would be misleading to estimate the final amounts receivable in respect of these matters.

25. Events Occurring after Balance Date

From 1 July 2015 the functions and responsibilities for Industrial Relations is to be transferred to Queensland Treasury as a consequence of a machinery-of-Government change as per the amended *Public Service Departmental Administrative Arrangements Order (No.2) 2015*.

On 20 July 2015, the Premier of Queensland announced the Destination Brisbane Consortium ("the Consortium") as the preferred proponent to redevelop the Queen's Wharf Precinct in the centre of Brisbane into an Integrated Resort Development ("the IRD Project"), due for completion in early 2022.

Subject to the finalisation of the contractual arrangements and the passage of the necessary legislative and regulatory changes, the Attorney-General will issue a casino licence to the Consortium conditional on the completion of the IRD Project.

26. Schedule of Administered Items

(a) Categorisation of administered items

**Statement of Comprehensive Income - Administered
 for the year ended 30 June 2015**

	Notes	Criminal and Civil Justice Services		Fair and Safe Work Services		Human Rights Protection Services		Liquor, Gaming and Fair Trading Services		General Not Attributed		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000		
Income from Continuing Operations													
Appropriation revenue	26(b)	67,696	70,712	8	-	17,924	5,108	55,159	49,146	153,073	149,338	293,860	274,304
User charges and fees	26(c)	742	804	45,562	47,273	-	-	71,010	91,163	-	-	117,314	139,240
Royalties and land rents		-	-	-	-	-	-	7,800	13,200	-	-	7,800	13,200
Interest revenue		-	-	-	-	-	-	312	415	-	-	312	415
Other revenues	26(d)	1,680	3,662	52	55	-	370	3,639	6,389	-	-	5,371	10,476
Total Income from Continuing Operations		70,118	75,178	45,622	47,328	17,924	5,478	137,920	160,313	153,073	149,338	424,657	437,635
Expenses from Continuing Operations													
Employee expenses	26(e)	62,466	65,134	-	-	-	-	-	-	-	-	62,466	65,134
Supplies and services	26(f)	3,914	3,847	8	6	-	-	840	802	-	-	4,762	4,655
Grants and subsidies	26(g)	-	-	-	-	100	100	53,521	49,850	153,073	149,338	206,694	199,288
Benefit payments	26(h)	1,315	1,792	-	-	17,615	4,960	-	-	-	-	18,930	6,752
Impairment losses		10,758	519	5	-	-	-	2,915	57	-	-	13,678	576
Other expenses		-	-	-	-	-	-	1,520	806	-	-	1,520	806
Total Expenses from Continuing Operations		78,453	71,292	13	6	17,715	5,060	56,796	51,515	153,073	149,338	308,050	277,211
Operating Result from Continuing Operations		(8,335)	3,886	45,609	47,322	209	418	79,124	108,798	-	-	116,607	160,424
Transfers of Administered Revenue to Government		8,335	(3,886)	(45,609)	(47,322)	(209)	(418)	(79,124)	(108,798)	-	-	(116,607)	(160,424)
Total Comprehensive Income		-	-	-	-	-	-	-	-	-	-	-	-

26. Schedule of Administered Items (cont'd)

(a) Categorisation of administered items (cont'd)

Statement of Financial Position - Administered
 as at 30 June 2015

	Notes	Criminal and Civil Justice Services		Fair and Safe Work Services		Human Rights Protection Services		Liquor, Gaming and Fair Trading Services		Total
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
Current Assets										
Cash and cash equivalents		6,133	6,485	476	2,256	5,185	11,186	11,203	51,430	22,997
Receivables	26(l)	13,160	26,812	7,314	12,499	23,800	13,153	7,070	5,074	51,344
Prepayments		-	-	-	-	-	-	2,465	2,465	2,465
Total Current Assets		19,293	33,297	7,790	14,755	28,985	24,339	20,738	58,969	76,806
Non Current Assets										
Prepayments		-	-	-	-	-	-	76,058	78,524	76,058
Total Non Current Assets								76,058	78,524	76,058
Total Administered Assets		19,293	33,297	7,790	14,755	28,985	24,339	96,796	137,493	152,864
Current Liabilities										
Payables	26(j)	5,413	18,843	7,790	14,755	326	133	10,830	40,690	24,359
Accrued employee benefits	26(k)	8,034	8,010	-	-	-	-	-	-	8,034
Provisions		-	-	-	-	11,645	11,513	-	-	11,645
Unearned revenue		-	-	-	-	-	-	4,922	5,064	4,922
Total Current Liabilities		13,447	26,853	7,790	14,755	11,971	11,646	15,752	45,754	48,960
Non Current Liabilities										
Accrued employee benefits	26(k)	4,877	5,480	-	-	-	-	-	-	4,877
Provisions		-	-	-	-	17,014	12,688	-	-	17,014
Unearned revenue		-	-	-	-	-	-	76,865	78,810	76,865
Total Non Current Liabilities		4,877	5,480	-	-	17,014	12,688	76,865	78,810	98,756
Total Administered Liabilities		18,324	32,333	7,790	14,755	28,985	24,334	92,617	124,564	147,716
Net Administered Assets		969	964	-	-	5	5	4,179	12,929	5,148
Equity										
Contributed equity		4,558	4,553	-	-	314	319	22,897	31,647	27,769
Accumulated deficit		(3,589)	(3,589)	-	-	(314)	(314)	(18,718)	(18,718)	(22,621)
Total Administered Equity		969	964	-	-	5	5	4,179	12,929	5,148

* Please note the department has systems in place to allocate assets and liabilities by departmental service.

Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
26. Schedule of Administered Items (cont'd)		
(b) Reconciliation of Payments from Consolidated Fund to Administered Income		
Budgeted appropriation revenue	298,041	292,564
Lapsed administered appropriation	25,112	2,640
Total Administered Receipts (cash)	272,929	289,924
Plus: Equity withdrawals transferred from other departments	8,750	-
Less: Opening balance of administered appropriation revenue receivable	19,425	35,045
Plus: Closing balance of administered appropriation revenue receivable	31,606	19,425
Administered Revenue recognised in Note 26 (a)	293,860	274,304
 (c) User Charges and Fees		
Regulatory fees	113,858	135,604
Rent received	2,540	2,541
Commonwealth services	911	1,090
Publications and transcript charges	5	5
Total	117,314	139,240
 (d) Other Revenues		
General recoveries	2,561	3,719
Fines and forfeitures	58	3,944
Impairment gain	2,631	1,023
Criminal injury compensation recoveries	113	293
Sundry	8	1,497
Total	5,371	10,476
 (e) Employee Expenses		
Employee Benefits		
Wages and salaries	54,234	53,816
Employer superannuation contributions *	3,703	3,701
Long service leave levy *	607	629
Annual leave levy *	2,385	2,641
Employee Related Expenses		
Payroll tax	-	2,870
Other employee related expenses	1,537	1,477
Total	62,466	65,134

* Refer to Note 1(w).

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	2015	2014
Number of Employees:	167	156

	2015 \$'000	2014 \$'000
26. Schedule of Administered Items (cont'd)		
(f) Supplies and Services		
Jurisprudential expenses and allowances	2,751	2,735
Motor vehicle costs	1,110	941
Travel expenses	35	45
Computing expenses	413	411
Claims investigation costs	362	338
Other	91	185
Total	4,762	4,655
(g) Grants and Subsidies		
Legal Aid Queensland	89,069	87,669
Crime and Corruption Commission	52,172	50,752
Anti-Discrimination Commission Queensland	5,151	5,045
Office of the Information Commissioner	6,204	6,112
Victim Assist Queensland	100	100
Safe Night Out Boards	60	-
Gambling Community Benefit Fund	53,221	42,702
Jupiters Casino Community Benefit Fund *	-	5,863
Reef Hotel Casino Community Benefit Fund *	-	645
Breakwater Island Casino Community Benefit Fund *	-	400
Prostitution Licensing Authority	717	-
Total	206,694	199,288
* In 2014-15 financial year these grant programs have been combined under Gambling Community Benefit Fund.		
(h) Benefit Payments		
Victim Assist Queensland payments	17,615	4,960
Appeal costs payments	1,315	1,792
Total	18,930	6,752
(i) Receivables		
Trade debtors	7,850	9,752
Less: Allowance for impairment	(1,360)	(2,594)
	6,490	7,158
GST receivable	833	13
	833	13
Monetary penalties receivable	8,073	10,348
Less: Allowance for impairment	(6,803)	(9,060)
	1,270	1,288
Pecuniary penalty orders receivable	45,482	45,432
Less: Allowance for impairment	(42,763)	(32,380)
	2,719	13,052
Regulatory fee receivable	7,371	12,518
Less: Allowance for impairment	(58)	(34)
	7,313	12,484

	2015 \$'000	2014 \$'000
26. Schedule of Administered Items (cont'd)		
(i) Receivables (cont'd)		
Appropriation receivable	31,607	19,426
Annual leave reimbursements	692	723
Long service leave reimbursements	344	336
Other	76	3,058
Total	51,344	57,538
(j) Payables		
Trade creditors	1,092	14,555
Transfers to Government payable	22,307	59,409
Other	960	457
Total	24,359	74,421
(k) Accrued Employee Benefits		
Current		
Wages outstanding	429	206
Annual leave levy payable	756	779
Long service leave levy payable	156	152
Expense of Office and Jurisprudential allowance (refer Note 1 (w))	3,615	3,529
Judges long leave	3,078	3,344
Total	8,034	8,010
Non current		
Judges long leave	4,877	5,480
Total	4,877	5,480

27. Trust Transactions and Balances

As the department performs only a custodial role in respect of the transactions and balances of the trust funds identified below, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

The Queensland Auditor-General performed the audit of the department's trust transactions for 2014-15.

Department of Justice & Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

27. Trust Transactions and Balances (cont'd)

	Total Revenue		Total Expenses		Net surplus/(deficit)		Total Current Assets		Total Current Liabilities		Net Assets	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Legal Practitioner Interest On Trust Accounts Fund	26,637	24,975	32,640	32,383	(6,003)	(7,408)	6,060	11,731	365	53	5,675	11,678
- Legal Profession Act 2007 s 288 and s 289												
- Holds interest earned on client money deposited in solicitors' trust accounts in Queensland. This interest revenue is invested in the delivery of legal assistance for vulnerable Queenslanders, legal profession regulation, and law library services.												
Court Sutors Fund	57,131	17,515	31,140	12,384	25,991	5,131	51,211	25,220	51,211	25,220	-	-
- Court Funds Act 1973 s 5												
- Holds money relating to the civil matters pending finalisation of the court action.												
Crown Law	17,492	18,760	17,923	18,863	(431)	(103)	170	601	170	601	-	-
- Holding account to remit settlement funds to recipients in accordance with instructions from Crown Law clients.												
Queensland Civil and Administrative Tribunal	3	3	-	-	3	3	65	81	25	44	40	37
- Queensland Civil and Administrative Tribunal Act 2009 s 161												
- Responsible for making decisions on a range of jurisdictions and reviewing decisions that have been previously made by a Queensland Government department, local government or regulatory authority.												
Funeral Benefit Trust Fund	166	171	99	98	67	73	5,106	5,036	25	22	5,081	5,014
- Funeral Benefit Business Act 1992 s 9(1)												
- Holds money from contributors as a result of agreements that were made between 1940 and 1973.												
District Industrial Inspectors' Collection Accounts	23	9	23	10	-	(1)	7	7	7	7	-	-
- Industrial Relations Act 1999 s 358												
- Holds recovered wages owed to employees until funds are cleared before forwarding on to workers.												
Youth Detention Centre Trust Funds	113	124	114	120	(1)	4	9	10	9	10	-	-
- Youth Justice Act 1992 s 282												
- Holds money in trust on behalf of juvenile detainees in custody												
In-scope Electrical Equipment (Registration Fees) Fund	1,039	707	9	7	1,030	700	1,854	824	-	-	1,854	824
- Electrical Safety Act 2002 s 204A												
- Holds money collected from the registration of electrical equipment and make payments to participating jurisdictions for electrical safety services.												
Prisoners Trust Fund	23,481	15,381	23,419	15,381	62	-	3,236	3,079	3,236	3,079	-	-
- Corrective Services Act 2006 s 311												
- Hold money in trust on behalf of offenders in custody.												
Australian Coordinating Registry	137	-	63	-	74	-	74	-	-	-	74	-
- Births, Deaths and Marriages Registration Act 2003 s 39												
- Hold money relating to the application, assessment and distribution of Fact of Death and Cause of Death matters.												

27. Trust Transactions and Balances (cont'd)

Prescribed Securities for Public Accountants Trust Accounts

The department holds securities in relation to moneys held in trust funds of public accountants operating pursuant to the *Trust Accounts Act 1973*.

Section 31 (2) of the *Trust Accounts Act 1973* requires a trustee to lodge with the department, prescribed security in relation to moneys held in the trust account of the public accountant.

As the department performs only a custodial role in respect of administering these securities, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

The total value of securities held for 105 trustees as at 30 June 2015 is \$1,030,131 (2014: \$978,657).

Agency Transactions

The department acts as an agent in the collection and distribution of unpaid infringement fines and court ordered monetary amounts for various external parties including other Queensland Government departments and agencies (such as the Motor Accident Insurance Commission), Commonwealth agencies, Local Government bodies, Universities and individuals.

Fees of \$0.79 million (2014: \$1.09 million) were earned by the department for providing these agency services. This amount is accounted for in controlled user charges (Note 3).

	2015	2014
	\$'000	\$'000
Balance 1 July	3,117	2,925
Collections	75,802	38,056
Distributions to principals	(75,092)	(37,864)
Balance 30 June	3,827	3,117

28. Budget vs Actual Comparison

Statement of Comprehensive Income

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Income from Continuing Operations					
Appropriation revenue		1,216,870	1,228,002	11,132	0.91%
User charges and fees	1	131,594	105,262	(26,332)	(20.01%)
Grants and other contributions	2	74,956	110,163	35,207	46.97%
Other revenues		12,768	11,542	(1,226)	(9.60%)
Total Revenue		1,436,188	1,454,969	18,781	1.31%
Gains on disposal		-	104	104	100.00%
Total Income from Continuing Operations		1,436,188	1,455,073	18,885	1.31%
Expenses from Continuing Operations					
Employee expenses		776,060	775,268	(792)	(0.10%)
Supplies and services	3	454,787	478,550	23,763	5.23%
Grants and subsidies	4	16,077	6,361	(9,716)	(60.44%)
Depreciation and amortisation		182,933	188,325	5,392	2.95%
Impairment losses		-	373	373	100.00%
Other expenses		6,331	8,681	2,350	37.12%
Total Expenses from Continuing Operations		1,436,188	1,457,558	21,370	1.49%
Operating Result from Continuing Operations		-	(2,485)	(2,485)	0.00%
Operating Result for the Year		-	(2,485)	(2,485)	0.00%
Other Comprehensive Income					
<u>Items that will not be reclassified subsequently to Operating Result:</u>					
Increase (decrease) in asset revaluation surplus	5	41,563	83,643	42,080	101.24%
Total items that will not be reclassified subsequently to Operating Result		41,563	83,643	42,080	101.24%
Total Other Comprehensive Income		41,563	83,643	42,080	101.24%
Total Comprehensive Income		41,563	81,158	39,595	95.27%

28. Budget vs Actual Comparison (cont'd)

Statement of Financial Position

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Current Assets					
Cash and cash equivalents		78,787	77,355	(1,432)	(1.82%)
Receivables		45,352	47,564	2,212	4.88%
Inventories		3,896	4,657	761	19.54%
Biological assets		-	200	200	100.00%
Other current assets		7,278	13,243	5,965	81.96%
		135,313	143,019	7,706	5.70%
Non-current assets classified as held for sale	6	1,600	-	(1,600)	(100.00%)
Total Current Assets		136,913	143,019	6,106	4.46%
Non Current Assets					
Receivables		24	-	(24)	(100.00%)
Biological assets		-	303	303	100.00%
Intangible assets		23,616	25,429	1,813	7.68%
Property, plant and equipment		3,586,411	3,894,013	307,602	8.58%
Other non current assets		323	-	(323)	(100.00%)
		3,610,374	3,919,745	309,371	8.57%
Total Non Current Assets		3,610,374	3,919,745	309,371	8.57%
Total Assets		3,747,287	4,062,764	315,477	8.42%
Current Liabilities					
Payables		70,499	73,721	3,222	4.57%
Accrued employee benefits	7	20,082	23,034	2,952	14.70%
Other current liabilities		1,744	2,577	833	47.78%
		92,325	99,332	7,007	7.59%
Total Current Liabilities		92,325	99,332	7,007	7.59%
Non Current Liabilities					
Payables		1,580	-	(1,580)	(100.00%)
Accrued employee benefits		1,067	31	(1,036)	(97.09%)
Provisions		427	-	(427)	(100.00%)
Other non current liabilities		255	1,513	1,258	493.33%
		3,329	1,544	(1,785)	(53.62%)
Total Non Current Liabilities		3,329	1,544	(1,785)	(53.62%)
Total Liabilities		95,654	100,876	5,222	5.46%
Net Assets		3,651,633	3,961,888	310,255	8.50%
Total Equity		3,651,633	3,961,888	310,255	8.50%

28. Budget vs Actual Comparison (cont'd)

Statement of Cash Flows

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts		1,216,870	1,243,081	26,211	2.15%
User charges and fees		131,594	119,263	(12,331)	(9.37%)
Grants and other contributions	2	70,759	100,088	29,329	41.45%
GST input tax credits from ATO		11,394	35,248	23,854	209.36%
GST collected from customers		5,652	12,558	6,906	122.19%
Interest receipts		100	281	181	181.00%
Other		12,668	11,061	(1,607)	(12.69%)
<i>Outflows:</i>					
Employee expenses		(776,052)	(773,695)	2,357	(0.30%)
Supplies and services	8	(450,590)	(502,048)	(51,458)	11.42%
Grants and subsidies	4	(16,077)	(6,360)	9,717	(60.44%)
Insurance premiums		-	(4,956)	(4,956)	100.00%
GST paid to suppliers		(11,394)	(36,670)	(25,276)	221.84%
GST remitted to ATO		(5,652)	(12,021)	(6,369)	112.69%
Other		(8,145)	(1,103)	7,042	(86.46%)
Net cash provided by (used in) operating activities		181,127	184,727	3,600	1.99%
Cash flows from investing activities					
<i>Inflows:</i>					
Sales of property, plant and equipment		-	120	120	100.00%
<i>Outflows:</i>					
Payments for property, plant and equipment	9	(146,634)	(88,275)	58,359	(39.80%)
Payments for intangibles		-	(3,331)	(3,331)	100.00%
Net cash provided by (used in) investing activities		(146,634)	(91,486)	55,148	(37.61%)
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections	9	117,488	63,849	(53,639)	(45.65%)
<i>Outflows:</i>					
Equity withdrawals		(152,982)	(163,610)	(10,628)	6.95%
Net cash provided by (used in) financing activities		(35,494)	(99,761)	(64,267)	181.06%
Net increase (decrease) in cash and cash equivalents		(1,001)	(6,520)	(5,519)	551.35%
Increase (decrease) in cash and cash equivalents from restructuring		1,583	1,583	-	0.00%
Cash and cash equivalents at beginning of financial year		78,205	82,292	4,087	5.23%
Cash and cash equivalents at end of financial year		78,787	77,355	(1,432)	(1.82%)

Department of Justice and Attorney-General
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

28. Budget vs Actual Comparison (cont'd)

Administered Items

	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Income from Continuing Operations				
Administered appropriation	306,791	293,860	(12,931)	(4.21%)
User charges and fees	117,134	117,314	180	0.15%
Royalties and land rents	7,800	7,800	-	0.00%
Interest revenue	187	312	125	66.82%
Other revenues	5,734	5,371	(363)	(6.34%)
Total Income from Continuing Operations	437,646	424,657	(12,989)	(2.97%)
Expenses from Continuing Operations				
Employee expenses	62,625	62,466	(159)	(0.25%)
Supplies and services	4,319	4,762	443	10.26%
Grants and subsidies	238,893	206,694	(32,199)	(13.48%)
Benefit payments	-	18,930	18,930	100.00%
Impairment losses	871	13,678	12,807	1,470.42%
Other expenses	1,549	1,520	(29)	(1.89%)
Total Expenses from Continuing Operations	308,257	308,050	(207)	(0.07%)
Operating Result from Continuing Operations	129,389	116,607	(12,782)	(9.88%)
Transfers of Administered Revenue to Government	129,389	116,607	(12,782)	(9.88%)
Total Comprehensive Income	-	-	-	0.00%

28. Budget vs Actual Comparison (cont'd)

Administered Items (cont'd)

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
Current Assets					
Cash and cash equivalents	12	12,735	22,997	10,262	80.58%
Receivables	13	90,525	51,344	(39,181)	(43.28%)
Prepayments		2,467	2,465	(2)	(0.07%)
Total Current Assets		105,727	76,806	(28,921)	(27.35%)
Non Current Assets					
Prepayments		76,053	76,058	5	0.01%
Total Non Current Assets		76,053	76,058	5	0.01%
Total Assets		181,780	152,864	(28,915)	(15.91%)
Current Liabilities					
Payables	14	48,147	24,359	(23,788)	(49.41%)
Accrued employee benefits		7,026	8,034	1,008	14.35%
Provisions	15	12,432	11,645	(787)	(6.33%)
Unearned revenue		6,370	4,922	(1,448)	(22.74%)
Total Current Liabilities		73,975	48,960	(25,015)	(33.82%)
Non Current Liabilities					
Accrued employee benefits		6,624	4,877	(1,747)	(26.37%)
Provisions	15	19,358	17,014	(2,344)	(12.11%)
Unearned revenue		76,675	76,865	190	0.25%
Total Non Current Liabilities		102,657	98,756	(3,901)	(3.80%)
Total Liabilities		176,632	147,716	(28,916)	(16.37%)
Net Assets		5,148	5,148	-	0.00%
Total Equity		5,148	5,148	-	0.00%

28. Budget vs Actual Comparison (cont'd)

Explanations of Major Variances

Statement of Comprehensive Income

1. The variance is mainly due to the reclassification of revenue from WorkCover Queensland for the Workers' Compensation Regulatory Authority from User Charges and Fees to Grants and Other Contributions (\$28.244 million).
2. The increase is mainly due to the reclassification of revenue from WorkCover Queensland for the Workers' Compensation Regulatory Authority from User Charges and Fees to Grants and Other Contributions (\$28.244 million) and higher than forecast goods and services received below fair value (\$5.667 million).
3. The variance mainly relates to reclassification of expenditure between grants and service procurement payments and additional funding to accommodate growth in prisoner and young offender numbers.
4. The decrease is mainly due to the reclassification of expenditure between grants and services procurement payments for the following:
 - Payment from Workers' Compensation Regulator to QLD Ambulance Services for discharging the liability for pre-hospital care and ambulance transfer services (\$3.571 million); and
 - Payment to the Department of Communities, Child Safety and Disability Services for Gambling Help Services (\$4.473 million).
5. The variance represents a lower forecast for the revaluation of property, plant and equipment in accordance with accounting policies. Following the machinery-of-Government change to transfer the responsibility of Queensland Corrective Services from the former Department of Community Safety effective from 1 November 2013, the land and buildings transferred were revalued through a combination of comprehensive and desktop valuation methodologies by a qualifier valuer.

Statement of Financial Position

6. The variance reflects the reclassification of land held for sale in accordance with accounting policy following the machinery-of-Government change to transfer the responsibility of Queensland Corrective Services from the former Department of Community Safety effective from 1 November 2013.
7. The variance is mainly due to the increase in accrued employee expenses of \$3.463 million partially offset by the transfer of the employee benefit provisions for Workers' Compensation Regulatory Authority of \$0.786 million to the Annual Leave Central Scheme following the machinery-of-Government change announced in 2013-14.

Statement of Cash Flows

8. The variance mainly relates to payments of \$23.570 million to the Public Safety Business Agency and Department of Communities, Child Safety and Disability Services relating to the machinery-of-Government changes that occurred prior to 2014-15, reclassification of expenditure amounting to \$8.044 million between grants and service procurement payments and additional funding of \$9.935 million to accommodate growth in prisoner and young offender numbers.
9. The variance mainly relates to revised funding profiles for a number of capital projects, lower than forecast construction costs for the Cleveland Youth Detention Centre expansion and the Arthur Gorrie Correctional Centre cell upgrade, which totals \$51.42 million.

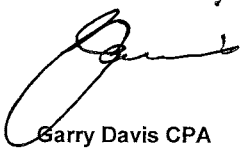
28. Budget vs Actual Comparison (cont'd)**Explanations of Major Variances (cont'd)****Administered Items**

10. The variance is primarily due to a \$25.5 million realignment of benefit payments under the victims of crime financial and compensation scheme from Grants and Subsidies to Benefit Payments and a funding realignment of \$8.7 million for the Alcohol Fuelled Violence Program to future years.
11. The variance is primarily due to realignment of benefit payments under the victims of crime financial assistance and compensation scheme from Grants and Subsidies to Benefit Payments and a decrease in benefit payments under this scheme.
12. The variance primarily reflects funding to meet future liabilities following the post budget update to the provision calculation under the victims of crime financial assistance and compensation scheme.
13. The variance reflects a reduction of \$28.769 million in Construction Works Notification fees and the reduction of \$8.291 million in receivables as a result of cash received to meet provisions in respect of the victims of crime financial assistance and compensation scheme.
14. The variance primarily reflects a reduction in the value of projects on instalment plans for Construction Works Notification fees.
15. The variance primarily reflects a decrease in the victims of crime financial assistance and compensation scheme provision following the post budget update to the provision calculation.

CERTIFICATE OF THE DEPARTMENT OF JUSTICE AND ATTORNEY-GENERAL

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Justice and Attorney-General for the financial year ended 30 June 2015 and of the financial position of the department at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Garry Davis CPA
Executive Director, Financial Services



David Mackie
Director-General

27 August 2015

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Justice and Attorney-General

Report on the Financial Report

I have audited the accompanying financial report of the Department of Justice and Attorney-General, which comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and the Executive Director, Financial Services.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009*:

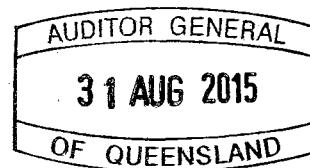
- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Justice and Attorney-General for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



A M GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane