

CHAPTER 8

FINANCIAL STATEMENTS





STATEMENT BY DEPARTMENT HEAD FOR THE YEAR ENDED 30 JUNE 2008

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards, the requirements of the *Public Finance and Audit Act 1983* and Regulation and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.
- (b) the statements exhibit a true and fair view of the financial position and transactions of the agency.
- (c) there are no circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

PETER MUIR
Director General

TERRY STRATFORD
Chief Finance Officer



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Department of Juvenile Justice

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Department of Juvenile Justice (the Department), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense, cash flow statement, a summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Department as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

Director-General's Responsibility for the Financial Report

The Director-General is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial 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 controls relevant to the Department's preparation and fair presentation of the financial report 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 Department's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Department Head, as well as evaluating the overall presentation of the financial report.





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

My opinion does *not* provide assurance:

- about the future viability of the Department,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

Peter Carr
Director, Financial audit Services

21 October 2008
SYDNEY



OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	118,131	116,285	108,172
Other operating expenses	2(b)	25,677	24,787	24,392
Depreciation and amortisation	2(c)	9,556	8,061	7,464
Grants and subsidies	2(d)	6,099	6,952	5,971
Finance costs	2(e)	35	-	24
Total Expenses excluding losses		159,498	156,085	146,023
Revenue				
Sale of goods and services	3(a)	-	6	3
Investment revenue	3(b)	845	495	728
Grants and contributions	3(c)	2,386	2,243	2,254
Other revenue	3(d)	831	361	2,166
Total Revenue		4,062	3,105	5,151
Gain/(loss) on disposal	4	(130)	-	(30)
Net Cost of Services	20	155,566	152,980	140,902
Government Contributions				
Recurrent appropriation	5	140,641	140,308	127,518
Capital appropriation	5	8,354	8,936	8,008
(Asset sale proceeds transferred to the Crown Entity)		(163)	-	-
Acceptance by the Crown Entity of employee benefits and other liabilities	6	4,149	3,740	3,224
Total Government Contributions		152,981	152,984	138,750
SURPLUS / (DEFICIT) FOR THE YEAR		(2,585)	4	(2,152)

The accompanying notes form part of these statements





STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		5,730	-	3,973
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		5,730	-	3,973
Surplus/ (Deficit) for the Year		(2,585)	4	(2,152)
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	17	3,145	4	1,821

The accompanying notes form part of these statements



BALANCE SHEET AS AT 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	8	12,508	11,528	11,074
Receivables	10	2,128	2,029	1,954
		<u>14,636</u>	<u>13,557</u>	<u>13,028</u>
Non-current assets held for sale	11	-	-	376
Total Current Assets		<u>14,636</u>	<u>13,557</u>	<u>13,404</u>
Non-Current Assets				
Receivables	10	67	-	185
Property, Plant and Equipment	12			
- Land and buildings		182,171	179,036	179,304
- Plant and equipment		9,944	7,677	7,575
- Infrastructure systems		38,542	40,438	39,735
Total Property, plant and equipment		230,657	227,151	226,614
Intangible assets	13	5,989	5,725	5,387
Total Non-Current Assets		<u>236,713</u>	<u>232,876</u>	<u>232,186</u>
Total Assets		<u>251,349</u>	<u>246,433</u>	<u>245,590</u>
LIABILITIES				
Current Liabilities				
Payables	14	6,162	5,206	4,714
Provisions	15	10,455	10,165	9,818
Other	16	579	19	19
Total Current Liabilities		<u>17,196</u>	<u>15,390</u>	<u>14,551</u>
Non-Current Liabilities				
Provisions	15	603	634	634
Total Non-Current Liabilities		<u>603</u>	<u>634</u>	<u>634</u>
Total Liabilities		<u>17,799</u>	<u>16,024</u>	<u>15,185</u>
Net Assets		<u>233,550</u>	<u>230,409</u>	<u>230,405</u>
EQUITY				
Reserves	17	70,043	64,546	64,546
Accumulated funds	17	163,507	165,863	165,859
Total Equity		<u>233,550</u>	<u>230,409</u>	<u>230,405</u>

The accompanying notes form part of these statements





CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(112,472)	(111,706)	(104,170)
Grants and subsidies		(6,099)	(6,952)	(5,971)
Other		(29,294)	(28,872)	(29,284)
Total Payments		(147,865)	(147,530)	(139,425)
Receipts				
Sale of goods and services		-	6	3
Interest received		734	605	698
Other		7,421	6,689	9,350
Total Receipts		8,155	7,300	10,051
Cash Flows from Government				
Recurrent appropriation		141,220	140,308	127,537
Capital appropriation (exclude equity appropriations)		8,354	8,936	8,008
Asset sale proceeds transferred to the Crown Entity		(163)		
Cash transfers to the Consolidated Fund		(19)	-	(234)
Net Cash Flows from Government		149,392	149,244	135,311
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	9,682	9,014	5,937
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems		352	376	23
Purchases of land and buildings, plant and equipment and infrastructure systems		(8,600)	(8,936)	(8,032)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(8,248)	(8,560)	(8,009)
NET INCREASE/(DECREASE) IN CASH		1,434	454	(2,072)
Opening cash and cash equivalents		11,074	11,074	13,146
CLOSING CASH AND CASH EQUIVALENTS	8	12,508	11,528	11,074

The accompanying notes form part of these statements



SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

	2008				2007			
	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund
Original Budget Appropriation / Expenditure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Appropriation Act	140,308	139,278	8,936	8,354	127,687	127,518	8,008	8,008
Additional Appropriations	1,363	1,363						
	141,671	140,641	8,936	8,354	127,687	127,518	8,008	8,008
Other Appropriations / Expenditure								
s 27 PF&AA - transfers to another department	-	-	-	-	(150)	-	-	-
	-	-	-	-	(150)	-	-	-
Total Appropriations / Expenditure/ Net Claim on Consolidated Fund (includes transfer payments)	141,671	140,641	8,936	8,354	127,537	127,518	8,008	8,008
Amount drawn down against Appropriation		141,220		8,354		127,537		8,008
Liability to Consolidated Fund *		579		-		19		-

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

* The "Liability to Consolidated Fund" represents the difference between the "Amount Drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund".





NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Department of Juvenile Justice is a reporting entity with no other entities under its control.

The Department of Juvenile Justice is a NSW government department. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

As the agency operates under one program, the provision of a separate program statement is not considered necessary. The information relating to this program is shown in the agency's Operating Statement.

The financial report for the year ended 30 June 2008 has been authorised for issue by the Director-General on 20th October 2008.

(b) Basis of Preparation

The agency's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

The agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

(e) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. The GST component of the cash flow arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flow.

(f) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary Appropriations & Contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the agency obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 16 as part of "Current Liabilities - Other". The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

(g) Assets

(i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer – Note 1(i)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Land and buildings and infrastructure assets are revalued at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. In 2008, land and building and infrastructure were revalued using the desktop method and was based on an independent assessment. The valuations were performed by CB Richard Ellis. The last detailed revaluation was completed on 30 June 2007 and was based on an independent assessment. The valuations were performed by the Australian Revaluation Office.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.





When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the Agency is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(v) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the agency.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset.

Depreciation of the agency's assets for accounting purposes is provided for as follows:

- Buildings (including furniture and fittings) and Infrastructure
Buildings and infrastructure are depreciated over 40 years. Furniture and fittings in leasehold premises are amortised over the unexpired period of the lease or the useful life of the asset, whichever is the shorter.
- Plant and Equipment
Computer equipment that forms part of a network is aggregated as a single asset and depreciated over 4 years. Major plant is depreciated over 10 years. All other plant and equipment is depreciated over 5 years.

The useful lives of assets are reviewed on an annual basis. In 2008, based on advice received from the valuer, the useful lives of buildings and infrastructure has been changed from 50 years to 40 years. This change has increased the depreciation charge for the current year by \$1.668 million and a similar impact is expected to flow into the future years.

(vi) Major Inspection Costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vii) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.



(viii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(ix) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The agency has not entered into any finance leases.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(x) Intangible Assets

The agency recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The agency's softwares are amortised using the straight line method over a period of 5 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xi) Receivables

Receivables are non-derivative financial assets with fixed or determinable payment

that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Operating Statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xii) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Operating Statement.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Operating Statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Operating Statement.

Any reversals of impairment losses are reversed through the Operating Statement, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xiii) Trust Funds

The agency receives monies in a trustee capacity as set out in





Note 21. As the agency performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the agency's own objectives, these funds are not recognised in the financial statements.

(xiv) Other Assets

Other assets are recognised on a cost basis.

(h) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee Benefits and other provisions

(a) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on Commonwealth government bonds of 6.91% as published by the Reserve Bank of Australia are used to discount long-term annual leave. Rates used are as at reporting date and relate to a term similar to that of the liability being measured.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(b) Long Service Leave and Superannuation

The agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The agency accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Other Provisions

Other provisions exist when: the agency has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.



Any provisions for restructuring are recognised only when an agency has a detailed formal plan and the agency has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at 6.91% using the market yield on Commonwealth government bonds as published by the Reserve Bank of Australia which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Rates used are as at reporting date and relate to a term similar to that of the liability being measured.

(i) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated as a contribution by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*.

Transfers arising from an administrative restructure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

(j) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s21A, s24 and/or s26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening

balances of the budgeted amounts are based on carried forward actual amounts i.e. per the audited financial report (rather than carried forward estimates).

(k) Comparative Information

Where necessary, comparative information has been re-classified to enhance comparability in respect of changes in presentation adopted in the current year.

(l) New Australian Accounting Standards issued but not effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The following new Accounting Standards and Interpretations have not yet been adopted and are not yet effective:

- AASB 101 (Sept 2007) and AASB 2007-8 regarding presentation of financial statements (1 January 2009);
- AASB 1049 (Oct 2007) regarding the whole of government and general government sector financial reporting (1 July 2008);
- AASB 1004 (Dec 2007) regarding contributions (1 July 2008);
- AASB 2007-9 regarding amendments arising from the review of AASs 27, 29 and 31 (1 July 2008).

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial report of the Department of Juvenile Justice.





2 EXPENSES EXCLUDING LOSSES

	2008	2007
	\$'000	\$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	93,443	86,039
Workers' compensation insurance	6,098	7,130
Payroll tax and fringe benefits tax	6,155	5,306
Superannuation - defined benefits plans	1,635	1,368
Superannuation - defined contributions plans	6,900	6,373
Long service leave	2,451	1,819
Redundancy payments	1,449	137
	<u>118,131</u>	<u>108,172</u>
<p>Employee related costs totalling \$1,128,889 were capitalised in intangible assets and therefore excluded from the above (2006-07: \$410,493). Workers Compensation costs included an interim hindsight adjustment deficit for 2003/04 of \$1,578,012. In 2006-07, workers compensation costs included a hindsight adjustment deficit for 2002/03 of \$2,146,314.</p>		
(b) Other operating expenses include the following:		
General administration	3,087	2,339
Computer network costs	2,596	2,113
Operating lease rental expense - minimum lease payments	3,074	2,989
Maintenance	4,029	3,685
Motor vehicles	2,598	2,381
Cleaning and utilities	2,045	2,193
Travel	1,734	2,230
Telecommunications	1,091	1,338
Insurance	609	681
Printing and stationery	509	572
Acquisition of minor plant and equipment	309	394
Auditor's remuneration		
- audit of financial reports	158	153
Consultancy	104	99
Bad and doubtful debts	23	-
Catering - Juveniles	2,303	2,069
Other expenses - Juveniles	1,408	1,156
	<u>25,677</u>	<u>24,392</u>
(c) Depreciation and amortisation expense		
Depreciation		
Buildings	5,222	4,131
Plant and equipment	1,609	1,487
Infrastructure	1,410	885
	<u>8,241</u>	<u>6,503</u>
Amortisation - intangibles	1,315	961
	<u>9,556</u>	<u>7,464</u>
(d) Grants and subsidies		
General grants and contributions	5,470	5,301
Religious attendance on juveniles	319	269
Aboriginal programs	310	401
	<u>6,099</u>	<u>5,971</u>
(e) Finance costs		
Unwinding of discount rate	35	24

	2008 \$'000	2007 \$'000
3 REVENUE		
(a) Sales of goods and services		
Rendering of services	-	3
	<u>-</u>	<u>3</u>
(b) Investment revenue		
Interest	828	708
Rents	17	20
	<u>845</u>	<u>728</u>
(c) Grants and contributions		
NSW Health Dept - National Illicit Drug Strategy	2,288	2,243
Attorney General's - Capital grant	98	-
Other	-	11
	<u>2,386</u>	<u>2,254</u>
(d) Other revenue		
Family allowance recovery	450	378
TMF hindsight adjustment 2001/02	192	1,625
TMF Motor vehicle hindsight adjustment 2005/06	63	-
GST refund for salary packaging	66	59
External income	7	53
Other - Other revenue	53	51
	<u>831</u>	<u>2,166</u>

4 GAIN/(LOSS) ON DISPOSAL

Gain/(loss) on disposal of land and buildings

Proceeds from disposal	350	-
Written down value of assets disposed	(452)	-
Net gain/(loss) on disposal of land and buildings	<u>(102)</u>	<u>-</u>

The gain/(loss) on disposal of land and buildings included assets held for sale of the Kariong property. The proceeds from sale was \$350,000 and the written down value was \$376,000.

Gain/(loss) on disposal of plant and equipment

Proceeds from disposal	2	23
Written down value of assets disposed	(30)	(53)
Net gain/(loss) on disposal of plant and equipment	<u>(28)</u>	<u>(30)</u>

Gain/ (Loss) on disposal of non-current assets

	<u>(130)</u>	<u>(30)</u>
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5 APPROPRIATIONS

Recurrent appropriations

	2008 \$'000	2007 \$'000
Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)	141,220	127,537
Less: Liability to Consolidated Fund (per Summary of Compliance)	(579)	(19)
	140,641	127,518
Comprising:		
Recurrent appropriations (per Operating Statement)	140,641	127,518

Capital appropriations

Total capital drawdowns from NSW Treasury (per Summary of Compliance)	8,354	8,008
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	-
	8,354	8,008
Comprising:		
Capital appropriations (per Operating Statement)	8,354	8,008

6 ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity:

Superannuation	1,636	1,368
Long service leave	2,415	1,774
Payroll tax	98	82
	4,149	3,224

7 PROGRAMS / ACTIVITIES OF THE DEPARTMENT

The Department of Juvenile Justice operates under a single program 'Juvenile Justice'. The objective and description of that program are as follows:

PROGRAM OBJECTIVES

Protect the community by providing custodial services to young offenders. Provide services to young offenders to decrease their reoffending and increase their capacity to successfully reintegrate into their communities.

PROGRAM DESCRIPTION

The Department administers custodial services, community services and youth justice conferences for young offenders and supervises them to complete their time in custody, community-based orders and conferencing outcomes plans.



	2008 \$'000	2007 \$'000
8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	12,508	11,074
For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and cash at bank.		
Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:		
Cash and cash equivalents (per Balance Sheet)	12,508	11,074
Closing cash and cash equivalents (per Cash Flow Statement)	12,508	11,074

Department of Juvenile Justice has the following banking facilities as at 30 June 2008:

Cheque cashing authority of \$28,500 (2006-07: \$28,350), which is the total amount of encashment facility provided to regions to enable recoupment of urgent and minor expenses.

MasterCard facility of \$60,000 (2006-07: \$25,000), which is the total of the credit limit for all issued credit cards.

Tape negotiation authority of \$8.0 million (2006-07: \$8.0 million). This facility authorises the Bank to debit Department of Juvenile Justice's operating bank account up to the above limit when processing the electronic payroll and accounts payables.

9 RESTRICTED ASSETS

Restricted cash - liability to consolidated funds (Note 16)	579	19
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10 CURRENT ASSETS - RECEIVABLES

Goods & Services Tax	878	711
Employee related	354	486
General Insurance	39	79
Interest	459	348
Sundry debtors	51	64
Less: Allowance for impairment	-	-
Prepayments	300	248
Other	47	18
	2,128	1,954

NON CURRENT ASSETS - RECEIVABLES

Prepayments	67	185
	67	185

11 NON CURRENT ASSETS HELD FOR SALE

Assets held for sale

Land and buildings	-	376
	-	376





12 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2007 - fair value				
Gross Carrying Amount	218,877	15,720	56,382	290,979
Accumulated depreciation and impairment	(39,573)	(8,145)	(16,647)	(64,365)
Net Carrying Amount	179,304	7,575	39,735	226,614

At 30 June 2008 - fair value				
Gross Carrying Amount	226,934	17,581	56,469	300,984
Accumulated depreciation and impairment	(44,763)	(7,637)	(17,927)	(70,327)
Net Carrying Amount	182,171	9,944	38,542	230,657

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
Year ended 30 June 2008				
Net carrying amount at start of the year	179,304	7,575	39,735	226,614
Reclassification adjustment	(129)	-	129	-
Net revaluation increment less revaluation decrements	5,677	-	-	5,677
Additions	2,587	4,012	88	6,687
Disposals	(77)	(34)	-	(111)
Depreciation expense	(5,222)	(1,609)	(1,410)	(8,241)
Other movements (restoration)	31	-	-	31
Net carrying amount at end of the year	182,171	9,944	38,542	230,657

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2006 - fair value				
Gross Carrying Amount	234,934	16,689	30,643	282,266
Accumulated depreciation and impairment	(39,931)	(10,687)	(9,005)	(59,623)
Net Carrying Amount	195,003	6,002	21,638	222,643

At 30 June 2007 - fair value				
Gross Carrying Amount	218,877	15,720	56,382	290,979
Accumulated depreciation and impairment	(39,573)	(8,145)	(16,647)	(64,365)
Net Carrying Amount	179,304	7,575	39,735	226,614

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below.

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
Year ended 30 June 2007				
Net carrying amount at start of the year	195,003	6,002	21,638	222,643
Reclassification adjustment	(12,405)	(119)	12,524	-
Net revaluation increment less revaluation decrements	(1,624)	-	5,622	3,998
Additions	2,837	3,232	836	6,905
Disposals	-	(53)	-	(53)
Assets held for sale	(376)	-	-	(376)
Depreciation expense	(4,131)	(1,487)	(885)	(6,503)
Net carrying amount at end of the year	<u>179,304</u>	<u>7,575</u>	<u>39,735</u>	<u>226,614</u>

13 INTANGIBLE ASSETS

	Software \$'000	Total \$'000
At 1 July 2007		
Cost (gross carrying amount)	7,374	7,374
Accumulated amortisation and impairment	(1,987)	(1,987)
Net carrying amount	<u>5,387</u>	<u>5,387</u>
At 30 June 2008		
Cost (gross carrying amount)	9,291	9,291
Accumulated amortisation and impairment	(3,302)	(3,302)
Net carrying amount	<u>5,989</u>	<u>5,989</u>
Year ended 30 June 2008		
Net carrying amount at start of the year	5,387	5,387
Additions (from internal development)	1,917	1,917
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(1,315)	(1,315)
Net carrying amount at end of the year	<u>5,989</u>	<u>5,989</u>
At 1 July 2006		
Cost (gross carrying amount)	6,234	6,234
Accumulated amortisation and impairment	(1,026)	(1,026)
Net carrying amount	<u>5,208</u>	<u>5,208</u>
At 30 June 2007		
Cost (gross carrying amount)	7,374	7,374
Accumulated amortisation and impairment	(1,987)	(1,987)
Net carrying amount	<u>5,387</u>	<u>5,387</u>
Year ended 30 June 2007		
Net carrying amount at start of the year	5,208	5,208
Additions (from internal development)	1,140	1,140
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(961)	(961)
Net carrying amount at end of the year	<u>5,387</u>	<u>5,387</u>





14 CURRENT LIABILITIES - PAYABLES

	2008 \$'000	2007 \$'000
Accrued salaries and wages and on-costs	2,295	1,650
Creditors	3,867	3,064
	6,162	4,714

15 CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

Current

Employee benefits and related on-costs

Recreation leave*	9,138	8,591
Long service leave oncosts	1,205	1,109
	10,343	9,700

Other Provisions

Restoration Costs	112	118
	112	118

Total Current Provisions

	10,455	9,818
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Non-Current

Employee benefits and related on-costs

Long service leave oncosts	63	58
	63	58

Other Provisions

Restoration Costs	540	576
	540	576

Total Non-Current Provisions

	603	634
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Total Provisions

	11,058	10,452
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* Recreation leave expected to be settled after more than twelve months is \$0.753 million (2006-07: \$1.109 million).

Aggregate employee benefits and related on-costs

Provisions - current	10,343	9,700
Provisions - non-current	63	58
Accrued salaries, wages and on-costs (Note 14)	2,295	1,650
	12,701	11,408

Other provisions represents the present value of the Department's obligation to make-good leased premises, at reporting date. Initial make-good estimates are based on previous restoration costs of similar premises. The assumed settlement date is based on contractual lease terms. The amount and timing of each estimate is reassessed annually.

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

2008	Restoration Costs \$'000
Carrying amount at the beginning of financial year	694
Additional/ (reduction) in provisions recognised	(23)
Amounts used	(26)
Unused amounts reversed	(28)
Unwinding of the discount rate	35
Carrying amount at the end of financial year	652

16 CURRENT LIABILITIES - OTHER

Liability to Consolidated Fund

	2008 \$'000	2007 \$'000
Liability to Consolidated Fund	579	19
	<u>579</u>	<u>19</u>

17 CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at the beginning of the financial year	165,859	168,011	64,546	60,573	230,405	228,584
Changes in equity - transactions with owners as owners						
Increase/ (decrease) in net assets from equity transfers	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in equity - other than transactions with owners as owners						
Surplus/ (deficit) for the year	(2,585)	(2,152)	-	-	(2,585)	(2,152)
Increment on revaluation of Land, Buildings and Infrastructure	-	-	5,730	3,973	5,730	3,973
Total	<u>(2,585)</u>	<u>(2,152)</u>	<u>5,730</u>	<u>3,973</u>	<u>3,145</u>	<u>1,821</u>
Transfers within equity						
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset	233	-	(233)	-	-	-
Total	<u>233</u>	<u>-</u>	<u>(233)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at the end of the financial year	<u>163,507</u>	<u>165,859</u>	<u>70,043</u>	<u>64,546</u>	<u>233,550</u>	<u>230,405</u>

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the agency's policy on the "Revaluation of Physical Non-Current Assets" as discussed in Note 1.





18 COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

Not later than one year	11,024	4,382
Later than one year and not later than five years	3,471	-
Total (including GST)	14,495	4,382

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	4,232	4,067
Later than one year and not later than five years	2,956	3,253
Total (including GST)	7,188	7,320

These commitments are not recognised in the financial statements as liabilities. They comprise rental leases on offices, and leases on motor vehicles.

The total commitments include input tax credits of \$1,963,874 (2006-07: \$1,056,165), which represents the GST that is estimated to be recoverable from the Australian Taxation Office.

(c) Other Expenditure Commitments

There were no material other expenditure commitments at balance date.

19 BUDGET REVIEW

Net cost of services

Actual net cost of services were higher than budget by \$2.6 million. This was mainly due to adjustments on depreciation (\$1.5 million) and increase in employee related relating to redundancies (\$1.4 million). The department subsequently received an approved increase of \$3.0 million to take the 2007-08 net cost of services to \$156,011 million.

Assets and liabilities

Total assets were higher than budget by \$4.9 million. This was mainly due to a net \$5.7 million desktop revaluation increment adjustment of land.

Total liabilities were higher than budget by \$1.8 million due to increase in accruals.

Cash flows

The actual net cash flows from operating activities was higher than budget by \$0.7 million. This was mainly due to an increase in GST receipts.



20 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2008 \$'000	2007 \$'000
Net cash used on operating activities	9,682	5,937
Cash Flows from Government - Recurrent Appropriation	(140,641)	(127,518)
Cash Flows from Government - Capital Appropriation	(8,354)	(8,008)
Acceptance by the Crown Entity of employee benefits and other liabilities	(4,149)	(3,224)
Asset sale proceeds transferred to the Crown Entity	163	-
Depreciation	(9,556)	(7,464)
Net Gain/(Loss) on sale of land & buildings, plant & equipment	(130)	(30)
(Increase) / decrease in payables	(1,448)	(581)
(Increase) / decrease in provisions	(629)	(219)
(Increase) / decrease in other current liabilities	(560)	215
Increase / (decrease) in receivables	56	(48)
Non-cash revenue	-	14
Non-cash expenses	-	24
Net cost of services	<u>(155,566)</u>	<u>(140,902)</u>

21 TRUST FUNDS

Cash held on behalf of Juveniles:		
Balance at the beginning of the financial year	2	4
Add: Receipts	8	39
Less: Payments	(8)	(41)
Balance at the end of the financial year	<u>2</u>	<u>2</u>





22 FINANCIAL INSTRUMENTS

The Department's principal financial instruments are outlined below. These financial instruments arise directly from the Department's operations. The Department does not enter into or trade financial instruments for speculative purposes.

The Department's main risks arising from financial instruments are outlined below, together with the Department's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Audit and Risk Management Committee has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Department, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Management Committee / Internal auditors on a continuous basis.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2008	2007
Class:				
Cash and cash equivalents	8	N/A	12,508	11,074
Receivables~	10	Loans and receivables (at amortised cost)	920	995
Financial Liabilities				
		Category	Carrying Amount	Carrying Amount
Class:				
Payables^	14	Financial liabilities measured at amortised cost	6,007	4,601

Notes

~ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

^ Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(b) Credit Risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations, resulting in a financial loss to the Department. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Department, including cash and receivables. No collateral is held by the Department. The Department has not granted any financial guarantees.

Credit risk associated with the Department's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.



Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

(c) Liquidity Risk

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets.

The Department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

(d) Fair Value

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

23 CONTINGENT LIABILITIES

As at balance date contingent liabilities are estimated to be \$100,000 for legal matters (2006-07: \$0.14 million). There were no contingent liabilities for redundancies associated with the department's internal restructure in 2007-08 (2006-07 \$2.0 million).

24 AFTER BALANCE DATE EVENTS

From 1 July 2008, all government owned office accommodation will be vested in the State Property Authority. The department has six office accommodations that will be transferred to State Property Authority. As at 1 July 2008, the net carrying amount for the land and building to be transferred is \$4.930 million.

These buildings will be leased back by the Department via an operating lease. This will have an impact on Net Cost of Services by \$431,000. This relates to \$431,000 of lease expenses which will be funded through recurrent appropriations and savings in depreciation of \$48,000.

END OF AUDITED FINANCIAL STATEMENTS



CAPITAL WORKS EXPENDITURE

Project	Expenditure 2007-08
Custodial Accommodation Management Project (Cameras and Fences)	\$1.605 million
Orana Additional Accommodation Unit	\$0.644 million
Total Centre Works	\$2.249 million
Corporate Information System (CIS)	\$1.082 million
IT Infrastructure Renewal	\$1.180 million
Ellipse Upgrade	\$0.653 million
Total Other Major Works	\$2.915 million
Total Major Works	\$5.164 million

FUNDS GRANTED TO NON-GOVERNMENT ORGANISATIONS

Grants of more than \$5,000 were made to the following non-government organisations during the year ending 30 June 2008:

Organisation	Amount (\$)
Access Community Training	83,300
ACPT Diocese of Canberra	13,012
Albury Wodonga Youth Emergency	280,092
Anglican Diocese of Bathurst	16,893
Anglican Diocese of Newcastle	44,328
Anglican Parish of Gosford	20,542
Anglicare NSW	133,130
Anglicare Youth and Family Service	80,821
Armidale Youth Refuge Inc	116,924
Aust Institute of Health And Welfare	90,049
Australian Children's Music Foundation	40,000
Baptist Community Services	67,645
Barnardos Australia	171,236
Bondi Community Street Project	19,980
Cassy Inc	120,181



Centacare	139,863
Centacare Catholic Family	71,606
Centacare Sydney	257,472
Community Business Development	5,000
Enough Is Enough	30,000
Home Base Youth Service	36,818
Marist Youth Care	146,626
Mission Australia	703,406
Miyay Birray Youth Service Inc	8,997
Narrabri and District Community	9,054
New England Institute of TAFE	52,878
North Coast Institute of TAFE	60,483
PCYC Armidale	8,950
PCYC Coffs Harbour	64,905
PCYC Kempsey	85,445
Relationships Australia (NSW)	51,946
South Sydney Youth Services	88,336
South West Inner Sydney Housing	5,537
Southern Youth and Family Services	106,945
Sydney Heritage Fleet	10,000
TAFE Sydney Institute	8,507
The Salvation Army Youthlink	80,032
The Ted Noffs Foundation	2,233,790
Trustees Of The Christ Brother	56,588
Unitingcare NSW/ACT	12,975
Waverley Action for Youth Service	77,554
Western College	67,265

STATISTICS REGARDING FINANCIAL MATTERS AND CREDIT CARD CERTIFICATION

Leave Entitlements

As at 30 June 2008, \$9.138 million was provided for employee recreation leave entitlements. Long service leave entitlements accepted by The Crown Transactions Entity were \$13.750 million. Long service leave oncosts were \$1.268 million.





USE OF CONSULTANTS

Consultancies equal to or more than \$30,000

Consultant	Cost	Nature of project	Title of project
Nick Gerrand	\$65,374	Organisational Review	Review of youth justice conferencing

Consultancies less than \$30,000

During 2007-08, six consultancies were engaged in the following areas:

Nature of projects	Number of projects	Total cost
Organisational Review	4	\$38,905

Total consultancies \$104,279

CREDIT CARD CERTIFICATION

In accordance with Treasurer's Direction 205.01, it is certified that credit card usage by officers of the Department of Juvenile Justice has been in accordance with the appropriate Government policy, Premier's Memoranda and Treasurer's Directions.

PAYMENT OF ACCOUNTS

Payment Performance

The information below shows that by the last quarter of 2007-08, approximately ninety-four percent of total payments were paid on time. Payment performance reflects the statewide coverage of the department's activities.

No penalty interest was paid during the year for late payments.

Quarter	Accounts paid on time within each quarter			Total Amount Paid \$Million
	Total Accounts Paid on Time Target %	Actual %	\$Million	
September	95	94	21.73	22.73
December	95	94	21.12	22.20
March	95	93	18.01	18.74
June	95	94	27.48	28.38



Aged analysis at end of each quarter 2007-08

Quarter	Current (ie within due date)		Less than 30 days overdue		Between 30 and 60 days overdue		Between 60 and 90 days overdue		More than 90 days overdue		Total	
	\$Million	%	\$Million	%	\$Million	%	\$Million	%	\$Million	%	\$Million	%
September	21.73	94	0.92	3	0.02	1	0.01	1	0.05	1	22.73	100
December	21.12	94	0.75	2	0.12	1	0.11	1	0.10	1	22.20	100
March	18.01	93	0.51	3	0.12	1	0.05	1	0.05	2	18.74	100
June	27.48	95	0.63	2	0.10	1	0.13	1	0.04	1	28.38	100

MAJOR ASSETS

Acmena Juvenile Justice Centre
Lot 57 Swallow Road
South Grafton NSW 2460

Blacktown East Juvenile Justice Community
Service
211 Stephen Street
Blacktown NSW 2148

Broken Hill Juvenile Justice Centre
146 Chloride Street
Broken Hill NSW 2880

Cobham Juvenile Justice Centre
Water Street
St Marys NSW 2760

Frank Baxter Juvenile Justice Centre
Pacific Highway
Kariong NSW 2250

Juniperina Juvenile Justice Centre
169 Joseph Street
Lidcombe NSW 2141

Keelong Juvenile Justice Centre
Staff Road
Unanderra NSW 2526

Kempsey Juvenile Justice Community Service
Cnr Forth and Regent Streets
Kempsey NSW 2440

Liverpool Youth Drug and Alcohol Court
7 Speed Street
Liverpool NSW 2170

Moree Juvenile Justice Community Service
46 Auburn Street
Moree NSW 2400

Newcastle Juvenile Justice Community Service
24 Maitland Road
Islington NSW 2296

Orana Juvenile Justice Centre
Westview Street
Dubbo NSW 2830

Petersham Juvenile Justice Community Service
22 Middleton Street
Petersham NSW 2049

Reiby Juvenile Justice Centre
Briar Road
Airds NSW 2560

Riverina Juvenile Justice Centre
Fernleigh Road
Mount Austin NSW 2650

Windorah Park
14L Furneys Road
Dubbo NSW 2830





LAND DISPOSAL

A cottage situated at Kariong was disposed of during 2007-08. The property was sold for \$350,000. This resulted in a \$26,000 loss on sale of the asset.

CAPITAL WORKS

IT Infrastructure Renewal Project

As reported last year, major capital funding of \$4.038 million was allocated over the 2006-07 and 2007-08 financial years to upgrade and replace the department's outdated computer servers, PCs and laptops.

During 2007-08 the upgrade and replacement project was completed with new servers, PCs and laptops provided to all parts of the department.

A post implementation review of the department's records management compliance program was also completed, with a number of recommendations for improvements to be implemented.

Certification of the department's Information Security Management System (ISMS) against the Australian and International standards was maintained.

This renewal supports the department in continuing to operate reliably and efficiently, supporting staff in all capacities. The department's versions of network and desktop operating systems remain robust, and new releases of office automation products are being deployed across all the department's locations in metropolitan and regional New South Wales.

Corporate Information System Project

Major capital funding of \$4.977 million over four years was approved commencing in 2006-07 to implement a corporate information system including:

- Designing an information framework for reporting on the department's corporate and operational performance;
- Modifying existing computerised information systems to enable data to be captured at the source; and
- Developing a data warehouse for all corporate information for performance measurement and reporting.

Continual improvement in accessing data continues to be a high priority to support the department's corporate objectives. During 2007-08 the department continued work on developing a Corporate Information System. The department's information management systems are a key component in managing its operations on a daily basis as well as developing improved strategic and tactical decision-making to support the department's core business.

Corporate Services Management Information System Upgrade

This new major project was provided major capital funding of \$3.550 million over three years and was approved to commence in 2007-08. The project is to upgrade the department's Enterprise Resource Planning (ERP) application suite, Ellipse. This integrated information management system supports the department's corporate services functions across the agency, covering Finance, Human Resources, and Property and Procurement.

Outcomes of this project will include:

- Ensuring the department remains on a supported version of the Ellipse ERP application suite, protecting the significant investment made over the last 10 years;
- Taking advantage of new and enhanced functionality in the latest version of Ellipse, particularly in the areas of Human Resource management and Occupational Health and Safety; and
- Expanding the range of Employee Self-Service options to streamline corporate services delivery, and to simplify the computer software interface to end-users, increasing the take-up of these facilities.

