

Criminology Research Council

28th Annual Report

2000

Canberra

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Senator the Hon. Amanda Vanstone
Minister for Justice and Customs
Parliament House
CANBERRA ACT 2600

Dear Minister

In accordance with section 43 of the *Criminology Research Act 1971*, I have the honour to submit to you the Twenty-eighth Annual Report of the Criminology Research Council for the period ending 30 June 2000.

Yours sincerely

A handwritten signature in cursive script that reads 'Laurie Glanfield'.

Laurie Glanfield
Chairman
Criminology Research Council
17 October 2000

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Introduction

The Criminology Research Council (CRC) was established by the *Criminology Research Act 1971*, and it held its first meeting on 20 December 1972. The CRC meets three times a year. The Criminology Research Act was enacted pursuant to arrangements between the Commonwealth and the States for the promotion of criminological research. These arrangements provided for the establishment of an Australian Institute of Criminology (AIC), a Criminology Research Council and a Criminology Research Fund. The Criminology Research Council controls and administers the Criminology Research Fund from which grants are made to researchers undertaking criminological research projects. Criminological research is defined as research undertaken in connection with the causes, correction and prevention of criminal behaviour and in any related matter.

The Criminology Research Act provides that, in administering the fund, the CRC is to examine and determine the relative importance and urgency of projects of criminological research for which the expenditure of moneys from the Fund may be authorised. The Act also provides that the functions of the AIC include advising the CRC in relation to needs for, and programs of, criminological research, and

providing secretarial and administrative services for the CRC.

Details of projects funded during the year together with summaries of the following completed projects are provided in the Research Projects section: Aboriginal Youth Suicide: Towards a Model of Explanation and Alleviation; The Effectiveness of Legal Protection in Prevention of Domestic Violence in the Lives of Young Australian Women; Directors' Misconduct Decriminalised: Are the Civil Sanctions in the Corporations Law Effective?; Young Women in the Juvenile Justice System; An Examination of the Illegal Art Market in Australia; A Survey of Aboriginal Community Attitudes to Domestic Violence; The Characteristics of Child Molesters and Child Molesting in Queensland. This section also contains details of projects currently in progress.

Reports of completed projects undertaken with CRC funds are distributed to each CRC member. Members ensure that relevant persons and departmental sections are made aware of the availability of the reports. Two copies of each report are lodged in the J. V. Barry Library of the AIC. Through the library, the reports are listed on the Kinetica, Australia's national shared-cataloguing system and the largest bibliographic network in the country, and

on CINCH, the Australian criminology database which is publicly available online and on CD-ROM. With hundreds of libraries Australia-wide participating in Kinetica, CRC reports receive wide coverage concerning their availability. All reports are available from the J. V. Barry Library through interlibrary loan.

The CRC's section of the AIC web site has been expanded during the year to provide information on reports submitted to the CRC. This work is ongoing and once completed, will provide a historical record of all CRC-funded projects and the reports submitted in fulfilment of the projects.

Under grant funding arrangements the grantee is responsible for the distribution of the final report. Many researchers choose to publish in the form of books and journal articles making research readily available to the broader community. Researchers also distribute copies to appropriate departments and agencies.

The CRC has a commitment to quality assurance, and as part of this approach seeks to create improved opportunities for publication of reports from research which it funds. The CRC therefore retains the right to publish all or part of selected research products.

Criminology Research Fund

Contributions to the Criminology Research Fund by the participating governments for the 1999–2000 financial year totalled \$364,000. The Commonwealth Government contributed \$232,000 and each State and the Northern Territory made a contribution on a

pro rata population basis, individual contributions were as follows:

New South Wales	\$45,406
Victoria	\$33,357
Queensland	\$24,787
Western Australia	\$13,144
South Australia	\$10,598
Tasmania	\$3,350
Northern Territory	\$1,358

Details of expenditure and income are shown in the Financial Statements later in this report.

Membership

The Criminology Research Act provides that the CRC is to consist of eight members, comprising a representative of the Commonwealth and of each State and the Northern Territory. The Commonwealth representative is appointed by the Attorney-General and the State and Northern Territory representatives are appointed by the Attorney-General upon the nomination of the appropriate State or Territory minister.

The CRC itself does not employ any staff members, but issues a fee to the AIC to provide it with advice and secretarial and administrative services.

During the year members of the CRC were as follows:

New South Wales

Mr Laurie Glanfield (Chair)
 Director-General
 Attorney-General's Department

Commonwealth

Mr Norman Reaburn
 Deputy Secretary
 Attorney-General's Department
 (December 1994–April 2000)

Mr Ian Carnell
 General Manager
 Criminal Justice and Security
 Attorney-General's Department

Victoria

Mr Peter Harmsworth
 Secretary
 Department of Justice

Queensland

Dr Kenneth Levy
 Deputy Director-General
 Department of Justice

Western Australia

Dr Robert Fitzgerald
 Executive Director
 Policy and Legislation Division
 Ministry of Justice

South Australia

Ms Joy Wundersitz
 Director
 Office of Crime Statistics
 Attorney-General's Department

Tasmania

Mr Denbigh Richards
 Deputy Director
 Department of Justice
 (May 1998–April 2000)

Northern Territory

Mr David Moore
 Commissioner
 Northern Territory Correctional Services

Meetings

Three meetings of the CRC were held during the year: the meeting on 29 July 1999 was convened at the Department of Justice, Brisbane, and the meetings of 25 November 1999 and 30 March 2000 were held at the AIC, Canberra.

At the meeting of 30 March 2000, Mr Laurie Glanfield was unanimously re-elected Chair of the CRC. At this meeting the CRC appointed its representatives from Queensland, Northern Territory, Tasmania and NSW as Members of the Board of Management of the AIC.

Criminology Research Council Policy

Section 40 of the Criminology Research Act provides that the functions of the CRC are to administer the Criminology Research Fund and, for that purpose, to examine and determine the relative importance and urgency of projects for which the expenditure of moneys from the Fund may be authorised.

The Guidelines for Grants issued by the CRC with application forms for grants, state that the criteria adopted by the CRC in consideration of applications include the following:

- (a) public policy relevance;
- (b) the extent to which the proposed research will have practical application and contribute to the prevention or correction of criminal behaviour;
- (c) the likelihood of the proposed research making a substantial and original contribution to criminological knowledge;
- (d) the cost-effectiveness of the research;
- (e) the soundness of the design and methodology and the feasibility of the research;
- (f) the competence of the applicant(s) or principal investigator(s) to undertake the proposed research;

- (g) Ethics Committee approval, where appropriate;
- (h) availability of data, where required; and
- (i) the extent of funding or in-kind support obtained from relevant agencies.

Prior to the November 1999 meeting, the CRC held a consultation meeting with a number of key Australian academics in criminology. The CRC relies heavily on the work of Australia's academic community, and sees a strong and positive dialogue with the academic community as crucial. The object of the meeting was to discuss how the legislation could best be implemented so as to give maximum benefit to government and the community.

The CRC devised a strategic plan for 2000–01 and resolved to set research priorities that are relevant to current and future public policy issues and to encourage research that involves collaborative funding by other agencies and sources.

The CRC resolved to dedicate its future meetings to specific issues:

- March 2000: Establish CRC priorities for the forthcoming year
- July 2000: Target specific areas for grants
- November 2000: General grants round

The CRC also revised the procedure for processing applications for the general grants round in November. Applications will be considered by a panel (comprising the Criminology Research Adviser and two criminologists), the members of which will forward their recommendations to CRC for consideration at the November meeting.

When reports of completed projects are received, the CRC examines the results of the research so that the value and implementation potential of the reports can be assessed.

Appreciation

The CRC wishes to express its appreciation to Mr Norman Reaburn, the Commonwealth representative from 1994 to 2000, and Mr Denbigh Richards, Tasmania representative from 1998 to 2000. The CRC also wishes to express its gratitude for the support given by Professor David Biles and Dr Russell Smith, as Advisers to the CRC, and AIC staff members Ms Kathy Mildren, Administrator, Mr Raju Mahen and Ms Robyn Edwards, Account Officers.

Freedom of Information Act

The statement made in the AIC's Annual Report also applies to the CRC. The CRC received no requests for information under the provisions of the Act during the year ending 30 June 2000.

Appointment of Criminology Research Council Postdoctoral Fellow

In March 1999 CRC established a two-year Postdoctoral Fellowship to advance the CRC's objective of fostering quality criminological research. Dr Emma Ogilvie was appointed to the position in November 1999.

Research Projects

New Projects Funded

The CRC considered twenty-two grant applications during the year, two of which were approved.

Particulars of the successful grants are as follows:

1 Private Investigators in Australia: Work, Law, Ethics and Regulation—

Dr Timothy Prenzler, Griffith University (15/99–00). At its meeting on 29 July 1999 the CRC made a grant of \$13,086 for this project.

The research involves a systematic review of the legal framework within which investigators operate, and uses in-depth interviews to map out both the nature of private investigative work and practitioners' perspectives on key issues. The latter focus will include questions of social impact, relationships with the public sector justice system, perceptions of the appropriateness of legal constraints, pressures to use illegal means of performing tasks and attitudes to regulatory controls. From these findings an evaluation will be made of the contribution of private investigators to public interest goals of justice and crime reduction. An assessment will also be made of policy options in law reform and regulation. This will address possible means of facilitating the beneficial law enforcement functions of

private investigators and of improving their compliance with legal and ethical standards.

2 Community-based Parenting Program for the Prevention of Adolescent

Antisocial Behaviour—Associate Professors Alan Ralph and Matthew Sanders, James Cook University (22/99–00). At its meeting on 29 July 1999 the CRC made a grant of \$42,284 for this project.

The project aims to implement and evaluate a community-based positive parenting program to reduce risk factors associated with juvenile crime. It will target parents of preadolescent children in areas of high juvenile crime who are making the transition to high school. The project's objectives are to: (a) reduce specific family risk factors by increasing parental use of positive parenting strategies, a sense of self-efficacy in parenting and parent support for school behaviour management policies, as well as reducing the use of coercive parenting methods, parental depression and the level of marital conflict over parenting; (b) reduce behavioural problems of adolescents by increasing social competence, enhancing self-esteem and reducing disruptive, aggressive and oppositional behaviour; and (c) prevent severe conduct problems by reducing the number of "high risk" adolescents with subclinical levels of behaviour disturbance

developing into clinical disorders and the number of adolescents with mild to moderately severe conduct disorders developing severe disorders.

Consultancy

During the year the CRC developed a research consultancy on sentencing trends for violent offenders in Australia, which seeks to identify factors that influence such trends. The research will take into account changes in legislation and possible policy implications. It will examine sentencing trends for homicide, assault, sex offences, robbery and any other offences against the person.

A team headed by Professor Richard Harding, from the University of Western Australia's Crime Research Centre, made the successful tender. The research commenced January 2000 and is scheduled for completion in January 2001.

The CRC issued a brief to conduct a review of the various types of Australian restorative justice programs. The review is being undertaken by Ms Heather Strang, from the Research School of Social Sciences at the Australian National University, and is scheduled for completion in November 2000.

The CRC also resolved to allocate a scoping paper and literature search to identify the dimensions of a project entitled *The Psycho-social Environment of Prisons and its Relationship to Recidivism to the Crime Research Centre, University of Western Australia*.

Reports Received of Completed Research, 1999–2000

The CRC received seven reports of completed research projects during the year. Summaries of these reports are given below:

1 Aboriginal Youth Suicide: Towards a Model of Explanation and Alleviation— Professor Colin Tatz, Macquarie University (25/96–7) (1999)

The report for this project is entitled "Aboriginal Suicide is Different". A model has been developed that may help explain and alleviate Aboriginal youth suicide in NSW and the ACT. Fieldwork was undertaken in fifty-five locations, and for comparison research into and strategies for alleviation of Maori youth suicide was also examined. Over 388 interviews were conducted with Aborigines and Maori, non-Indigenous personnel working with communities, police, coroners, psychiatrists and mental-health and youth workers in both countries.

The report presents strategies for alleviation that embrace an educational focus on historical, legal, political, social and cultural factors which impinge on Aboriginal and Maori youth suicide.

2 The Effectiveness of Legal Protection in Prevention of Domestic Violence in the Lives of Young Australian Women— Professor Annette Dobson, Dr Julie Byles and Ms Margrette Young, University of Newcastle (30/96–7) (2000)

This report describes a large national study of young women who experienced physical violence by a partner. It looks in particular at the effectiveness of legal protection in preventing repeated violence. It compares the outcomes for women who obtained legal protection from the police or

courts with outcomes for women without legal protection. It is an observational study of the “natural history” of partner violence against young women in the community.

3 Directors’ Misconduct

Decriminalised: Are the Civil Sanctions in the Corporations Law Effective?—Professor Ian Ramsay and Ms Helen Bird, University of Melbourne (16/97–8) (1999)

The Australian Federal Parliament introduced civil penalties into company law in 1993, with the expectation that there would be more effective enforcement of directors’ duties. However, in the six years since civil penalties were introduced, the Australian Securities and Investments Commission (ASIC) has commenced only fourteen civil penalty actions. The research undertaken by the authors reveals that civil penalties are perceived by ASIC as serving only a limited deterrent function. The factors that have caused this include ASIC’s resource constraints, including financial and resource constraints; its relationships with other regulatory agencies; its recourse to alternative sanctions; and its concerns about the limited utility of civil penalties and the unclear nature of the civil penalty regime and its regulatory praxis.

4 Young Women in the Juvenile Justice System—Dr Christine Alder and Ms Nichole Hunter, University of Melbourne (17/97–8) (1999)

The research project had two objectives: to investigate the nature of young women’s offending; and to examine young women’s accounts of their experiences of the juvenile justice system. Two reports were produced, one for each of these objectives. Data analysed in the project came from two sources: Victorian Children’s Court Statistics (1990–96) and interviews

with forty-eight young women in the juvenile justice system in Victoria and South Australia. It is hoped that this information will assist in the development of policy and practice to meet the needs of young women in the juvenile justice system.

5 An Examination of the Illegal Art Market in Australia—Associate Professor Ken Polk, University of Melbourne (8/98–9) (2000)

The report represents a first exploration of the place of illegality in the art market of Australia. It draws upon qualitative data, including interviews and field observations involving over 300 respondents (dealers, museum personnel, police, insurance representatives and others) to examine the general size and dimensions of theft and fraud in the art world. The report observes that both theft and fakery are persistent problems in the art market of Australia. The nature of the market tends to restrict somewhat the level of art theft, but issues of fakes and frauds tend to present major problems for those involved in the art trade. The Aboriginal art market poses its own particular issues, especially since there tends to be persistent issues of authorship and authenticity raised. A number of issues regarding prevention, including the importance of developing an art-theft register for Australia, are being considered.

6 A Survey of Aboriginal Community Attitudes to Domestic Violence—Dr Geoffrey Genever, Apunipima Cape York Health Council, Queensland (42/98–9) (2000)

The report for this project is entitled “Yes, but I never hit her in the face”: A Survey of Attitudes to Domestic Violence in Cape York Aboriginal Communities. The project is an examination of attitudes

towards the phenomenon of violence. It looks particularly, although not exclusively, at domestic violence or family violence among Indigenous people. It is based on the responses to a set of questions posed to representative groups of Aboriginal people, most of whom live in communities on Queensland's Cape York Peninsula. While the survey concentrated on attitudes towards domestic violence, the project was not restricted to violence within the family setting because of the belief that domestic violence in Aboriginal communities cannot be properly understood if it is viewed in isolation from other forms of violence.

7 The Characteristics of Child Molesters and Child Molesting in Queensland—Mr Stephen Smallbone, Dr Richard Wortley and Professor Ross Homel, Griffith University (51/98–9) (2000)

The report for this project, which was jointly funded by the CRC and Queensland Crime Commission, is entitled "Child Sexual Abuse in Queensland: Offender Characteristics and Modus Operandi". This study utilised official demographic and offence history data and confidential self-report data to examine the characteristics and modus operandi of men currently serving sentences in Queensland for sexual offences against children. Official data were gathered on 323 offenders, and 182 (56.6 per cent) of these provided extensive self-report data. Findings suggested that, in the main, child sexual offenders: are generalist, rather than specialist offenders; known to their victim and to their victims' parents; rarely use overt violence to obtain sexual contact with their victims; and rely on emotional connections with children to avoid detection. The authors argue that existing public policy responses to child

sexual abuse rely almost exclusively on tertiary prevention strategies, and that reductions in the incidence of child sexual abuse may be better achieved through primary (for example, situational) and secondary (for example, developmental) prevention programs.

Consultancy: Factors that Influence Remand in Custody

The final report for stage one of this research was published, in conjunction with the AIC, in the Research and Public Policy Series.

The study sought to identify factors that may influence rates of adult remand in custody in three jurisdictions: South Australia, Victoria and Western Australia. The results showed significant differences in remand rates between jurisdictions, and identified a range of factors, which potentially operate at each stage of the process and influence the ultimate decision taken by the judicial officer in the court. These included both "formal" elements, such as legislative requirements, as well as "informal" influences such as agreements reached between police prosecutors and defence counsel prior to a bail hearing. No single factor was sufficient to explain the differences in remand rates. The report concluded that remand in custody outcomes are a result of a complex interweaving of legislative provisions and interpretations by magistrates and other actors in the process.

The publication is entitled "Factors Affecting Remand in Custody: A Study of Bail Practices in Victoria, South Australia and Western Australia" and is available for sale at the AIC.

Research in Progress

Reintegrative Shaming of Violence, Drink Driving and Property Crime: A Randomised Controlled Trial—

Professors J. Braithwaite and L. Sherman, Australian National University, Canberra CRC 47/93–4.

The Effectiveness of Criminal Sanctions: A Natural Experiment—

Dr David Tait, University of Melbourne CRC 33/96–7.

Shame Management and Social

Reintegration for Bullies and Victims: The Prism Project—

Dr Valerie Braithwaite, Australian National University CRC 6/97–8.

A Quantitative and Qualitative Analysis of the Relationship Between Community Cohesiveness and Rural Crime—

Dr Patrick Jobes, Dr Joe Donnermeyer and Ms Elaine Crosby, University of New England CRC 7/97–8.

Hearing Loss and Communication

Disability within the Criminal Justice System—

Dr Al Yonovitz and Mr Grant Preston, Menzies School of Health Research, Royal Darwin Hospital, Northern Territory CRC 15/97–8.

Criminal Forfeiture and Confiscation—

Professor Richard Fox and Professor Arie Freiberg, Monash University CRC 38/97–8.

Sentencing the Multiple Offender—

Dr Austin Lovegrove, University of Melbourne CRC 7/98–9.

An Investigation into the Experiences of Child Complainants of Sexual Abuse within the Criminal Justice System—

Dr Christine Eastwood, Queensland University of Technology CRC 23/98–9.

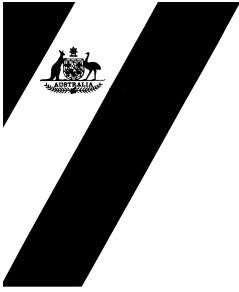
An Evaluation of Anger Management Programs with Violent Offenders in

Two Australian States—Professor Kevin Howells and Dr Andrew Day, University of South Australia CRC 37/98–9.

An Investigation of the Role of Resiliency Promoting Factors in Preventing Adverse Life Outcomes During

Adolescence—Dr Bruce Johnson, Dr Susan Howard and Mr Murray Oswald, University of South Australia CRC 39/98–9.

Financial Statements



Auditor-General for Australia



Ref: F2000/130

29 September 2000

Dr Adam Graycar
Director
Criminology Research Council
74 Leichhardt St
KINGSTON ACT 2603

Dear Dr Graycar

1999-2000 FINANCIAL STATEMENT AUDIT

The audit of the financial statements of the Criminology Research Council for the year ended 30 June 2000 has now been completed with satisfactory results.

The unqualified audit opinion and copy of the letter to the Attorney General are attached.

Yours sincerely

Leslie Macdonald
A/g Executive Director



INDEPENDENT AUDIT REPORT



To the Council of the Criminology Research Council

Scope

I have audited the financial statements of the Criminology Research Council for the year ended 30 June 2000. The financial statements comprise:

- Statement by the Council Members;
- Balance Sheet;
- Operating Statement;
- Statement of Cash Flows;
- Schedule of Commitments;
- Schedule of Contingencies; and
- Notes to and forming part of the Financial Statements.

The members of the Council are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the entity which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

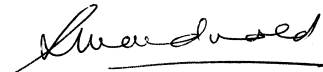
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the financial statements have been prepared in accordance with Schedule 2 of the Finance Minister's Orders; and
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 2 of the Finance Minister's Orders, of the financial position of the Criminology Research Council as at 30 June 2000 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office



Leslie Macdonald
A/g Executive Director

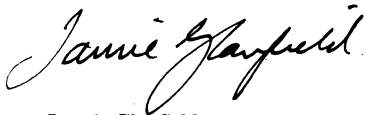
Delegate of the Auditor-General

Canberra
29 September 2000

CRIMINOLOGY RESEARCH COUNCIL

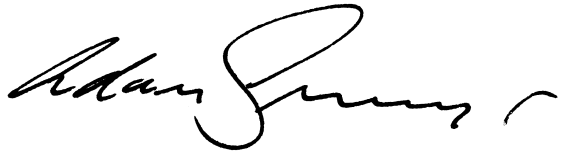
STATEMENT BY COUNCIL MEMBERS

In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 2 to the Finance Minister's Orders, made under the *Commonwealth Authorities and Companies Act 1997* for the year ended 30 June 2000.



Laurie Glanfield
Chairman

19 September 2000



Adam Graycar
Director

19 September 2000

**CRIMINOLOGY RESEARCH COUNCIL
OPERATING STATEMENT
for the year ended 30 June 2000**

	Note	2000 \$	1999 \$
Operating revenues			
Revenues from government	4A	271,000	234,000
Other revenues	4B	132,000	134,000
Interest		28,158	25,001
Total operating revenues		431,158	393,001
Operating expenses			
Employees	5A	116,532	75,649
Suppliers	5B	47,885	60,178
Other	5C	31,082	246,400
Total operating expenses		195,499	382,227
Operating surplus (deficit) before extraordinary items		235,659	10,774
Gain/(Loss) on extraordinary items		0	0
Net surplus (deficit) after extraordinary items		235,659	10,774
Net surplus (deficit) attributable to the Commonwealth		235,659	10,774
Accumulated surplus (deficits) at beginning of reporting period		301,616	290,842
Total available for appropriation		537,275	301,616
Capital use provided for or paid		0	0
Accumulated surplus (deficits) at end of reporting period		537,275	301,616

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

CRIMINOLOGY RESEARCH COUNCIL
BALANCE SHEET
as at 30 June 2000

	Note	2000 \$	1999 \$
ASSETS			
Financial assets			
Cash	6A	359,410	415,154
Receivables	6B	73	1,454
Investments	6C	450,000	310,000
Total financial assets		809,483	726,608
Total assets		809,483	726,608
LIABILITIES			
Provisions and Payables			
Suppliers	7A	6,300	6,300
Other	7B	229,890	382,674
Total provisions and payables		236,190	388,974
Total liabilities		236,190	388,974
EQUITY			
Capital		36,018	36,018
Accumulated surpluses (deficits)		537,275	301,616
Total equity	8	573,293	337,634
Total liabilities and equity		809,483	726,608
Current liabilities		210,690	288,724
Non-current liabilities		25,500	100,250
Current assets		809,483	726,608
Non-current assets		0	0

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

CRIMINOLOGY RESEARCH COUNCIL
STATEMENT OF CASH FLOWS
for the year ended 30 June 2000

	Note	2000 \$	1999 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations for outputs		271,000	234,000
Interest		29,539	24,285
State and Territory contributions		132,000	134,000
Total cash received		432,539	392,285
Cash used			
Suppliers		(164,417)	(136,427)
Research projects		(183,866)	(234,021)
Total cash used		(348,283)	(370,448)
Net cash from operating activities	14	84,256	21,837
Net increase in cash held		84,256	21,837
Cash at the beginning of the reporting period		725,154	703,317
Cash at the end of the reporting period	15	809,410	725,154

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

**CRIMINOLOGY RESEARCH COUNCIL
SCHEDULE OF COMMITMENTS
as at 30 June 2000**

There were no commitments at 30 June 2000.

SCHEDULE OF CONTINGENCIES

There were no contingencies at 30 June 2000.

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

There were no unquantifiable contingencies at 30 June 2000.

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

CRIMINOLOGY RESEARCH COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

1 Summary of Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- the *Requirements for the Preparation of Financial Statements of Commonwealth Agencies and Authorities* made by the Minister for Finance and Administration in August 1999 (Schedule 2 of the Commonwealth Authorities and Companies (CAC) Orders);
- the Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Boards; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- the Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 2 issued by the Department of Finance and Administration

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position of the CRC.

1.2 Changes in Accounting Policy

Changes in accounting policy have been identified in this note under their appropriate headings.

1.3 Reporting by Outcomes

A comparison of Budget and Actual figures by outcome specified in the Appropriation Acts relevant to the CRC is presented in Note 10. Any intra-government costs included in the "net cost to Budget outcomes" are eliminated in calculating the actual budget outcome for the Government overall.

1.4 Appropriations

From 1 July 1999, the Commonwealth Budget has been prepared under an accruals framework. Under this framework, Parliament appropriates moneys to the CRC as revenue appropriations, as loan appropriations and as equity injections.

Revenue appropriations

Revenues from Government are revenues relating to the core operating activities of the CRC.

Appropriations for outputs are recognised as revenue to the extent they have been received into the CRC's bank account or are entitled to be received by the CRC at year end.

Non-revenue appropriation

Appropriations to the CRC for capital items are recognised directly in equity, to the extent that the appropriation has been received into the CRC's bank account or are entitled to be received by the CRC at year end.

Resources received free of charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value as revenue and an asset when the CRC gains control over the contributed asset and the asset qualifies for recognition.

1.5 Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services to Commonwealth bodies. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Core operations

All material revenues described in this note are revenues relating to the core operating activities of the CRC, whether in their own right or on behalf of the Commonwealth. Details of revenue amounts are given in Note 4.

1.6 Employee Entitlements

Leave

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

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2000 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2000. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Separation and redundancy

Provision is also made for separation and redundancy payments in circumstances where the CRC has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

Superannuation

Employees contribute to the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). Employer contributions amounting to \$4181 (1998–99: Nil) in relation to these schemes have been expensed in the financial statements.

No liability is shown for superannuation in the Balance Sheet as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$129 (1998–99: Nil) for CRC.

1.7 Leases

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 leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of "free" leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.8 Cash

Cash includes notes and coins held and any deposits held at call with a bank or financial institution.

1.9 Financial Instruments

Accounting policies for financial instruments are stated at Note 16.

1.10 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.11 Taxation

The CRC is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

1.12 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

Comparatives are not presented in Notes dealing with the Reporting on Outcomes, due to 1999–2000 being the first year of the implementation of accrual budgeting.

2 Economic Dependency

CRC was established by Part IV of the *Criminology Research Act 1971* and is controlled by the Commonwealth of Australia.

The CRC is dependent on appropriations from the Parliament of the Commonwealth for its continued existence and ability to carry out its normal activities.

3 Subsequent Events

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

	2000	1999
	\$	\$
4 Operating Revenues		
<u>4A Revenues from government</u>		
Resources received free of charge	0	0
Appropriations for outputs	271,000	234,000
Total	271,000	234,000

<u>4B Other revenues</u>		
Services provided to State and Territory Governments	132,000	134,000

5 Operating Expenses

<u>5A Employee expenses</u>		
Basic Remuneration for services provided ¹	116,532	75,649

The CRC contributes to the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS) that provide retirement, death and disability benefits to employees. Contributions to the schemes are at rates calculated to cover existing and emerging obligations. Current contribution rates are 34.4 per cent of salary (CSS) and 15.6 per cent of salary (PSS). An additional 3 per cent is contributed for employer productivity benefits.

	2000	1999
	\$	\$
<u>5B Suppliers expenses</u>		
Supply of goods and services ²	47,885	60,178
<u>5C Other expenses</u>		
Research project expenses	31,082	246,400

¹ The CRC paid for \$85,058 of employee services to the AIC during the year under the administrative support agreement between the two bodies.

² The CRC paid for \$14,942 of administrative support services to the AIC during the year under the administrative support agreement between the two bodies.

6 Financial Assets

6A Cash

Cash at bank and on hand	359,410	415,154
	<u>359,410</u>	<u>415,154</u>

6B Receivables

Debtors	73	1,454
	<u>73</u>	<u>1,454</u>

Current receivables includes receivables overdue by:

Less than 30 days	73	1,454
	<u>73</u>	<u>1,454</u>

6C Investments

Term deposit (matures 29 October 2000)	450,000	310,000
	<u>450,000</u>	<u>310,000</u>

7 Provisions and Payables

7A Suppliers

Creditors	6,300	6,300
	<u>6,300</u>	<u>6,300</u>

7B Other

Grants for research projects	229,890	382,674
	<u>229,890</u>	<u>382,674</u>

Grants are represented by

Current	204,390	282,424
Non-current	25,500	100,250
	<u>229,890</u>	<u>382,674</u>

Net cash provided by operating activities

	229,890	382,674
	<u>229,890</u>	<u>382,674</u>

The liability for grants for research projects represents research projects approved by the CRC and accepted by, but not distributed to, grantees as at 30 June.

8 Equity

Item	Capital		Accumulated results		Reserves		Total Equity	
	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99
	\$	\$	\$	\$	\$	\$	\$	\$
Balance								
1 July 1999	36,018	36,018	301,616	290,842	0	0	337,634	326,860
Operating result	0	0	235,659	10,774	0	0	235,659	10,774
Balance								
30 June 2000	36,018	36,018	537,275	301,616	0	0	573,293	337,634

2000 1999
\$ \$

9 Appropriations

The CRC received the following appropriations during the year out of the Consolidated Revenue Fund.

Annual Appropriation Acts Nos. 1 credits:

Attorney-General's Department Division 126	271,000	234,000
	271,000	234,000

10 Reporting by Outcomes

The CRC is structured to meet one outcome:

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

Reporting by Outcomes by funding source for 1999–2000

Outcomes	Outputs \$					Total Appropriations \$	Total Expenses \$
	Expenses against Revenue from Government (Appropriations) (B)				Expense against Revenue from other sources (C)	Total Expenses Against Outputs (D) = (B)	
	Special Appropriations	Annual Appropriation Acts	Total				
Outcome 1							
• Actual	0	195,499	195,499		0	195,499	195,499
• Budget	0	271,000	271,000		132,000	132,000	403,000
Total							
• Actual	0	195,499	195,499		0	195,499	195,499
• Budget	0	271,000	271,000		132,000	132,000	403,000
Appropriation Act 2 Capital							
• Actual						0	
• Budget						0	
Total Appropriations							
• Actual						271,000	
• Budget						271,000	

NB Expenses may be incurred against funding sources not separately identified in this table but which may be included in the total expenses column.

11 Remuneration of Executive Officers

There were no executive appointments on the CRC.

2000	1999
\$	\$

12 Remuneration of Auditors

Remuneration to the Auditor-General for auditing the financial statements for the reporting period

6,300	6,300
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No other services were provided by the Auditor-General during the reporting period.

13 Related Party Disclosures

The members of the CRC during the year were:

	<i>Appointment</i>	<i>Resignation</i>
Mr Laurie Glanfield (Chairman) Director-General, Attorney-General's Department, New South Wales	30.7.91	
Mr Norman Reaburn (Commonwealth) Deputy Secretary, Attorney-General's Department	04.12.94	11.4.00
Mr Ian Carnell (Commonwealth) General Manager, Criminal Justice and Security, Commonwealth Attorney-General's Department	11.4.00	
Mr Peter Harmsworth Secretary, Department of Justice, Victoria	27.5.99	
Dr Ken Levy Deputy Director-General, Department of Justice and Attorney-General, Queensland	12.12.90	
Dr Robert Fitzgerald Executive Director, Policy and Legislation Division, Ministry of Justice, Western Australia	26.6.96	
Mr David Moore Commissioner, Northern Territory Correctional Services, Northern Territory	04.2.98	
Mr Denbigh Richards (replacement to be appointed) Deputy Secretary, Department of Justice and Industrial Relations, Tasmania	06.5.98	30.4.00
Ms Joy Wundersitz Director, Office of Crime Statistics, Attorney-General's Department, South Australia	19.7.95	

No remuneration was paid to any member of the CRC during the reporting period.

	2000	1999
	\$	\$

14 Cash Flow Reconciliation**Reconciliation of operating surplus to net cash provided by operating activities**

Operating Surplus/(Deficit)	235,659	10,774
Changes in Assets and Liabilities		
Increase/(Decrease) in other payables—research projects	(152,784)	12,380
Increase/(Decrease) in suppliers' payables	0	(600)
(Increase)/Decrease in receivables	1,381	(717)
Net cash provided by operating activities	84,256	21,837

15 Cash Flow Reconciliation

Cash at year end as shown in the statement of cash flows includes the following financial assets:

Cash	359,410	415,154
Investments (term deposit)	450,000	310,000
Cash at 30 June	809,410	725,154

16 Financial Instruments

16A Terms, conditions and accounting policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	6A	Deposits are recognised at their nominal amounts. Interest is credited to revenues as it accrues.	The CRC invests funds with the Reserve Bank of Australia at call. Monies in the CRC's bank accounts are swept into the Official Public Account nightly and interest is earned on the daily balance at rates based on money market call rates. Interest is paid in arrears on the first business day after the end of each quarter.
Receivables for goods and services	6B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net seven days.
Investments	6C	Term deposits are recognised at cost. Interest is accrued as it is earned.	The term deposit is with the CRC's bank, maturing in 1999-2000 and earns a market rate of interest that is fixed at the prevailing rate on the date of settlement.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade creditors	7A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net thirty days.

16B Interest rate risk

Financial Instrument	Note	Floating Interest Rate		Fixed Interest Rate 1 year or less		Non-Interest Bearing		Total		Weighted average effective interest rate	
		2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
		\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Financial assets (recognised)											
Cash	6A	359,410	415,154	0	0	0	0	359,410	415,154	2.5	2.5
Receivables	6B	0	0	0	0	73	1,454	73	1,454	n/a	n/a
Investments	6C	0	0	450,000	310,000	0	0	450,000	310,000	5.9	4.7
Total financial assets (recognised)		<u>359,410</u>	<u>415,154</u>	<u>450,000</u>	<u>310,000</u>	<u>73</u>	<u>1,454</u>	<u>809,483</u>	<u>726,608</u>		
Financial liabilities (recognised)											
Research projects	7B	0	0	0	0	229,890	382,674	229,890	382,674	n/a	n/a
Suppliers	7A	0	0	0	0	6,300	6,300	6,300	6,300	n/a	n/a
Total financial liabilities (recognised)		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>236,190</u>	<u>388,974</u>	<u>236,190</u>	<u>388,974</u>		

16C Net Fair values of financial assets and liabilities

Financial Instrument	Note	2000		1999	
		Total carrying amount \$	Aggregate net fair value \$	Total carrying amount \$	Aggregate net fair value \$
Financial assets (recognised)					
Cash	6A	359,410	359,410	415,154	415,154
Receivables	6B	73	73	1,454	1,454
Investments	6C	450,000	450,000	310,000	310,000
Total financial assets (recognised)		809,483	809,483	726,608	726,608
Financial liabilities (recognised)					
Research projects	7B	229,890	229,890	382,674	382,674
Suppliers	7A	6,300	6,300	6,300	6,300
Total financial liabilities (recognised)		236,190	236,190	388,974	388,974

Financial Assets

The net fair values of cash, deposits, on call and non-interest-bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors are approximated by the carrying amounts.

16D Credit risk exposures

The CRC's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

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

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