

**Annual  
Report**  
2018–2019



Victorian  
Law Reform  
Commission

Inclusive  
Independent  
Innovative

18

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**PUBLISHED BY THE VICTORIAN LAW REFORM COMMISSION**

The Victorian Law Reform Commission was established under the *Victorian Law Reform Commission Act 2000* as a central agency for developing law reform in Victoria.

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# Annual Report

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**This year was marked by sadness, with the death of our Chair, the Hon. Philip Cummins AM, in February 2019. Philip was Chair of the Victorian Law Reform Commission from 2012 to 2019 and his work in the field of law reform will be a lasting part of his legacy.**

Philip led the Commission through 14 inquiries covering a wide range of criminal and civil matters. Many of these ultimately led to significant reform in areas including victims of crime in the criminal trial process (how to treat victims better was always a matter of great concern to Philip); the legalisation of medicinal cannabis; succession laws; and jury empanelment. A further three inquiries were in progress at the time of his death. To all of these he provided intellectual leadership infused with compassion.

Philip was a strong supporter of the Commission's community law reform program, and was proud of the fact that the Commission's inquiries are characterised by extensive community consultation. He was passionate about education and nowhere was this more evident than his enthusiasm for the Commission's schools program. He thought nothing of driving many miles to share with students his vast experience and wisdom on the subjects of law reform and the courts, and was an unfailing contributor to the Law Talks program run by the Victoria Law Foundation in metropolitan and regional Victoria. The videos of Philip recorded at these events, in which he explained facets of the justice system for the benefit of students, are frequently downloaded from the Commission's website—another part of his legacy.

After Philip's death, I was appointed as Acting Chair by the Attorney-General on 4 March 2019.

### **References and inquiries 2018–2019**

During the reporting year 2018–2019, the Commission completed one inquiry: its Review of the Victims of Crime Assistance Act report was delivered to the Attorney-General in July 2018. The Commission commenced work on two new references: Contempt of Court and Committals, and made significant progress during the year with its community law reform project, Neighbourhood Tree Disputes, which focuses on disputes between neighbours regarding trees on private land. At the conclusion of this reporting period, the Commission was about to deliver the Neighbourhood Tree Disputes report to the Attorney-General in July 2019. All these inquiries are reported on in more detail in these pages.

### **School and community education**

Under section 5(1)(e) of the *Victorian Law Reform Commission Act 2000*, a function of the Commission is to undertake educational programs on areas of law relevant to the Commission's references. This work, which involves visits to schools, conferences, universities and community organisations, is reported in detail later in this report. The Commission undertakes much of this work on its own and also participated in five Law Talks events this year, reaching more than 1200 students in collaboration with its friends at the Victoria Law Foundation.

### Upcoming 20th anniversary

The next reporting period will encompass 6 June 2020, a significant date for the Commission: the 20th anniversary of assent being given to the *Victorian Law Reform Commission Act 2000*. That anniversary will be an opportune time for the Commission to reflect on its many successes to date and to undertake a program of internal review to ensure that our policies and procedures remain fit for purpose for the challenges which lie ahead.

In anticipation of this process, the Commission has commenced a project to identify suitable future references which may be suggested to the Attorney-General in accordance with section 5(1)(c) of the Act. This project includes liaison with our federal colleagues at the Australian Law Reform Commission who are undertaking a similar inquiry. A multi-year rolling program of references would offer many benefits, including assisting the government with long-term planning and ensuring that reform activities are balanced across all areas of the law.

### Thanks

I thank the current Commissioners for their hard work: Liana Buchanan, Helen Fatouros (who completed her term as a Commissioner on 1 September 2018), Dr Ian Hardingham QC, Professor Bernadette McSherry, Dan Nicholson, Alison O'Brien PSM, Gemma Varley PSM and the Hon. Frank Vincent AO QC.

The Commission continues to be very well served by its Chief Executive Officer, Merrin Mason, by the Acting CEO Lindy Smith, who took the reins while Merrin was on leave, and by its hard-working, dedicated staff.

The Commission has enjoyed excellent relations with government, in particular the Attorney-General, the Hon. Jill Hennessy MP, and her predecessor, the Hon. Martin Pakula MP (until November 2018) and the Department of Justice and Community Safety. I record my warm thanks to Deputy Secretary Anna Faithfull and ministerial adviser Mike Williams.

I commend this Annual Report to you.

### Responsible body's declaration

In accordance with the *Financial Management Act 1994* I am pleased to present the Victorian Law Reform Commission's Annual Report for the year ending 30 June 2019.



**Bruce Gardner PSM**

Acting Chair  
July 2019

**The Victorian Law Reform Commission is a central agency for law reform in Victoria. It is a statutory authority, established under the *Victorian Law Reform Commission Act 2000*.**

The Commission aims to make a significant contribution to maintaining and further developing a just, inclusive and accessible legal system for all Victorians.

The Commission is funded by the Victorian Government and the Victorian Legal Services Board. The Commission's work is independent of the political process.

The Commission is committed to inclusive law reform. It consults with the community and advises the Attorney-General on how to reform Victorian laws.

When the Commission carries out a law reform reference or inquiry, it consults with people who are affected, especially:

- people in regional and remote communities
- Indigenous people
- people from culturally and linguistically diverse backgrounds
- people with disabilities.

The Commission reports to the Attorney-General on completion of a reference or inquiry, making practical, innovative recommendations that aim to make the law fairer, more up-to-date and more accessible to everyone.

**The functions of the Commission**

Under section 5(1) of the *Victorian Law Reform Commission Act 2000* (Vic), the functions of the Commission are:

- (a) to examine, report and make recommendations to the Attorney-General on any proposal or matter relating to law reform in Victoria that is referred to the Commission by the Attorney-General;
- (b) to examine, report and make recommendations to the Attorney-General on any matter that the Commission considers raises relatively minor legal issues that are of general community concern if the Commission is satisfied that the examination of that matter will not require a significant deployment of the resources available to the Commission;
- (c) to suggest to the Attorney-General that a proposal or matter relating to law reform in Victoria be referred to the Commission by the Attorney-General;
- (d) to monitor and co-ordinate law reform activity in Victoria;
- (e) to undertake educational programs on any area of the law relevant to a reference, whether past or current.



# 2018

## **JULY 2018**

The Commission's review of the Victims of Crime Assistance Act report was delivered to the Attorney-General.

During July–October 2018 the VLRC made 36 school visits and addressed more than 750 Year 12 legal studies students on the subject of law reform.

## **SEPTEMBER 2018**

Dan Nicholson's term as a Commissioner commenced.

## **OCTOBER 2018**

The Attorney-General asked the Commission to review and report on Victoria's committals system.

The Attorney-General asked the Commission to review and report on the law relating to contempt of court, the *Judicial Proceedings Reports Act* and enforcement processes.

# 2019

## **MARCH 2019**

Bruce Gardner PSM was appointed as Acting Chair of the VLRC.

## **MAY 2019**

The Commission published a consultation paper on Contempt of Court and called for submissions.

The Commission presented to an audience of 220 legal studies students at Law Talks, a Law Week event organised by the Victoria Law Foundation. Overall, during 2018–19 the Chair and staff members presented at five Law Talks events for VCE students: in Melbourne (twice), Shepparton, Warrnambool and Bendigo. A total of 1227 students attended.

## **JUNE 2019**

The Commission published an issues paper on Committals and called for submissions.

Commissioner Alison O'Brien was awarded a Public Service Medal.

**PURPOSE**

**TO MAKE A SIGNIFICANT CONTRIBUTION TO A JUST, INCLUSIVE AND ACCESSIBLE LEGAL SYSTEM FOR ALL VICTORIANS**

**PRINCIPLES**

**INCLUSIVE**

**INDEPENDENT**

**VALUES**

**INTELLECTUAL RIGOUR**

**BALANCED  
DECISION MAKING**

**OBJECTIVES**

**QUALITY LAW REFORM  
REPORTS**

Production of high quality, authoritative, and timely law reform reports

**PUBLIC AND PROFESSIONAL  
REPUTATION**

An excellent reputation for rigorous and comprehensive research, extensive community and stakeholder consultation, and for providing robust, impartial and independent advice

#### **INNOVATIVE**

#### **RECOGNITION OF DIVERSITY**

#### **PUBLIC ENGAGEMENT AND EDUCATION**

Enhancing the public's understanding of law reform, educating students, identifying areas of general community concern and increasing contributions to the law reform process

#### **EFFECTIVE COMMUNICATION**

#### **ACCESS FOR THE MARGINALISED AND DISADVANTAGED**

Giving a voice to marginalised groups within the community by consistently obtaining input from difficult to reach and non-traditional stakeholders and interested parties

#### **ETHICAL EMPLOYER**

#### **SHARING LAW REFORM INFORMATION**

Maintaining relationships with other bodies involved in law reform in Victoria, monitoring and reporting on law reform activities



## Chair

**Bruce Gardner PSM** was until 2018 the Senior Legal Advisor to the Victorian Director of Public Prosecutions. He had 36 years' experience in the Crown Solicitor's Office and the Office of Public Prosecutions as a prosecution solicitor. Since 1994, Mr Gardner held a range of policy-related positions including Manager of Policy and Advice for 21 years, for 14 years of which he was also Manager of Appeals. Mr Gardner has served on numerous committees and working groups addressing criminal law reform issues. He was appointed as a Commissioner of the Victorian Law Reform Commission in April 2012 and in June of the same year was awarded an Australian Public Service Medal for outstanding public service to criminal law reform. He was appointed Acting Chair of the Commission on 4 March 2019.

## Commissioners (Part-time)

**Liana Buchanan** is Victoria's Principal Commissioner for Children and Young People. She was formerly the Executive Officer of the Federation of Community Legal Centres and was also responsible for monitoring and review of the Victorian corrections system as Director, Office of Correctional Services Review from 2009 to 2013. Ms Buchanan has worked as a community lawyer and in a range of law reform and legal policy roles, including at the Women's Legal Service (SA), the Equal Opportunity Commission, the Victorian Law Reform Commission and as senior adviser to the Secretary, Department of Justice. She was appointed to the Victorian Law Reform Commission in February 2015.

**Helen Fatouros** was until January 2018 the Executive Director of Criminal Law Services, Victoria Legal Aid. She was formerly the legal prosecution specialist with the Victorian Office of Public Prosecutions (OPP), appearing on behalf of the Director of Public Prosecutions in indictable matters across the Supreme, County and Magistrates' Courts. Ms Fatouros was the Directorate Manager of the Specialist Sex Offences Unit. She led the profession-wide implementation of the Sexual Offences Interactive Legal Education Program in 2012, and received the Law Institute of Victoria's 2013 President's Award for Government Lawyer of the Year. Her term as a Commissioner was completed in September 2018.

**Dr Ian Hardingham QC** is a leading barrister in a number of areas, including succession, property and equity law. Appointed Queen's Counsel in 1997, Dr Hardingham has had a distinguished career at the bar, appearing and advising in many significant cases. As well as authoring and contributing to a number of important texts, Dr Hardingham has contributed to several law reform projects, and was central to the Victorian Parliamentary Law Reform Committee's 1994 review of the law of wills. He joined the Victorian Law Reform Commission in June 2012 as the specialist Commissioner to the review on succession laws, and was appointed as a Commissioner in September 2013.

**Professor Bernadette McSherry** is the Foundation Director of the Melbourne Social Equity Institute at the University of Melbourne and an Adjunct Professor of Law at Melbourne Law School. She is an internationally recognised legal academic in the fields of criminal law and mental health law and is a Fellow of the Academy of Social Sciences in Australia as well as a Fellow of the Australian Academy of Law. She served as a Legal Member of the Victorian Mental Health Tribunal for 18 years until mid-2018 and is currently a Commissioner serving on the Royal Commission into Victoria's Mental Health System. She was appointed to the Victorian Law Reform Commission in June 2018.



**Dan Nicholson** is the Executive Director, Criminal Law at Victoria Legal Aid, responsible for the delivery of legally aided criminal law services across the state. Dan has worked with VLA since 2012 in a range of roles. He led VLA's programs in mental health and disability advocacy, migration law, tenancy, discrimination and social security, and was responsible for VLA's Legal Help telephone advice service and funding to community legal centres. Dan previously managed the Human Rights Unit at the Victorian Department of Justice, was Associate to Justice Maxwell, President of the Court of Appeal, and worked at Fitzroy Legal Service. He has worked on a range of human rights issues and lived in Cambodia and Timor-Leste. Dan was appointed to the Victorian Law Reform Commission in September 2018.

**Alison O'Brien PSM** has 23 years' experience working in government, including 21 years with the Victorian Government Solicitor's Office, where she is the Assistant Victorian Government Solicitor, Government and Public Law. She provides advice to the state government on constitutional and other public law matters, including legislative development, and has been involved in cases which have developed critical areas of the law. In 2011 Ms O'Brien was awarded the Law Institute of Victoria Government Lawyer of the Year Award. She has been a member of the Victorian Legal Admissions Committee since 2015. She was appointed to the Victorian Law Reform Commission in September 2013. She was awarded a Public Service Medal in June 2019 for outstanding public service to the provision of legal services to the Victorian public sector, particularly in the areas of constitutional and public law.

**Gemma Varley PSM** was Chief Parliamentary Counsel for Victoria from 2008 until 2016. She was Second Deputy Chief Parliamentary Counsel from 2004 until 2008 and has more than 37 years' experience as a legislative drafter in the Office of the Chief Parliamentary Counsel. Mrs Varley is in private practice as a consulting legislative drafter. She was appointed to the Victorian Law Reform Commission in August 2016. In 2017 she was awarded a Public Service Medal for outstanding public service through the drafting of legislation in Victoria.

**The Hon. Frank Vincent AO QC** served 16 years as a trial judge of the Supreme Court of Victoria followed by a further eight years as a judge of the Court of Appeal. He was Deputy Chair and then Chair of the Victorian Adult Parole Board, a position he occupied for 17 years. He has served as a consultant to the Australian Law Reform Commission and as Chairman of the Victorian Criminal Bar Association, and since his judicial retirement he has been appointed by successive Attorneys-General to conduct inquiries into matters of public importance. From 2001 to 2009 he was the Chancellor of Victoria University. He conducted a review of the legislative framework for witness protection in Victoria, and was Senior Legal Advisor to the State Parliamentary Committee Inquiry into the sexual and physical abuse of children in non-government organisations. In 2018 he conducted a review of court suppression orders and the Open Courts Act 2013. He was appointed to the Victorian Law Reform Commission in July 2012.



## Objectives

## Results

To produce high-quality, authoritative and timely law reform reports with recommendations that are practical, implementation-focussed and embrace innovative solutions to complex legal and policy issues

Completed one reference: Review of the Victims of Crime Assistance Act.  
Made significant progress towards the completion of the Neighbourhood Tree Disputes report.

To maintain a reputation for rigorous legal research, extensive community and stakeholder consultation, and robust, impartial and independent advice to the government

Published two consultation/issues papers:

- Contempt of Court and the Judicial Proceedings Reports Act
- Committals

Conducted extensive consultations with the community and stakeholders for:

- Neighbourhood Tree Disputes

To enhance public understanding of law reform through our community engagement and education initiatives, encouraging informed community debate on legal issues, identifying areas of general community concern and increasing contributions to the law reform process

Participated in five Law Talks events for VCE legal studies students, jointly with the Victoria Law Foundation, reaching 1227 students.  
Made 37 school visits and addressed more than 750 Year 12 legal studies students as detailed in the Communications and Education section of this report.  
The Commission's work was reported in the media, including TV, radio, print and online.  
The Commission received 14 formal community law reform suggestions.

To give a voice to marginalised groups within the community

The Commission consulted extensively with disadvantaged Victorians, including regional Victorians, for all projects.  
The Commission's current and recent publications are published on its website in accessible html versions and as accessible pdfs and Word documents.

To develop and maintain relationships with other bodies involved in law reform in Victoria, fostering information sharing and reporting on law reform activities.

VLRC e-newsletters and social media report on the activities of other law reform agencies within Victoria and interstate and relevant law reform activities. The community law reform and communications teams liaise with these agencies, sharing information and gathering updates on their activities.

### Current Financial Year in Review

- The Commission's income decreased in 2018–19 to \$2.565M (2017–18: \$2.717M). This decrease related to the special grant funds received from the Victorian Legal Services Board in the previous year for additional work associated with the Victims of Crime Assistance reference.
- The Commission's expenditure decreased in 2018–19 to \$2.578M (2017–18: \$2.771M). The reduction in expenditure was primarily driven by the completion of references and the consequent reduction in staff numbers. Additionally, there was a delay in the commencement of new reference work.
- The overall net result was a loss of \$29,673, which partially accounts for the lower trust fund balance of \$249,237 (2017–2018: \$388,240).
- The Commission's Trust fund and the State Administered Unit (SAU) receivable account balance reduced overall from \$199,491 to \$129,787 at 30 June 2019. This is largely the result of a reduction in the employee-related leave provisions due to the payout of leave entitlements relating to staff departures.

## Performance against output performance measures

The following table shows the performance results against targets by output for the Commission over the full year ending 30 June 2019.

### Performance measures

Quantity	Unit of Measure	2018-19 Actual	2018-19 Target	Performance Variation
Community education and consultation sessions	number	71	100	(29.0%)
Due to the operational impact of the death of the VLRC Chair on 24 February 2019, consultations initially planned for June quarter 2018-19 will be conducted in September quarter 2019-20.				
Law reform projects <sup>1</sup>	number	3	3	0%
Quantity Stakeholder satisfaction with consultation/education processes	per cent	95	85	11.8%
Cost Annual appropriation		662,300		
Victorian Legal Services Board		1,893,106		
<b>Total output cost</b>	\$	<b>2,555,406</b>		

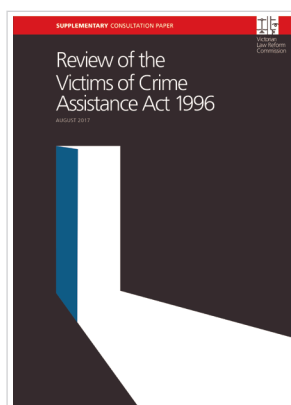
The outputs relating to the Commission are included in the Budget Paper No. 3 (BP3) under the heading of the Department of Justice and Community Safety's *Criminal Justice Services - Criminal Law Support and Reform*. The Commission's outputs contribute to this consolidated total output cost of \$2.555M.

The total output cost for the Commission is an amount derived from the *Appropriation (2018/2019) Act 2017*, less required savings and other movements, plus the amount received from the Victorian Legal Services Board, as directed by the Attorney-General.

<sup>1</sup> This measure records the number of publications produced.

## Budget portfolio outcomes

A comparison of the budget portfolio outcome statements of the Commission and the actual results for the year can be found in Appendix 2.



## REFERENCE

# Review of the Victims of Crime Assistance Act 1996

**In December 2016, the Commission was asked to review and report on the provision of state-funded financial assistance to victims of family violence under the *Victims of Crime Assistance Act 1996* (the Act). As part of this review, the Commission was asked to consider matters raised by Recommendation 106 of the Royal Commission into Family Violence.**

**REFERRED**

21 December 2016

**DUE DATE**

27 July 2018

**DELIVERED**

23 July 2018

**Terms of reference**

Matters under consideration included:

- the eligibility test and whether this should be expanded to include victims of family violence where a pattern of non-criminal behaviour results in physical or psychological injury
- the categories and quantum of awards with regard to the cumulative impact of family violence behaviour on victims, and
- the requirement to notify a perpetrator, especially where the act of violence has not been reported to police or no charges have been laid, or the prosecution is discontinued or the person is acquitted.

In July 2017 the Commission was requested to expand its review to consider the operation and effectiveness of the Act and the Victims of Crime Assistance Tribunal for all crime victims, including victims of family violence. The Commission was asked to consider whether there are other models of state-funded financial assistance that would more effectively deliver assistance to victims of crime. The Commission was also asked to consider whether it is appropriate in certain circumstances for alleged perpetrators of a crime to be notified of applications or to be called to give evidence.

The Commission was asked to bear in mind that a state-funded financial assistance scheme for victims should seek to achieve outcomes for victims that:

- are fair, equitable and timely
- are consistent and predictable
- minimise trauma for victims and maximise the therapeutic effect for victims

and that the scheme must also be efficient and sustainable for the state.

The Commission was asked to provide a single report incorporating both the first reference and the expanded reference.

**Commissioners and staff**

The Chair, the Hon. Philip Cummins AM, formed a Division to work on this reference, which he also chaired. Members were Liana Buchanan, Bruce Gardner PSM, Dr Ian Hardingham QC and the Hon. Frank Vincent AO QC.

The research and policy team was Anna Beesley (team leader), Claire Gallagher and Alexia Staker (policy and research officers), and Claerwen O'Hara (research assistant).

**Progress of the reference**

On 23 July 2018 the report was delivered to the Attorney-General in advance of the due date. It was tabled in Parliament on 19 September 2018.

**Report and recommendations**

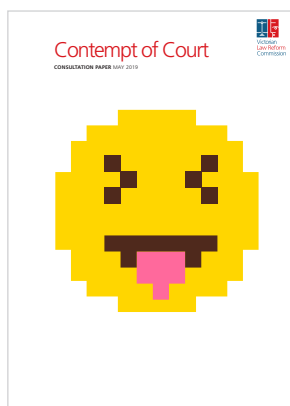
The report contained 100 detailed recommendations and proposed significant change to the way government provides financial assistance to victims of crime.

The Commission recommended that a new state-funded financial assistance scheme be established, led by an independent and dedicated decision maker whose powers and functions are prescribed in legislation.

Further, the Commission recommended that the functions of Victoria's Victims of Crime Commissioner be expanded to include the functions and powers necessary to administer the new scheme.

The Government accepted all of the Commission's recommendations in principle and committed to progress these reforms in the next term of government.





## REFERENCE

# Contempt of Court

**This reference commenced during the 2018–2019 reporting period. The Commission has been asked to review and report on the law of contempt of court, the *Judicial Proceedings Reports Act*, and enforcement. Contempt of court is a complex area of law that has been reviewed many times in other jurisdictions, but has never been the subject of a thorough review in Victoria. As the Commission stated in its consultation paper, “As a subject for reform, contempt is a mine of possibilities ... almost every aspect of the law of contempt, as it exists in Victoria at present, presents a web of uncertainties.”**

### REFERRED

26 October 2018

### DUE DATE

28 February 2020

### Terms of reference

Terms of reference were received on 12 October 2018. The Commission was asked to review and report on the law relating to contempt of court, the possible reform of the *Judicial Proceedings Reports Act 1958* and the legal framework for enforcement of prohibitions or restrictions on the publication of information. The Commission has been asked to consider all types of contempt in its review, including:

- contempt in the face of the court
- sub judge contempt
- contempt by publication
- juror contempt
- contempt by scandalising the court.

The complete terms of reference can be viewed on the Commission's website.

### Commissioners and staff

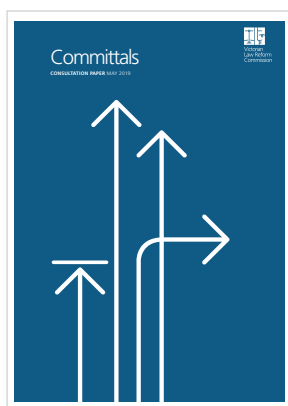
The Chair, the Hon. Philip Cummins AM, formed a Division to work on this reference, which he also chaired until February 2019. The Acting Chair, Bruce Gardner PSM, then took over chairing the Division. Members of the Division are Liana Buchanan, Dr Ian Hardingham QC, Professor Bernadette McSherry, Dan Nicholson, Alison O'Brien PSM, Gemma Varley PSM, and the Hon. Frank Vincent AO QC.

As at the end of the financial year, the research and policy team consisted of Anna Beesley (team leader), Annie Blatchford, Helen Donovan and Mary Kozłowski (senior research and policy officers), and Octavian Simu (research assistant).

### Progress of the reference

The Commission published a consultation paper online on 17 May 2019, including 59 questions. The closing date for written submissions was 28 June 2019, with an expectation that some additional late submissions will be accepted in July. In response to the consultation paper, 26 submissions were received.

At the end of the financial year, the Commission was about to begin a period of extensive consultations with the judiciary and legal profession, media representatives, academics, community members and others with an interest, expertise or experience in relation to contempt of court.



## REFERENCE

## Committals

**This reference commenced during the 2018–2019 reporting period. The Commission has been asked to review committals, which are a major part of pre-trial procedure in indictable matters, and consider whether they should be abolished, maintained, replaced or reformed. The principles and goals of the review include minimising trauma to victims and witnesses and enhancing the efficiency of the justice system, while ensuring the fair trial rights of accused persons.**

**REFERRED**

26 October 2018

**DUE DATE**

31 March 2020

**Terms of reference**

The VLRC has been asked to review and report on Victoria's committal system and recommend any legislative, procedural or administrative changes to Victoria's committal procedure, which could reduce trauma experienced by victims and witnesses, improve efficiency in the criminal justice system and ensure fair trial rights.

In particular, the Commission should consider whether Victoria should maintain, abolish, replace or reform the present committal system.

The complete terms of reference can be viewed on the Commission's website.

**Commissioners and staff**

The Chair, the Hon. Philip Cummins AM, formed a Division to work on this reference, which he also chaired until February 2019. The Acting Chair, Bruce Gardner PSM, then took over chairing the Division. Members of the Division are Liana Buchanan, Dan Nicholson, and the Hon. Frank Vincent AO QC.

The research and policy team consists of Michael McKiterick (team leader), Michael Hepworth, Dr Emma Larking and Briana Proud (senior research and policy officers).

**Progress of the reference**

The Commission published an issues paper in June 2019. The paper includes an account of the committal and pre-trial system in Victoria and other jurisdictions, and the objectives and options for reform. Submissions were called for by 16 August 2019.

**The Victorian Law Reform Commission Act 2000 section 5(1)(b) states that one of the Commission's functions is to make recommendations to the Attorney-General on legal issues of general community concern.**

**The community law reform program seeks to improve accessibility for people and communities who are not usually involved in law reform but who have ideas about how the law could be improved. Asking community members to identify problems in the law and to put forward suggestions for change gives the Commission access to the valuable insights of those with first-hand experience of the law's operation.**

#### **Criteria**

Suggestions can come from individuals or community groups and can be in relation to any area of Victorian law. Each suggestion is assessed against the criteria for community law reform projects. It must be in relation to a contained problem, the resolution of which could deliver clear community benefits. The list of criteria is available on the Commission's website.

Suggestions are assessed by the community law reform team, and, if they fulfil the criteria, may be further researched and developed into a proposal for the approval of the whole Commission.

If a proposal is accepted as a community law reform project, the Commission will undertake a comprehensive process of research and consultation and will deliver a report and recommendations to the Attorney-General. This process closely mirrors the process undertaken for references from the Attorney-General.

Generally, the Commission can only work on one community law reform project at a time, but is always open to hearing suggestions from the community.

#### **Community law reform suggestions**

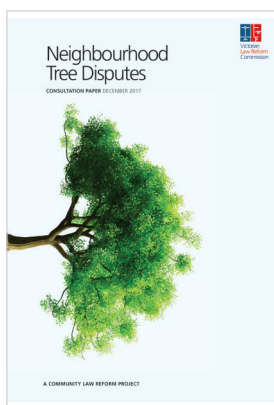
This financial year the Commission received 14 community law reform suggestions. Submissions were made by email, by letter, by phone, and through the online form on our website. Individual community members accounted for 11 of the suggestions.

Suggestions for law reform related to a broad range of legal areas, including:

- Regulation of firearms
- Pet ownership
- Owners' corporations
- Victim protection
- Discrimination
- Road safety regulations
- Advocates' immunity
- Sex offenders' registration
- Property law

While some of these suggestions may meet the criteria for community law reform projects, the Commission has not been able to begin a new community law reform project in this financial year, as the Neighbourhood Tree Disputes project has been ongoing.

The Commission is currently researching existing suggestions and seeking more suggestions in anticipation of its next project.



## COMMUNITY LAW REFORM

# Community law reform project: Neighbourhood tree disputes

**Tree disputes affect many members of the Victorian community and may become more common as our population expands and gardens get smaller. Common issues include encroaching roots, overhanging branches, leaf litter and property damage. Tree disputes can escalate quickly and can harm neighbour relationships if not resolved. In some cases, they may escalate to trespass, criminal damage or other criminal actions.**

### COMMENCED

8 June 2017

### DELIVERED

12 July 2019

This matter was initiated by the Commission pursuant to section 5(1)(b) of the *Victorian Law Reform Commission Act 2000*.

The Commission examined and made recommendations on the law to help neighbours resolve disputes involving trees on private land that cause damage or harm. It delivered a report to the Attorney-General including recommendations for reform on 12 July 2019.

The Chair, the Hon. Philip Cummins AM, formed a Division to work on this reference which he also chaired until his death in February 2019. The report was consequently delayed. The Acting Chair, Bruce Gardner PSM, then took over chairing the Division. Commissioners on the Division were Liana Buchanan, Dr Ian Hardingham QC, Alison O'Brien PSM, Professor Bernadette McSherry and Gemma Varley PSM.

Staff working on the project were Emma Cashen (team leader from April 2018), Natalie Lilford (community law reform manager, and team leader until the commencement of parental leave in March 2018), Hana Shahkhan and Anna Woods (research and policy officers).

Although tree disputes are common, few of them go to court because legal action is expensive and outcomes can be uncertain. The current methods for resolving these disputes are unclear and confusing, and information is hard to find. Community members do not have a good understanding of their rights and responsibilities or where to go for help.

The Commission has made recommendations that would, if enacted, assist the community to resolve these disputes quickly, effectively and economically.

### Progress of the inquiry

The Commission received 33 submissions in response to the publication of the consultation paper in December 2017. There were also 124 community responses to an online survey about experiences of tree disputes. The Commission conducted a total of 17 formal consultations with community members, arborists, courts and tribunals, local councils and others. Nine of these consultations were within the 2018–19 reporting period.

The report was delivered to the Attorney-General on 12 July 2019.

## COMMUNICATIONS

### Media highlights

The Commission continued to provide expert comment to the media on issues related to its inquiries. Highlights included:

- An episode of the ABC Radio National program *The Law Report* was devoted to the VLRC review of Contempt of Court on 28 May 2019.
- 'Committal hearings may be abolished to reduce victims' trauma' *The Sunday Age*, 20 January 2019
- 'Contempt of court laws set for state government shake up' *The Age*, 16 December 2018
- 'Your funeral rights and how to avoid disputes' *Sydney Morning Herald*, 13 March 2019
- Several articles regarding the Commission's review of the Victims of Crime Assistance Act (*The Herald Sun*, 20 January 2019)
- The Commission contributed several columns on law reform topics to *The Law Institute of Victoria Journal*.

Besides the coverage mentioned above, the death of the Chair, the Hon. Philip Cummins AM, led to numerous tributes on television, radio and in newspapers, including the *Herald-Sun* editorial, 'A judge for the people' (26 February 2019). An article, 'Legacy of compassion' in the *LJ* focussed on Philip's achievements in law reform.

### Website

Overall page views to the Commission's website were 410,352, an increase of 29 per cent on the previous year. The number of users was 171,773, an increase of 30 per cent on the previous year.

Besides the home page and 'All projects' page, the most popular pages covered a range of references. Of the current references, Neighbourhood Tree Disputes attracted significant traffic. Among the most visited pages were sections from reports and consultation papers completed several years ago, including Succession Laws (2013), Jury Empanelment (2014), Photographing and Filming Tenants Possessions (2015) and Trading Trusts—Oppression Remedies (2015). These figures indicate that the Commission's work continues to be a significant source of public information and interest well after it has been published.

### Social media

The Commission maintained an active social media presence during the year. Communications and Information Officer Gemma Walsh updated social media platforms with news and information related to the Commission's activities and law reform. Twitter is a social media platform used widely by legal and media professionals, whereas Facebook has a more general community demographic, including students.

By the end of the reporting period, the Commission achieved the following:

- Facebook: 2,054 followers (an increase of 249 on last year) and 1,936 page likes
- Twitter: 5,695 followers, an increase of 278 on last year
- LinkedIn: 173 followers.

The Commission has uploaded 27 videos to the video sharing website YouTube, ranging from information about specific projects to community education presentations recorded at events for students. The total number of video views during 2018–19 was 6,642, an increase on last year of more than 15 per cent. The total number of views of all videos is now over 22,700. Our video on neighbourhood tree disputes has been watched more than 1,100 times. Other popular videos in terms of total time watched include funeral and burial instructions, the succession laws inquiry, and presentations by the Chair, the Hon. Philip Cummins AM on the courts and the standard of proof.

### E-newsletters and alerts

The Commission distributed 9 email newsletters and alerts during the year, including quarterly e-newsletters and targeted email campaigns to limited audiences for specific projects, with calls to action where appropriate (eg invite public submissions, encourage participation in consultations.) E-newsletters raise awareness of the Commission's activities among the media, and often lead to contact from journalists. We include a regular round-up of law reform news from other agencies, consistent with the Commission's function of monitoring law reform activities in Victoria. The e-newsletters and alerts were opened by a total of 14,042 users.

### Podcast

The VLRC produced its first podcast, on the topic of contempt of court, during the reporting period. It will be available online in July 2019.

## EDUCATION

One of the Commission's functions under section 5(1)(e) of the Victorian Law Reform Commission Act is to undertake educational programs on any area of the law relevant to a reference, past or current.

The Commission educates the community about law reform by making presentations at community organisations, schools and universities, maintaining a website with all our publications easily accessible and searchable, publishing educational resources including case studies, writing all our publications in plain English, publishing educational videos about law reform and related matters on YouTube, and promoting our work through the media. We participated in law students' careers fairs at Melbourne University, Monash University, and Australian Catholic University, and presented to law students at Deakin and Victoria Universities.

### Schools program

The VLRC and its work is an important part of the Victorian Certificate of Education (VCE) legal studies curriculum, and is included in all VCE legal studies text books. Our presentation to schools focusses on the structure and processes of the VLRC, and includes a case study on the medicinal cannabis inquiry, a discussion of the funeral and burial instructions community law reform project, and a showing of the funerals and burials video.

Between July 2018 and June 2019, the VLRC made 37 school visits and addressed more than 750 Year 12 legal studies students on the subject of law reform. All these schools were visited by a VLRC presenter in person, apart from Red Cliffs, where the presentation was provided via Skype.

The presentation was updated again this year. All students were given a copy of the booklet *Law Reform in Action* and all classes received wall posters on the law reform process.

The Chair and the Communications Manager also presented on the Commission's work and the recent report on medicinal cannabis to an audience of around 50 legal studies teachers at Commview, the annual conference of the Victorian Commercial Teachers Association at Victoria University in December.

### Law Talks

The Commission participated in five Law Talks events for VCE students, organised by the Victoria Law Foundation: in Melbourne (twice), Shepparton, Warrnambool and Bendigo. A total of 1227 students attended these events.

### University of the Third Age

University of the Third Age (U3A) groups are community organisations that embody the values of lifelong learning. The Commission has established a relationship with U3A in Victoria and made 10 visits to local branches to explain law reform, addressing around 300 members.

### Presenters

The Chair, the Hon. Philip Cummins AM spoke at five Law Talks events. Nick Gadd (Communications Manager) spoke at two Law Talks events, Commview, and U3A community presentations. School talks were conducted mainly by Nick Gadd and Hana Shahkhan.

### Audit committee membership and roles

The audit committee consists of the following members:

- Matthew Zappulla, Chairperson (Independent Member)
- Anthony Phillips, (Independent Member)
- The Hon. Philip Cummins AM to February 2019
- Bruce Gardner PSM from April 2019

The main responsibilities of the audit committee are to:

- review and report independently to the Commission on the annual report and all other financial information published by the Commission
- assist the Commission in reviewing the effectiveness of the Commission's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting
  - compliance with applicable laws and regulations.
- determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, including coordination with the external auditors
- maintain effective communication with external auditors
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised
- oversee the effective operation of the risk management framework.

One staff member undertook first aid officer training and three staff undertook fire warden training. All staff at work on the day, participated in a fire drill undertaken by the building management.

Staff were encouraged and assisted to gain professional development through participation in relevant conferences and appropriate further study.

### Employment and conduct principles

The Commission is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections. The Commission is committed to providing a respectful and supportive workplace for every employee.

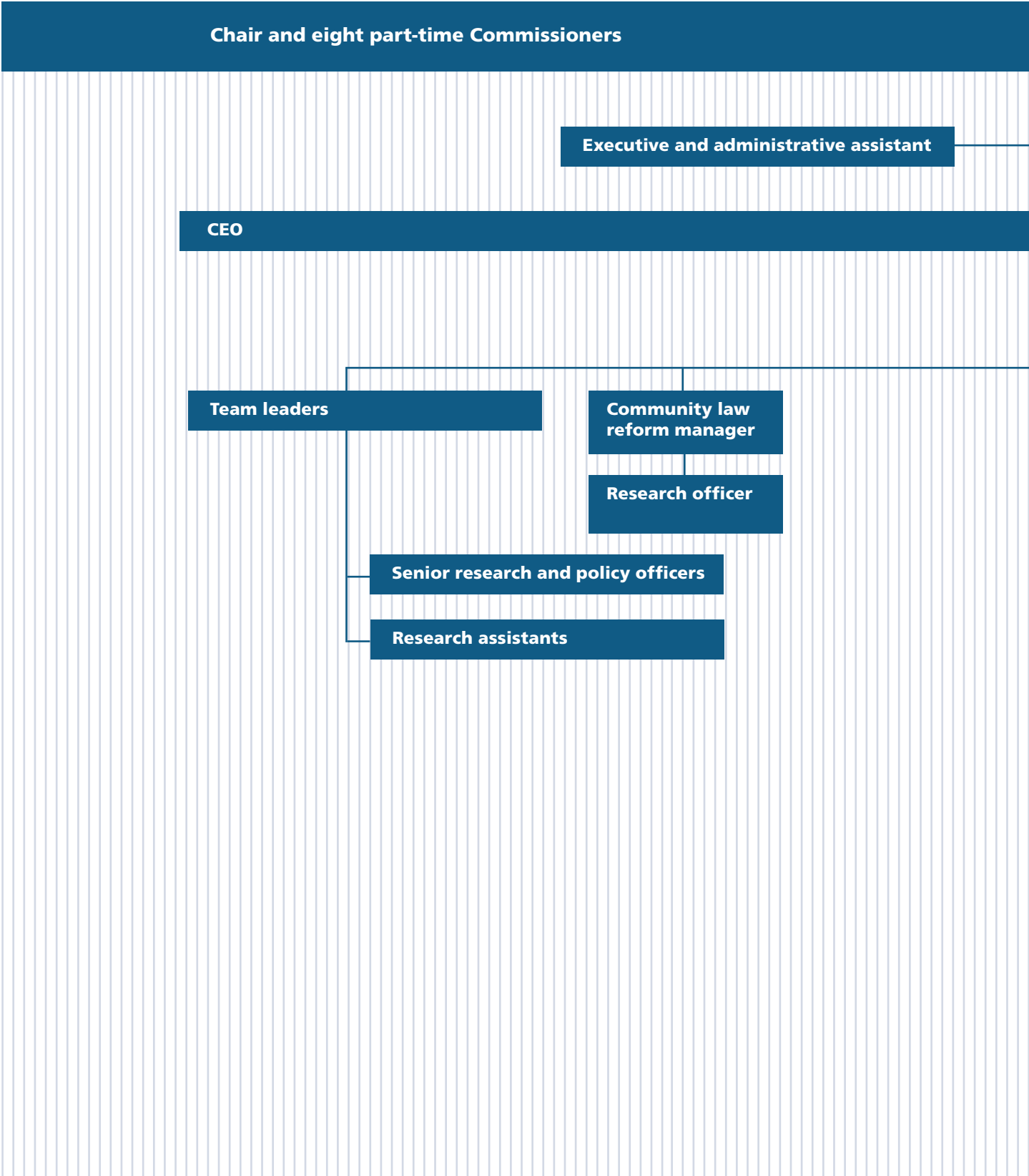
### Human resource management and occupational health and safety

The Commission's occupational health and safety (OH&S) strategy is to ensure all staff remain safe and healthy at work. During the 2018–19 financial year, the Commission continued its initiatives to improve the health and safety of staff by offering ergonomic assessments, screen-based eye testing and annual influenza vaccinations for those who requested these services. The Commission supports and encourages staff to participate in lunchtime exercise classes.

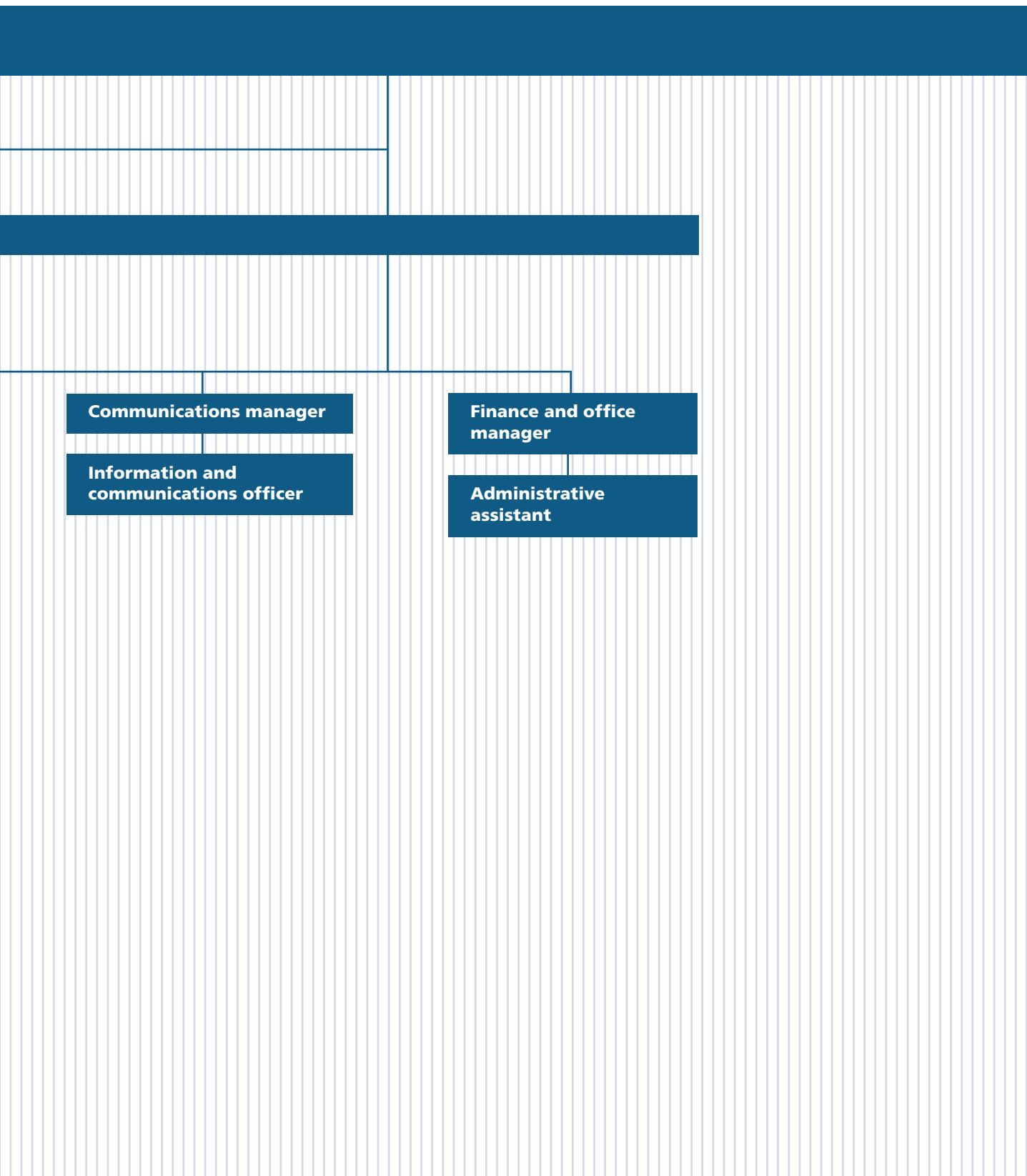
The Commission conducts a bi-annual OH&S office walk around to check the physical safety of the environment for any potential hazards to staff. All small, frequently-used electrical appliances within the office are tag-tested for safety on an annual basis.

The Commission had no occupational health and safety incidents during 2018–19. There were no WorkCover claims lodged during the period.









**Comparative workforce data**

The following table discloses the head count and full-time staff equivalent (FTE) of all active employees<sup>(a)</sup> of the Commission, employed in the last full pay period in June on the current reporting period (2019), and the last full pay period in June of the previous reporting period (2018).

Demographic data	June 2019									June 2018								
	<i>All employees</i>			<i>Ongoing<sup>(b)</sup></i>			<i>Fixed term and casual</i>			<i>All employees</i>			<i>Ongoing<sup>(b)</sup></i>			<i>Fixed term and casual</i>		
	<i>Number</i>			<i>Full-time</i>			<i>Number</i>			<i>Number</i>			<i>Full-time</i>			<i>Number</i>		
	<i>FTE<sup>(e)</sup></i>		<i>(head-count)</i>	<i>(head-count)</i>	<i>FTE<sup>(e)</sup></i>	<i>(head-count)</i>	<i>FTE<sup>(e)</sup></i>		<i>(head-count)</i>	<i>(head-count)</i>	<i>FTE<sup>(e)</sup></i>	<i>(head-count)</i>	<i>(head-count)</i>	<i>FTE<sup>(e)</sup></i>	<i>(head-count)</i>	<i>(head-count)</i>	<i>FTE<sup>(e)</sup></i>	<i>(head-count)</i>
<b>Gender</b>																		
Women	12	10.4		3	3	4.8	6	5.6		13	11		4	2	5.0	7	6	
Men	4	4.0		1	–	1.0	3	3.0		1	1.0		1	–	1.0	–	–	
Self-described	–	–		–	–	–	–	–		–	–		–	–	–	–	–	
<b>VPS Classification data</b>																		
<b>VPS 1-6 grades<sup>(c)</sup></b>																		
VPS 3	4	3.6		–	1	0.6	3	3.0		4	2.8		–	1	0.6	3	2.2	
VPS 4	–	–		–	–	–	–	–		2	1.8		1	–	1	1	0.8	
VPS 5	7	6.2		2	1	2.6	4	3.6		4	4.0		2	–	2.0	2	2.0	
VPS 6	4	3.6		1	1	1.6	2	2.0		3	2.4		1	1	1.4	1	1.0	
<b>Executives<sup>(d)</sup></b>	1	1.0		1	–	1.0	–	–		1	1.0		1	–	1.0	–	–	
<b>Total employees</b>	<b>16</b>	<b>14.4</b>		<b>4</b>	<b>3</b>	<b>5.8</b>	<b>9</b>	<b>8.6</b>		<b>14</b>	<b>12</b>		<b>5</b>	<b>2</b>	<b>6.0</b>	<b>7</b>	<b>6.0</b>	

Notes:

- (a) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies. Statutory appointees, as defined in the Public Administration Act 2004 are also excluded.
- (b) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

(c) The Commission does not employ staff at VPS Grades 1 and 2.

(d) Executive is defined as a person employed as a public service body head or other executive under Part 3, Division 5 of the Public Administration Act 2004. The definition of an executive officer does not include Governor in Council appointments as statutory office holders.

(e) Full-Time Equivalent.

### Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The Commission, through the Department of Justice and Community Safety, introduced policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The Commission advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

### Workforce Inclusion Policy

The Commission continues to support a balanced working environment where equal opportunity and diversity are valued. The Commission values staff with non-binary gender identities at all levels from VPS officers through to executives. The Commission acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff may not disclose this information.

### Executive officer data

An Executive Officer (EO) is defined as an executive under Part 3 of the *Public Administration Act 2004* or a person to whom the Victorian Government's Policy on Executive Remuneration in Public entities applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of an EO does not include a statutory office holder or an accountable officer.

Note 8.4 in the financial statements states the remuneration range for the EO over the course of the reporting period.

The Commission employs one full-time EO-3 grade female executive officer.

### Local Jobs First

The Local Jobs First Act 2003, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

The Commission did not enter into any contracts to which the VIPPP or Local Jobs First applies for the 12 months ending 30 June 2019.

### Government advertising expenditure

The Commission has not paid for any government advertising expenditure (campaigns with a media spend of \$100,000 or greater (exclusive of GST)) during the 12 months ending 30 June 2019.

### Consultancy expenditure

#### Details of consultancies (valued at \$10 000 or greater)

In 2018–19, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2018–19 in relation to these consultancies is \$54,410 (excluding GST). Details of individual consultancies are outlined below.

#### Details of consultancies under \$10,000

In 2018–19, there were no consultancies, where the total fees payable to the consultants were less than \$10,000.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2018–19 (excluding GST)	Future expenditure (excluding GST)
Strathmore Accounting & Audit Services	Accounting quality assurance and CFAO function	1 July 2018	30 June 2019	\$15,000	\$14,200	\$15,000
KPMG	Undertake Internal Audit function	1 July 2018	30 June 2019	\$19,710	\$19,710	\$20,000
Victorian Auditor-General's Office	For the audit of the financial report 2018–19	1 July 2018	30 June 2019	\$20,000	\$20,500	\$20,500

**Information and Communication Technology expenditure***Details of Information and Communication Technology (ICT) expenditure*

For the 2018–19 reporting period, the Commission had a total ICT expenditure of \$22,356 with the details shown below.

ICT expenditure refers to the Commission's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non Business As Usual (Non BAU) ICT expenditure. Non BAU ICT expenditure relates to extending or enhancing the Commission's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

<i>All operational ICT expenditure</i>	ICT expenditure related to projects to create or enhance ICT capabilities		
<i>Business As Usual (BAU) ICT expenditure</i>	<i>Non Business As Usual (non BAU) ICT expenditure</i>	<i>Operational expenditure</i>	<i>Capital expenditure</i>
(Total)	(Total = Operational expenditure and Capital Expenditure)		
\$22,356	0	\$22,356	0

**Disclosure of major contracts**

The Commission entered into no major contracts (greater than \$10 million in value) in the 2018–19 reporting period.

**Freedom of information**

The Act allows the public a right of access to documents held by the Commission. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the Commission. This comprises documents both created by the Commission or supplied to the Commission by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The Act allows the Commission to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the Commission in confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by the Commission, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

**Making a request**

Fol requests can be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au). An application fee of \$28.40 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

Access to documents can also be obtained through a written request to the

Department's Freedom of Information team, as detailed in s17 of the *Freedom of Information Act 1982*.

When making an Fol request, applicants should ensure requests are in writing and clearly identify what types of material or documents are being sought.

Requests for documents in the possession of the Commission should be addressed to:

Freedom of Information Manager  
Victorian Law Reform Commission  
GPO Box 4637  
MELBOURNE VIC 3001

#### **Fol statistics/timeliness**

During 2018–19, the Commission received no Fol applications.

#### **Further Information**

Further information regarding the operation and scope of Fol can be obtained from the Act; regulations made under the Act; and [foi.vic.gov.au](http://foi.vic.gov.au).

#### **Compliance with the *Building Act 1993***

The Commission does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

#### **Competitive Neutrality Policy**

Competitive neutrality requires government businesses to ensure that, where services compete or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Commission is working to ensure Victoria fulfils its requirements on competitive neutrality reporting for technological-based businesses against the enhanced principles as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

#### **Compliance with the *Protected Disclosure Act 2012***

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Commission does not tolerate improper conduct by its employees nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Commission will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

**Reporting procedures**

Disclosures of improper conduct or detrimental action by the Commission or any of its employees must be made in writing or by telephone to:

Independent Broad-based Anti-Corruption Commission (IBAC):  
 Level 1, North Tower  
 459 Collins Street  
 MELBOURNE Vic 3000  
 Tel: 1300 735 135  
 Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

**Compliance with the *Carers Recognition Act 2012***

The Commission staff are made aware of their entitlement to carers leave on commencement. Staff also have access to the Department of Justice and Community Safety induction, training and awareness activities, including in relation to carer obligations. An information session on leave entitlements and flexible working arrangements is made to staff at one staff meeting each year.

**Compliance with the *Disability Act 2006***

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

The Commission seeks to facilitate participation by people with disabilities in its consultation processes by providing a range of ways to contribute, including having an accessibility compliant website, and producing short videos, quizzes and surveys to provide information in summary formats, as well as more comprehensive consultation papers. Contributions to the Commission work can be provided in writing (by post, email or through web-based forms) or through face-to-face meetings. The Commission will also receive submissions over the telephone, if requested.

The Commission offices are wheelchair accessible and have wheelchair accessible facilities.

**Office-based environmental impacts**

The Commission endeavours to meet government requirements to reduce the impact on the environment by pursuing the following objectives:

- reducing greenhouse gas emissions
- reducing the amount of waste and maximising the amount of reused and recycled resources
- making environmentally sound purchasing decisions for capital items and consumables
- encouraging staff to reduce environmental impacts through behaviour change.

## Energy use

The Commission consumes electrical energy solely for the purpose of running its core business. The data represented below was collected through energy retailer billing information.

Overall energy use reflects the co-location with the Sentencing Advisory Council. The total FTE of the Commission and the Sentencing Advisory Council has been used to calculate the energy used per FTE.

The consumption of gas and other energy sources is included in the building's overhead costs and charges. Consumption by the Commission cannot be separately identified.

Indicator	2018–19		2017–18		2016–17	
	Electricity	Green Power	Electricity	Green Power	Electricity	Green Power
Total energy usage segmented by primary source (MJ)	263,721	65,950	234,572	58,643	226,527	56,632
Total greenhouse gas emissions from energy consumption (tonnes CO <sub>2</sub> e)	50.37		61.6		61.7	
Percentage of electricity purchased as Green Power	25%		25%		25%	
Units of energy used per FTE (MJ/FTE)	9693		8953		7758	
Units of energy used per unit of office area (MJ/m <sup>2</sup> )	294		262		253	

## Actions undertaken

Printers, faxes and MFDs programmed for 'sleep mode' when left idle;  
Screens, lights and other office equipment are switched off when not in use;  
Lights and supplementary air-conditioning is turned off when conference room is vacant;  
Lights in meeting rooms and offices on movement sensor;  
Dishwashers only used when full and always on energy-save cycle.

### Explanatory notes

- Energy use increased directly relates to an increase of staff working in the office.

## Explanatory notes

- The data presented was collected through the retailer and represents only paper.
- Cartridge recycling data is provided by another retailer, who is committed to zero waste to landfill for all products processed on their site in Somerton.
- Landfill is collected nightly.

**Waste production**

Indicator	2018–19	2017–18	2016–17
Total units of office waste disposed of (kg/year)	1920	2900	1950
Units of office waste disposed of per FTE (kg/FTE)	133	242	141
Recycling rate (per cent of total waste)	100%	100%	100%
Greenhouse gas emissions (t CO <sub>2</sub> e)	4.7	7.1	No available data

**Actions undertaken**

Recycling: The total diverted from landfill is 5.1kgs comprising: toner cartridges and bottles

## Explanatory notes

- The increase in the total units of A4 equivalent paper used results from the size and number of publications produced during the reporting period.
- VLRC publications can be downloaded from its website.

**Paper use**

Indicator	2018–19	2017–18	2016–17
Total units of A4 equivalent copy paper used (reams)	255	194	67.6
Units of A4 equivalent copy paper used per FTE (reams/FTE)	17.71	14.92	4.90
Percentage of 80-100% recycled content copy paper purchased (%)	100%	100%	100%
<b>Optional indicators</b>			
Percentage of publications publicly accessible electronically (%)	100%	100%	100%

**Actions undertaken**

Default paper      Default copy paper purchased through stationery supplier is 100% recycled content.



## Water consumption

The data represented below, collected through the supplier, is from two water meter readings for the building, which consists of seven floors, one of which is occupied by the Commission. Overall water consumption for the building varies depending on the occupancy rate for the building for the financial year.

The apportionment method used to calculate water consumption for the Commission is based on the total units of metered water consumed within the building. Additional data was used to calculate more accurate water consumption during the reporting period making comparison with previous years invalid. The relevant FTE calculations have been made using the Commission's and Sentencing Advisory Council's staff numbers combined.

The Commission's water consumption is for the purpose of running its core business in a leased office building located in the central business district. The water is from the metered domestic water supply. The building does not collect any rainwater, nor does it have any recycling or reusable water facilities.

Indicator	2018–19
Total units of metered water consumed by water source (kilolitres)	3697
Total water consumed for VLRC and SAC based on office area (kilolitres)	555.29
Units of office water used per FTE (kilolitres/FTE)	22.95
Units of office water used per office area (kilolitres/m <sup>2</sup> )	0.24

## Transport

Transportation data can be found in the Department of Justice and Community Safety's annual report. The Commission utilises departmental fleet vehicles when needed.

	2018–19			2017–18			2016–17	
Total distance travelled by air (km)	24,229			15,082			8,000	
	CBD	Metro	Regional	CBD	Metro	Regional	Metro	Regional
Percentage (%) using sustainable transport to get to work	0	94	100	0	92	100	88	
Percentage (%) of employees residing in CBD, metropolitan Melbourne or regional Victoria	0	87	13	0	80	20	100	

**Greener Procurement**

The Commission complies with the Government's Environmental Purchasing Policy and uses whole of Government suppliers. While value for money is the core principle governing the Commission's procurement activities, the green purchasing policy also requires environmental considerations to be included in the procurement planning stage, tender specifications and in the tender evaluation criteria where applicable.

The Commission's Environmental Management Strategy and the current environmental management practices are examples of how the Commission has incorporated environmental considerations into procurement decision making.

The Commission's main areas of procurement are goods and services (92%) and contractors (8%).

**Greenhouse gas emissions**

Disclosure of greenhouse gas emissions is provided in relevant tables, where data could be obtained.

**Additional departmental information available on request**

In compliance with the requirements of the Standing Directions 2018, details in respect of the items listed below have been retained by the Commission and are available on request, subject to the provisions of the Freedom of Information Act 1982.

- (a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- (b) details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary;
- (c) details of publications produced by the Commission about the activities of the Commission and how these can be obtained;
- (d) details of major research and development activities undertaken by the Commission;
- (e) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (f) details of major promotional, public relations and marketing activities undertaken by the Commission to develop community awareness of the services provided by the Commission;
- (g) details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (h) a general statement on industrial relations within the Commission and details of time lost through industrial accidents and disputes; and
- (i) details of all consultancies and contractors including:
  - consultants/contractors engaged
  - services provided
  - expenditure committed to for each engagement.

The information is available on request from the:

Finance and Office Manager

Phone: (03) 8608 7820

Email: [law.reform@lawreform.vic.gov.au](mailto:law.reform@lawreform.vic.gov.au)

**Victorian Law Reform Commission  
Financial Management Compliance  
Attestation Statement**

I, Hon. Anthony North, on behalf of the responsible body, certify that the Victorian Law Reform Commission has complied with the applicable *Standing Directions 2018* under the *Financial Management Act 1994* and instructions.



The Hon. Anthony North  
Chair  
Victorian Law Reform Commission  
5 September 2019

**Disclosure index**

An index identifying the Department's compliance with statutory disclosure requirements is contained in Appendix 1.

# Financial Report

## HOW THIS REPORT IS STRUCTURED

The Victorian Law Reform Commission has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about the Commission's stewardship of resources entrusted to it.

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## ACCOUNTABLE OFFICER'S, CHIEF FINANCE OFFICER'S AND CHAIRPERSON'S DECLARATION

The attached financial statements for the Victorian Law Reform Commission have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and

accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of the Commission at 30 June 2019.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 5 September 2019.



**Merrin Mason**

Chief Executive Officer  
Victorian Law Reform  
Commission, Melbourne  
5 September 2019



**Michael Almond**

Chief Finance and  
Accounting Officer  
Victorian Law Reform  
Commission, Melbourne  
5 September 2019



**The Hon. Anthony North**

Chair  
Victorian Law Reform  
Commission, Melbourne  
5 September 2019

# Independent Auditor's Report

## To the Commissioners of the Victorian Law Reform Commission

<b>Opinion</b>	<p>I have audited the financial report of the Victorian Law Reform Commission (the commission) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2019</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• accountable officer's, chief finance officer's and chairperson's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the commission as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Commissioners' responsibilities for the financial report</b>	<p>The Commissioners of the commission are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Commissioners determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Commissioners are responsible for assessing the commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners
- conclude on the appropriateness of the Commissioners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the commission to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
17 September 2019

  
Charlotte Jeffries  
as delegate for the Auditor-General of Victoria

## COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		\$	\$
<b>Income from transactions</b>	2.1		
Output appropriations – Department of Justice and Community Safety		662,300	665,300
Grants - Victorian Legal Services Board		1,893,106	2,045,567
Interest		9,235	6,214
<b>Total income from transactions</b>		<b>2,564,641</b>	<b>2,717,081</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1	(1,931,429)	(1,995,557)
Depreciation	4.1.1	(6,035)	(6,035)
Interest expense	6.1	(669)	(853)
Other operating expenses	3.2	(639,773)	(769,279)
<b>Total expenses from transactions</b>		<b>(2,577,906)</b>	<b>(2,771,724)</b>
<b>Net result from transactions (net operating balance)</b>		<b>(13,265)</b>	<b>(54,643)</b>
<b>Other economic flows included in net result</b>			
Other gains/(losses) from other economic flows	8.1	(16,408)	4,408
<b>Total other economic flows included in net result</b>		<b>(16,408)</b>	<b>4,408</b>
<b>Net result</b>		<b>(29,673)</b>	<b>(50,235)</b>
<b>Comprehensive result</b>		<b>(29,673)</b>	<b>(50,235)</b>

The accompanying notes form part of these financial statements



## BALANCE SHEET

AS OF 30 JUNE 2019

	Notes	2019	2018
		\$	\$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.3	249,237	338,640
Receivables	5.1	129,787	199,491
<b>Total financial assets</b>		<b>379,024</b>	<b>538,131</b>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	16,543	22,578
Other non-financial assets		110,457	100,894
<b>Total non-financial assets</b>		<b>127,000</b>	<b>123,472</b>
<b>Total assets</b>		<b>506,024</b>	<b>661,603</b>
<b>Liabilities</b>			
Payables	5.2	112,973	147,177
Borrowings	6.1	16,543	22,758
Employee related provisions	3.1.2	237,261	322,925
<b>Total liabilities</b>		<b>366,777</b>	<b>492,861</b>
<b>Net assets</b>		<b>139,247</b>	<b>168,741</b>
<b>Equity</b>			
Accumulated surplus		(334,529)	(304,856)
Contributed capital		473,777	473,597
<b>Net worth</b>		<b>139,248</b>	<b>168,741</b>

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		\$	\$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		732,128	609,107
Receipts from other entities		1,893,106	2,045,567
Interest received		9,735	6,369
<b>Total receipts</b>		<b>2,634,969</b>	<b>2,661,043</b>
<b>Payments</b>			
Payments to suppliers and employees		(2,717,544)	(2,700,091)
Interest expense		(669)	(853)
<b>Total payments</b>		<b>(2,718,213)</b>	<b>(2,700,944)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.3	<b>(83,364)</b>	<b>(39,901)</b>
<b>Cash flows from financing activities</b>			
Capital expenditure injection		180	-
Repayment of Finance Lease Liability		-	-
Proceeds from/(repayment of) finance leases		(6,215)	(6,016)
<b>Net cash flows from/(used in) financing activities</b>		<b>(6,035)</b>	<b>(6,016)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(89,400)</b>	<b>(45,917)</b>
Cash and cash equivalents at the beginning of the financial year		338,640	384,557
<b>Cash and cash equivalents at end of financial year</b>	6.3	<b>249,237</b>	<b>338,640</b>

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Accumulated Surplus	Contributions by owners	Total
	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>(254,621)</b>	<b>473,597</b>	<b>218,976</b>
Net result for the year	(50,235)	-	(50,235)
<b>Balance at 30 June 2018</b>	<b>(304,856)</b>	<b>473,597</b>	<b>168,741</b>
Net result for the year	(29,673)	-	(29,673)
Contributed Capital		180	180
<b>Balance at 30 June 2019</b>	<b>(334,529)</b>	<b>473,777</b>	<b>139,248</b>

The accompanying notes form part of these financial statements

# 1. ABOUT THIS REPORT

The Commission is an independent government-funded body established under the *Law Reform Commission Act 2000* (the Act) as a central agency for developing law reform in Victoria. The Commission's main objective is to provide the Attorney-General and Parliament with high quality, timely, responsive and effective advice on law reform that is independent of government agencies and of the political process.

The Commission reports directly to the Attorney-General. The Attorney-General must table a copy of every Commission report on references before each House of Parliament.

Its principal address is:

Victorian Law Reform Commission  
3/333 Queen Street  
Melbourne VIC 3000

A description of the nature of the Commission's operations and its principal activities is included in the report of operations on page 6, which does not form part of these financial statements.

## Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used, unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Commission.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover the Victorian Law Reform Commission as an individual reporting entity and include all the controlled activities of the Commission.

All amounts in the financial statements have been rounded to the nearest dollar unless otherwise stated.

## Compliance information

These general purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting (AASB 1049).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

To enable the Commission to fulfil its objective and provide outputs as described on Page 6, it receives income (accrual based parliamentary appropriations). The Commission also receives a grant from the Victorian Legal Services Board.

### Structure

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### 2.1 Summary of income that funds the delivery of our services

	Notes	2019	2018
		\$	\$
Output appropriations – Department of Justice and Community Safety	2.2	662,300	665,300
Interest	2.4	9,235	6,214
Grants – Legal Services Board	2.3	1,893,106	2,045,567
<b>Total income from transactions</b>		<b>2,564,641</b>	<b>2,717,081</b>

allow the Commission to accumulate investment income from Trust Funds.' The Department of Justice and Community Safety monitors the equal use of the trust funds and appropriation amounts for operating and capital expenditure of the Commission.

### 2.4 Interest

Interest income includes interest received on bank term deposits and other investments.

Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

### 2.5 Summary of compliance with annual Parliamentary and special appropriations

The following table discloses the details of the annual Parliamentary appropriation received by the Commission for the year.

In accordance with accrual output-based management procedures, 'provision of outputs' is disclosed as 'controlled' activities of the Commission. The Commission is not subject to administered transactions.

### 2.2 Appropriations

Once annual Parliamentary appropriations are applied by the Treasurer, they become controlled by the Commission and are recognised as income when applied for the purposes defined under the relevant Appropriations Act. The appropriation amount includes funding for discretionary items, such as amortisation and depreciation.

Output appropriations: Income from the outputs the Commission provides to the Government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

### 2.3 Grants

The Attorney-General directed that the Commission be allocated funds from the Law Reform and Research Account. These amounts are paid to it under Section 6.7.10(1A) of the Legal Profession Act 2004. These non-public monies are held by the Victorian Legal Services Board until they are deposited in the Commission's Trust Account.

The Department of Treasury and Finance (DTF), in establishing the trust account, stipulated 'the trust fund amounts and appropriation amounts must be used equally to meet the operating and capital expenses of the Commission; that is, the appropriation funds are not to be exhausted in the first instance to

Appropriations Act section 17(b)					
	Annual appropriations	Advance from Treasurer	Total Parliamentary authority	Appropriations applied	Variance <sup>(a)</sup>
	\$	\$	\$	\$	
<b>2019</b>					
Provision of outputs	662,300	-	662,300	662,300	-
<b>2019 Total</b>	<b>662,300</b>	<b>-</b>	<b>662,300</b>	<b>662,300</b>	
<b>2018</b>					
Provision for outputs	665,300	-	665,300	665,300	-
<b>2018 total</b>	<b>665,300</b>	<b>-</b>	<b>665,300</b>	<b>65,300</b>	<b>-</b>

Note:(a) Variance is related to applied savings in the relevant financial year which have been committed to projects being delivered in the next financial year.

### 3. THE COST OF DELIVERING SERVICES

#### Introduction

This section provides an account of the expenses incurred by the Victorian Law Reform Commission in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and, in this note, the cost associated with provision of services are recorded.

#### Structure

<b>3.1</b> Expenses incurred in delivery of services	44
<b>3.2</b> Other operating expenses	46

#### 3.1 Expenses incurred in delivery of services

	Notes	2019	2018
		\$	\$
Employee benefit expenses	3.1.1	1,931,429	1,995,557
Other operating expenses	3.2	639,773	769,279
<b>Total expenses incurred in the delivery of services</b>		<b>2,571,203</b>	<b>2,764,836</b>

#### 3.1.1 Employee benefits in the comprehensive operating statement

	2019	2018
	\$	\$
Defined contribution superannuation expense	162,772	160,260
Salaries and wages, annual leave and long service leave	1,768,657	1,835,297
<b>Total employee expenses</b>	<b>1,931,429</b>	<b>1,995,557</b>

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

#### 3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2019	2018
	\$	\$
<b>Current provisions:</b>		
<b>Annual leave</b>		
Unconditional and expected to settle within 12 months	63,641	82,658
Unconditional and expected to settle after 12 months	7,711	17,916
<b>Long service leave</b>		
Unconditional and expected to settle within 12 months	8,720	13,924
Unconditional and expected to settle after 12 months	48,146	86,755
<b>Provisions for on costs</b>		
Unconditional and expected to settle within 12 months	21,427	24,554
Unconditional and expected to settle after 12 months	4,301	24,442
<b>Total current provisions for employee benefits</b>	<b>153,946</b>	<b>250,249</b>
<b>Non current provisions:</b>		
Employee benefits - Long service leave	72,188	63,000
On costs	11,127	9,676
<b>Total non current provisions for employee benefits</b>	<b>83,315</b>	<b>72,676</b>
<b>Total provisions for employee benefits</b>	<b>237,261</b>	<b>322,925</b>

#### Reconciliation of movement in on-cost provision

	2019
	\$
<b>Opening balance</b>	58,672
Additional provisions recognised	35,620
Reductions arising from payments of future economic benefits	(57,437)
<b>Closing balance</b>	<b>36,855</b>
Current	25,728
Non current	11,127

**Wages and salaries, annual leave and sick leave:** Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Commission does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Commission expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, because the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

**Unconditional LSL** is disclosed as a current liability, even where the Commission does not expect to settle the liability within 12 months, because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if the Commission expects to wholly settle within 12 months; or
- present value – if the Commission does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### 3.1.3 Superannuation contributions

Employees of the Commission are entitled to receive superannuation benefits and the Commission contributes to defined contribution plans.

	Paid contribution for the year		Contribution outstanding at year end	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Defined contribution plans</b>				
VicSuper	54,354	76,157	1,218	1,451
Other	104,852	81,232	2,349	1,421
<b>Total</b>	<b>159,205</b>	<b>157,389</b>	<b>3,567</b>	<b>2,872</b>

### 3.2 Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Operating lease payments are recognised on a straight-line basis over the lease

term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

	2019	2018
	\$	\$
<b>Supplies and services</b>		
Purchase of supplies and consumables	199,521	265,706
Purchase of services (including remuneration of auditors)	130,587	234,838
Maintenance	8,395	3,466
Operating lease payments and expenses	301,270	265,269
<b>Total other operating expenses</b>	<b>639,773</b>	<b>769,279</b>



## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### Introduction

The Commission controls plant and equipment that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Commission to be utilised for delivery of those outputs.

### Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

### Structure

#### 4.1 Total property, plant and equipment

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#### 4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Motor vehicle at fair value	33,642	33,642	(17,099)	(11,064)	16,543	22,578
<b>Net carrying amount</b>	<b>33,642</b>	<b>33,642</b>	<b>(17,099)</b>	<b>(11,064)</b>	<b>16,543</b>	<b>22,578</b>

**Initial recognition:** Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

**Vehicles** are valued using the current replacement cost method. The Commission acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by Vic Fleet, who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

### Subsequent measurement:

Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

### Impairment of property, plant and equipment:

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

**4.1.1 Depreciation****Charge for the period**

	2019	2018
	\$	\$
Plant, equipment and vehicles	6,035	6,035
<b>Total depreciation and amortisation</b>	<b>6,035</b>	<b>6,035</b>

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	(years) Useful Life
Motor vehicles	5

The estimated useful lives, residual values and depreciation method are reviewed at

the end of each annual reporting period, and adjustments made where appropriate.

**4.1.2 Carrying values by 'purpose' groups <sup>(a)</sup>**

	Total Public Safety and environment purpose group	
	2019	2018
	\$	\$
<b>Nature based classification</b>		
Plant, equipment and vehicles at fair value	16,542	22,578
<b>Net carrying amount</b>	<b>16,542</b>	<b>22,578</b>

Notes:

(a) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets in a purpose group are further sub-categorised according to the asset's 'nature' (i.e. buildings, plant, etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

**4.1.3 Reconciliation of movements in carrying amount of property, plant and equipment**

	Total plant, equipment and vehicles at fair value	
	2019	2018
	\$	\$
<b>Opening balance</b>	<b>22,578</b>	<b>33,642</b>
Depreciation	(6,035)	(11,064)
<b>Closing balance</b>	<b>16,543</b>	<b>22,578</b>

## 5. OTHER ASSETS AND LIABILITIES

### Introduction

This section sets out those assets and liabilities that arose from the Commission's operations.

### Structure

<b>5.1</b> Receivables	49
<b>5.2</b> Payables	49

### 5.1 Receivables

	2019	2018
	\$	\$
<b>Contractual</b>		
Accrued investment income	-	500
<b>Statutory</b>		
Amount owing from Victorian Government	129,787	198,991
<b>Total receivables</b>	<b>129,787</b>	<b>199,490</b>
<i>Represented by</i>		
Current receivables	129,787	136,490
Non-current receivables	-	63,000

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Commission holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Commission applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable

transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the Commission's impairment policies exposure to credit risk and the calculation of the allowance are in note 7.1.

### 5.2 Payables

	2019	2018
	\$	\$
<b>Contractual</b>		
Supplies and services	64,796	111,566
Other payables	44,133	32,817
<b>Statutory</b>		
FBT payable	4,044	2,794
<b>Total payables</b>	<b>112,973</b>	<b>147,177</b>
<i>Represented by:</i>		
Current payables	112,973	147,177

Payables consist of:

**contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Commission prior to the end of the financial year that are unpaid; and

**statutory payables**, that are recognised and measured similarly

to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the first 30 days from the date of the invoice.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

#### Maturity analysis of contractual payables <sup>(a)</sup>

	Carrying amount	Nominal amount	Less than 1 month	Maturity dates		
				1–3 months	3 months – 1 year	1–5 years
	\$	\$	\$			
<b>2019</b>						
Supplies and services	64,796	64,796	64,796			
Other payables	44,133	44,133	44,133			
<b>Total</b>	<b>108,929</b>	<b>108,929</b>	<b>108,929</b>			
<b>2018</b>						
Supplies and services	111,566	111,566	111,566			
Other payables	32,817	32,817	32,817			
<b>Total</b>	<b>144,383</b>	<b>144,383</b>	<b>144,383</b>			

Note: (a) Maturity analysis is presented using the contractual undiscounted cash flows.

## 6. HOW WE FINANCED OUR OPERATIONS

### Introduction

This section provides information on the sources of finance utilised by the Commission during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Commission.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

### Structure

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<b>6.2</b> Leases	52
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### 6.1 Borrowings

	2019	2018
	\$	\$
<b>Current borrowings</b>		
Finance lease liabilities (a)		
Motor vehicle related finance lease liabilities	6,198	6,215
<b>Total current borrowings</b>	<b>6,198</b>	<b>6,215</b>
<b>Non current borrowings</b>		
Finance lease liabilities		
Motor vehicle related finance lease liabilities	10,345	16,543
<b>Total non current borrowings</b>	<b>10,345</b>	<b>16,543</b>
<b>Total borrowings</b>	<b>16,543</b>	<b>22,758</b>

'Borrowings' refer to interest bearing liabilities. The only borrowing the Commission has is a motor vehicle finance lease arranged through Vic Fleet.

Borrowings are classified as financial instruments. The Commission has designated the finance lease at fair

value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. They are subsequently measured at fair value

with changes in fair value relating to the Commission's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result.

### Maturity analysis of borrowings

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Finance lease liabilities	16,543	16,543	541	16,002	-	-
<b>Total</b>	<b>16,543</b>	<b>16,543</b>	<b>541</b>	<b>16,002</b>	<b>-</b>	<b>-</b>
<b>2018</b>						
Finance lease liabilities	22,758	22,758	530	1,050	4,635	16,543
<b>Total</b>	<b>22,758</b>	<b>22,758</b>	<b>530</b>	<b>1,050</b>	<b>4,635</b>	<b>16,543</b>

**Interest Expense**

	2019	2018
	\$	\$
Interest on finance leases	669	853
<b>Total interest expense</b>	<b>669</b>	<b>853</b>

'Interest expense' includes the interest component of finance leases repayments. Interest expense is recognised in the period in which it is incurred.

**6.2 Leases****6.2.1 Finance lease liabilities (Commission as lessee)**

	Minimum future lease payments <sup>(a)</sup>		Present value of minimum future lease payments	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Other finance lease liabilities payable <sup>(a)</sup></b>				
Not longer than 1 year	16,543	6,198	16,543	6,215
Longer than 1 year but not longer than 5 years	-	17,069		16,543
Longer than 5 years				
<b>Minimum future lease payments</b>	<b>16,543</b>	<b>23,267</b>		<b>22,758</b>
Less future finance charges	-	(509)	-	-
<b>Present value of minimum lease payments</b>	<b>16,543</b>	<b>22,758</b>	<b>16,543</b>	<b>22,758</b>
Included in the financial statements as:				
Current borrowings lease liabilities (Note 7.1)			16,543	6,215
Non current borrowings lease liabilities (Note 7.1)			-	16,543
<b>Total</b>			<b>16,543</b>	<b>22,758</b>

(a) Other finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating and lease commitments are disclosed in Note 6.1.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is

accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense,

which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

### 6.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which

are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement purposes, cash and cash equivalents are indicated below.

	2019	2018
	\$	\$
Cash and deposits disclosed in the balance sheet	-	400
Funds held in trust	249,237	338,240
<b>Balance as per cash flow statement</b>	<b>249,237</b>	<b>338,640</b>

#### 6.3.1 Reconciliation of net result for the period to cash flow from operating activities

	2019	2018
	\$	\$
<b>Net result for the period</b>	<b>(29,673)</b>	<b>(50,235)</b>
<b>Non cash movements</b>		
Depreciation and amortisation of non current assets	6,035	6,035
<b>Movements in assets and liabilities</b>		
Decrease/(increase) in receivables	69,704	(56,348)
Decrease/(increase) in pre-payments	(9,563)	(13,340)
Increase/(decrease) in payables	(34,204)	76,137
Increase/(decrease) in provisions	(85,664)	(2,150)
<b>Net cash flows from/(used in) operating activities</b>	<b>(83,364)</b>	<b>(39,901)</b>

## 6.4 Trust account balances

### Trust account balances relating to trust accounts controlled by the Commission

Cash and cash equivalents and investments	2019				2018			
	Opening balance as at 1 July 2018	Total receipts	Total payments	Closing balance as 30 June 2018	Opening balance as 1 July 2017	Total receipts	Total payments	Closing balance as 30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Controlled trusts</b>								
VLRC Trust Fund (a)	338,240	1,902,341	1,991,344	249,237	384,157	2,051,781	2,097,698	338,240
<b>Total controlled trusts</b>	<b>338,240</b>	<b>1,902,341</b>	<b>1,991,344</b>	<b>249,237</b>	<b>384,157</b>	<b>2,051,781</b>	<b>2,097,698</b>	<b>338,240</b>

Note (a) The VLRC Trust fund was created to receive non-public monies, specifically to receive monies paid to VLRC under section 6.7.10 of the *Legal Profession Act 2004* [Section 17(a) *Victorian Law Reform Commission Act 2000*]

## 6.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### 6.5.1 Total commitments payable<sup>(a)</sup>

Nominal amount 2019	Less than 1 year	1–5 years	Total
	\$	\$	\$
Operating lease commitments payable	296,010	960,986	1,256,996
Other commitments payable	28,672	-	28,672
<b>Total commitments (exclusive of GST)</b>	<b>324,682</b>	<b>960,986</b>	<b>1,285,668</b>

The Commission entered into a 34 month lease in August 2016 relating to a motor vehicle with the Department of Treasury and Finance - Vic Fleet. The last payment for this lease was made in June 2019. No lease has been entered into for the next reporting year.

The Commission entered into a new operating lease related to accommodation rental with lease terms of 5 years on 3 July 2018. The operating lease includes 4% fixed annual increases on the anniversary of the lease commencement date. The Commission does not have an option to

purchase the leased asset at the expiry of the lease period.



## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### Introduction

The Victorian Law Reform Commission (the Commission) is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied.

### Structure

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### 7.1 Financial instruments specific disclosures

#### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Commission's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

From 1 July 2018, the Commission applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

#### Categories of financial assets under AASB 9

##### Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Commission to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value, plus any directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method less any impairment.

The Commission recognises the following assets in this category:

- receivables (excluding statutory receivables)
- term deposits.

#### Categories of financial assets previously under AASB 139

**Receivables and cash** are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Commission recognises the following assets in this category:

- receivables (excluding statutory receivables)
- term deposits.

#### Categories of financial liabilities under AASB 9 and previously under AASB 139

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

The Commission recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including finance lease liabilities).

**Reclassification of financial instruments:** Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Commission's business model for managing its financial assets has changes such that its previous model would no longer apply.

However, the Commission is generally unable to change its business model, because it is determined by the Performance Management Framework (PMF) and all Victorian government departments are required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

## 7.1.1 Financial instruments: Categorisation

2019	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
	\$	\$	\$	\$
<b>Contractual financial assets</b>				
<b>Receivables (a)</b>				
Accrued investment income	-	-	-	-
<b>Investments and other contractual financial assets</b>				
Term deposits	249,237	249,237		249,237
<b>Total contractual financial assets</b>	<b>249,237</b>	<b>249,237</b>		<b>249,237</b>
<b>Contractual financial liabilities</b>				
<b>Payables (a)</b>				
Supplies and services	64,796	-	64,796	64,796
Other payables	44,133	-	44,133	44,133
Borrowings				
Finance lease liabilities	16,543	-	16,543	16,543
<b>Total contractual financial liabilities</b>	<b>125,472</b>	<b>-</b>	<b>125,472</b>	<b>125,472</b>

Note:(a)The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

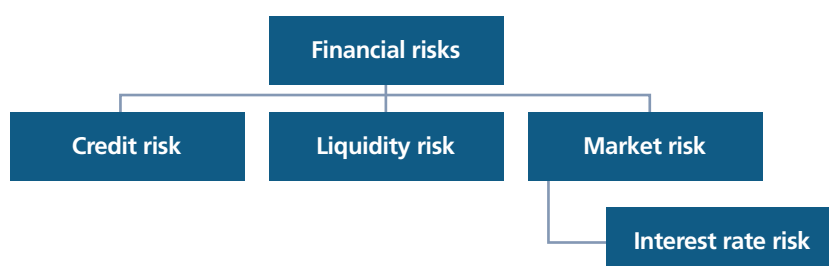
2018	Cash and deposits	Contractual financial assets—loans and receivables held to maturity	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$
<b>Contractual financial assets</b>				
<b>Receivables (a)</b>				
Accrued investment income	500	500	-	500
<b>Investments and other contractual financial assets</b>				
Term deposits and cash	338,640	338,640	-	338,640
<b>Total contractual financial assets</b>	<b>339,140</b>	<b>339,140</b>	<b>-</b>	<b>339,140</b>
<b>Contractual financial liabilities</b>				
<b>Payables (a)</b>				
Supplies and services	111,566		111,566	111,566
Other payables	32,817		32,817	32,817
Borrowings				
Finance lease liabilities	22,758		22,758	22,758
<b>Total contractual financial liabilities</b>	<b>167,141</b>	<b>-</b>	<b>167,141</b>	<b>167,141</b>

Note:(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

### 7.1.2 Financial instruments – Net holding gain/(loss) on financial instruments by category

There were no net holding gains (losses) on financial instruments during 2018–19.

### 7.1.3 Financial risk management objectives and policies



As a whole, the Commission's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument above, are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Commission's financial risks within the government policy parameters.

The Commission's main financial risks include credit risk, liquidity risk and interest rate risk. The Commission manages these financial risks in accordance with its financial risk management policy.

The Commission uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the Commission.

#### 7.1.4 Credit Risk

Credit risk arises from the contractual financial assets of the Commission, which comprise term deposits and non-statutory receivables. The Commission's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Commission. Credit risk is measured at fair value and is monitored on a regular basis. Credit risk associated with the Commission's contractual financial assets is minimal, because the main debtor is the Department of Justice and Community Safety.

#### 7.1.5 Liquidity Risk

Liquidity risk is the risk that the Commission would be unable to meet its financial obligations as and when they fall due. The Commission operates under the Government fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, make payments within 30 days from the date of resolution. The Commission manages its liquidity risk through monitoring future cash flows and maturities.

#### 7.1.6 Market Risk

The Commission's exposures to market risk is only insignificant exposure to foreign currency risks. Objectives, policies and processes used to manage this risk are disclosed in the paragraphs below.

**Foreign currency risk:** The Commission is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

**Interest rate risk:** Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Commission does not hold any interest bearing financial instruments that are measured at fair value, therefore has no exposure to fair value interest rate risk.

**Cash flow interest rate risk** is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission has minimal exposure to cash flow interest rate risks through its term deposits that are at floating rate.

## 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

The Commission had no contingent assets or liabilities as at 30 June 2019.

## 7.3 Fair value determination

This section sets out information on how the Commission determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result
- property, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes. The Commission determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

### Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Commission determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Commission monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

## 7.4 How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end

– details of significant unobservable inputs used in the fair value determination.

### Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial

asset or liability, either directly or indirectly

- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Commission currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019–20 reporting period. The Commission applies Level 2 fair value determination to all assets and liabilities.

These financial instruments include:

<p><b>Cash and deposits</b></p> <p><b>Receivables:</b></p> <ul style="list-style-type: none"> <li>• Accrued investment income</li> </ul> <p><b>Investments and other contractual financial assets:</b></p> <ul style="list-style-type: none"> <li>• Term deposits</li> </ul>	<p><b>Payables:</b></p> <ul style="list-style-type: none"> <li>• For supplies and services</li> <li>• Amounts payable to government and agencies</li> <li>• Other payables</li> </ul> <p><b>Borrowings:</b></p> <ul style="list-style-type: none"> <li>• Finance lease</li> </ul>
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Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

## 8. OTHER DISCLOSURES

### Introduction

This section includes additional material disclosures required by accounting standards or otherwise for the understanding of this financial report.

### Structure

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### 8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates;

	2019	2018
	\$	\$
<b>Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service liability <sup>(a)</sup>	(16,408)	4,408
<b>Total other gains/(losses) from other economic flows</b>	<b>(16,408)</b>	<b>4,408</b>

Notes: (a) Revaluation gain/(loss) due to changes in bond rates.

### 8.2 Change in accounting policies

#### 8.2.1 Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, the Commission's management has assessed for all financial assets based on the Commission's business model for managing the assets that there has been no impact on the classification of the Commission's financial assets.

The accounting for financial liabilities remains largely the same as it was under AASB 139.

The Commission's accounting policies for financial assets and liabilities are set out in notes 4 and 6.

#### 8.2.2 Transition impact

There has been no transition impact of first-time adoption of AASB 9 on the Comprehensive Operating Statement and Balance Sheet.

### 8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period.

#### Names

The persons who held the positions of Ministers and Accountable Officers of the Department of Justice and Regulation are as follows:

Attorney-General	The Hon. Martin Pakula, MP The Hon. Jill Hennessy, MP	1 July 2018 to 28 November 2018 29 November 2018 – 30 June 2019
Acting Attorney-General	The Hon. Benjamin Carroll, MP	6 April 2019 – 14 April 2019
Secretary to the Department of Justice and Regulation	Mr Greg Wilson Rebecca Falkingham	1 July 2018 - 28 November 2018 29 November 2018 - 30 June 2019
Acting Secretary	Julia Griffith Corri McKenzie Ryan Phillips	23 July 2018 – 6 August 2018 14 January 2019 – 18 January 2019 15 April 2019 – 19 April 2019

#### Departmental name change

Secretary to the Department of Justice and Community Safety	Rebecca Falkingham	1 January 2019 – 30 June 2019
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#### The Commission

The persons who were Responsible Persons of the Commission as stipulated in Section 7 of the *Victorian Law Reform Commission Act 2000* for the reporting period are as follows:

Chair	The Hon. Philip D Cummins AM	1 July 2018 - 24 February 2019
Acting Chair	Gemma Varley PSM	24 September 2018 - 3 December 2018
	Bruce Gardner PSM	4 March 2019 - 30 June 2019
Commissioners	Bruce Gardner PSM	1 July 2018 to 30 June 2019
	Dr Ian Hardingham QC	1 July 2018 to 30 June 2019
	Alison O'Brien	1 July 2018 to 30 June 2019
	The Hon Frank Vincent AO QC	1 July 2018 to 30 June 2019
	Liana Buchanan	1 July 2018 to 30 June 2019
	Gemma Varley PSM	1 July 2018 to 30 June 2019
	Helen Fatouros	1 July 2018 to 1 September 2018
	Bernadette McSherry	1 July 2018 to 30 June 2019
	Dan Nicholson	2 September 2018 to 30 June 2019
Accountable Officer		
Chief Executive Officer	Ms Merrin Mason	1 July 2018 to 30 June 2019
Acting CEO	Lindy Smith	3 September 2018 to 28 September 2018 11 February 2019 to 30 June 2019

## Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Commission during the reporting period was in the range: \$180,000 – \$190,000 (\$180,000 – \$190,000 in 2017–18).

### 8.4 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table on the following page. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefits or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

Remuneration of executive officers	2019	2018
<i>(including key Management Personnel as disclosed in Note 8.5)<sup>(a)</sup></i>	\$	\$
Short-term employee benefits	503,051	508,813
Post-employment benefits	64,263	48,342
Other long-term benefits	17,942	16,182
<b>Total remuneration (a)</b>	<b>585,256</b>	<b>573,337</b>
<b>Total number of executives</b>	<b>7</b>	<b>11</b>
<b>Total annualised employee equivalents (b)</b>	<b>2.5</b>	<b>2</b>

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.4).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.



## 8.5 Related Parties

The Commission is an independent agency established under the Victoria Law Reform Commission Act 2000. It is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Commission include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements

All related party transactions that have been entered into on an arm's length basis.

**Key management personnel** of the Commission includes the Attorney-Generals, the Hon. Martin Pakula MP and the Hon. Jill Hennessy MP; the Acting Attorney-General, the Hon. Benjamin Carroll MP; and the Chair, Acting Chairs and Commissioners of the Victorian Law Reform Commission; and members of the Senior Executive Team, which includes:

### Significant transactions with government-related entities

The Commission received funding of \$2.444 million (2018: \$2.711 million) and made payments of \$0.244 million (2018: \$0.223 million) to government-related entities.

During the year, the Commission had the following government-related entity transactions:

- \$93,240 in payroll tax to the State Revenue Office (2018: \$91,346)
- \$44,471 in Vic Super superannuation contributions are fully explained in Note 3.1.3 (2018: \$77,607)
- \$94,499 in other transactions that are collectively, but not individually significant (2018: \$44,379).

Key Management Personnel	Position title
The Hon. Philip D. Cummins AM	Chairperson
Mr. Bruce Gardner PSM	Commissioner and Acting Chair
Dr Ian Hardingham QC	Commissioner
Ms Alison O'Brien	Commissioner
The Hon Frank Vincent AO QC	Commissioner
Ms Liana Buchanan	Commissioner
Ms Gemma Varley PSM	Commissioner and Acting Chair
Ms Helen Fatouros	Commissioner
Ms Bernadette McSherry	Commissioner
Mr Dan Nicholson	Commissioner
Ms Merrin Mason	Chief Executive Officer
Ms Lindy Smith	Acting Chief Executive Officer

The Minister's remuneration and allowances is set by the Parliamentary Salaries and *Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

### Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with the other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

Outside of normal citizen type transactions with the Commission, there are no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### 8.6 Remuneration of auditors

	2019	2018
	\$	\$
<b>Victorian Auditor General's Office</b>		
Audit or review of the financial statements	20,500	20,000
<b>Other non-audit services<sup>(a)</sup></b>		
Internal audit	19,710	19,710
<b>Total remuneration of auditors</b>	<b>40,210</b>	<b>39,710</b>

Note: (a) The Victorian Auditor-General's Office is prohibited from providing non-audit services.

### 8.7 Subsequent events

The policy in connection with recognising subsequent events that are for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- Adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date.

- Disclosure is made where the events relate to conditions arising after the end of the reporting period that are considered to be of material interest.

The Commission is not aware of any subsequent events that have occurred after the reporting period and before authorisation of the financial statements.

### 8.8 Other accounting policies

#### Contributions by owners

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Commission.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

### 8.9 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 16 Leases;
- AASB 1048 Income of Not-for-Profit Entities.

## Leases

AASB 16 Leases replaces AASB 117 Leases, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 114 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. The Commission intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

The Commission will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. The Commission will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

In addition, AASB 2018-8 – Amendments to Australian Accounting Standards – Right-of-Use Assets (RoU) of Not-for-Profit Entities allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. The Commission intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

The Commission has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU (\$698,886)
- increase in related depreciation (\$176,247)
- increase in lease liability (\$698,886)
- increase in related interest (\$28,242) calculated using effective interest method
- decrease in rental expense (\$180,708).

## Revenue and Income

AASB 14 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 14 requires entities to only recognise revenue upon the fulfilment of the performance obligation.

Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities* (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 14 in the not-for-profit sector.
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors* (2018-4), to provide guidance on how to distinguish payments receive in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1048 *Income of Not-for-Profit Entities*, to supplement AASB 14 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 Contributions.

AASB 14, AASB 1048 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. The Commission intends to adopt these standards in 2019-20 financial year when it becomes effective.

The Commission has performed a detailed impact assessment of AASB 14 and AASB 1048 and has assessed that there is no potential impact for each major class of revenue and income in the initial year of application.

## 8.10 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

**Borrowings** refers to finance leases and other interest bearing arrangements.

**Commitments** include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

**Comprehensive result** is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

**Controlled item** generally refers to the capacity of the Commission to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

**Current grants** are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

**Depreciation** is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

**Effective interest method** is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

**Employee benefits expenses** include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

**Financial asset** is any asset that is:

- (a) cash;
- (b) a contractual right:
  - to receive cash or another financial asset from another entity; or

- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

**Financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial liability** is any liability that is:

- (a) a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

**Financial statements** in this Report comprises:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information; and
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements.

**Interest expense** represents costs incurred in connection with borrowings. It includes interest on finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

**Interest income** includes interest received on bank term deposits and other investments.

**Leases** are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

**Net result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

**Net worth** is calculated as assets less liabilities, which is an economic measure of wealth.

**Non-financial assets** are all assets that are not financial assets. It includes inventories and plant and equipment.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets and fair value changes of financial instruments.

**Payables** includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

**Receivables** includes amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Supplies and services** generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Commission.

**Transactions** are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers.

Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

### 8.11 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

–	zero, or rounded to zero
(xxx.x)	negative numbers
20xx	year
20xx–xx	year period

The financial statements and notes are presented based on the illustration for a government Department in the 2018–19 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Commission's annual reports.

## DISCLOSURE INDEX

The annual report of the Commission is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

### Standing Directions & Financial Reporting Directions

#### *Report of operations*

#### **Charter and purpose**

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FRD 8D	Commission objectives, indicators and outputs	Page 6
FRD 22H	Key initiatives and projects	Page 7
FRD 22H	Nature and range of services provided	Page 7–20

#### **Management and structure**

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#### **Financial and other information**

FRD 8D	Performance against output performance measures	Page 13
FRD 8D	Budget portfolio outcomes	Page 70
FRD 10A	Disclosure index	Page 68
FRD 12B	Disclosure of major contracts	Page 26
FRD 15D	Executive officer disclosures	Page 62
FRD 22H	Employment and conduct principles	Page 21
FRD 22H	Occupational health and safety policy	Page 21
FRD 22H	Summary of the financial results for the year	Page 12
FRD 22H	Significant changes in financial position during the year	Page 12
FRD 22H	Major changes or factors affecting performance	Page 4
FRD 22H	Subsequent events	Page 64
FRD 22H	Application and operation of Freedom of Information Act 1982	Page 26
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	Page 27
FRD 22H	Statement on National Competition Policy	Page 27
FRD 22H	Application and operation of the Protected Disclosure Act 2012	Page 27
FRD 22H	Application and operation of the Carers Recognition Act 2012	Page 28
FRD 22H	Details of consultancies over \$10 000	Page 25
FRD 22H	Details of consultancies under \$10 000	Page 25
FRD 22H	Disclosure of government advertising expenditure	Page 25
FRD 22H	Disclosure of ICT expenditure	Page 26
FRD 22H	Statement of availability of other information	Page 32
FRD 24C	Reporting of office based environmental impacts	Page 28
FRD 25D [pending]	Local Jobs First	Page 25
FRD 29C	Workforce Data disclosures	Page 24
SD 5.2	Specific requirements under Standing Direction 5.2	Page 32

#### **Compliance attestation and declaration**

SD 3.7.1	Attestation for compliance with Ministerial Standing Direction	Page 32
SD 5.2.3	Declaration in report of operations	Page 5

#### *Financial statements*

#### **Declaration**

SD 5.2.2	Declaration in financial statements	Page 35
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## Standing Directions & Financial Reporting Directions

### Other requirements under Standing Directions 5.2

SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 42
SD 5.2.1(a)	Compliance with Standing Directions	Page 32
SD 5.2.1(b)	Compliance with Model Financial Report	Page 67

### Other disclosures as required by FRDs in notes to the financial statements (a)

FRD 13	Disclosure of Parliamentary Appropriations	Page 43
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 61
FRD 103G [pending]	Non Financial Physical Assets	Page 49
FRD 110A	Cash Flow Statements	Page 40

Note: References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

## Legislation

Freedom of Information Act 1982  
 Building Act 1993  
 Protected Disclosure Act 2012  
 Carers Recognition Act 2012  
 Disability Act 2006  
 Local Jobs Act 2003  
 Financial Management Act 1994  
 Public Administration Act 2004

## BUDGET PORTFOLIO OUTCOMES

The Budget Portfolio Outcomes provide comparisons between the actual financial statements of the agency and forecast financial information published in the Budget Papers.

The following table provides information for the current and previous four financial years.

The following Budget Portfolio Outcomes statements are not subject to audit by the Victorian Auditor-General's Office.

### Financial review of operations and financial condition

<i>Five year financial summary</i>	2019	2018	2017	2016	2015
	\$	\$	\$	\$	\$
<b>Annual Appropriation</b>	662,300	665,300	694,000	707,000	721,000
<b>Actual</b>					
Output appropriations					
– Department of Justice and Community Safety	662,300	665,300	694,000	706,400	720,300
Grants - Specific Purpose – Department of Justice and Community Safety	-	-	-	-	444,200
Grants - Legal Services Board	1,893,106	2,045,567	1,788,525	1,766,376	1,682,000
Interest	9,235	6,214	12,581	16,947	5,784
Total revenue	2,564,641	3,382,381	2,495,106	2,489,723	2,852,284
Total expenses	(2,577,906)	(2,771,724)	(2,700,032)	(2,686,707)	(2,803,527)
Net result from continuing operations	(29,673)	(50,235)	(205,176)	(200,651)	37,745
Net cash flow from operating activities	(83,364)	(39,901)	(208,512)	(202,913)	16,310
Total assets	506,024	661,603	643,869	857,176	1,051,256
Total liabilities	366,777	492,861	424,893	433,024	426,673

The difference between the annual appropriation and the actual grant from the Department of Justice and Community Safety is a direct result of the annual Government Efficiency Dividend, plus the annual adjustment for depreciation funded capital expenditure.











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