



Australian Government

Australian Law Reform Commission

ANNUAL REPORT 2019–2020





Australian Government

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ANNUAL REPORT 2019–2020



Requests and enquiries regarding this report should be addressed to:

General Counsel
Australian Law Reform Commission
PO Box 12953
George Street Post Shop QLD 4003

Telephone: (07) 3248 1224
Email: info@alrc.gov.au
Web: alrc.gov.au
Twitter: @AusLawReform
LinkedIn: [linkedin.com/company/alrc](https://www.linkedin.com/company/alrc)

This report is also online at alrc.gov.au/about/annual-reports/

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The Hon Justice S C Derrington
President

Australian Government

Australian Law Reform Commission

The Hon Christian Porter MP
Attorney-General
Parliament House
Canberra ACT 2600

2 October 2020

Dear Attorney-General

On behalf of the members of the Australian Law Reform Commission, I am pleased to present the Commission's Annual Report for the period 1 July 2019 to 30 June 2020.

This Report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act). The annual performance statement in Part 2 of this report is prepared in accordance with paragraph 39(1)(a) of the PGPA Act, and accurately presents the Commission's performance for the 2019–20 financial year in accordance with subsection 39(2) of the PGPA Act.

The report includes the Commission's audited financial statements prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (Cth) (PGPA Financial Reporting Rule).

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014* (Cth) (PGPA Rule), I certify that the ALRC has prepared fraud risk assessments and a fraud control plan; that the ALRC has appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs; and that I have taken all reasonable measures to appropriately deal with fraud. There have been no instances of fraud identified during the period.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. C. Derrington'.

Justice S C Derrington

Australian Law Reform Commission
Level 4, Harry Gibbs Commonwealth Law Courts
Building
119 North Quay
Brisbane QLD 4000

Postal Address:
PO Box 12953
George Street Post Shop QLD 4003

Tel (07) 3248 1224
Web alrc.gov.au
Email info@alrc.gov.au

CONTENTS

2019-20 SNAPSHOT	vi
PRESIDENT'S FOREWORD	1
YEAR IN REVIEW	5
Role and functions of the ALRC	6
Law reform inquiries in 2019–20	6
Inquiry publications	7
Review of Australia's Corporate Criminal Responsibility Regime	8
Review of the Framework of Religious Exemptions in Anti-Discrimination	
Legislation	13
Future of Law Reform Project	16
REPORT ON PERFORMANCE	21
Annual performance statement	22
Introductory statement	22
Our outcome	22
Environment	22
Performance criteria for 2019–20	23
Result against performance criteria	24
Analysis of performance	26
Implementation of reports and impact of work	32
Summary and analysis of financial performance	34
Financial outcomes	34
Entity resource statement	34
Compliance	34
MANAGEMENT AND ACCOUNTABILITY	35
Corporate governance	36
Ministerial powers	36
Accountable Authority	36
Members of the Commission	36
Remuneration	37
Key management personnel	37
Policies	38
Corporate planning	38
Financial management and audit	38
Fraud control and risk management	38
Ethics	39
Conflict of interest	40
Related party disclosures	40
Indemnity	40
Audit Committee	41

External scrutiny and controls	42
Parliamentary scrutiny	42
Human resource management	43
Staffing	43
Indigenous employment	43
Staff retention and turnover	43
Employment conditions	43
Performance rewards and bonuses	44
Staff development	45
Study leave	45
Law student engagement	45
Other reporting requirements	46
Procurement and purchasing	46
Consultancies	47
Advertising and market research	47
Disability strategy	47
Freedom of information	47
Legal services expenditure	47
Work health and safety	48
Environmental performance	48
FINANCIAL STATEMENTS	51
Independent Auditor's Report	52
Financial Statements	54
Entity resource statement and expenses for outcomes 2019–20	77
Entity Resource Statement 2019–20	77
Expenses for Outcome 1	78
GLOSSARY AND INDEXES	79
Glossary	80
List of requirements	82
Index	89



2019–20 SNAPSHOT

4
REPORTS



126
Consultations

29
Presentations



59
Submissions



“261”
Citations



1,232,654

UNIQUE VISITORS

8.7% increase

2,789,677

PAGE VIEWS

4.2% increase



8
Public
Seminars
& Webinars

2533
Subscribers



14,004

3.8% growth
since June 2019



5,561

200.27% growth
since Jan 2020

PRESIDENT'S FOREWORD



PRESIDENT'S FOREWORD

On behalf of the Australian Law Reform Commission (ALRC), I present the Annual Report for 2019–20.

The ALRC is an independent statutory agency for law reform, which is respected by Government and the community as a centre of excellence. It sits within the Attorney-General's portfolio and supports the Attorney-General and the Australian Government by providing evidence-based research to inform government decisions about the development, reform and harmonisation of Australian laws and related processes.

When I presented our last Annual Report, few could have foreseen the tremendous challenges that this year would bring for the country and the world. Despite those challenges, it has been a productive year for the ALRC: completing one law reform inquiry, carrying out preliminary work on another and reporting on a ground-breaking consultative project to develop a proposed five-year programme of law reform for consideration by the Government. Building on the ALRC's long track record of public outreach, it has also been a year of significant public engagement through well-attended public seminars and an active social media presence.

The ALRC delivered its final report on corporate criminal responsibility to the Attorney-General in April 2020, and its final report on the Future of Law Reform project in December 2019. Its review of the framework of religious exemptions in anti-discrimination legislation was put on hold by the Attorney-General in March 2020, with a new reporting deadline contingent on passage of the Government's Religious Discrimination Bill by Parliament.

I wish to extend my thanks to the Hon Justice Robert Bromwich for his substantial contribution as part-time Commissioner for the corporate criminal responsibility inquiry. Justice Bromwich brought a wealth of understanding and experience to the Inquiry that was invaluable in completing the review.

I also acknowledge the very important contribution of standing part-time Commissioner the Hon Justice John Middleton to each of the ALRC's inquiries in 2019–20 and again thank him for his ongoing assistance and wise counsel.

Many thanks must go to the members of our Advisory Committees, whose thoughtful contributions provide additional guidance as we explore the issues raised by each inquiry, and to the many organisations and individuals who contribute as stakeholders to our inquiries through consultations and submissions. Strong engagement of stakeholders is a defining and enduring feature of ALRC inquiries, and is key to the high quality of ALRC reports and to developing robust and achievable recommendations.

We welcomed a number of new staff members in 2019–20, further strengthening our legal team and communications capabilities. The ALRC's staff have been very ably led by our General Counsel, Matthew Corrigan, who I thank for his dedication and assured leadership. I wish also to record my thanks to our Executive Assistant, Claudine Kelly, and our excellent legal team and communications and events co-ordinator, without whom the work of the ALRC could not be accomplished.

The Future of Law Reform project, and subsequent public seminars on priority areas identified by it, underscore that there continue to be substantial matters of national significance where law reform will be both productive and welcomed by stakeholders. As this report goes to print we are in the early stages of a new inquiry into one of the priority areas identified by the process, following the announcement in September 2020 of a three-year reference from the

Attorney-General to review the legislative framework for corporations and financial services regulation. We are also beginning work on a year-long inquiry announced in September 2020 into the laws relating to impartiality and bias as they apply to the federal judiciary. We look forward to continuing this important work in the coming year.

A handwritten signature in dark ink, appearing to read 'S C Derrington', with a large, stylized loop at the end.

The Hon Justice S C Derrington

YEAR IN REVIEW



YEAR IN REVIEW

ROLE AND FUNCTIONS OF THE ALRC

The ALRC undertakes research and provides recommendations to reform the law on topics selected by the Attorney-General of Australia.

The ALRC is an independent Australian Government agency that operates under the *Australian Law Reform Commission Act 1996* (Cth) (ALRC Act) as well as the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act) and the *Public Service Act 1999* (Cth).

The ALRC is responsible to Parliament through the Attorney-General, the Minister responsible for the ALRC.

At the conclusion of each inquiry, the ALRC provides a report to the Attorney-General that includes evidence-based recommendations for reform. The ALRC makes recommendations that:

- bring the law into line with current conditions and needs;
- remove defects in the law;
- simplify the law;
- adopt new or more effective methods for administering the law and dispensing justice;
- promote uniformity between states and territories; and
- provide improved access to justice.

The ALRC is structured around inquiry teams that are led by the President or a Commissioner, supported by legal officers of various seniority.

LAW REFORM INQUIRIES IN 2019–20

In the 2019–20 financial year, the ALRC's work spanned two law reform inquiries. One of these inquiries (Corporate Criminal Responsibility) was completed during this period (April 2020). The other inquiry (Religious Exemptions in Anti-Discrimination Legislation) is currently on hold in accordance with amendments to the Terms of Reference and the reporting deadline issued by the Attorney-General in August 2019 and March 2020 respectively.

In addition to these inquiries, the ALRC completed a consultative project to identify priorities for law reform.

Summaries of the inquiries and consultative project are provided below.

Inquiry publications

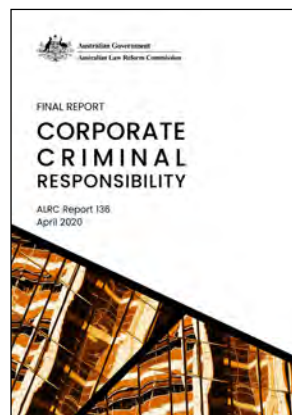
Table 1: Inquiry publications completed 2019–20

Area	Publication title	Date of completion
Corporate Criminal Responsibility	<i>Corporate Criminal Responsibility</i> (Discussion Paper 87)	15 November 2019
Corporate Criminal Responsibility	<i>Ensuring appropriate and effective regulation of corporations: A recalibration of Australian corporate regulation</i> (ALRC paper)	18 November 2019
Corporate Criminal Responsibility	<i>When should officers be liable for corporate crime?</i> (ALRC paper)	19 November 2019
Corporate Criminal Responsibility	<i>Corporate Attribution: Principled Simplicity</i> (ALRC paper)	27 November 2019
Future of Law Reform	<i>The Future of Law Reform: A Suggested Program of Work 2020–25</i> (Project Report)	2 December 2019
Corporate Criminal Responsibility	<i>Strengthening Sentencing Processes and Outcomes for Corporations</i> (ALRC paper)	18 December 2019
Corporate Criminal Responsibility	<i>The Banking Executive Accountability Regime: an alternative model of individual liability for corporate fault</i> (ALRC paper)	19 December 2019
Corporate Criminal Responsibility	<i>Individual Liability for Corporate Misconduct—An Update</i> (ALRC paper)	4 March 2020
Corporate Criminal Responsibility	<i>Corporate Criminal Responsibility—Final Report</i> (Report 136)	29 April 2020

Review of Australia's Corporate Criminal Responsibility Regime

Figures

<i>Recommendations made:</i>	20
<i>Referred:</i>	10 April 2019
<i>Date due:</i>	30 April 2020
<i>Date delivered:</i>	29 April 2020
<i>Tabled in Parliament:</i>	31 August 2020
<i>Consultations held:</i>	101 (78 in the reporting period)
<i>Comments on Terms of Reference received:</i>	14 (none in the reporting period)
<i>Submissions received:</i>	49 (all in the reporting period)
<i>Seminars and webinars:</i>	6 (all in the reporting period)



The Final Report for the ALRC's review of *Corporate Criminal Responsibility* (Report 136), was delivered to the Attorney-General on 29 April 2020, and tabled in Parliament on 31 August 2020. The Report made 20 recommendations for reform.

Background

On 10 April 2019, the Attorney-General asked the ALRC to inquire into Australia's corporate criminal responsibility regime and specifically, the corporate criminal responsibility provisions contained in Part 2.5 of the schedule to the *Criminal Code Act 1995* (Cth) (the *Criminal Code*). The Terms of Reference asked the ALRC to consider 'whether, and if so what, reforms are necessary or desirable to improve Australia's corporate criminal liability regime'. In particular, the ALRC was asked to review:

- the policy rationale for Part 2.5 of the *Criminal Code*;
- the efficacy of Part 2.5 of the *Criminal Code* as a mechanism for attributing corporate criminal liability;
- the availability of other mechanisms for attributing corporate criminal responsibility and their relative effectiveness, including mechanisms which could be used to hold individuals (eg senior corporate office holders) liable for corporate misconduct;
- the appropriateness and effectiveness of criminal procedure laws and rules as they apply to corporations; and
- options for reforming Part 2.5 of the *Criminal Code* or other relevant legislation to strengthen and simplify the Commonwealth corporate criminal responsibility regime.

The review was the first comprehensive review of Australia's corporate criminal responsibility regime following the enactment of the *Criminal Code*, and came at a time of renewed focus on protecting Australian consumers from egregious conduct by corporations and increasing regulation in the area of corporate wrongdoing. It also followed the release of the Final Report

of the Australian Securities and Investments Commission (ASIC) Enforcement Taskforce in December 2017, and the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in February 2019.

Consultation

Following the release of the Terms of Reference, the ALRC invited interested stakeholders to provide comments on the scope of the Inquiry and any issues relevant to the Terms of Reference. The ALRC received 14 responses to its invitation for comments. From May to October 2019, the ALRC held 55 initial consultations with academics, government agencies, lawyers, and industry bodies across Australia. Of these, 32 consultations occurred during the reporting period.

The ALRC released its Discussion Paper on 15 November 2019. Following this it received 49 submissions and conducted a second round of 46 consultations.

In December 2019 (after the release of the Discussion Paper but prior to the closing date for submissions), the ALRC held an interactive discussion in Sydney entitled 'Interrogating the English Approach to Prosecuting Economic Crime'. The keynote speakers were the Rt Hon the Lord Garnier QC, who as UK Solicitor-General was the architect of the *Bribery Act 2010* (UK), and Mukul Chawla QC, a prominent British white-collar crime lawyer. In February and March 2020, the ALRC held further seminars in Perth, Melbourne, Sydney and Brisbane, attended by more than 290 people, to discuss the most contentious issues raised in the Discussion Paper in light of submissions received and consultations with regulatory bodies and stakeholders. Attendees from the judiciary, bar, law firms, regulators, law enforcement, industry, government, and civil society had the opportunity to ask questions of the panel.



On 4 March 2020, the ALRC released an update paper on individual liability for corporate misconduct, in light of a Government proposal for new legislation relevant to the area of individual responsibility of directors and senior corporate officers.



Findings

The ALRC found that Commonwealth criminal law as it applies to corporations is impenetrably complex and in need of significant reform. There is an overregulation by the criminal law of low-level contraventions and a failure to effectively use the criminal law for serious contraventions. As a result, there is no principled regulation in any meaningful sense — diluting the efficacy of corporate criminal responsibility and undermining the rule of law.

Despite the emphasis on civil enforcement in corporate regulation, criminal offences applicable to corporations have proliferated. However, the ALRC established that prosecutions of corporations, relative to individuals, are extremely rare, even in heavily regulated sectors where corporations are most active. In addition, corporations are most often prosecuted for relatively minor regulatory offences, and smaller corporations are more likely to be prosecuted than larger corporations. Prosecutors withdraw a significantly higher number of charges against corporations than they withdraw against individuals. This suggests that existing laws present real difficulties for prosecuting corporations. The ALRC report identified four major problems with the current state of the law:

- there is no principled basis underpinning the provisions that apply the criminal law to corporations;
- the law does not facilitate fair, consistent prosecution of corporations;
- the consequences of corporate misconduct are inadequate; and
- there is insufficient data relating to corporate crime.

Regulators' frequent reliance on civil penalty provisions as an alternative to criminal prosecution may lead to a mindset that the penalties imposed are little more than a cost of doing business. Existing penalty and sentencing options for corporations are inadequate and often disproportionately affect shareholders, employees and third parties who were not connected with the corporation at the time of the offending. In addition, other accountability mechanisms such as personal liability of individual directors and senior corporate office holders, although relatively well-accepted, do not appear to operate effectively in relation to very large, complex organisations.

Recommendations

On 29 April 2020 the ALRC delivered *Corporate Criminal Responsibility—Final Report* (Report 136) to the Attorney-General. The report contained 20 recommendations that would result in simpler, clearer laws that reduce the regulatory compliance burden on corporations while better protecting individuals from serious criminal misconduct by ensuring that the criminal law, regulators and law enforcement are focused on the most egregious criminal conduct. The recommendations cover eight key areas:

	Corporate Criminal Responsibility – the Data Chapter 3 Recommendation 1
	Principled Criminalisation Chapter 5 Recommendations 2 3 4
	Corporate Attribution Chapter 6 Recommendations 5 6 7
	Offences Specific to Corporations Chapter 7 Recommendation 8
	Sentencing Corporations Chapter 8 Recommendations 9 10 11 12 13 14 15 16 17
	Individual Liability for Corporate Conduct Chapter 9 Recommendation 18
	Transnational Business Chapter 10 Recommendation 19
	Further Reforms Chapter 11 – DPAs Recommendation 20

The recommendations included:

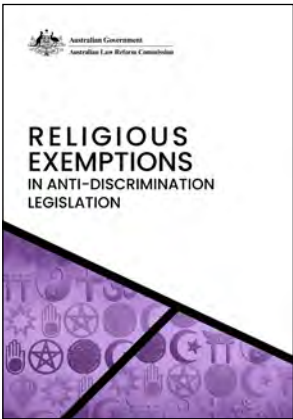
- that corporate conduct should be regulated primarily by civil regulatory provisions and that a criminal offence should be created in respect of a corporation only when certain conditions are met (Recommendation 2);
- that the provisions governing attribution of conduct to a corporation contained in Part 2.5 of the *Criminal Code* should be amended, and alternative methods of attribution contained in other Commonwealth laws should be repealed unless such an alternative method was necessary in the particular instance (Recommendations 5, 6 and 7); and
- that new offences should be introduced to criminalise contraventions of prescribed civil penalty provisions that constitute a system of conduct or pattern of behaviour by a corporation (Recommendation 8).

The ALRC made a further suite of recommendations concerning sentencing of corporations, including providing the courts with powers to make orders requiring corporations to publicise or disclose certain information, take corrective action within the organisation, facilitate redress and undertake activities for the benefit of the community, and to allow courts to consider victim impact statements made by groups of victims or a corporation that has suffered economic loss in such cases (Recommendations 9 to 17). Other recommendations concerned the collection of data on corporate crime, a further wide-ranging review of individual accountability mechanisms for corporate misconduct, the introduction of failure to prevent offences in relation to other Commonwealth offences arising in the context of transnational business and amendments to the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2019.

Review of the Framework of Religious Exemptions in Anti-Discrimination Legislation

Figures

<i>Referred:</i>	10 April 2019
<i>Date due:</i>	12 months from the date the Religious Discrimination Bill is passed by Parliament
<i>Documents received:</i>	290 documents from 61 educational bodies across Australia (176 documents from 36 educational bodies in this reporting period)
<i>Consultations held:</i>	44 (27 in this reporting period)
<i>Comments on Terms of Reference received:</i>	13 (none in this reporting period)
<i>Non-Terms of Reference submissions:</i>	4 (3 in this reporting period)



Background

Original Terms of Reference

On 10 April 2019, the Attorney-General asked the ALRC to inquire into the framework of religious exemptions in Commonwealth, State and Territory anti-discrimination legislation. This Inquiry was referred to the ALRC as part of the Government’s response to the Review of Religious Freedom conducted by the Expert Panel led by the Hon Philip Ruddock. The final report of the ALRC Inquiry was originally due by 10 April 2020.

The ALRC was asked to inquire into, and report on, what reforms to relevant anti-discrimination laws, the *Fair Work Act 2009* (Cth) and any other Australian law should be made in order to:

- limit or remove altogether (if practicable) religious exemptions to prohibitions on discrimination, while also guaranteeing the right of religious institutions to reasonably conduct their affairs in a way consistent with their religious ethos; and
- remove any legal impediments to the expression of a view of marriage as it was defined in the *Marriage Act 1961* (Cth) before it was amended by the *Marriage Amendment (Definition and Religious Freedoms) Act 2017* (Cth).

The ALRC commenced the Inquiry process and invited interested stakeholders to comment on the scope of the Inquiry and any issues relevant to the original Terms of Reference. On 1 May 2019, the ALRC published a brief background paper on the Inquiry webpage. From May to June 2019, the ALRC conducted preliminary consultations with a range of stakeholders, including representatives from academia, religious institutions, schools and human rights organisations, with the aim of releasing a Discussion Paper in September 2019.

First amendment to the Terms of Reference

On 29 August 2019, the Attorney-General amended the original Terms of Reference, requiring the ALRC to take into account the intended passage of the Religious Discrimination Bill,¹ with the ALRC's final report to be provided to the Attorney-General by 12 December 2020. The amended Terms of Reference ask the ALRC to confine its Inquiry to issues not resolved by that bill, and to confine any recommendations to legislation other than the Religious Discrimination Bill.

Concurrent with the amendment to the ALRC's Terms of Reference, the Government released a first exposure draft of proposed legislation on religious freedom (the 'Religious Freedom Bills'), including the Religious Discrimination Bill, and invited submissions between 29 August and 2 October 2019.² On 10 December 2019, the Government released second exposure drafts of the Religious Freedom Bills and invited submissions between 10 December 2019 and 31 January 2020.³ The Religious Freedom Bills have not yet been introduced into Parliament.

Second amendment to the Terms of Reference

On 2 March 2020, the Attorney-General amended the ALRC's reporting deadline from 12 December 2020 to be '12 months from the date the Religious Discrimination Bill is passed by Parliament'. This extension will enable the ALRC to take into account the public consultation processes accompanying the Religious Freedom Bills, and any amendments to the Religious Discrimination Bill resulting from those consultation processes, as envisaged in the first amendment to the ALRC's Terms of Reference.

Consultation

Up until the first amendment to the ALRC's Terms of Reference at the end of August 2019, the ALRC continued its consultation process with stakeholders, including academics, public interest advocacy groups and educational institutions.

As part of that consultation process, the ALRC requested and received 290 documents from 61 educational bodies across Australia (176 of those documents from 36 educational bodies were received during the 2019–20 reporting period). Those documents assist in demonstrating the approaches schools take in relation to discrimination laws and the available religious exemptions. The documents include codes of conduct, statements of faith, enrolment agreements and recruitment policies.

1 The Religious Discrimination Bill is one of the Exposure Draft 'Religious Freedom Bills' released by the Attorney-General on 29 August 2019. The term Religious Freedom Bills refers to a package of legislation which includes the following: Religious Discrimination Bill 2019, Religious Discrimination (Consequential Amendments) Bill 2019 and Human Rights Legislation Amendment (Freedom of Religion) Bill 2019. For further information, see the Attorney-General's Department website: www.ag.gov.au/rights-and-protections/human-rights-and-anti-discrimination/freedom-religion.

2 Ibid and see www.ag.gov.au/rights-and-protections/consultations/religious-freedom-bills-first-exposure-drafts.

3 See www.ag.gov.au/rights-and-protections/consultations/religious-freedom-bills-second-exposure-drafts.

Discussion paper and final report

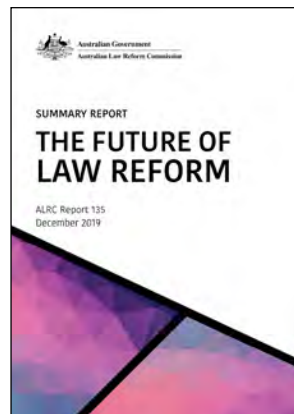
The ALRC is actively monitoring the consultation process and potential amendments relating to the Religious Freedom Bills. The progress of this legislation will determine the scope and timeframe of the discussion paper and final report of the ALRC Inquiry.

In the meantime, the ALRC has continued to conduct background research, such as examining the interaction between Commonwealth, State and Territory anti-discrimination laws and the *Fair Work Act 2009* (Cth), and analysing relevant provisions found in other jurisdictions and international law.

Future of Law Reform Project

Figures

<i>Survey responses and submissions:</i>	408 (7 in reporting period)
<i>Consultations:</i>	30 (21 in reporting period)
<i>Seminars and webinars held:</i>	6 (2 in reporting period)



Background

In 2019, the ALRC initiated a national consultation about priorities for law reform over the coming three to five years (Future of Law Reform project). While it is the responsibility of the Attorney-General to determine which matters are to be examined by the ALRC, the ALRC may make suggestions. The conversation gave Australians a say in what areas of law should be the focus of a law reform inquiry by the ALRC and formed part of the ALRC's longstanding commitment to broad public participation in law reform. This process culminated in the publication in December 2019 of a suggested five-year program of work by the ALRC.

The objectives of the Future of Law Reform project included efficiency, proactivity and inclusiveness. An agreed program of work for a period of years in advance is likely to enhance the efficiency of the ALRC's work. In addition, a more proactive approach to the identification of law reform issues facilitates a more systematic review of Australia's laws. Finally, opening up conversations about future inquiry topics to the general public acknowledges the fact that, in the words of the ALRC's inaugural Chairman the Hon Michael Kirby AC CMG, law reform is 'too important to be left to the experts'.

The project provided a number of additional benefits, including: an opportunity for the public to express views on the appropriate role of the ALRC; gaining a sense of the public's priorities and concerns regarding Australian law; reinvigorated debate about constitutional reform; a fresh approach to the ALRC's engagement with stakeholders; and the identification of future opportunities for collaboration.

Consultation

The ALRC prepared two brief background papers on potential areas for reform to 'kick start' the conversation and these were published in May 2019.

Through an online survey open from 15 May until 30 June 2019, individuals and organisations were invited to provide comments on seven suggested topics for reform and make their own suggestions about areas of law they believed were in need of reform. The seven suggested topics for reform in the survey were the Australian Constitution; banking, superannuation and financial services; environmental law; Commonwealth anti-corruption measures; immigration law; taxation; and defamation.

The survey received just over 400 responses. Approximately half of the respondents commented on the merit (or otherwise) of the seven example topics which had been proposed by the ALRC. In addition, approximately 200 new ideas were received regarding other potential topics.

In May and June 2019, the ALRC held four seminars on the future of law reform in conjunction with the Law Schools at the University of New South Wales (UNSW), Australian National University (ANU) and University of Melbourne. Each seminar had a broad focus on a different area of law, with discussion led by a panel with expertise in the relevant area. At the conclusion of each seminar, participants were invited to vote for their top three priority topics for a law reform inquiry via an online platform.

The ALRC also corresponded with state and territory law reform bodies, inquiring as to any potential law reform issues relating to Commonwealth law that had been raised with them by the public, or that they had come across in recent inquiries.

The ALRC then applied specific selection criteria to prioritise the topics raised by these processes. A shortlist of potential topics was developed for further investigation and testing with stakeholders. The shortlisted topics were posted on the ALRC website, and additional public events were held to discuss how the shortlisted topic areas might be further refined:

- Online webinar, 12 August 2019, CCH Wolters Kluwer; and
- Perth, 26 August 2019, Law Society of Western Australia (with live streaming available to remote participants).

Throughout the process, the ALRC held 30 consultations with individuals from academia, business organisations, non-governmental organisations, the Australian Human Rights Commission, state law reform bodies, the legal profession and Commonwealth government departments. In particular, a number of government departments were consulted about shortlisted topics relevant to their work to gauge the level of governmental commitment to reform in those areas, and to help identify any potential barriers to implementation of any future inquiry report recommendations.

Report

On 2 December 2019 the ALRC submitted the final report (*The Future of Law Reform: A Suggested Program of Work 2020-25*) to the Attorney-General. The report outlined a suggested five-year program of work comprising five suggested references:

- Automated decision making and administrative law: to consider whether reforms are necessary to ensure that automated decisions made by government agencies are fair, transparent, accountable, and timely. The ALRC suggested a 24 month timeframe.
- Principle-based regulation of financial services: to consider whether reforms to the *Corporations Act 2001* (Cth), the *Australian Securities and Investments Commission Act 2001* (Cth), and any other Commonwealth law should be made in order to simplify and rationalise the regulation of financial services, consistent with recommendations 7.3 and 7.4 of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The ALRC suggested a timeframe of 36 months, with potential for interim reports on discrete aspects.
- Defamation: to consider whether reforms to the Model Defamation Provisions and any other Commonwealth laws should be made in order to modernise, rationalise, and enhance the law of defamation and its practical application. The ALRC suggested a 24 month timeframe.
- Press freedom and public sector whistleblowers: to consider whether reforms to Commonwealth laws should be made in order to appropriately protect public interest journalistic activity, and to protect whistleblowers in the public service. The ALRC suggested a 24 month timeframe.
- Legal structures for social enterprises: to consider whether reforms should be made to the *Corporations Act 2001* (Cth), the *Australian Charities and Not-for-profits Commission Act 2012* (Cth), and any other Commonwealth laws to provide for an appropriate corporate structure for social enterprises. The ALRC suggested a 12 month timeframe.



The report also described eight additional law reform topics that the ALRC considered to be of significance, but which were not included in the suggested program of work for a variety of reasons. It invited the Government to consider these topics as potential alternatives to those identified above. These were:

- the establishment of a standing body to oversee ongoing reform of the Australian Constitution;
- coherent, effective, aligned, streamlined, and clear laws for environmental protection;
- simplifying and enhancing the operation of migration legislation;
- drafting statutes to enhance the coherence, readability, and useability of the law, especially in light of the anticipated transition to digital legislation;
- the rights of creditors of an insolvent trustee, particularly when trust assets may be insufficient to meet creditors' claims;
- uniformity or complementarity between state and territory surrogacy laws;
- regulation of debt management services, 'buy now pay later' services, or services targeting people at risk of financial hardship; and
- human tissue laws that can accommodate emerging technologies, are nationally consistent, and do not operate as barriers to organ and tissue donation.

In the first six months of 2020, the ALRC organised a series of public seminars with expert speakers to gain further feedback on the suggestions contained in the Future of Law Reform report. Due to restrictions and risks relating to the COVID-19 pandemic, these events were re-organised as online webinars scheduled to be held after the reporting period. The ALRC also held targeted consultations with interested experts to discuss how future inquiries on the suggested topics might best be framed.

Subsequent to the report and after the reporting period, the Attorney-General issued terms of reference for a review into the legislative framework for corporations and financial services regulation. The insights gained from Future of Law Reform project not only provided a catalyst for topic selection, but also established a valuable model to identify future inquiry priorities.



REPORT ON PERFORMANCE



REPORT ON PERFORMANCE

ANNUAL PERFORMANCE STATEMENT

Introductory statement

The ALRC annual performance statement is prepared for paragraph 39(1)(a) of the PGPA Act for the 2019–20 financial year and, in the opinion of the President as the Accountable Authority, complies with subsection 39(2) of the PGPA Act.

Our outcome

The intended outcome of the ALRC's activities is:

Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education (Outcome 1).

The ALRC has one program to achieve its outcome — conducting inquiries into aspects of Australian law and related processes for the purpose of law reform (Program 1). It is through the inquiry process that the ALRC undertakes rigorous research and analysis that underpin recommendations for law reform.

Environment

The ALRC strives to be a law reform agency at the leading edge of internationally-recognised best practice.

The ALRC is reliant on Government for referrals and, accordingly, the extent to which the ALRC can meet its performance targets is influenced from year to year by the number of inquiries referred to the ALRC, the prescribed timeframes for these inquiries and the resources made available to conduct them.

In light of this, the ALRC will continue to work closely with the Attorney-General's Department to ensure appropriate lead time for planning and managing resources when new inquiries are referred to the ALRC.

Performance criteria for 2019–20

The ALRC measures its success through the following key performance indicators (KPIs):

- the number of consultation papers and the number of reports to government;
- the percentage of inquiries completed on time in accordance with the terms of reference set by the Attorney-General;
- the number of citations or references to ALRC consultation documents, reports and recommendations in Parliamentary debates and committee reports, in court citations and decisions, and in academic publications and other publications;
- the number of submissions received;
- the number of consultations held;
- the breadth of community engagement in the work of the ALRC through the number of subscribers to the ALRC's E-news, visitors to the website and followers on Twitter; and
- the number of publications, presentations, and speaking engagements of ALRC staff.

The ALRC Performance Criteria are sourced from the ALRC Corporate Plan 2019–23.

Result against performance criteria

Table 2: KPI performance 2019–20

Performance measure	2019–20 target	2019–20 actual	
Number of reports	4	4	<ul style="list-style-type: none"> ▪ <i>Annual Report 2018/2019</i> (September 2019) ▪ <i>Corporate Criminal Responsibility</i> (Discussion Paper 87, November 2019) ▪ <i>The Future of Law Reform: A Suggested Program of Work 2020-25</i> (December 2019) ▪ <i>Corporate Criminal Responsibility</i> (ALRC Report 136, April 2020)
Timeliness of reports	100%	100%	
Citations or references	50	261	<ul style="list-style-type: none"> ▪ 59 – court and tribunal decisions ▪ 167 – academic publications ▪ 35 – Parliamentary debates and committee reports
Submissions received	160	59	<ul style="list-style-type: none"> ▪ 49 – In response to <i>Corporate Criminal Responsibility</i> (Discussion Paper 87) ▪ 3 – Religious Exemptions ▪ 7 – Future of Law Reform
Consultations held	45	126	<ul style="list-style-type: none"> ▪ 78 – Corporate Crime ▪ 27 – Religious Exemptions ▪ 21 – Future of Law Reform
Presentations, articles and speaking engagements	25	29	
Broader Community Engagement			
E-news subscribers	1350	2533	<ul style="list-style-type: none"> ▪ 1892 – ALRC Brief ▪ 277 – Religious Exemptions ▪ 364 – Corporate Crime
Visitors to website	>260,000	<ul style="list-style-type: none"> ▪ Visits: 1,802,429 ▪ Page views: 2,789,677 ▪ Unique visitors: 1,232,654 	
Twitter followers	14,000	14,004	

The performance criteria were changed in the ALRC's 2019-23 Corporate Plan (August 2019) to better reflect the ALRC's inquiry process.

For full transparency the following are the ALRC's performance criteria and targets for 2019–20 in the Attorney-General's 2019–20 Portfolio Budget Statements at pages 114–5.

Table 3: Performance criteria and targets from Attorney-General's Portfolio Budget Statements 2019–20

Performance Measure	2019–20 target	2019–20 actual
Number of consultation papers and reports.	4	4
Percentage of inquiries completed on time in accordance with the terms of reference set by the Attorney-General.	100%	100%
Number of citations or references to ALRC consultation documents, reports and recommendations in parliamentary debates and committee reports, in court citations and decisions, and in academic publications and other publications.	150	261
Number of submissions received for each inquiry.	250	49 ⁴
Number of consultations held for each inquiry.	100	78 ⁵
Breadth of community engagement in the work of the ALRC through the: <div> <div>number of subscribers to the ALRC's E-news,</div> <div>visitors to the website; and</div> <div>followers on Twitter.</div> </div>	<div> <div>250</div> <div>>250,000</div> <div>>12,000</div> </div>	<div> <div>2533</div> <div>1,232,654⁶</div> <div>14,004</div> </div>
Number of publications, presentations and speaking engagements of ALRC staff.	30	29

4 Ongoing inquiries with consultation periods during the reporting period.

5 Ongoing inquiries with consultation periods during the reporting period.

6 Unique visitors.

Analysis of performance

Number of reports

The core output of the ALRC comprises consultation papers and reports to government with recommendations for law reform.

The ALRC produced four reports in 2019–20:

- *Annual Report 2018/2019* (September 2019);
- *The Future of Law Reform: A Suggested Program of Work 2020-25* (December 2019);
- *Corporate Criminal Responsibility* (Discussion Paper 87, November 2019); and
- *Corporate Criminal Responsibility* (ALRC Report 136, April 2020).

Timeliness of reports

The timeliness of reports is an indicator of the effectiveness of the ALRC in meeting the terms of reference for inquiries established by the Attorney-General, which include a reporting date.

During 2019–20 the ALRC delivered the final report for its Corporate Criminal Responsibility Inquiry on 29 April 2020, in advance of the reporting date. The report was tabled in Parliament on 31 August 2020.

The reporting deadline for the ALRC's review into the Framework of Religious Exemptions in Anti-Discrimination Legislation was amended by the Attorney-General on 2 March 2020 to be 12 months from the date the Religious Discrimination Bill is passed by Parliament.

Court citations

Past ALRC reports are a source of accurate and informative material on the law that is the subject of each inquiry.

The ALRC has identified 59 mentions of ALRC reports in the judgments of Australian courts and tribunals during 2019–20. This included nine citations by the High Court of Australia and 22 citations by the Federal Court of Australia. Frequently cited reports include:

- *Evidence (Interim)* (ALRC Report 26, 1985), *Evidence* (ALRC Report 38, 1987) and *Uniform Evidence Law* (ALRC Report 102, 2006);
- *Integrity, Fairness and Efficiency—An Inquiry into Class Action Proceedings and Third-Party Litigation Funders* (ALRC Report 134, 2018); and
- *Grouped Proceedings in the Federal Court* (ALRC Report 46, 1988).

Encouragingly, both older and newer reports by the ALRC have been considered substantive evidence-based reports worthy of citation in the superior courts of Australia.

Mentions in Parliament

The number of mentions of ALRC reports in Parliament provides an indication of Parliament's engagement with the ALRC's work and the esteem in which it is held.

The ALRC has identified 35 references to ALRC reports and recommendations in second reading speeches and other Parliamentary proceedings during 2019–20. Examples include references to:

- *Family Law for the Future—An Inquiry into the Family Law System* (ALRC Report 135, 2019) in relation to the Family Law (Self-Assessment) Bill 2019, the Family Law Amendment (A Step Towards the a Safer Family Law System) Bill 2019, and by the Senate Select Joint Committee on Australia's Family Law System; and
- *Elder Abuse—A National Legal Response* (ALRC Report 131, 2017) in relation to the Aged Care Quality and Safety Commission Amendment (Worker Screening Database) Bill 2019.

References in academic publications

The work of the ALRC has long been a resource for academics studying law as well as social policy. The ALRC strives for its published reports to be authoritative and accurate. In 2019–20, the ALRC was cited in at least 167 academic publications, including journal articles, research papers and textbooks.

Frequently cited reports include:

- *Pathways to Justice—Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Island Peoples* (ALRC Report 133, 2017);
- *Family Violence: A National Legal Response* (ALRC Report 114, 2010); and
- *Equality, Capacity and Disability in Commonwealth Laws* (ALRC Report 124, 2014).

Submissions

The number of submissions received by the ALRC is a measure of public engagement with its work and the extent to which the consultation papers have stimulated debate and discussion. However, the number of submissions received for any inquiry is also influenced by its subject matter — particular inquiries are likely to generate a greater, broader degree of public interest and participation than others.

The ALRC received 59 submissions in 2019-20. Forty-nine of these submissions related to the Corporate Criminal Responsibility Inquiry, which was the only formal Inquiry completed during this reporting period.

Only three submissions were received in relation to the Inquiry on the Framework of Religious Exemptions in Anti-Discrimination Legislation. This reflects the fact that the Inquiry was put on hold by an amendment to the Terms of Reference before a discussion paper was released and submissions were called for.

In addition, consultation for the Future of Law Reform project formally ended on 30 June 2019, prior to the current reporting period. The small number of submissions received during this reporting period (seven) were late submissions, while the vast majority of responses (approximately 400) were received prior to 1 July 2019.

Table 4: Submissions received 2019–20

Consultation paper	Submission closing date	Submissions received during reporting period
Corporate Criminal Responsibility (Discussion Paper 87)	31 January 2020	49
Review of the Framework of Religious Exemptions in Anti-Discrimination Legislation	On hold	3
Online survey responses to the Future of Law Reform project received after 30 June 2019	30 June 2019	7
Total submissions received		59

Consultations

For each inquiry the ALRC seeks to consult with people who have expertise and experience in the laws under review, as well as people likely to be affected by the laws in question. The number of consultations held is one indicator of the breadth of the evidence base that underpins the ALRC's recommendations and of community engagement with the law reform process implemented by the ALRC. In 2019–20, the ALRC conducted 126 consultations with stakeholders and experts across Australia and overseas. Again, the number of consultations held for the Inquiry into the Framework of Religious Exemptions in Anti-Discrimination Legislation reflects the fact that this Inquiry is currently on hold.

Table 5: Consultations held 2019–20

Inquiry	Number of consultations held during reporting period
Corporate Criminal Responsibility	78
Review of the Framework of Religious Exemptions in Anti-Discrimination Legislation	27
Future of Law Reform	21
Total consultations	126

Presentations, articles and speaking engagements

Presenting at public conferences, seminars and Parliamentary inquiries, and contributing articles to journals and publications ensures that the work of the ALRC is publicly debated and discussed. In total there were 29 presentations, articles, and speaking engagements by ALRC Commissioners and staff in 2019–20.

Highlights of ALRC presentations and speaking engagements in 2019–20 included:

- Keynote address by ALRC President, Justice S C Derrington, to launch the University of New South Wales Law Journal Issue 43(2) 'Law Reform: Projects, Processes, and Pitfalls' via video conferencing on 29 June 2020;
- Keynote address by ALRC President, Justice S C Derrington, at the Australian Bar Association Conference on Family Law Reform in Brisbane on 6 March 2020;
- 'Faith, hope and charity – religion as a public benefit in modern Australia', speech presented by ALRC President, Justice S C Derrington at the Charity Law Association of Australia and New Zealand Annual Public Lecture at Melbourne Law School on 28 November 2019; and
- 'The Future of Law Reform – the shortlist', presentation by ALRC General Counsel Matt Corrigan, Micheil Paton and Tess Van Geelen at the Future of Law Reform Seminar, hosted by the Law Society of Western Australia in Perth on 26 August 2019.

E-news subscribers

The ALRC maintains a general mailing list — the *ALRC Brief* — to provide regular updates on the ALRC's work, as well as inquiry-specific mailing lists. Subscriptions to the E-news reflect sustained engagement with a specific inquiry or the ALRC's work generally.

Table 6: E-news subscribers

Audience	Number of subscribers at 30 June 2020
ALRC Brief	1892
Religious Exemptions in Anti-Discrimination Legislation E-News	277
Corporate Crime E-News	364
Total subscribers	2533

ALRC website

The ALRC website is a pivotal communication tool for the ALRC and a law reform resource for the wider public. The ALRC strives to continually build value into the website, both in terms of providing useful and accessible content for stakeholders and researchers, and utilising its functionality as an online consultation tool. The ALRC launched its new website in September 2019. The new website makes it easier for stakeholders and other members of the public to find relevant information, and allows the ALRC to accept submissions directly through the website, reducing manual processing.

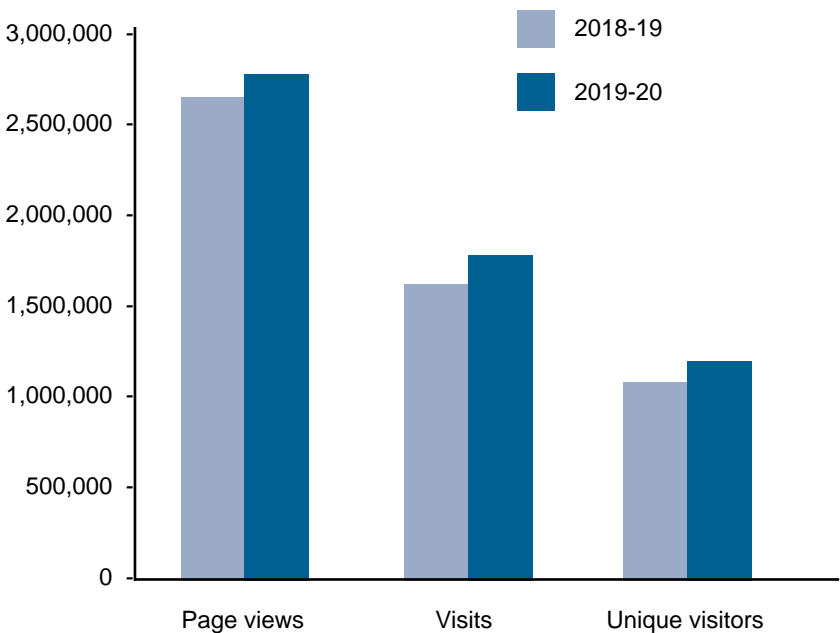
Key website metrics from Google Analytics for 2019–20 include:

- visits = 1,802,429;
- page views = 2,789,677; and
- unique visitors = 1,232,654.

These metrics represent, compared to the 2018–19 reporting period:

- 9.6% increase in visits;
- 4.2% increase in page views; and
- 8.7% increase in unique visitors.

Figure 1: Comparison of website traffic: July–June in 2018–19 and 2019–20



ALRC website statistics indicate that it is not just through implementation of its recommendations that the ALRC makes a significant contribution to the discussion of laws and legal frameworks in Australia.

In 2019–20, the top four ALRC reports accessed through the website were as follows:

- *Recognition of Customary Laws* (ALRC Report 31, 1986);
- *Pathways to Justice—Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples* (ALRC Report 133, 2017);
- *Essentially Yours: The Protection of Human Genetic Information in Australia* (ALRC Report 96, 2003); and
- *Family Violence and Commonwealth Laws—Improving Legal Frameworks* (ALRC Report 117, 2011).

The continued inclusion in this list of the *Recognition of Aboriginal Customary Laws* Report from 1986 illustrates the enduring value of the ideas, discussion and research contained in this landmark report.

Twitter followers

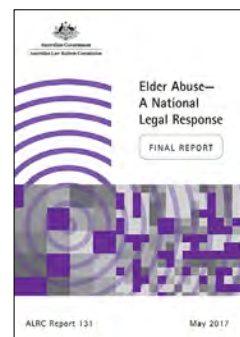
The ALRC uses Twitter to provide updates on its inquiries and publicise opportunities to engage with its work. The number of people following the ALRC's Twitter account tracks broader engagement with law reform and the subject matter of ALRC inquiries. On 30 June 2020, the ALRC's Twitter account had 14,004 followers, a 3.8% increase from 30 June 2019.

During 2020 the ALRC also increased engagement on the social media platform LinkedIn. This platform provides a targeted audience of professionals, particularly in the legal sphere, who are predominantly located in Australia. On 30 June 2020, the ALRC LinkedIn account had 5,561 followers, a 200% growth since January 2020.

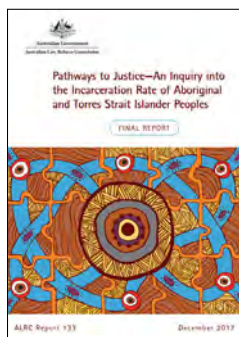
IMPLEMENTATION OF REPORTS AND IMPACT OF WORK

The ALRC has no direct role in implementing its recommendations. There is no statutory requirement for the Australian Government to respond formally to ALRC reports. However, the ALRC monitors major developments in relation to issues covered in its past reports. It is not uncommon for implementation to occur some years after the completion of a report.

During 2019–20 the Australian Government took steps to further implement *Elder Abuse—A National Legal Response* (ALRC Report 131, 2017). Having developed a National Plan to Respond to the Abuse of Older Australians (Elder Abuse) 2019–2023 in the previous reporting period (substantially implementing Recs 3–1 to 3–4), in this reporting period the Government commenced a national prevalence study of elder abuse (implementing Rec 3–5), introduced further amendments to the *Quality of Care Principles 2014* (through the Quality of Care Amendment (Reviewing Restraints Principles) Principles 2019 (Cth)) to further regulate the use of restrictive practices (Recs 4–10 to 4–11), and announced the establishment of a Serious Incident Response Scheme for residential aged care to begin in July 2021 (which will partly implement Recs 4–1 to 4–3 and 4–5 to 4–6). Funding has also been allocated to conduct a prevalence and feasibility study to inform future Government decisions on the potential introduction of a Serious Incident Response Scheme in home and community aged care (which would fully implement Recs 4–1 to 4–6). The Government also conducted a consultation on developing an ‘Aged Care Worker Regulation Scheme’ (which would implement Rec 4–9), and this closed on 29 June 2020.



The Commonwealth and state and territory governments have also been engaged in steps to implement Recs 5–1 to 5–3 of the *Elder Abuse* report concerning enduring documents. On 29 November 2019, the Council of Attorneys-General (CAG) agreed to pursue a staged approach to enduring power of attorney reform for financial decisions, first focusing on law reforms to support the establishment of a mandatory national register of enduring power of attorney instruments, followed by further consideration of reforms to enhance safeguarding provisions and enhance access to justice arrangements. At their meeting on 27 July 2020, participants agreed in-principle to the proposed broad policy design for a national register of enduring documents, and tasked the Commonwealth to present a final proposal on the possible implementation and costing of the scheme, including resolution of outstanding issues, before the end of 2020. The Commonwealth Attorney-General's Department also funded production of a guide on financial enduring powers of attorney, published by the Office of the Public Advocate of Victoria and the Australian Guardianship and Administration Council in October 2019.



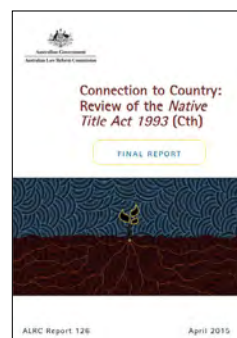
The Commonwealth and state and territory governments also took steps to implement a number of recommendations from *Pathways to Justice—Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples* (ALRC Report 133, 2018). Through the Police Force Regulations Amendment 2019 (WA), which commenced on 2 October 2019, the Western Australian government introduced a custody notification scheme (implementing Rec 14–3). This requires Western Australian police to phone the Aboriginal Legal Service of Western Australia Custody Notification Service every time an Aboriginal person (child or adult) is detained in a police facility in the state. The Western Australian government also passed the *Fines*,

Penalties and Infringement Notices Amendment Act 2020 (WA) in June 2020, which abolished imprisonment for fine default (implementing Rec 12–1). During the reporting period, the Northern Territory government put a draft Aboriginal Justice Agreement out for consultation (Rec 16–2), with the consultation period ending on 31 July 2020. Also during 2019–20, the Commonwealth and state and territory governments, the Local Government Organisation and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations worked together to agree a new National Agreement on Closing the Gap (finally agreed in July 2020). This sets, for the first time, targets to reduce the rate of incarceration of Aboriginal and Torres Strait Islander people, and to reduce violence and abuse against Aboriginal and Torres Strait Islander women and children, substantially implementing Rec 16–1.

A bill to amend the *Native Title Act 1993* (Cth) in line with a number of recommendations made by the ALRC in *Connection to Country: Review of the Native Title Act 1993* (ALRC Report 126, 2015) was introduced by the Government in October 2019. The Native Title Legislation Amendment Bill 2019 (Cth), which is currently before the House of Representatives, would specifically implement Recs 10–5 to 10–9 of the report, concerning authorisation of native title applicants by claim groups.



In 2019–20 the Government also introduced a Bill that would (among other things) implement Rec 51 of *Family Law for the Future—An Inquiry into the Family Law System* (ALRC Report 135, 2019), concerning the requisite knowledge, skills, experience and aptitude of future federal judicial officers exercising family law jurisdiction. The Federal Circuit and Family Court of Australia Bill 2019 (Cth) is currently before the Senate Legal and Constitutional Affairs Legislation Committee. A private member's bill — the Family Law Amendment (A Step Towards a Safer Family Law System) Bill 2020 (Cth) — was also introduced by Graham Perrett MP specifically to implement Recs 7 and 8 of the Report (removal of the presumption of equal shared parental responsibility), and this remains before the House of Representatives.



Even in the absence of implementation of specific recommendations, the ALRC's reports continue to have an impact on policy development, sometimes many years after they have been tabled. For example, the Australian Competition and Consumer Commission's Digital Platforms Inquiry Final Report, published 26 July 2019, supported implementation of a recommendation that the ALRC made in 2008 to introduce a statutory cause of action for serious invasions of privacy (*For Your Information: Australian Privacy Law and Practice*, ALRC Report 108, 2008), and the Australian Human Rights Commission again endorsed the recommendation in its Discussion Paper on Human Rights and Technology, published in December 2019. Similarly, the Explanatory Memorandum for the Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Bill 2019 (Cth), which is currently before the House of Representatives, states that the principles contained in *Secrecy Laws and Open Government in Australia* (ALRC Report 112, 2010) were specifically taken into account when developing the secrecy offence in the Bill.

SUMMARY AND ANALYSIS OF FINANCIAL PERFORMANCE

Financial outcomes

Operating outcome

The 2019–20 financial statements show an operating surplus of \$0.318m.

Operating revenue

The ALRC's operating revenue of \$2.62m comprised of revenue from government of \$2.61m; own source revenue \$0.014m; other revenue (audit remuneration) of \$0.001m.

Operating expenses

Total operating expenses of \$2.341m were \$0.427m less than in 2018–19.

The ALRC's depreciation and amortisation expense increased by \$0.166m.

Equity

The ALRC's total equity is \$0.512m. This includes contributed equity of \$0.319m.

Total assets

The ALRC's total assets increased by \$1.38m.

Total liabilities

The ALRC's total liabilities increased by \$1.04m.

Entity resource statement

The ALRC's Entity Resource Statement and Expenses for Outcomes 2019–20, which summarises the total resources available to the ALRC and the total payments made by the ALRC during 2019–20, can be found in the Financial Statements.

Compliance

The ALRC has not had any significant non-compliance with financial requirements and has therefore not made any report to its Minister, the Attorney-General.

MANAGEMENT AND ACCOUNTABILITY



MANAGEMENT AND ACCOUNTABILITY

CORPORATE GOVERNANCE

ALRC accountability and governance requirements are met through its Accountable Authority Instructions. These provide the framework to ensure that the ALRC meets its obligations and responsibilities with regard to governance, reporting and accountability of Commonwealth entities and for the use and management of public resources, in line with the requirements of the PGPA Act.

Ministerial powers

The Minister responsible for the ALRC is the Attorney-General of Australia.

The ALRC is a statutory agency under the PGPA Act and an employer subject to the *Public Service Act 1999* (Cth).

The ALRC is constituted under the ALRC Act. Section 20 of the ALRC Act states that the Attorney-General may refer matters to the ALRC for review.

Accountable Authority

The Hon Justice S C Derrington, President of the ALRC, was the Accountable Authority of the ALRC during 2019–20.

Members of the Commission

Table 7 lists members of the ALRC during 2019–20 and their terms of appointment. On 30 June 2020, there were two members of the ALRC — one full-time member and one part-time member.

Table 7: Members 2019–20

Commissioner	Term of appointment
Full-time Commissioner	
The Hon Justice S C Derrington	Appointed as President 10 January 2018–9 January 2023
Part-time Commissioners	
Standing Part-time Commissioner	
The Hon Justice John Middleton	Reappointed 28 November 2019–25 December 2022
Part-time Commissioner for Corporate Criminal Responsibility Inquiry	
The Hon Justice Robert Bromwich	10 April 2019–30 April 2020

Remuneration

The Commonwealth Remuneration Tribunal determines the remuneration for all ALRC Commissioners.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission. The Commission has determined the key management personnel to be the President. Key management personnel remuneration is reported in the table below.

Table 8: Remuneration of key management personnel 2019–20

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	
Justice S C Derrington	President	\$508,118						\$508,118

The ALRC does not have any staff falling within the categories required to be reported under subsection 17CB(4) (senior executives) of the PGPA rule. Information regarding staff falling within the categories required to be reported under subsection 17CC(4) (other highly paid staff) of the PGPA Rule is provided in Table 9.

Table 9: Information about remuneration for other highly paid staff

Remuneration Band	Number of Highly Paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefit	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
\$245,001-\$270,000	1	\$212,116	\$3,951		\$26,551	\$5,420			\$248,038

Policies

The Accountable Authority Instructions and the ALRC Policy Manual contain current ALRC policies, guidelines and procedures on a range of administrative matters. ALRC policies are reviewed and revised as required. All new and revised policies are approved by the President. In 2019–20, the Accountable Authority Instructions and Financial Procedures Policy were reviewed and updated.

Policies that concern interaction with members of the public are published on the ALRC website. New staff members are advised of ALRC policies as part of the induction process and all staff have access to ALRC policies via the staff server.

Corporate planning

The ALRC Corporate Plan 2020–24 was published on 15 September 2020 and is available on the ALRC website.

Financial management and audit

The audit of the 2019–20 financial statements was performed by the Australian National Audit Office (ANAO). The Auditor's opinion was that the financial statements of the ALRC were prepared in accordance with all relevant legislation and Finance Minister's Orders, and give a true and fair view of the ALRC's financial position and performance. The ANAO conducted an interim audit of the ALRC 2019–20 financial accounts and provided an interim report to the Audit Committee in July 2020. Material issues identified have been addressed.

Fraud control and risk management

The ALRC has a commitment to fraud control and to promoting efficient, effective and ethical use of Commonwealth resources.

The ALRC's Accountable Authority certifies that the ALRC has a Risk Management and Fraud Control Policy (RMFCP). The new Risk Management and Fraud Control Policy was approved by the Audit Committee in July 2020, replacing the previous Fraud Control Plan and Statement for 2019–23 and Enterprise Risk Management Plan.

The objective of the ALRC risk management framework is to ensure that risk management (including the identification, deterrence, detection, investigation and reporting of fraud) is regularly monitored and embedded in all business activities at ALRC, at both a strategic and operational level.

Risk Assessments including fraud risk assessments are undertaken every two years and are an integral part of the ALRC risk management framework. Identified risks, contributing factors, and controls and mitigating practices, are included in the ALRC's Strategic Risk Register and the Operational and Fraud Risk Register.

The ALRC Audit Committee is responsible for ongoing monitoring and review of the risk management framework, including the actions agreed to in the RMFCP. The President is the Fraud Control Officer and is responsible for ensuring that the appropriate processes are in place to manage the risk of fraud.

During 2019–20, the ALRC has taken all reasonable measures to minimise the incidence of fraud and has raised awareness of fraud control among employees to foster an environment that encourages employee involvement in the strategies to prevent fraud.

The ALRC has assessed that it has a low to negligible residual fraud risk profile, with an effective control environment. In accordance with Part 4 of the RMFCP, the ALRC collects any information relating to fraudulent matters and reports it to the Australian Institute of Criminology annually. No fraudulent activity was detected in 2019–20.

The ALRC has also continued to assess and manage its operational risks through:

- appropriate levels of insurance, including cover for public liability, directors' liability, and property loss or damage, with nature and levels of cover reviewed annually;
- a positive approach to work health and safety, based on preventative strategies, flexible return to work arrangements and early response to injury;
- provision of training to staff to ensure that they understand their responsibilities and have the skills necessary to fulfil their responsibilities;
- transparent reporting of financial management and operational matters, both internally and externally; and
- updating its Business Continuity Plan 2019–20.

Ethics

The ALRC fosters a culture of integrity, honesty and fairness in the workplace and actively seeks to comply with all relevant laws, regulations, codes and government standards.

Employees of the ALRC are Australian public servants and must follow the APS Values and APS Code of Conduct, which articulate the culture and operating ethos of the ALRC and provide the framework within which employment powers will be exercised by the President. ALRC employees are expected to comply with ALRC policies, and with any lawful direction given by the President and/or their supervisor.

Any suspected or actual breaches of the APS Code of Conduct will be dealt with in accordance with the ALRC's Procedures for Determining Breaches of the Code of Conduct, established in accordance with section 15(3) of the *Public Service Act 1999* (Cth). During 2019–20, there were no suspected or actual breaches of the APS Code of Conduct.

The ALRC has a Public Interest Disclosure Policy in accordance with the *Public Interest Disclosure Act 2013* (Cth). This Policy is available on the ALRC website and staff server. During 2019–20, there were no public interest disclosures.

Conflict of interest

The ALRC Conflict of Interest Policy is designed to protect the ALRC's reputation and integrity; to ensure that employees understand what a conflict of interest is, and how to recognise and avoid a conflict of interest; and to outline the ALRC process for disclosing an actual or potential conflict of interest. This policy applies to Commissioners, employees, contractors and consultants engaged or employed by the ALRC.

Section 29 of the PGPA Act requires members to disclose any material personal interest in a matter under consideration by the Commission. Section 13(7) of the *Public Service Act 1999* (Cth), which contains the APS Code of Conduct, requires that an APS employee must disclose and take reasonable steps to avoid any conflict of interest (real or perceived) in connection with APS employment. In addition, section 10 of the Act requires that the Australian Public Service performs its functions in an impartial and professional manner.

ALRC employees are required to disclose a potential or actual conflict of interest in advance. Failing to disclose appropriately may be regarded as misconduct. The President maintains a Conflict of Interest Register that records any reported conflict of interest within the ALRC, for the purpose of monitoring and managing the conflict.

During 2019–20, there were no conflict of interest disclosures.

Full-time Commissioners (members) of the ALRC make annual declarations of private interests, which are provided to the Attorney-General in August of each year.

Related party disclosures

Australian Accounting Standards Board (AASB) 124 sets out the related party disclosures required by reporting entities including those producing General Government Sector financial statements.

The ALRC is committed to complying with applicable Accounting Standards and associated disclosures in the annual financial statements in compliance with AASB 124 and has developed a policy and reporting procedure that meets both the requirements of the AASB and the Department of Finance. This policy requires that ALRC financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related party relationships and by transactions and outstanding balances, including commitments.

Indemnity

The ALRC carries directors' liability insurance for all Commissioners of the ALRC and members of the Audit Committee.

Nature of liability

The ALRC insures against damages arising as a consequence of a wrongful act of a director, including an error by omission or commission; a misstatement or misleading statement; or negligent breach of duty.

The ALRC has not indemnified or agreed to indemnify any current or former officer against a liability other than by coverage under the directors' liability insurance.

AUDIT COMMITTEE

The ALRC Audit Committee is established in compliance with section 45 of the PGPA Act and section 17 of the PGPA Rule. The objective of the Audit Committee is to provide independent assurance and assistance to the President on the ALRC risk, control and compliance framework, and its financial and performance reporting responsibilities.

The charter setting out the functions of the Audit Committee is available at: www.alrc.gov.au/about/corporate-information/.

The ALRC President authorises the Audit Committee, within its responsibilities, to:

- obtain any information it requires from any employee or external party (subject to any legal obligation to protect information);
- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- request the attendance of any employee, including the President, at Audit Committee meetings; and
- obtain legal or other professional advice, as considered necessary to meet its responsibilities, with the prior approval of the President.

The Department of Finance has encouraged Commonwealth entities to source at least some external members of their audit committee from outside the public sector, in order to strengthen the independence of audit committee and broaden its members' skills (*A Guide for Non-Corporate Commonwealth Entities on the Role of Audit Committees*, December 2018). In February 2020, section 17 of the PGPA Rule concerning Audit Committees was amended. From 1 July 2021 this will require that a majority of the members come from outside the public sector.

During 2019–20, the Audit Committee was made up of three members, appointed by the President. As at 30 June 2020 the ALRC Audit Committee was comprised as follows:

- **Chair and External Member: Jennifer Clark**

Ms Clark has an extensive background in business, finance and governance through a career as an Investment Banker and as a Non-Executive Director. She has been the chair or member of over 20 audit, risk and finance committees in the Commonwealth and private sectors over the past 30 years. Ms Clark is a Fellow of the Australian Institute of Company Directors and has substantial experience in financial and performance reporting, audit and risk management.

- **External Member: Kathryn Hunter**

Ms Hunter is a Fellow of the Institute of Chartered Accountants in England and Wales with a background in audit before holding senior finance positions over the last 10+ years across both public and private sectors. Currently employed as the Chief Financial Officer at a Commonwealth agency, Ms Hunter has significant experience in financial reporting, audit and risk management.

- **External Member: Cherie Enders**

Ms Enders' early career included senior management roles in banking, insurance and funds management organisations before she moved into a large local government authority as a general manager of corporate and commercial operations. Ms Enders is now the Chief Operating Officer for a Commonwealth statutory authority for the regulation of maritime safety. Throughout her career, her work has largely focussed on developing organisations through capability improvement, process redesign and

cultural growth. Ms Enders holds qualifications in psychology, financial and business management and HR/organisation development. Ms Enders is a current member of the Australian Institute of Company Directors.

The ALRC Audit Forward Plan sets a meeting schedule and outlines the activities of the Audit Committee over the next financial year. The Audit Committee met in July and September 2019 and March 2020. Jennifer Clark and Cherie Enders took up their appointments in September 2019 at the Audit Committee's first meeting for the 2019–20 year. They replaced outgoing Chair and External Member Darrell Yesberg, Chief Financial Officer of the Australian Human Rights Commission and External Member Helen O'Loughlin, Senior Executive Leader, People and Development, ASIC.

The details of remuneration and meeting attendance for each member of the Audit Committee during the reporting period are as follows:

Table 10: ALRC Audit Committee membership 2019–20

Name	Remuneration	Period of membership	Attendance at meetings during membership period
Jennifer Clark	\$15,000 plus GST	Sep 19–current	100%
Kathryn Hunter	-	Jul 19–current	100%
Cherie Enders	-	Sep 19–current	100%
Darrell Yesberg	-	Jul 19	100%

A representative of the ANAO is also invited to attend meetings of the Audit Committee and in 2019–20 attended each Audit Committee meeting.

EXTERNAL SCRUTINY AND CONTROLS

There have been no significant developments affecting the ALRC's external scrutiny in 2019–20.

Parliamentary scrutiny

Representatives of the ALRC may appear at Senate Estimates Committee Hearings to answer questions about ALRC operations.

The ALRC was called to Senate Estimates on 22 October 2019.

HUMAN RESOURCE MANAGEMENT

Staffing

The ALRC has one office in Brisbane. On 30 June 2020, the ALRC employed 13 APS staff with a full-time equivalent staffing level of 11.8 FTE. In addition, the ALRC had one staff member on leave without pay. These figures do not include Commissioners. All staff are based in Brisbane, with the exception of one staff member who is based in Sydney. The ALRC does not have any non-APS staff members.

Table 11: Staffing profile as at 30 June 2020

APS/ALRC classification	Men	Women	Full-time	Part-time	Total
EL2/PLO (\$139,118–\$202,813)	2		2		2
EL1/SLO (\$103,517–\$135,067)		1		1	1
APS 5–6/LO (\$77,828–\$98,587)	1	7	6	2	8
APS 3–4 (\$61,437–\$75,560)		2	2		2
Total	3	10	10	3	13

Indigenous employment

During the 2019–20 financial year, there were no employees who identified as Indigenous.

Staff retention and turnover

During 2019–20, no staff members resigned from the ALRC.

Employment conditions

Non-SES employees engaged directly by the ALRC are covered by the ALRC Enterprise Agreement 2016–19, which was extended for three years by agreement in October 2019, subject to a determination under subsection 24(1) of the *Public Service Act 1999* (Cth) as to remuneration. The Enterprise Agreement sets out terms and conditions of employment. One employee is currently working with individual flexibility arrangements. The only non-salary benefits provided during the period were paid as a health and well-being allowance.

Performance rewards and bonuses

The ALRC Enterprise Agreement makes provision for performance appraisal and allows for performance to be rewarded through a mixture of movement up the salary scale and one-off performance bonuses for those at the top of their pay point salary band, as summarised in Table 12.

Table 12: Performance rewards

Performance rating	Outcome
Exceeding performance expectations	2 pay point increase
Meets all performance expectations	1 pay point increase
Meets most performance expectations	Remain on current pay point
Does not meet performance expectations	Remain on current pay point or go down one or more pay points in accordance with procedures in Clause 20, 'Managing Underperformance'

An employee who is at the maximum salary point for a classification will be eligible for a bonus of up to 2% of his or her annual salary, based on a performance appraisal. If rated as exceeding performance expectations, the bonus will be 2%. If rated as meeting all performance expectations, the bonus will be 1%. If rated as meeting most, or not meeting performance expectations, there will be no bonus awarded.

During 2019–20, one employee was awarded a performance bonus, amounting to a total bonus payment for the year of \$4,009.34.

Table 13: Performance bonuses 2019–20

Classification	Number of employees	Total paid	Average	Range
EL2	1	\$4,009.34	\$4,009.34	\$4,009.34

Further details of total remuneration expenditure in 2019–20 are provided in the financial statements.

Staff development

The ALRC identifies and responds to the professional development needs of its employees as identified during the performance appraisal process to ensure that they are able to meet the ALRC's objectives. The ALRC also considers requests for education and training as they arise. The ALRC budgets for professional development at a whole-of-organisation level as well as for individual employees. In addition, the ALRC considers attendance at relevant conferences and professional seminars to contribute to the professional development of staff.

Study leave

Study leave is available for all ongoing employees (full-time and part-time). Study assistance provided by the ALRC is in the form of granting up to five days unpaid leave per academic year (part-time staff will be granted a pro rata amount) to facilitate an employee's study. Six employees applied for study leave during 2019–20.

Law student engagement

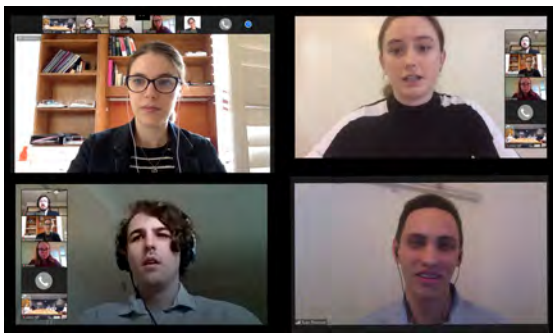
The ALRC offers students at a number of universities the opportunity to gain practical skills by contributing to ALRC research and report writing.

In the previous reporting period the ALRC established clinical education programs with the Faculty of Law at three universities: Monash University, the University of Sydney and the University of Queensland. The program at Monash commenced in 2018–19, and the programs with the University of Sydney and University of Queensland commenced in the second semester of 2019. Participants in these programs contribute to current ALRC inquiries by completing a range of research tasks under the joint supervision of their university and an ALRC Legal Officer. Participants receive course credit for their work with the ALRC.

These university partnerships replaced the direct internship program previously offered by the ALRC.

During 2019–20, five students from the Faculty of Law at Monash University, 28 students from the University of Sydney Law School and nine students from the School of Law at the University of Queensland participated in the ALRC clinical education program.

Additionally, the ALRC hosted an intern supported under the Aurora Project for six weeks. The Aurora Project aims to improve educational outcomes for Indigenous Australians by facilitating internships at a range of organisations. One more placement was planned under the Aurora Project for the first half of 2020 but was deferred due to restrictions imposed as a result of the COVID-19 pandemic.



OTHER REPORTING REQUIREMENTS

Procurement and purchasing

Purchasing within the ALRC is guided by its Procurement and Purchasing Policy, which is consistent with the Commonwealth Procurement Rules and the PGPA Act. As an agency expending public money, the ALRC must be accountable for its resources and expenditure.

The ALRC Procurement and Purchasing Policy sets 'value for money' as the core principle in procurement decisions and also ensures that ALRC procurement encourages competition and the proper use of resources. 'Value for money' in a procurement process requires a comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle (whole-of-life costing) and making decisions in an accountable and transparent manner. 'Value for money' also involves adopting processes that reflect the scale and risk profile of a particular procurement and that simple procurements should be undertaken using simple processes.

Risk management is built into ALRC procurement processes and the extent of risk management required will vary from following routine procurement processes, to a significant undertaking involving the highest level of planning, analysis and documentation.

Where the Government has established a coordinated Whole-of-Government procurement contract for a particular property or service, the ALRC will use the Government contract established for that property or service, unless an exemption has been provided. The ALRC currently uses a coordinated procurement contract for travel, purchasing major office machines, desktop computers, Microsoft software and office supplies.

Contracting

The ALRC had no contracts in excess of \$10,000 that were exempted by the Accountable Authority from being published on AusTender because it would disclose exempt matters under the *Freedom of Information Act 1982* (Cth) (FOI Act).

All ALRC contracts of \$100,000 or more provide for the Auditor-General to have access to the contractor's premises.

Procurement initiatives to support small business

The ALRC supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.

Due to the nature of the operations of the ALRC and its small size, the ALRC's procurement is small in scale and under the \$200,000 threshold. Much of the ALRC's procurement is either through Whole-of-Government panels or from SMEs. The ALRC's Procurement and Purchasing Policy facilitates the involvement of SMEs in procurement by:

- adopting a risk assessment framework for procurement that is commensurate with the scale and scope of the procurement;
- communicating in clear simple language and presenting information in an accessible format; and
- utilising electronic systems to facilitate on-time payments where possible.

Indigenous procurement

During 2019–20, the ALRC entered into a contract for construction works with Rork Projects Pty Ltd, an Indigenous co-owned and managed company (reported as CN3695209 on the AusTender website).

Consultancies

Annual Reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.

From time to time, the ALRC may engage consultants. Prior to engaging consultants, the ALRC takes into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise.

During 2019–20, no new consultancy contracts were entered into. In addition, no ongoing consultancy contracts were active during the period.

Advertising and market research

As required under s 311A of the *Commonwealth Electoral Act 1918* (Cth), the ALRC reports that, during 2019–20, it did not undertake any advertising campaigns nor conduct any market research with advertising agencies, market research organisations, polling organisations, direct mail organisations, or media advertising organisations.

Disability strategy

The ALRC is committed to the inclusion of people with disability in its inquiry work. The ALRC encourages consultation with people with disability by presenting our publications in a range of different formats and, at the end of our inquiries, providing community information sheets that outline the key recommendations made in its reports that may impact on people with disability, where relevant.

Disability reporting is published in the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at apsc.gov.au.

Freedom of information

Agencies subject to the FOI Act are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an Annual Report. The ALRC's Information Publication Scheme is published on the ALRC website at <https://www.alrc.gov.au/about/access-information/information-publication-scheme/>.

During 2019–20, the ALRC did not receive any FOI requests.

Legal services expenditure

As per the *Legal Services Directions 2017* (Cth), the ALRC reports that during 2019–20 the ALRC was compliant with these Directions. The ALRC spent \$1,203.44 (GST inc) on legal expenditure for 2019–20.

Work health and safety

The ALRC is committed to providing and maintaining the highest degree of work health and safety for all employees and other persons who engage with the ALRC's work by aiming to prevent all injury and illness potentially caused by working conditions. The ALRC recognises its responsibility to provide a healthy and safe workplace for employees and to provide them with easily accessible information on work health and safety matters.

The ALRC Health and Safety Management Arrangements and Work Health and Safety Policy (WH&S Policy) provide the framework for ensuring the health, safety and welfare of all its employees. The ALRC has a commitment to consult with employees and their representatives on health and safety issues and to work together to ensure a safe work environment.

Under the ALRC's Home-Based Work Policy, all staff are required to complete a Work From Home Occupational Health and Safety Checklist prior to working from a home-based office. Between March and May 2020, nearly all staff worked from home due to the COVID-19 pandemic. During this period, staff needs with respect to office equipment were assessed and staff were allowed to take all necessary office equipment home from the office, including vari-desks.

There were no accidents or any dangerous occurrences during 2019–20 that required giving of notice under the WH&S Act.

All employees undertake emergency procedures training at least once per year. Fire Warden training is also undertaken on a regular basis as part of our tenancy requirements.

As a workplace health initiative under its Enterprise Agreement, the ALRC provides free and voluntary influenza vaccinations to staff each year. In 2019–20, four employees took advantage of a free vaccination.

The ALRC also offers a reimbursement of up to \$150 per annum for activities that contribute to employees' health and well-being. In addition, all employees have access to a free and confidential counselling service that provides up to three free sessions of counselling per year.

Environmental performance

The ALRC maintains efficient and effective environmental office practices that comply with relevant government policy and environmental legislation.

In line with the principles of ecologically sustainable development, and in line with s 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), the ALRC makes the following report for 2019–20.

Energy efficiency

The ALRC is located in the Commonwealth Law Courts Building at Level 4, 119 North Quay, Brisbane. Automated lighting controls are used in the public and foyer areas of the Commonwealth Law Courts. An LED lighting system is used in the ALRC office area. ALRC employees are requested to switch off office lighting when people are out of the office. Employees are also requested to turn off computers, printers and photocopiers over weekends to minimise energy use. A National Australian Built Environment Rating System (NABERS) Energy rating is not available for the Commonwealth Law Courts building.

Waste and recycling

The ALRC supports recycling programs including for paper, co-mingled material and electronic equipment as part of our office tenancy. ALRC employees are encouraged to sort waste appropriately in order to maximise recycling and minimise ALRC disposal of waste to landfill.

Water

The ALRC office is located at the Brisbane Commonwealth Law Courts and it is not possible to rate the ALRC water usage separately. A NABERS Water Rating is not available for the Commonwealth Law Courts building.

Air travel

ALRC employees are encouraged to undertake air travel only where there is a demonstrated business need and other communication methods, such as videoconferencing, are not available or not appropriate in the circumstances. During 2019–20 the ALRC purchased a videoconference camera and microphone system to enhance its videoconferencing capacity.

The ALRC's air travel is most commonly to undertake consultations for inquiry purposes and to ensure that people from around Australia are able to meet with the ALRC about the areas of law that are under review.

Vehicles

The ALRC does not have a vehicle fleet. ALRC employees use public transport and share vehicles as far as possible.

Printing

The ALRC has committed to reducing the amount of print copies of documents produced. Consultation papers are now only published online, unless there are special circumstances that require a hard copy to be produced.

All employees are encouraged to consider ways to minimise printing and are encouraged to print double-sided for documents that are for internal purposes. The general-use office copy paper is 100% recycled, carbon neutral and Forest Stewardship Council rated.

As part of the government's digital transition policy, the ALRC has moved away from the creation and storage of paper records and in turn has reduced both the usage of paper and the amount of printing done by the organisation.

FINANCIAL STATEMENTS





INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

Opinion

In my opinion, the financial statements of the Australian Law Reform Commission (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

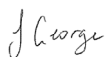
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial statements.

As part of an audit in accordance with the Australian National Audit Office 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 statements, 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's 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 Entity'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 statements 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 Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority 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.

Australian National Audit Office



Jodi George

Executive Director

Delegate of the Auditor-General

Canberra

2 October 2020

Australian Law Reform Commission
Financial Statements 2019-20



Contents

Certification

Statement by the Chief Executive Officer and Chief Financial Officer

Primary financial statements

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Cash flow statement

Overview

Notes to the financial statements

1. Financial Performance

1.1 Expenses

1.2 Own-source revenue and gains

2. Financial Position

2.1 Financial assets

2.2 Non-financial assets

2.3 Payables

2.4 Interest bearing liabilities

3. Funding

3.1 Appropriations

3.2 Special accounts

4. People and Relationships

4.1 Employee provisions

4.2 Key management personnel remuneration

4.3 Related party disclosures

5. Managing Uncertainties

5.1 Financial instruments

5.2 Fair value measurement

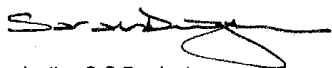
6. Other Information

6.1 Aggregate assets and liabilities

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In my opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Law Reform Commission will be able to pay its debts as and when they fall due.



The Hon Justice S C Derrington
Chief Executive Officer and Chief Financial Officer
2nd day of October 2020

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2020

	Notes	2020 \$	2019 \$	Original Budget \$
NET COST OF SERVICES				
EXPENSES				
Employee benefits	1.1A	1,739,184	1,934,864	1,924,000
Suppliers	1.1B	401,755	813,973	721,000
Finance costs	1.1C	29,208	-	-
Write-down and impairment of other assets	1.1D	-	14,217	-
Depreciation and amortisation	2.2A	170,503	4,691	20,000
Total expenses		2,340,650	2,767,745	2,665,000
OWN-SOURCE INCOME				
Own-source revenue				
Revenue from contracts with customers	1.2A	14,119	301,768	1,000
Interest	1.2B	1,202	-	-
Other gains	1.2C	36,000	36,000	37,000
Total own-source revenue		51,321	337,768	38,000
Total own-source income		51,321	337,768	38,000
Net cost of services		2,289,329	2,429,977	2,627,000
Revenue from Government	1.2C	2,607,000	2,595,000	2,607,000
Surplus/(deficit) attributable to the Australian Government		317,671	165,023	(20,000)
Total comprehensive income		317,671	165,023	(20,000)

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

Budget Variance Commentary

Statement of Comprehensive Income

Explanations of major variances are provided below:

Employee benefits decreased against the budgeted amount primarily due to delays in filling vacancies.

Supplier's expenses decreased against the budgeted amounts because of the adoption of *AASB 16 Leases* on 1 July 2019. This had the effect of reducing the Commission's operating lease expenditure significantly in 2019-20. Additionally, the Commission was referred less inquiries.

Finance costs increased against the budgeted amounts due to the adoption of *AASB 16 Leases* on 1 July 2019 and represents the interest component of the lease paid in 2019-20.

Depreciation expenses increased primarily against the budgeted amount due to the adoption of *AASB 16 Leases* by the Commission on 1 July 2019.

Revenue from contracts with customers has decreased in 2019-20 compared to the prior year actuals. The variance is primarily due to the Commission not receiving additional grants for specific inquiries.

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

		2020	2019	Original Budget
	Notes	\$	\$	\$
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	968,118	935,950	1,433,000
Trade and other receivables	2.1B	21,457	9,499	6,000
Total financial assets		989,575	945,449	1,439,000
Non-financial assets				
Property, plant and equipment	2.2A	1,361,438	44,688	40,000
Intangibles - software	2.2A	18,679	-	-
Other non-financial assets		-	-	34,000
Total non-financial assets		1,380,117	44,688	74,000
Total assets		2,369,692	990,137	1,513,000
LIABILITIES				
Payables				
Suppliers	2.3A	20,979	95,855	18,000
Other payables	2.3B	211,692	550,244	125,000
Total payables		232,671	646,099	143,000
Interest bearing liabilities				
Leases	2.4A	1,345,952	-	-
Total interest bearing liabilities		1,345,952	-	-
Provisions				
Employee provisions	4.1A	279,204	172,099	145,000
Total provisions		279,204	172,099	145,000
Total liabilities		1,857,827	818,198	288,000
Net assets		511,865	171,939	1,225,000
EQUITY				
Contributed equity		319,000	303,000	1,018,000
Reserves		135,058	135,058	136,000
Accumulated surplus/(deficit)		57,807	(266,119)	71,000
Total equity		511,865	171,939	1,225,000

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

Budget Variance Commentary

Statement of Financial Position

Explanations of major variances are provided below:

The variance in cash and cash equivalents is due to the return of funding for the review of the Family Law System being unknown at the time the budget was being established.

The variance in property, plant and equipment is due to the adoption of AASB 16 Leases on 1 July 2019.

The variance in intangibles – software is due to the recognition of the Commission's redeveloped website.

The variance for other non-financial assets was due to a timing issue of GST payments.

The variance in interest bearing liabilities is due to the adoption of AASB 16 Leases on 1 July 2019.

The increase in employee provisions primarily reflects the impact of staff taking less leave due to COVID-19.

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF CHANGES IN EQUITY

as at 30 June 2020

	2020 \$	2019 \$	Original Budget \$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	303,000	287,000	1,002,000
Adjusted opening balance	303,000	287,000	1,002,000
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	16,000	16,000	16,000
Total transactions with owners	16,000	16,000	16,000
Closing balance as 30 June	319,000	303,000	1,018,000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(266,119)	(431,140)	91,000
Adjustment on initial application of AASB 16	6,256	-	-
Adjusted opening balance	(259,863)	(431,140)	91,000
Comprehensive income			
Surplus/(Deficit) for the period	317,671	165,023	(20,000)
Total comprehensive income	317,671	165,023	(20,000)
Closing balance as 30 June	57,807	(266,119)	71,000
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	135,058	135,058	136,000
Adjusted opening balance	135,058	135,058	136,000
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Closing balance as 30 June	135,058	135,058	136,000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	178,195	(9,082)	1,229,000
Adjusted opening balance	178,195	(9,082)	1,229,000
Comprehensive income			
Surplus/(Deficit) for the period	317,671	165,023	(20,000)
Other comprehensive income	-	-	-
Total comprehensive income	317,671	165,023	(20,000)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	16,000	16,000	16,000
Total transactions with owners	16,000	16,000	16,000
Closing balance as 30 June	511,865	171,939	1,225,000

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

Accounting Policy**Equity injections**

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Budget Variance Commentary**Statement of Changes in Equity**

Explanations of major variances are provided below:

The variance in contributed equity between budget and actual is due to the variances discussed in other notes. The Commission is still considered a going concern and only the Government can wind it up.

AUSTRALIAN LAW REFORM COMMISSION
CASH FLOW STATEMENT

for the period ended 30 June 2020

	2020	2019	Original Budget
Notes	\$	\$	\$
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering of services	15,539	301,885	1,000
Appropriations	2,607,000	2,595,000	2,607,000
Net GST received	45,706	49,385	-
Total cash received	2,668,245	2,946,270	2,608,000
Cash used			
Employees	1,618,608	2,412,460	1,924,000
Suppliers	850,535	1,027,519	684,000
Interest payments on lease liabilities	29,208	-	-
Total cash used	2,498,351	3,439,979	2,608,000
Net cash from operating activities	169,894	(493,709)	-
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment	11,821	19,008	16,000
Purchase of intangibles	22,415	-	-
Total cash used	34,236	19,008	16,000
Net cash used by investing activities	(34,236)	(19,008)	(16,000)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	16,000	16,000	16,000
Total cash received	16,000	16,000	16,000
Cash used			
Principal payments of lease liabilities	119,490	-	-
Total cash used	119,490	-	-
Net cash from financing activities	(103,490)	16,000	16,000
Net increase/(decrease) in cash held	32,168	(496,717)	-
Cash and cash equivalents at the beginning of the reporting period	935,950	1,432,667	1,433,000
Cash and cash equivalents at the end of the reporting period	968,118	935,950	1,433,000

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

Budget Variance Commentary

Cash Flow Statement

Explanations of major variances are provided below:

The variance in supplier payments is due to the return of funding for the review of the Family Law System being unknown at the time the budget was being established.

The variance in interest payments on lease liabilities variance reflects the adoption of AASB 16 Leases on 1 July 2019 and represents the interest component of the lease paid in 2019-20.

The variance in principal payments of lease liabilities is due to the adoption of AASB 16 Leases on 1 July 2019 which reclassified lease payments from operating activities to financing activities.

Overview

Objectives of the Australian Law Reform Commission

The Australian Law Reform Commission (the Commission) is an Australian Government controlled entity. It is a not-for-profit entity. The Commission supports the Attorney-General and the Australian Government to maintain and improve Australia's system of law and justice by contributing to the process of law reform.

The Commission is structured to meet one outcome: informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education.

The continued existence of the Commission in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the Commission's administration and programs.

Commission activities contributing towards this outcome are classified as Departmental Activities. Departmental Activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Commission in its own right.

Section 45 of the *Australian Law Reform Commission Act 1996* (the ALRC Act), requires that money appropriated by the Parliament be transferred to the Law Reform Special Account (refer to note 3.2).

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and

b) Australian Accounting Standards and Interpretations—Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 15 Revenue from Contracts with Customers / AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities and AASB 1058 Income of Not-For-Profit Entities	AASB 15, AASB 2016-8 and AASB 1058 became effective 1 July 2019.
	AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and Interpretation 13 Customer Loyalty Programmes. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
AASB 16 Leases	AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the not-for-profit (NFP) provisions of AASB 1004 Contributions and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.
	The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.
AASB 16 Leases	AASB 16 became effective on 1 July 2019.
	This new standard has replaced AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.
AASB 16 Leases	AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating leases and finance leases being retained. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.

Application of AASB 15 Revenue from Contracts with Customers / AASB 1058 Income of Not-For-Profit Entities

The Commission adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under the various applicable AASBs and related interpretations.

Under the new income recognition model the Commission shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Commission applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Commission shall consider whether AASB 1058 applies.

In relation to AASB 15, the Commission elected to apply the new standard to all new and uncompleted contracts from the date of initial application. The Commission is required to aggregate the effect of all of the contract modifications that occur before the date of initial application.

In terms of AASB 1058, the Commission is required to recognise volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably.

No significant changes have arisen in the Commission's recognition of departmental revenue under the requirements of AASB 15.

Application of AASB 16 Leases

The Commission adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The Commission elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Commission applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 Impairment of assets as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Commission previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Commission recognises right-of-use assets and lease liabilities for most leases. However, the Commission has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the Commission recognised right-of-use assets and lease liabilities in relation to leases of office space, heavy equipment and automobiles, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Commission's incremental borrowing rate as at 1 July 2019. The Commission's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 0.17%.

The right-of-use assets were measured as follows:

- Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments; and
- All other leases: the carrying value that would have resulted from AASB 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

Impact on transition

On transition to AASB 16, the Commission recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	1 July 2019
Departmental	\$
Right-of-use assets - property, plant and equipment	1,471,696
Lease liabilities	1,471,696
Straight-line provision	6,256
Retained earnings	(6,256)

The following table reconciles the Departmental minimum lease commitments disclosed in the Commission's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	1 July 2019
	\$
Minimum operating lease commitment at 30 June 2019	690,901
Less: short-term leases not recognised under AASB 16	-
Less: low value leases not recognised under AASB 16	-
Plus: effect of extension options reasonable certain to be exercised	932,702
Undiscounted lease payments	1,623,603
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(151,907)
Lease liabilities recognised at 1 July 2019	1,471,696

Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events after the reporting period

Departmental

There have been no subsequent events that have the potential to significantly affect the ongoing structure and the financial activities of the Commission.

Note 1: Financial Performance

This section analyses the financial performance of Australian Law Reform Commission for the year ended 30 June 2020.

1.1 Expenses

	2020	2019
	\$	\$
1.1A: Employee benefits		
Wages and salaries	1,454,334	1,594,370
Superannuation		
Defined benefit plans	16,229	17,708
Defined contribution plans	126,133	137,999
Leave and other entitlements	142,488	118,005
Separation and redundancies	-	66,782
Total employee benefits	1,739,184	1,934,864

Accounting Policy

Accounting policies for employee related expenses is contained in Note 4.1 - People and Relationships

1.1B: Suppliers

Goods and services supplied or rendered

Committees	3,458	74,262
Library	11,582	29,446
Professional services	72,223	91,087
Printing and office requisites	32,317	28,973
Freight and removals	-	21,402
Telephone and postage	19,082	27,933
Incidentals	19,267	21,676
Minor assets	59,285	54,348
Staff training	6,072	6,835
Maintenance	37,024	15,798
Accommodation	149	17,333
Advertising	194	449
Travel	74,718	157,278
IT services	64,981	68,489
Total goods and services supplied or rendered	400,352	615,309

Goods supplied	73,529	71,409
Services rendered	326,823	543,900
Total goods and services supplied or rendered	400,352	615,309

Other suppliers

Operating lease rentals	-	193,571
Workers compensation expenses	1,403	5,093
Total other suppliers	1,403	198,664
Total suppliers	401,755	813,973

The Commission has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The Commission has no short-term lease commitments at 30 June 2020.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1D, 1.1H, 1.2E, 1.2I, 3.2 and 3.4B.

Accounting Policy

Short-term leases and leases of low-value assets

The Commission has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The Commission recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.1C: Finance costs

Interest on lease liabilities	29,208	-
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Accounting Policy

All borrowing costs are expensed as incurred.

1.1D: Write-down and impairment of other assets

Impairment of property, plant and equipment	-	14,217
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1.2 Own-source revenue and gains

	2020 \$	2019 \$
1.2A: Revenue from contracts with customers	14,119	301,768

Accounting Policy

Revenue from the sale of goods and rendering of services is recognised when the goods and services have been provided.

1.2B: Interest ¹	1,202	-
1.2C: Other gains		
Resources received free of charge - ANAO	36,000	36,000

Accounting Policy

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2D: Revenue from Government

Appropriations

Departmental appropriations	2,607,000	2,595,000
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Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

¹Interest revenue reflects an amount received from the Reserve Bank of Australia and an amount from the the Australian Taxation Office for a delay in processing monthly BAS refunds.

Note 2: Financial Position

This section analyses the Australian Law Reform Commission's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section

2.1 Financial assets

	2020	2019
	\$	\$
<u>2.1A: Cash and cash equivalents</u>		
Cash on hand or on deposit	62,929	129,238
Cash in special accounts	905,189	806,712
Total cash and cash equivalents	968,118	935,950

The closing balance of Cash in special accounts does not include amounts held in trust.

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- c) cash in special accounts.

2.1B: Trade and other receivables

Goods and services receivables

Goods and services	776	329
Total goods and services receivables	776	329

Other receivables

Statutory receivables (GST)	20,681	9,170
Total other receivables	20,681	9,170
Total trade and other receivables (gross)	21,457	9,499
Total trade and other receivables (net)	21,457	9,499

Accounting Policy

Receivables

Trade and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method less impairment. Trade and other receivables are assessed for impairment at the end of each reporting period. At year end none are overdue. Credit terms for goods and services were within 30 days (2019: 30 days).

2.2 Non-financial assets

2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

	Land and buildings \$	Plant and equipment \$	Intangibles - Software \$	Total \$
As at 1 July 2019				
Gross book value	-	117,566	-	117,566
Accumulated depreciation	-	(72,878)	-	(72,878)
Total as at 1 July 2019	-	44,688	-	44,688
Recognition of right of use asset on initial application of AASB 16	1,471,696	-	-	1,471,696
Adjusted total as at 1 July 2019	1,471,696	44,688	-	1,516,384
Additions				
Purchase	-	11,821	22,415	34,236
Depreciation	-	(7,665)	-	(7,665)
Depreciation on right-of-use assets	(159,102)	-	-	(159,102)
Amortisation	-	-	(3,736)	(3,736)
Total as at 30 June 2020	1,312,594	48,844	18,679	1,380,117
Total as at 30 June 2020 represented by				
Gross book value	1,471,696	129,387	22,415	1,623,498
Accumulated depreciation and impairment	(159,102)	(80,543)	(3,736)	(243,381)
Total as at 30 June 2020	1,312,594	48,844	18,679	1,380,117
Carrying amount of right-of-use assets	1,312,594	-	-	1,312,594

Plant and equipment are not expected to be disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated below.

No indicators of impairment were found for plant and equipment.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the Commission has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

Revaluations

Following initial recognition at cost, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying at present are 3-10 years.

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Intangibles

The Commission's intangibles comprise internally developed software and purchased software for internal use which cost more than \$20,000. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Commission's intangibles are 3 to 5 years.

All software assets were assessed for indications of impairment at 30 June 2020.

2.3 Payables

	2020 \$	2019 \$
2.3A: Suppliers		
Trade creditors and accruals - not more than 12 months	20,979	89,599
Operating lease rentals	-	6,256
Total suppliers	20,979	95,855

Settlement is usually made net 30 days.

2.3B: Other payables

Wages and salaries	23,957	10,486
Unearned income	187,735	539,758
Total other payables	211,692	550,244

Accounting Policy

Refer to Note 1.1B.

2.4 Interest bearing liabilities

2.4A: Leases

Lease liabilities	1,345,952	-
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The Commission has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Total cash outflow for leases for the year ended 30 June 2020 was \$154,952.

Accounting Policy

Refer Overview section for accounting policy on leases.

Note 3: Funding

This section identifies the Australian Law Reform Commission's funding structure.

3.1 Appropriations

3.1A: Annual appropriations ('recoverable GST exclusive')

Annual appropriations for 2020

	Annual appropriation ¹	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2020 (current and prior years)	Variance ³
	\$	\$	\$	\$	\$
DEPARTMENTAL					
Ordinary annual services	2,607,000	-	2,607,000	2,607,000	-
Capital budget ⁴	16,000	-	16,000	16,000	-
Total departmental	2,623,000	-	2,623,000	2,623,000	-

1. In 2019-20 no amount of appropriation has been withheld (Section 51 of the PGPA Act) and quarantined for administrative purposes.

2. No amount was received from the PGPA Act Section 74 receipts.

3. In 2019-20, there was no variance.

4. Departmental Capital Budgets are appropriated through Appropriation Act (No. 1). They form part of ordinary annual services, and are not separately identified in the Appropriation Act.

Annual appropriations for 2019

	Annual appropriation ¹	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2019 (current and prior years)	Variance ³
	\$	\$	\$	\$	\$
DEPARTMENTAL					
Ordinary annual services	2,595,000	-	2,595,000	2,595,000	-
Capital budget ⁴	16,000	-	16,000	16,000	-
Total departmental	2,611,000	-	2,611,000	2,611,000	-

1. In 2018-19 no amount of appropriation has been withheld (Section 51 of the PGPA Act) and quarantined for administrative purposes.

2. No amount was received from the PGPA Act Section 74 receipts.

3. In 2018-19, there was no variance.

4. Departmental Capital Budgets are appropriated through Appropriation Act (No. 1). They form part of ordinary annual services, and are not separately identified in the Appropriation Act.

3.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2020 \$	2019 \$
Departmental		
2018-19 Appropriation Act 1	-	-
2019-20 Appropriation Act 1	-	-
Total departmental	-	-

3.2 Special accounts

	Law Reform Special Account (Departmental)	
	2020	2019
	\$	\$
Balance brought forward from previous period	935,950	1,432,667
Increases		
Appropriation credited to special account	2,623,000	2,611,000
Other receipts	-	301,885
Total increases	2,623,000	2,912,885
Available for payments	3,558,950	4,345,552
Decreases		
Departmental		
Payments made to suppliers	(948,267)	(997,142)
Payments made to employees	(1,618,608)	(2,412,460)
Total decreases	(2,566,875)	(3,409,602)
Total balance carried to the next period	992,075	935,950
Balance represented by:		
Cash held in Commission bank accounts	62,929	129,238
Cash held in the Official Public Account	905,189	806,712
Total balance carried to the next period	968,118	935,950

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80; Establishing Instrument: *Australian Law Reform Commission Act 1996*, section 45.

2. The purpose of the Special Account is:

- (a) to pay the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Commission's functions;
- (b) to pay any remuneration and allowances payable to a person under the *Australian Law Reform Commission Act 1996*;
- (c) to pay the expenses of administering the Account;
- (d) to pay any amount that is required or permitted to be repaid; and
- (e) to reduce the balance of the Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.

Note 4: People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

4.1 Employee provisions

	2020 \$	2019 \$
4.1A: Employee provisions		
Leave	279,204	172,099
Total employee provisions	279,204	172,099
Employee provisions expected to be settled		
No more than 12 months	220,588	83,032
More than 12 months	58,616	89,067
Total employee provisions	279,204	172,099

Accounting Policy

Liabilities for 'short-term' employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Commission's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The Commission's staff are members of the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The PSS is a defined benefit scheme for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Commission makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Commission accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2020 represents outstanding contributions for the final fortnight of the year.

Accounting judgements and estimates

The employee benefits provisions have been estimated in accordance with *AASB 119 Employee Benefits* and reflect the expected value of those benefits.

4.2 Key management personnel remuneration ¹

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly, including any director (whether executive or otherwise) of the Commission. The Commission has determined the Key Management Personnel to be the Attorney-General and Chief Executive Officer.

Key Management Personnel remuneration is reported in the table below.

	2020 \$	2019 \$
Short-term employee benefits		
Salary	508,118	537,413
Other ²	-	-
Total short-term employee benefits	508,118	537,413
Post-employment benefits - superannuation	-	8,418
Other long-term employee benefits		
Annual leave	-	41,468
Total other long-term employee benefits	-	41,468
Total key management personnel remuneration expenses	508,118	587,299

The total number of key management personnel that are included in the above table are 1 (2019: 2). ³

¹ The above key management personnel remuneration excludes the remuneration and other benefits of the Attorney-General whose remuneration and other benefits are set by the Remuneration Tribunal and are not paid by this Commission.

² Other includes motor vehicles and reportable fringe benefits.

³ The key management personnel remuneration included all substantive key management personnel and extended acting arrangements for the full year. In November 2018, the full-time Commissioner ceased and the position has not been filled since that date.

4.3 Related party disclosures

Related party relationships:

The Commission is an Australian Government controlled entity. Related parties to the Commission are key management personnel, Commissioners and other Australian Government entities.

Transactions with related parties:

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens.

Transactions with related parties of the Commission have occurred within normal customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the Commission would have entered into on an arm's-length basis. These transactions have not been separately disclosed.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Commission, it has been determined that there are no related party transactions to be separately disclosed.

Note 5: Managing Uncertainties

This section analyses how the Australian Law Reform Commission manages financial risks within its operating environment.

5.1 Financial instruments

	2020 \$	2019 \$
5.1A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	968,118	935,950
Trade receivables	776	329
Total financial assets at amortised cost	968,894	936,279
Total financial assets	968,894	936,279
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	20,979	89,599
Other payables	211,692	550,244
Total financial liabilities measured at amortised cost	232,671	639,843
Total financial liabilities	232,671	639,843

There have been no net gains or losses on financial assets in 2019-20 (2019: nil). There have been no net gains or losses on financial liabilities in 2019-20 (2019: nil).

No financial assets have been reclassified in 2019-20 (2019: nil).

Accounting Policy

Financial assets

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the entity classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

- 1. the financial asset is held in order to collect the contractual cash flows; and
- 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

5.2 Fair value measurement

Accounting Policy

The Commission tests the procedures of the valuation model as an asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation.

5.2A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2020	2019
	\$	\$
Non-financial assets		
Plant and equipment	48,844	44,688
Total	48,844	44,688

The Commission's assets are held for operational purposes and not held for the purpose of deriving a profit. The current use of all non-financial assets is considered their highest and best use.

No non-financial assets were measured at fair value on a non-recurring basis as at 30 June 2020 (2019: nil).

There were no transfers between levels during the year.

The remaining assets and liabilities reported by the Commission are not measured at fair value in the Statement of Financial Position.

Note 6: Other information

6.1 Aggregate assets and liabilities

	2020	2019
	\$	\$
6.1A: Aggregate assets and liabilities:		
Assets expected to be recovered in:		
No more than 12 months	989,575	945,449
More than 12 months	<u>1,380,117</u>	<u>44,688</u>
Total assets	<u>2,369,692</u>	<u>990,137</u>
Liabilities expected to settled in:		
No more than 12 months	612,859	729,131
More than 12 months	<u>1,244,968</u>	<u>89,067</u>
Total liabilities	<u>1,857,827</u>	<u>818,198</u>

ENTITY RESOURCE STATEMENT AND EXPENSES FOR OUTCOMES 2019–20

Entity Resource Statement 2019–20

	Actual available appropriation for 2019–20 \$'000	Payments made 2019–20 \$'000	Balance remaining 2019–20
	(a)	(b)	(a) – (b)
Special Accounts			
Opening balance	936		
Appropriation receipts ¹	2,623		
Other receipts	-		
Payments made		2,567	
Total Special Account	3,559	2,567	992
Total net resourcing and payments for ALRC²	3,559	2,567	

1 Appropriation Act (No.1) 2019–20, and includes an amount of \$16,000 in 2019–20 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

2 This may also include prior year departmental appropriations and section 74 Retained Revenue Receipts.

Expenses for Outcome 1

Outcome 1:	Budget*	Actual expenses	Variation
Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education.	2019–20 \$'000	2019–20 \$'000	2019–20 \$'000
	(a)	(b)	(a) – (b)

Program 1: Conducting inquiries into aspects of Australian laws and related processes for the purposes of law reform.

Departmental expenses

Departmental appropriation¹

Special Accounts	2,607	2,282	325
Expenses not requiring appropriation in the Budget year	58	59	(1)
Total for Program 1	2,665	2,341	324

Outcome 1 Totals by appropriation type

Departmental expenses

Departmental Appropriation¹

Special Accounts	2,607	2,282	325
Expenses not requiring appropriation in the Budget year	58	59	(1)
Total expenses for Outcome 1	2,665	2,341	324

	2018–19	2019–20
Average Staffing Level	11	11

* Full year budget, including any subsequent adjustment made to the 2019–20 Budget.

¹ Departmental Appropriation combines Ordinary annual services (Appropriation Act No.1) and Retained Revenue Receipts under section 74 of the PGPA Act.

GLOSSARY AND INDEXES



GLOSSARY

AASB	Australian Accounting Standards Board
AC	Companion of the Order of Australia
ALRC	Australian Law Reform Commission
ALRC Act	<i>Australian Law Reform Commission Act 1996 (Cth)</i>
ANAO	Australian National Audit Office
ANU	Australian National University
APS	Australian Public Service
ASIC	Australian Securities and Investments Commission
CAG	Council of Attorneys-General
CMG	Companion of the Order of St Michael and St George
Criminal Code	Schedule to the <i>Criminal Code Act 1995 (Cth)</i>
CPR	Commonwealth Procurement Rules
Cth	Commonwealth of Australia
DP	Discussion Paper
EL	Executive Level
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982 (Cth)</i>
FTE	Full-Time Equivalent
KPI	Key Performance Indicator
LO	Legal Officer
MP	Member of Parliament
NABERS	National Australian Built Environment Rating System
PDF	Portable Document Format

PGPA Act	<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>
PGPA Financial Reporting Rule	<i>Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (Cth)</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014 (Cth)</i>
PLO	Principal Legal Officer
RMFCP	Risk Management and Fraud Control Policy
QC	Queen's Counsel
SES	Senior Executive Service
SLO	Senior Legal Officer
SME	Small and Medium Enterprises
UNSW	University of New South Wales
WH&S	Work Health and Safety

LIST OF REQUIREMENTS

This is a guide to the report's compliance with the requirements for Annual Reports as required by s 17AJ(d) of the PGPA Rule.

Part of Report	Description	Page No.
Letter of Transmittal		
	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	iii
Aids to Access		
	Table of contents.	iv
	Alphabetical index.	89–91
	Glossary of abbreviations and acronyms.	81–81
	List of requirements.	82–88
	Details of contact officer.	ii
	Entity's website address.	ii
	Electronic address of report.	ii
Review by Accountable Authority		
	A review by the accountable authority of the entity.	2–3
Overview of the Entity		
	A description of the role and functions of the entity.	6
	A description of the organisational structure of the entity.	6
	A description of the outcomes and programmes administered by the entity.	22
	A description of the purposes of the entity as included in corporate plan.	6
	Name of the accountable authority or each member of the accountable authority.	36
	Position title of the accountable authority or each member of the accountable authority.	36
	Period as the accountable authority or member of the accountable authority within the reporting period.	36
	An outline of the structure of the portfolio of the entity.	Not applicable

Part of Report	Description	Page No.
	Where the outcomes and programmes administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	Not applicable
Report of the Performance of the Entity		
Annual Performance Statements		
	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	22–31
Report on Financial Performance		
	A discussion and analysis of the entity's financial performance.	34
	A table summarising the total resources and total payments of the entity.	77–78
	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	Not applicable
Management and Accountability		
Corporate Governance		
	Information on compliance with section 10 (fraud systems).	38–39
	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	iii
	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	iii
	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	iii
	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	36–40

Part of Report	Description	Page No.
	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	Not applicable
Audit Committee		
	A direct electronic address of the charter determining the functions of the entity's audit committee.	41
	The name of each member of the entity's audit committee.	41
	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	41
	Information about the attendance of each member of the entity's audit committee at committee meetings.	42
	The remuneration of each member of the entity's audit committee.	42
External Scrutiny		
	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	42
	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	Not applicable
	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	Not applicable
	Information on any capability reviews on the entity that were released during the period.	Not applicable
Management of Human Resources		
	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	45
	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	43

Part of Report	Description	Page No.
	<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including the following:</p> <p>Statistics on staffing classification level;</p> <p>Statistics on full-time employees;</p> <p>Statistics on part-time employees;</p> <p>Statistics on gender;</p> <p>Statistics on staff location;</p> <p>Statistics on employees who identify as Indigenous.</p>	43
	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	43
	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	43
	The salary ranges available for APS employees by classification level.	43
	A description of non-salary benefits provided to employees.	43
	Information on the number of employees at each classification level who received performance pay.	44
	Information on aggregate amounts of performance pay at each classification level.	44
	Information on the average amount of performance payment, and range of such payments, at each classification level.	44
	Information on aggregate amount of performance payments.	44
Assets Management		
	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	Not applicable
Purchasing		
	An assessment of entity performance against the Commonwealth Procurement Rules.	46

Part of Report	Description	Page No.
Consultants		
	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Not applicable
	A statement that "During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"	47
	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	47
	A statement that "Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."	47
Australian National Audit Office Access Clauses		
	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	Not applicable
Exempt Contracts		
	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempt from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	Not applicable

Part of Report	Description	Page No.
Small Business		
	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	46
	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	46
	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	Not applicable
Financial Statements		
	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	51
Executive Remuneration		
	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	37
Other Mandatory Information		
	If the entity conducted advertising campaigns, a statement that “During [reporting period], [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	Not applicable
	If the entity did not conduct advertising campaigns, a statement to that effect.	47
	A statement that “Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”	Not applicable
	Outline of mechanisms of disability reporting, including reference to website for further information.	47

Part of Report	Description	Page No.
	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	47
	Correction of material errors in previous annual report.	Not applicable
	Information required by other legislation.	47–49

INDEX

A

Accountable Authority 36, 38, 46
Instructions 36, 38
address and contact details ii
advertising and market research 47
air travel 49
ALRC Act. See *Australian Law Reform Commission Act 1996*
ANAO. See *Australian National Audit Office*
annual performance statement.
See *performance statement*
articles. See *presentations, articles and speaking engagements (by ALRC staff)*
Attorney-General 6, 8, 10, 13, 14, 16, 18, 23, 25, 26, 34, 36, 40
Attorney-General's Department 14, 22, 32
audit
Audit Committee 38, 40, 41, 42
Auditor-General 46
financial management 38
Independent Auditor's Report 52, 53
Australian Human Rights Commission 33
Australian Law Reform Commission Act 1996 6, 36
Australian National Audit Office 38
Australian Public Service Values and Code of Conduct 39, 40

B

Bromwich, the Hon Justice Robert 36

C

citations of ALRC reports. See *reports*
Clark, Jennifer 41, 42
Commissioners, ALRC 36, 37, 40
Conflict of Interest Policy 40
consultancies 47
consultations 23, 24, 25, 28, 49
Corporate Criminal Responsibility Inquiry 8, 9
Future of Law Reform project 16, 17, 19
Religious Exemptions in Anti-Discrimination Legislation, Review of the Framework of 13, 14, 15
contracts. See *procurement*

Corporate Criminal Responsibility Inquiry 6, 7, 12, 24, 26, 27, 28, 29
corporate governance 42
Corporate Plan 23, 25, 38
court and tribunal decisions
citations of ALRC reports 23, 24, 25, 26
COVID-19 19, 45, 48

D

Derrington, the Hon Justice S C 3, 29, 36, 37. See also *President, ALRC*
disability strategy 47
Discussion Paper
Corporate Criminal Responsibility Inquiry 7, 9, 24, 26, 28
Review of the Framework of Religious Exemptions in Anti-Discrimination Legislation 14, 15, 27

E

employment conditions. See *staff*
enabling legislation. See *Australian Law Reform Commission Act 1996*
Enders, Cherie 41, 42
energy efficiency 48
E-news subscribers 23, 24, 25, 29
Enterprise Agreement 43, 44, 48
entity resource statement and expenses for outcomes 34, 77
environmental performance 49
Environment Protection and Biodiversity Conservation Act 1999 48
ethics 39
external scrutiny 42

F

financial management 38
financial performance
entity resource statement and expenses for outcomes 34, 77
financial statements 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75
summary and analysis 34
FOI Act. See *Freedom of Information Act 1982*

fraud control iii, 38, 39
freedom of information 47. See
 also *Freedom of Information Act*
 1982
Freedom of Information Act 1982 46, 47
functions of the ALRC 6
Future of Law Reform project 6, 7, 19, 24,
 26, 27, 28, 29

H

Health and Safety Management
 Arrangements 48
human resources. See *staff*
Hunter, Kathryn 41, 42

I

implementation of ALRC reports 33
indemnity. See *liability insurance*
Information Publication Scheme 47
inquiries 19
internships 45

K

key management personnel 37
key performance indicators 23, 24, 25

L

legal services expenditure 47
liability insurance 40

M

Middleton, the Hon Justice John 36
Minister responsible 6, 36. See
 also *Attorney-General*

O

occupational health and safety. See *work*
 health and safety
organisational structure 6
outcome statement 22

P

parliamentary committees
 mentions of ALRC reports in debates and
 Committee reports 23, 24, 25
 scrutiny of ALRC 42
 Senate Estimates Committee Hearings 42
performance criteria. See *key performance*
 indicators

performance statement 33
 analysis of performance 33
PGPA Act. See *Public Governance,*
 Performance and Accountability Act
 2013
policies 38
presentations, articles and speaking
 engagements (by ALRC staff) 23,
 24, 25, 29
President, ALRC 2, 3, 6, 29, 36, 37, 38, 39,
 40, 41
President's Foreword 3
printing 49
private interests declarations 40
procurement 46
 Indigenous procurement 47
 Small and Medium Enterprise participation
 46
publications 7. See also *reports*
Public Governance, Performance and
 Accountability Act 2013 iii, 6, 36, 40,
 41, 46, 77
Public Governance, Performance and
 Accountability Rule 2014 iii
Public Interest Disclosure Policy 39
Public Service Act 1999 6, 36, 39, 40, 43
purchasing. See *procurement*

R

recycling 49
related party disclosures 40
Religious Exemptions in Anti-Discrimination
 Legislation, Review of the
 Framework of 6, 15, 24, 26, 27, 28,
 29
remuneration 34, 37, 42, 43, 44
reports
 citations of ALRC reports 23, 24, 25, 27
 implementation of ALRC reports 33
 most frequently viewed ALRC reports 31
 number of reports and consultation papers
 23, 24, 25, 26
risk management
 Audit Committee role 41
 fraud control and risk management 39
 in procurement 46
role and functions of ALRC 6

S

salaries. See *remuneration*
staff
 development and training 45

- health and well-being allowance 43, 48
- Indigenous employment 43
- individual flexibility arrangements 43
- non-salary benefits 43
- performance rewards and bonuses 44
- retention and turnover 43
- statistics 43
- study leave 45
- submissions 23, 24, 25, 28
 - Corporate Criminal Responsibility Inquiry 8, 9
 - Future of Law Reform Project 16, 17
 - Religious Exemptions in Anti-Discrimination Legislation, Review of the Framework of 13

T

- travel 46, 49
- Twitter ii, 23, 24, 25, 31

V

- vehicles 49

W

- water usage 49
- website, ALRC ii, 17, 23, 24, 25, 38, 47
- work health and safety 39, 48, 81

