



Australian Government

Australian Law Reform Commission

ANNUAL REPORT 2020-2021

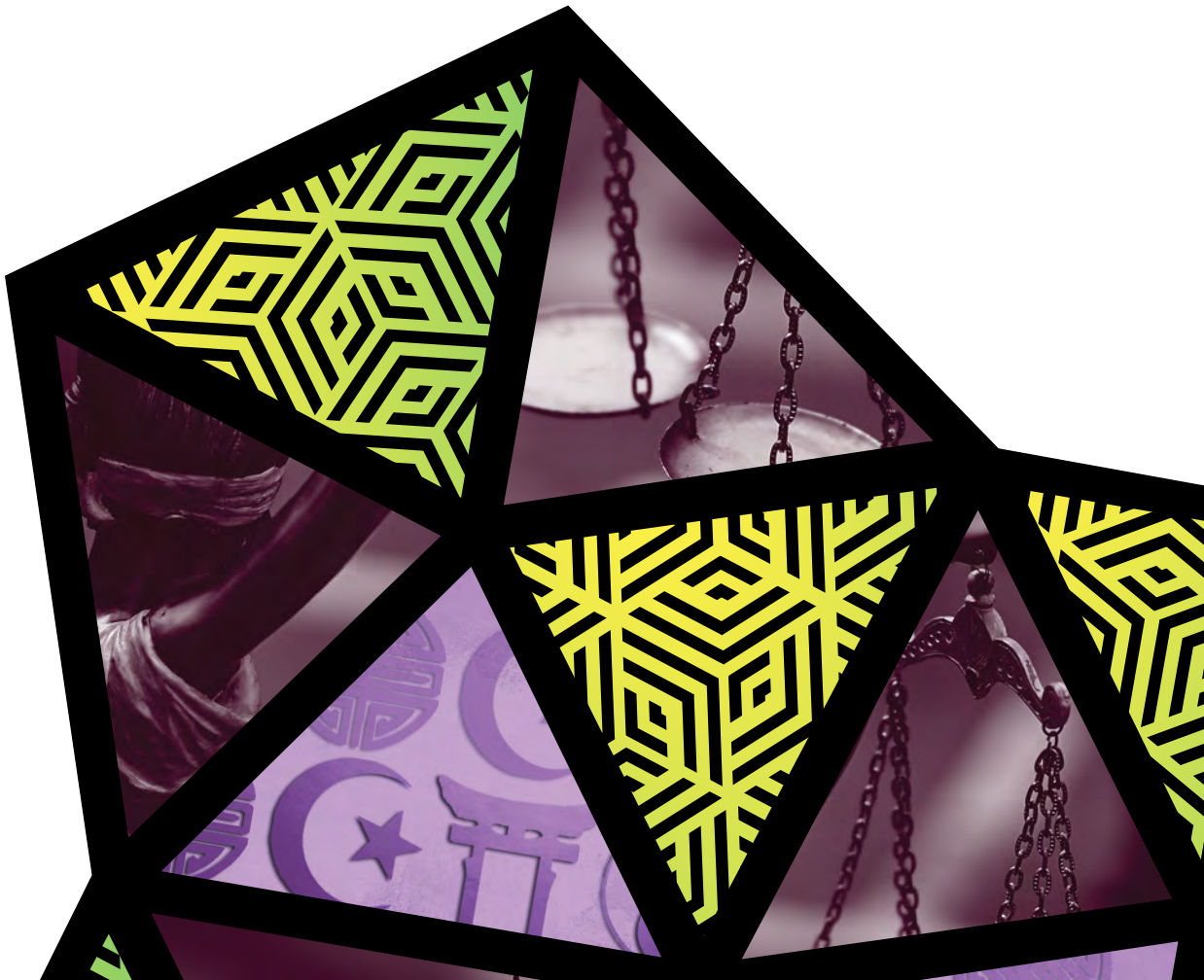




Australian Government

Australian Law Reform Commission

ANNUAL REPORT 2020–2021



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The Hon Justice S C Derrington
President

Australian Government

Australian Law Reform Commission

Senator the Hon Michaelia Cash
Attorney-General
Parliament House
Canberra ACT 2600

2 October 2021

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 2020 to 30 June 2021.

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 section 39(1)(a) of the PGPA Act, and accurately presents the Commission's performance for the 2020–21 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.

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

Justice S C Derrington

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CONTENTS

2020-21 SNAPSHOT	vi
PRESIDENT'S FOREWORD	1
YEAR IN REVIEW	5
Role and functions of the ALRC	6
Law reform inquiries in 2020–21	6
Inquiry publications	7
Review of Australia's Corporate Criminal Responsibility Regime	8
Review of the Legislative Framework for Corporations and Financial Services Regulation	13
Review of the Laws of Impartiality and Bias as they Relate to the Federal Judiciary	17
Review of the Framework of Religious Exemptions in Anti-Discrimination Legislation	19
REPORT ON PERFORMANCE	21
Annual performance statement	22
Introductory statement	22
Our purpose	22
Our outcome	22
Environment	22
Performance criteria for 2020–21	23
Result against performance criteria	24
Analysis of performance	25
Implementation of reports and impact of work	31
Summary and analysis of financial performance	33
Financial outcomes	33
Entity resource statement	33
Compliance	33
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	39
Related party disclosures	40
Indemnity	40
Audit committee	40

External scrutiny and controls	43
Parliamentary scrutiny	43
Human resource management	43
Staffing	43
Indigenous employment / internship	44
Employment conditions	44
Performance rewards and bonuses	45
Staff development	46
Study leave	46
Law student engagement	46
Other reporting requirements	47
Procurement and purchasing	47
Consultancies	48
Advertising and market research	48
Disability strategy	48
Freedom of information	48
Legal services expenditure	49
Work health and safety	49
Environmental performance	50
FINANCIAL STATEMENTS	53
Independent Auditor's Report	54
Financial Statements	56
Entity resource statement and expenses for outcomes 2020–21	79
Entity Resource Statement 2020–21	79
Expenses for Outcome 1	80
GLOSSARY AND INDEXES	81
Glossary	82
List of Requirements - non-corporate Commonwealth entities	84
Index	92

2020-21 SNAPSHOT



1
REPORT



1,163,547
UNIQUE VISITORS



52
PRESENTATIONS
& ARTICLES

2,564,428
PAGE VIEWS



30
SUBMISSIONS

7
PUBLIC SEMINARS & WEBINARS

1706
ATTENDEES



477
CITATIONS

3793
SUBSCRIBERS



14,503
FOLLOWERS

13,890
FOLLOWERS



PRESIDENT'S FOREWORD



PRESIDENT'S FOREWORD

On behalf of the Australian Law Reform Commission (ALRC), I present the Annual Report for 2020–21.

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, I noted the tremendous challenges faced by Australia and the world. The period of 2020–21 has proved to be no different and despite those challenges, it has been a productive year for the ALRC. During this year, the ALRC commenced a three-year inquiry into the simplification of corporations and financial services laws. This important project has seen the ALRC engage with a broad range of stakeholders and build its data and research capacity. I wish to thank Dr Andrew Godwin and Micheil Paton who have led this inquiry with aplomb and thank the new legal officers who joined the inquiry bringing new perspectives, and enthusiasm. During 2020–21, the Corporate Crime final report was tabled in Parliament and the ALRC also commenced an Inquiry into laws of impartiality and bias as they relate to the federal judiciary. 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 webinars, publications in peer-reviewed academic journals, professional consultations Australia-wide, and an active social media presence.

I acknowledge the important contribution of standing part-time Commissioner the Hon Justice John Middleton to each of the ALRC's inquiries in 2020–21 and again thank him for his ongoing assistance and wise counsel. I also acknowledge the appointment of the Hon Justice Craig Colvin as a part-time Commissioner on 18 February 2021 for a term to expire on 30 November 2023. His expertise relating to the review of corporations and financial services regulation is a welcome addition to the ALRC's existing capabilities.

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.

I wish to acknowledge the excellent work of each of our legal officers who have performed exceptionally during the year. The ALRC's staff have been 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, our communications and events co-ordinator, Nadine Davidson-Wall, and our excellent legal team without whom the work of the ALRC could not be accomplished.

In the year ahead, the ALRC will continue its work on the legislative framework for corporations and financial services regulation. We will also complete the inquiry into the laws relating to impartiality and bias as they apply to the federal judiciary. We look forward to undertaking this important work in the coming year.

A handwritten signature in black 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 2020–21

In the 2020–21 financial year, the ALRC's work spanned four law reform Inquiries. In September 2020, the ALRC received Terms of Reference for two new Inquiries into:

- the legislative framework for corporations and financial services regulation (Financial Services); and
- whether, and if so what, reforms to the laws relating to impartiality and bias as they apply to the federal judiciary are necessary or desirable (Judicial Impartiality).

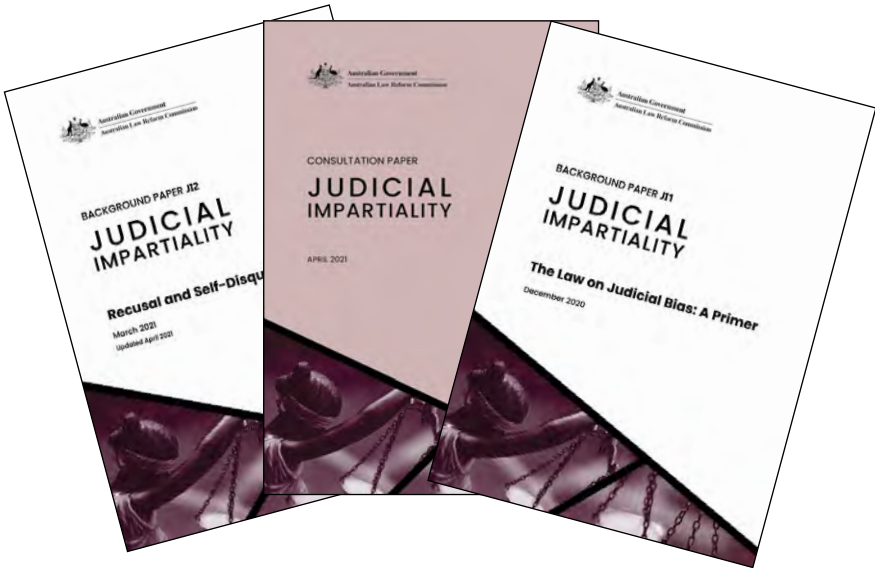
In August 2020, the Final Report on *Corporate Criminal Responsibility* (Report 136) was tabled in Parliament. The other Inquiry (Religious Exemptions in Anti-Discrimination Legislation) is currently on hold in accordance with amendments to the Terms of Reference and the reporting deadline issued by the Attorney-General in August 2019 and March 2020 respectively.

Summaries of the Inquiries are provided below.

Inquiry publications

Table 1: Inquiry publications completed 2020–2021

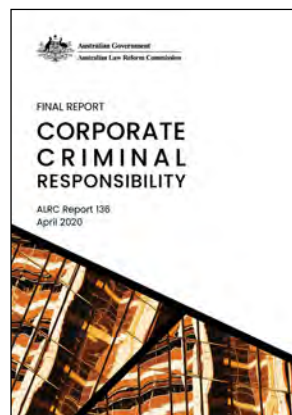
Area	Publication title	Date of completion
Judicial Impartiality	The Law on Judicial Bias: A Primer (JI1)	14 December 2020
Judicial Impartiality	Recusal and Self-Disqualification (JI2)	30 March 2021
Judicial Impartiality	The Federal Judiciary – the Inquiry in Context (JI3)	30 March 2021
Judicial Impartiality	Conceptions of Judicial Impartiality in Theory and Practice (JI4)	16 April 2021
Judicial Impartiality	Ethics, Professional Development, and Accountability (JI5)	28 April 2021
Judicial Impartiality	Cognitive and Social Biases in Judicial Decision-Making (JI6)	29 April 2021
Judicial Impartiality	The Fair-Minded Observer and its Critics (JI7)	29 April 2021
Judicial Impartiality	Judicial Impartiality: Consultation Paper (CP 1, 2021)	30 April 2021
Financial Services	Initial Stakeholder Views (FSL1)	21 June 2021



Review of Australia's Corporate Criminal Responsibility Regime

Figures

Recommendations made:	20
Referred:	10 April 2019
Date due:	30 April 2020
Date delivered:	29 April 2020
Tabled in Parliament:	31 August 2020



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.

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.



Corporate Criminal Responsibility Seminar Series Perth 2020

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 31 August 2020, *Corporate Criminal Responsibility—Final Report* (Report 136) was tabled in Parliament by 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 Legislative Framework for Corporations and Financial Services Regulation

Figures

Referred:	11 September 2020
Date due:	Interim Report A: 30 November 2021
	Interim Report B: 30 September 2022
	Interim Report C: 25 August 2023
	Consolidated Final Report: 30 November 2023
Consultations held during the reporting period:	74
Seminars and Webinars held during reporting period:	2



Background

On 11 September 2020, the then Attorney-General, the Hon Christian Porter MP, asked the ALRC to inquire into Australia’s legislative framework for corporations and financial services regulation and specifically, ‘whether, and if so what, changes to the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* (Cth) could be made to simplify and rationalise the law’. The Terms of Reference set out three aspects of the legislative framework for the ALRC to review:

1. the use of definitions in corporations and financial services legislation;
2. the coherence of the regulatory design and hierarchy of laws, covering primary law provisions, regulations, class orders, and standards; and
3. how the provisions contained in Chapter 7 of the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* (Cth) could be reframed or restructured so that the legislative framework for financial services licensing and regulation achieves certain aims.

The Terms of Reference also provide that the ALRC must have regard to:

- the importance, within the context of existing policy settings, of having an adaptive, efficient and navigable legislative framework for corporations and financial services;
- the need to ensure there is meaningful compliance with the substance and intent of the law; and
- the continuing emergence of new business models, technologies and practices.

The ALRC is required to publish three Interim Reports during the Inquiry. Each Interim Report will focus on one of the aforementioned topics. Each Interim Report will include specific questions and proposals for public comment.

The Inquiry forms part of the Government's response to the Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry which was released in February 2019. The Inquiry also follows the 2017 Report of Treasury's ASIC Enforcement Review Taskforce, the 2015 Final Report of the Australian Government Competition Policy Review, the 2014 Final Report of the Financial System Inquiry and the 2014 Final Report of the Productivity Commission titled *Access to Justice Arrangements*.

Interim Report A

In the reporting period, the ALRC has focused on topic A. Topic A will form the basis of Interim Report A which is due on 30 November 2021. This topic focuses on the uses of definitions in the *Corporations Act*, and in particular:

- the circumstances in which it is appropriate for concepts to be defined, consistent with promoting robust regulatory boundaries, understanding and general compliance with the law;
- the appropriate design of legislative definitions; and
- the consistent use of terminology to reflect the same or similar concepts.

Data analysis

As part of the Inquiry, the ALRC is collating and analysing data in relation to the design and operation of the legislative framework for corporations and financial services regulation. This analysis will underpin the ALRC's recommendations for reform. As part of this analysis, the ALRC has published during the reporting period:

- flowcharts and spreadsheets which detail the general application and requirements of the prospectus and Product Disclosure Statement (PDS) regimes, and their respective 'sub-regimes';
- a catalogue of ASIC legislative instruments that affect the application of the prospectus and PDS requirements;
- maps which outline the constituent components of the obligations to hold an Australian Financial Services Licence, an Australian Credit Licence, and a Registrable Superannuation Entity Licence;
- empirical data on the complexity of all the Acts in the Commonwealth statute book;
- a register of exemptions to the licensing regimes; and
- a register of ASIC legislative instruments as at 10 July 2020.

In addition, the ALRC has conducted empirical analysis of the use of definitions in the *Corporations Act* and across the statute book. This data will be made publicly available in the near future.

Consultation

Following the release of the Terms of Reference, the ALRC has sought out the views of interested stakeholders in a number of ways, including by holding individual consultations and roundtable sessions, hosting public webinars, and attending industry and professional events.

During the reporting period, the ALRC held 74 consultations with legal practitioners, academics, industry bodies, financial services providers, judges, consumer representatives, and regulators across Australia.

The ALRC has not yet called for formal submissions in relation to this Inquiry. The ALRC will call for formal submissions after the release of its first Interim Report on 30 November 2021.

Webinars and events

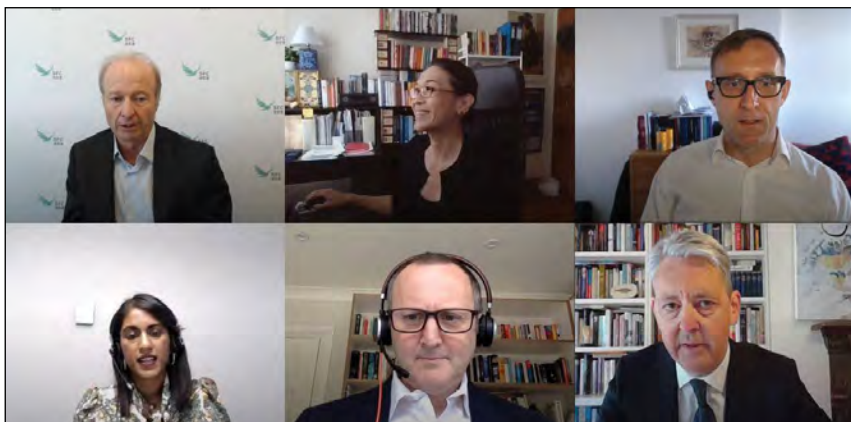
The ALRC hosted two webinars related to the Inquiry during the reporting period.

The first webinar, titled *The Regulatory Ecosystem for Financial Services in Australia*, was held on 17 May 2021. It explored the ALRC's preliminary findings from empirical research it had conducted on complexity in the ecosystem of legislative and non-legislative norms, rules, modifications and exemptions relevant to corporations and financial services in Australia. The panellists were: the Hon Justice S C Derrington (Federal Court of Australia and President of the Australian Law Reform Commission); the Hon Justice Middleton (Federal Court of Australia and part-time Commissioner at the Australian Law Reform Commission); and, Nicholas Simoes da Silva (Australian Law Reform Commission).



L-R: Nicholas Simoes da Silva and the Hon Justice S C Derrington

The second webinar, titled *Comparative Perspectives on Financial Services Regulation*, was held on 24 May 2021 and featured a panel of international experts who compared the approaches to the design of financial services regulation taken in different jurisdictions. The panellists were: Ashley Ian Alder (International Organization of Securities Commissions, and Securities and Futures Commission in Hong Kong), Deemle Budhia (Russell McVeagh), Martyn Hopper (Linklaters), Kim Kit Ow (Bird & Bird), Andrew Procter (Herbert Smith Freehills) and Mark Steward (Financial Conduct Authority in the United Kingdom). The panellists discussed the regulatory approaches taken across Hong Kong, New Zealand, the United Kingdom and Singapore.



Comparative Perspectives on Financial Services Regulation Webinar

Findings from first Background Paper

The ALRC released the first Background Paper of this Inquiry on Initial Stakeholder Views on 21 June 2021. This Background Paper summarises the views expressed to the ALRC by stakeholders as at May 2021 on major themes relating to simplification of the legislative framework for corporations and financial services.

The Background Paper notes that there has been a level of consensus amongst stakeholders that the corporations and financial services law is too complex and in need of simplification. Acknowledging that a degree of legal complexity is necessary to regulate complex and evolving industries, most stakeholders nevertheless recognise that some aspects of complexity are unnecessary and unhelpful.

Many stakeholders identified navigability of the law to be a key concern. Stakeholders noted that it is too difficult to locate relevant parts of the law, and even experienced lawyers cannot always be confident that they are taking into account all relevant provisions and instruments on a particular issue without missing something.

Some stakeholders described the intricacy of key statutory definitions as 'impenetrable'. Many suggested to the ALRC that relevant provisions on a particular topic be grouped together 'in one place' to the extent possible, rather than spread unpredictably across different levels of the legislative hierarchy. The ALRC has also been urged to consider carefully how principles and norms can be helpfully integrated and balanced with more detailed and prescriptive rules that are also often required.

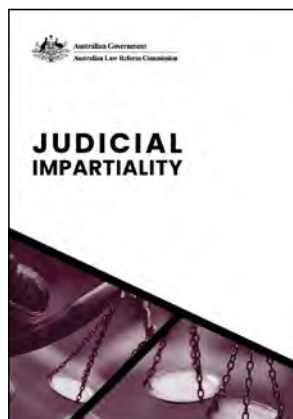


L-R: The Hon Justices S C Derrington and C G Colvin

Review of the Laws of Impartiality and Bias as they Relate to the Federal Judiciary

Figures

<i>Referred:</i>	11 September 2020
<i>Date due:</i>	30 September 2021, or two months from delivery of the High Court of Australia's judgment in <i>Charistead v Charistead and Ors</i> (Case P6/2021), whichever is later.
<i>Consultations held during reporting period:</i>	56
<i>Background and Consultation Papers published during reporting period:</i>	8
<i>Submissions received during reporting period:</i>	30
<i>Seminars and Webinars held during reporting period:</i>	1



Background

Terms of Reference

On 11 September 2020, the Attorney-General asked the ALRC to inquire into 'whether, and if so what, reforms to the laws relating to impartiality and bias as they apply to the federal judiciary are necessary or desirable'. The ALRC has been tasked with having specific regard to:

- whether the existing law about actual or apprehended bias relating to judicial decision-making remains appropriate and sufficient to maintain public confidence in the administration of justice;
- whether the existing law provides appropriate and sufficient clarity to decision-makers, the legal profession and the community about how to manage potential conflicts and perceptions of partiality;
- whether current mechanisms for raising allegations of actual or apprehended bias, and deciding those allegations, are sufficient and appropriate, including in the context of review and appeal mechanisms; and
- any other matters related to these Terms of Reference.

The Terms of Reference emphasise the importance of this topic to:

- maintaining public confidence in the administration of justice for all Australians;
- ensuring that justice is both done and seen to be done in Commonwealth courts and tribunals; and
- the fundamental principles of procedural fairness, including that decision-makers must be independent and impartial

Amendment to the Terms of Reference

In February 2021, the High Court granted special leave to appeal in a case concerning the law of apprehended bias (*Charistead v Charisteads and Ors* (Case P6/2021)), which may have an impact on the law currently being examined by the ALRC in this Inquiry. Consequently, on 21 June 2021, the timeframe for reporting was amended so as to allow two months from the delivery of the High Court of Australia's judgment in *Charisteads*, if this date is later than 30 September 2021.

Consultation

In December 2020, the ALRC published the first in a series of background papers, which examined the existing law and procedures relating to issues of actual and apprehended bias. This was followed by six other background papers published in early 2021, which explored the following topics:

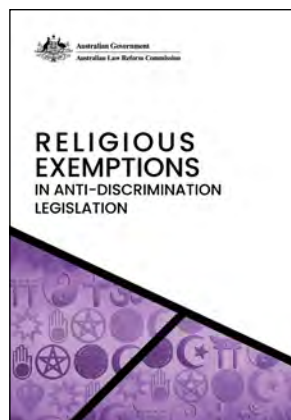
- recusal and self-disqualification processes;
- the Federal Judiciary in context;
- theories of judicial impartiality;
- ethics, professional development, and accountability
- the cognitive and social biases in judicial decision-making; and
- the fair-minded observer test.

From February 2021 to the end of the reporting period, the ALRC conducted 56 consultation meetings with 179 stakeholders, including representatives from the judiciary, the legal profession, the academy, and the broader community. On 30 April 2021, the ALRC released a Consultation Paper which advanced 25 proposals and questions and invited the public to make submissions in relation to these. Thirty submissions have been received in the reporting period and will be used in shaping the ALRC's recommendations in the final report.

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 (none in this reporting period)
<i>Consultations held:</i>	44 (none 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 (none 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. 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.

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.

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.

REPORT ON PERFORMANCE



REPORT ON PERFORMANCE

ANNUAL PERFORMANCE STATEMENT

Introductory statement

The ALRC annual performance statement is prepared for paragraph 39(1)(a) and (b) of the PGPA Act for the 2020–21 financial year and, in the opinion of the President as the Accountable Authority, complies with subsection 39(2) of the PGPA Act.

Our purpose

This annual performance statement provides information about ALRC's performance in achieving its purpose. The purpose as set out in the Portfolio Budget Statement 2021–22 is to contribute to informed government decisions about law reform that will lead to a fair, equitable and accessible system of federal justice that contributes to a just and secure society.

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. Within the current budget, the ALRC maintains an average staffing level of 10 and has the capacity to work on two inquiries at any one time.

The ALRC will work on two inquiries in 2021–22, the first on Judicial Impartiality and the second on Financial Services. The former will be completed by 30 September 2021, or two months from delivery of the High Court of Australia's judgment in *Charistead v Charisteads and Ors* (Case P6/2021), whichever is later. The inquiry into principled based regulation of financial services will be completed in financial year 2023–24 (30 November 2023). In August 2019, the ALRC's Religious Exemptions Inquiry was placed in abeyance by the Attorney-General whilst the Government pursued its Religious Freedoms Bill. The timing of the ALRC's active engagement in this Inquiry is therefore dependent on the Government's legislative program.

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 2020–21

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 and tribunal decisions, and in academic and other publications;
- the number of submissions received for each Inquiry;
- the number of consultations held for each Inquiry;
- 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 public attendees at ALRC seminars; and
- the number of publications, presentations, and speaking engagements of ALRC staff.

The ALRC Performance Criteria are sourced from the ALRC Corporate Plan 2021–25.

Result against performance criteria

Table 2: KPI performance 2020–21

Performance measure	2020–21 target	2020–21 actual	
Number of reports	4	1	▪ <i>Judicial Impartiality: Consultation Paper</i> (CP 1, April 2021)
Timeliness of reports	100%	N/A	(No Inquiries had a reporting date during 2020–21)
Citations or references	100	477	▪ 90 – court and tribunal decisions ▪ 233 – academic publications ▪ 154 – Parliamentary debates and committee reports
Submissions received per Inquiry	50	▪ 30 – Judicial Impartiality ▪ 0 – Financial Services ▪ 0 – Religious Exemptions	
Consultations held per Inquiry	25	▪ 56 – Judicial Impartiality ▪ 74 – Financial Services ▪ 0 – Religious Exemptions	
Presentations, articles and speaking engagements	25	52	
Broader Community Engagement			
E-news subscribers	1350	3793 ⁴	▪ 2199 – ALRC Brief ▪ 553 – Religious Exemptions ▪ 573 – Financial Services ▪ 468 – Judicial Impartiality
Visitors to website	500,000	▪ Visits: 1,694,766 ▪ Page views: 2,564,428 ▪ Unique visitors: 1,163,547	
Public attendance at ALRC seminars	250	1706	

⁴ This total figure includes people who have subscribed to multiple E-news feeds.

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 published one consultation paper in 2020–21: *Judicial Impartiality: Consultation Paper* (CP 1, April 2021).

The ALRC did not meet its target for number of reports in 2020–21 due to a delay in requests to undertake inquiries.

In conjunction with the *Judicial Impartiality Consultation Paper* (CP 1, April 2021), the ALRC published seven background papers as part of the Review of Judicial Impartiality in 2020–21.

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. No inquiries had a reporting date during the period 2020–21.

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 identified 90 mentions of ALRC reports in the judgments of Australian courts and tribunals during 2020–21. This included six citations by the High Court of Australia and 33 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);
- *Recognition of Aboriginal Customary Laws* (ALRC Report 31, 1986);
- *Elder Abuse—A National Legal Response* (ALRC Report 131, 2017); and
- *Integrity, Fairness and Efficiency—An Inquiry into Class Action Proceedings and Third-Party Litigation Funders* (ALRC Report 134, 2018).

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.

There were 154 references to ALRC reports and recommendations in second reading speeches and other Parliamentary proceedings during 2020–21. Examples include references to:

- *Integrity, Fairness and Efficiency—An Inquiry into Class Action Proceedings and Third-Party Litigation Funders* (ALRC Report 134, 2017) in relation to the *Corporations Amendment (Litigation Funding) Regulations 2020* under the *Corporations Act 2001* (Cth).
- *Connection to Country: Review of the Native Title Act* (ALRC Report 126, 2015) in relation to the *Native Title Legislation Amendment Bill 2020* to amend the *Native Title Act 1993* (Cth).

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 2020–21, the ALRC was cited in at least 233 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);
- *Corporate Criminal Responsibility* (ALRC Report 136, 2020);
- *Grouped Proceedings in the Federal Court* (ALRC Report 46, 1998);
- *The Law on Judicial Bias: A Primer* (ALRC JI1, 2021); 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 30 submissions in 2020–21. All of the submissions related to the Judicial Impartiality Inquiry.

The ALRC did not call for submissions in relation to the Financial Services Inquiry or the Religious Exemptions Inquiry. Accordingly, no submissions were received.

Table 3: Submissions received in 2020–21

Consultation paper	Submission closing date	Submissions received during reporting period
Judicial Impartiality: Consultation Paper (CP 1, 2021)	30 June 2021	30

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 ALRC's law reform process. In 2020–21, the ALRC conducted 130 consultations with stakeholders and experts across Australia and overseas.⁵ No consultations were held for the Religious Exemptions in Anti-Discrimination Legislation Inquiry as it is currently on hold.

Table 4: Consultations held in 2020–21

Inquiry	Number of consultations held during reporting period
Judicial Impartiality	56
Financial Services	74
Religious Exemptions	0
Total consultations	130

⁵ A consultation may involve multiple individuals. Therefore the number of individuals directly consulted is necessarily higher than the number of consultations recorded.

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 52 presentations, articles, and speaking engagements by ALRC Commissioners and staff in 2020–21.

Highlights of ALRC presentations and speaking engagements in 2020–21 included:

- Publication of the 4th edition of *Australian Maritime Law* – co-authored by Justice S C Derrington.
- Presentation at the Conexus Financial Summit in the Blue Mountains by Justice S C Derrington and Christopher Ash.
- Presentation on the Financial Services Regulatory Ecosystem by Nicholas Simoes da Silva.

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 5: E-news subscribers at 30 June 2021

Audience	Number of subscribers
ALRC Brief	2199
Religious Exemptions in Anti-Discrimination Legislation E-News	553
Financial Services Legislation E-News	573
Judicial Impartiality E-News	468

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.

Key website metrics from Google Analytics for 2020–21 include:

- visits = 1,694,766;
- page views = 2,564,428; and
- unique visitors = 1,163,547.

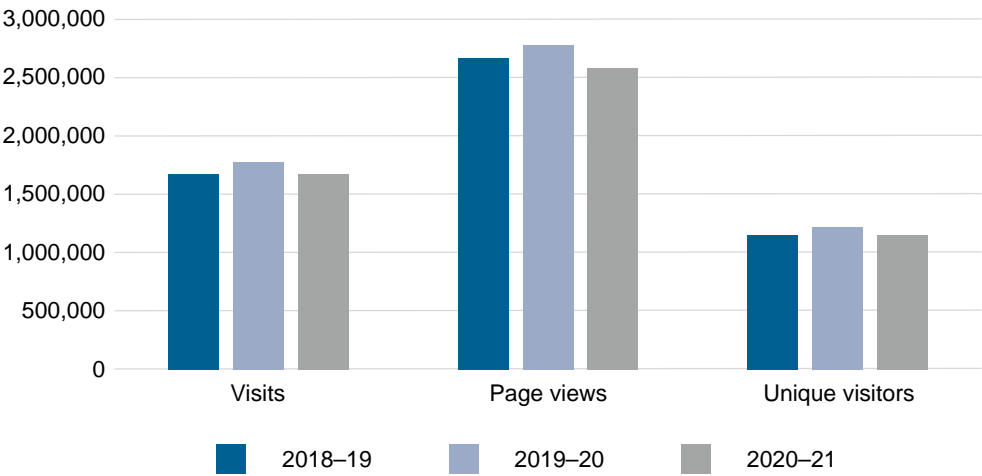
These metrics represent, compared to the 2019–20 reporting period:

- 6.0% decrease in visits;
- 8.1% decrease in page views; and
- 5.6% decrease in unique visitors.

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

- 3.1% increase in visits;
- 4.2% decrease in page views; and
- 2.6% increase in unique visitors.

Figure 1: Comparison of website traffic: July–June in 2018–19, 2019–20 and 2020–21



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 2020–21, the top four ALRC reports downloaded via the website were as follows:

- *Pathways to Justice—Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples* (ALRC Report 133)
- *Corporate Criminal Responsibility* (ALRC Report 136)
- *Family Law for the Future—An Inquiry into the Family Law System* (ALRC Report 135)
- *Recognition of Aboriginal Customary Laws* (ALRC Report 31)

The reporting metric for access to ALRC reports changed in the 2020–21 period, with downloads determined as the most accurate measurement. Older reports are also accessed via html pages which are not included in the download report. In 2020–21, the top four ALRC reports accessed through the website were as follows:

- *Recognition of Aboriginal Customary Laws* (ALRC Report 31)
- *For Your Information: Australian Privacy Law and Practice* (ALRC Report 108)
- *Family Violence—A National Legal Response* (ALRC Report 114)
- *Pathways to Justice—Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples* (ALRC Report 133)

The continued inclusion in both lists 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.

ALRC Seminars

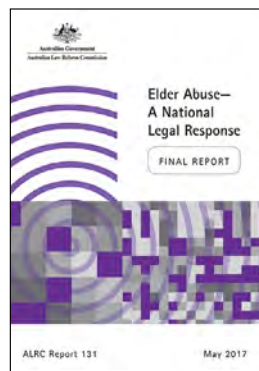
The ALRC held seven seminars or webinars in the reporting period which were attended by a total of 1706 people. The recordings of these events are available for online viewing. The events were:

- Four parts of a webinar series for the Future of Law Reform project.
- One seminar for the Judicial Impartiality Inquiry.
- Two online webinars for the Financial Services Inquiry.

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 2020–21 the Australian Government took steps to further implement *Elder Abuse—A National Legal Response* (ALRC Report 131, 2017). The Attorneys-General from each Australian jurisdiction held a public consultation to understand public perceptions of a mandatory national registration scheme for enduring powers of attorney relating to financial matters to reduce the financial abuse of older Australians. This proposal engages and implements Recs 5–1 to 5–3 of the ALRC report. On 27 July 2020, the Attorneys-General agreed in-principle to implement recommendation Rec 5–3 for a national register of enduring documents.



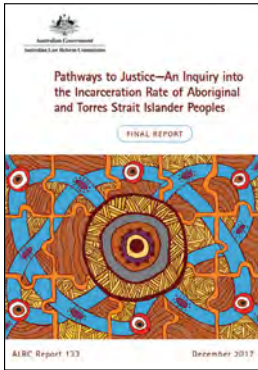
On 23 September 2020, the Law Council of Australia released a guide to help practitioners identify and address elder abuse. This adopted Rec 8–1 of the ALRC report and provides instruction as to how to effectively manage working with at-risk clients to avoid elder abuse, as well as illustrating the warning signs and the importance of record keeping.

On 1 April 2021, the Government introduced the Serious Incident Response Scheme to help prevent and reduce Elder Abuse in residential aged care centres. This implements Rec 4–1, and goes some way to implementing Rec 4–2, of the ALRC report in creating a commission to receive and address notices about serious incidents.

Further, the Federal Budget contained a targeted capital gains tax exemption for granny flat arrangements which implemented Rec 6–2 of the ALRC report. In addition, the Department of Health is implementing Rec 4–7 having commenced development of an Aged Care Centre for Growth and Translational Research to develop best practice to care for senior Australians, and training for aged care providers.



In March 2021, the Government published a response to the final report of *Family Law for the Future—An Inquiry into the Family Law System* (ALRC Report 135, 2019). Of sixty recommendations advanced by the ALRC, the government agreed with 14, agreed in part or in principle with 19, noted 21, and disagreed with six. In May 2021, the then Federal Circuit Court of Australia conducted a recruitment for Indigenous Family Law Liaison Officers in a number of registries. The purpose of these positions is to assist Aboriginal and Torres Strait Islander litigants and families through the family law system. This is an implementation of Rec 45 from the *Review of the Family Law System*.



The Commonwealth, and state and territory, governments again 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). In 2021, the Northern Territory implemented Rec 16–2 of the Final Report with the *Northern Territory Aboriginal Justice Agreement 2021–2027* transforming the way justice services are constituted and delivered in the Northern Territory to improve justice outcomes for Aboriginal Territorians. Similarly, on 1 July 2020, the Commonwealth Government agreed key “Closing the Gap” targets with state and territory Governments, and peak bodies, specifically to reduce incarceration rates of Aboriginal and Torres Strait Islander peoples in response to Rec 16–1.

Further, in April 2021, the New South Wales Select Committee on the High Level of First Nations People in Custody and Oversight and Review of Deaths in Custody recommended, as its first recommendation, that the NSW Government commit to implementation of all outstanding recommendations within state jurisdiction from *Pathways to Justice—Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples* (ALRC Report 133, 2018).

The ALRC continues to have impact beyond the Commonwealth. This year for example, *Making Inquiries: A New Statutory Framework* (ALRC Report 111, 2010), in particular the recommendations in Part D, was partially adopted by the Tasmanian Government with the passage of the *Justice Miscellaneous (Commissions of Inquiry) Act 2021* (Tas) on 22 April 2021, which amends the *Commissions of Inquiry Act 1995* (Tas). This Act now gives increased powers, and stronger guarantees of procedural fairness to Commissions of Inquiry in Tasmania.

SUMMARY AND ANALYSIS OF FINANCIAL PERFORMANCE

Financial outcomes

Operating outcome

The 2020–21 financial statements show an operating surplus of \$0.143m.

Operating revenue

The ALRC's operating revenue of \$2.847m comprised of revenue from government of \$2.621m, revenue from sale of goods (publications) of \$0.190, other revenue (audit remuneration) of \$0.036.

Operating expenses

Total operating expenses of \$2.713m in 2020–21, were \$0.372m more than 2019–20.

The ALRC's depreciation and amortisation expense increased by \$0.010m.

Equity

The ALRC's total equity is \$0.672m. This includes contributed equity of \$0.334m.

Total assets

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

Total liabilities

The ALRC's total liabilities decreased by \$0.239m.

Entity resource statement

The ALRC's Entity Resource Statement and Expenses for Outcomes 2020–21, which summarises the total resources available to the ALRC and the total payments made by the ALRC during 2020–21, 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 2020–21.

Members of the Commission

Table 6 lists members of the ALRC during 2020–21 and their terms of appointment. On 30 June 2021, there were three members of the ALRC — one full-time member and two part-time members.

Table 6: Members 2020–21

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 the Legislative Framework for Corporations and Financial Services Regulation Review	
The Hon Justice Craig Colvin	18 February 2021–30 November 2023

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 7: Remuneration of key management personnel 2020–21

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	\$504,136						\$504,136

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 8.

Table 8: 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		
\$230,001-\$245,000	1	\$149,037		\$57,216	\$30,991	\$6,002			\$243,246

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 2020–21, 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 2021–25 was published on 31 August 2021 and is available on the ALRC website.

Financial management and audit

The audit of the 2020–21 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 2020–21 financial accounts and provided an interim report to the Audit and Risk Committee in June 2021.

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 and Risk 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 2020–21, 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 2020–21.

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
- its Business Continuity Plan.

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 2020–21, 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 2020–21, there were no public interest disclosures.

The Audit and Risk Committee annually reviews the effectiveness of the systems processes for monitoring compliance with legislation and regulations.

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 2020–21, there were no conflict of interest disclosures.

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 and Risk Committee is established in compliance with section 45 of the PGPA Act and section 17 of the PGPA Rule. The objective of the Audit and Risk Committee is to provide independent advice to the President on the appropriateness of ALRC's system of risk oversight and management, its system of internal control, and its financial and performance reporting responsibilities.

The charter setting out the functions of the Audit and Risk Committee is available at: <https://www.alrc.gov.au/wp-content/uploads/2020/08/ALRC-Audit-and-Risk-Committee-Charter-as-at-July2021.pdf>.

The Audit and Risk Committee is made up of three members, appointed by the President. From 1 July 2021, PGPA Rule section 17(4) requires that all of the members of the Audit and Risk Committee must be persons who are not officials of the Commission; and a majority of the members must be persons who are not officials of any Commonwealth entity, in order to strengthen the independence of the audit and risk committee and broaden its members' skills (*A Guide for Non-Corporate Commonwealth Entities on the Role of Audit Committees*, March 2020).

The ALRC Audit and Risk Committee Forward Plan sets a meeting schedule and outlines the activities of the Audit and Risk Committee over the next financial year. The Audit and Risk Committee met in July, September and October 2020, and in March and June 2021. The President renewed Ms Jennifer Clark's appointment as Chair for a further 15 months to October 2022, and appointed Mr Tim Kelly, Partner in Advisory and Risk at EY. Mr Kelly replaces Ms Lily Viertmann in order to comply with the amended PGPA Rule Section 17 (4). A representative of the ANAO is also invited to attend meetings of the Audit and Risk Committee and in 2020–21 attended each Audit and Risk Committee meeting.

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

Table 9: ALRC Audit and Risk Committee membership 2020–21

Committee Member	Qualifications, knowledge, skills and experience	Number of meetings attended	Total annual remuneration (\$) (inc GST)
Jennifer Clark (Chair)	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.	5 of 5	\$16,500
Cherie Enders (Independent Member)	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.	5 of 5	Nil *

Committee Member	Qualifications, knowledge, skills and experience	Number of meetings attended	Total annual remuneration (\$) (inc GST)
Tim Kelly (Independent Member from June 2021)	Mr Kelly is a Partner at EY and the Oceania EY Enterprise Risk leader and the leader of the EY Federal Government Internal Audit Practice with over 20 years' experience specialising in the Australian Government sector. His experience includes Internal Audit; probity; project management; program review; operational audits; performance improvement; compliance and contract management. Mr Kelly is a Certified Internal Auditor and Government Audit Professional and a Professional Member of the Institute of Internal Auditors.	1 of 1	Nil
Lily Viertmann (Independent Member until March 2021)	Ms Viertmann has held senior roles in the Commonwealth and State Government in a number of portfolios including treasury, finance, health, defence, environment and industrial relations. She has over 10 years' experience as Chief Finance Officer in a number of Commonwealth entities. She has a Bachelor of Economics and a Master in Business Administration majoring in Financial Management. She is a Fellow Certified Practising Accountant and a graduate of the Australian Institute of Company Directors. She was, until August 2020, the Chief Finance Officer, Chief Risk Officer and the Chief Audit Executive of a Commonwealth Agency. Ms Viertmann was appointed to Services Australia in September 2020. She is General Manager, Corporate and Cross Government Services.	3 of 4	Nil *
Kathryn Hunter (Independent Member until July 2020)	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.	1 of 1	Nil *

*Australian public servants are not paid as committee members

EXTERNAL SCRUTINY AND CONTROLS

There have been no significant developments affecting the ALRC’s external scrutiny in 2020–21.

Parliamentary scrutiny

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

The ALRC was not required to appear at Senates Estimates in 2020–21.

HUMAN RESOURCE MANAGEMENT

Staffing

The ALRC has one office in Brisbane. On 30 June 2021, the ALRC employed 13 APS staff with a full-time equivalent staffing level of 12 FTE. These figures do not include Commissioners. All staff are based in Brisbane, with the exception of one staff member who is based in Melbourne.

Table 10: Staffing profile as at 30 June 2021

APS/ALRC classification	Men	Women	Full-time	Part-time	Total
EL2/PLO (\$139,118–\$202,813)	2	0	2	0	2
EL1/SLO (\$103,517–\$135,067)	2	1	2	1	3
APS 5–6/LO (\$77,828–\$98,587)	1	5	4	2	6
APS 3–4 (\$61,437–\$75,560)	1	1	2	0	2
Total	6	7	10	3	13

Indigenous employment / internship

During the 2020–21 financial year, there were no employees who identified as Indigenous.

In January and June 2021 the ALRC hosted two interns supported under the Aurora Project. The Internship provides participating students and graduates with an opportunity to learn and contribute to the law reform process in Australia.



*2021 Aurora Interns Casey Woodside and Sharna Willie
with the Hon Justice S C Derrington and Sarah Fulton*

Staff retention and turnover

During 2020–21, two 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 11.

Table 11: 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 2020–21, three employees were awarded a performance bonus, amounting to a total bonus payment for the year of \$7,281.48.

Table 12: Performance Bonuses 2020–21

Classification	Number of employees	Total paid	Average	Range
EL2	1	1,620.84	1,620.84	1,620.84
EL1	1	4,009.34	4,009.34	4,009.34
APS5	1	1,651.30	1,651.30	1,651.30

Further details of total remuneration expenditure in 2020–21 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. Three employees applied for study leave during 2020–21.

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.

The ALRC has clinical education opportunities with the Law Programs at three universities: Monash University, the University of Sydney, and The University of Queensland. The program at Monash commenced in 2018, and the programs with the University of Sydney and The 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. Except for students at the University of Sydney, participants receive course credit for their work with the ALRC. These university partnerships replaced the direct internship program previously offered by the ALRC.

During 2020–21, 14 students from the Faculty of Law at Monash University and six students from the School of Law at The University of Queensland participated in the ALRC clinical education program, undertaking research on topics related to both the ALRC's Judicial Impartiality and Financial Services Legislation inquiries. Ten students from the University of Sydney's Policy Reform Project (organised by the Faculty of Arts and Social Sciences) undertook research for the ALRC's Judicial Impartiality Inquiry.



Monash University law clinic students presentation semester 1 2021

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 2020–21, 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 2020–21, two new reportable consultancy contracts were entered into involving total actual expenditure of \$14,040. In addition, no ongoing reportable 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 2020–21, 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/%20about/access-information/information-publication-scheme/>

During 2020–21, the ALRC received one FOI request.

Legal services expenditure

As per the *Legal Services Directions 2017* (Cth), the ALRC reports that during 2020–21 the ALRC was compliant with these Directions. The ALRC had no legal expenditure for 2020–21.

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.

In 2020–21, following consultation with staff, the ALRC adopted a new Workplace Discrimination, Harassment and Bullying Policy. This policy is designed to make ALRC personnel (including Commissioners, staff, contractors, consultants, and interns) aware of, among other things, what constitutes unlawful discrimination, harassment, sexual harassment, and bullying and their obligations in relation to it, along with the procedures the ALRC has in place to deal with complaints of such conduct, including provision of an external confidential reporting service. The policy is available on the ALRC's website.

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. During a number of short 'lockdown' periods during 2020–21 all staff worked from home due to the COVID-19 pandemic. During these periods staff were allowed to take all necessary office equipment home from the office.

There were no accidents or any dangerous occurrences during 2020–21 that required giving of notice under the *Work Health and Safety Act 2011* (Cth).

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 2020–21, five 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 2020–21.

Energy efficiency

The ALRC is located in the Commonwealth Law Courts Building at Level 4, 119 North Quay, Brisbane. In June 2021, the Commonwealth Law Courts contracted to install motion sensor lighting in the public and foyer areas of the Commonwealth Law Courts and also in the ALRC office. This new system will improve the quality of lighting and will also reduce energy consumption which can reduce the environmental impact as well as the cost of electricity consumption.

Employees are 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.

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





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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 2021:

- (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 2021 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 2021 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 President 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 President is also responsible for such internal control as the President 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 President 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 President 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.

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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



Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
21 September 2021

Australian Law Reform Commission
Financial Statements 2020-21



Contents

Certification

Statement by the Accountable Authority 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 Current/non-current distinction for 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 2021 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
President and Chief Financial Officer
21st day of September 2021

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2021

	Notes	2021 \$	2020 \$	Original Budget \$
NET COST OF SERVICES				
EXPENSES				
Employee benefits	1.1A	1,991,274	1,739,184	2,079,000
Suppliers	1.1B	514,197	401,755	422,000
Finance costs	1.1C	26,510	29,208	27,000
Depreciation and amortisation	2.2A	181,306	170,503	189,000
Total expenses		2,713,287	2,340,650	2,717,000
OWN-SOURCE INCOME				
Own-source revenue				
Revenue from contracts with customers	1.2A	198,913	14,119	1,000
Interest	1.2B	-	1,202	-
Other gains	1.2C	36,000	36,000	39,000
Total own-source revenue		234,913	51,321	40,000
Total own-source income		234,913	51,321	40,000
Net cost of services		2,478,374	2,289,329	2,677,000
Revenue from Government	1.2C	2,621,000	2,607,000	2,621,000
Surplus/(deficit) attributable to the Australian Government		142,626	317,671	(56,000)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		2,703	-	-
Total other comprehensive income		2,703	-	-
Total comprehensive income		145,329	317,671	(56,000)

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:
Suppliers - The variance is primarily driven by an increase in profession services expenditure associated with the Judicial Impartiality Inquiry and an increase in IT costs.
Revenue from contracts with customers - The variance is primarily due to the Commission fully drawing down the income in advance balance to fund empirical research for the Judicial Impartiality Inquiry.
Changes in asset revaluation surplus - The Commission undertook a revaluation of its fitout and plant and equipment assets at 30 June 2021. This resulted in an increase in the fair value of the Commission's plant and equipment assets. The revaluation increment was taken to equity.

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Notes	2021 \$	2020 \$	Original Budget \$
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	982,553	968,118	968,000
Trade and other receivables	2.1B	29,550	21,457	21,000
Total financial assets		1,012,103	989,575	989,000
Non-financial assets				
Property, plant and equipment	2.2A	1,265,003	1,361,438	1,373,000
Intangibles - software	2.2A	14,196	18,679	18,000
Total non-financial assets		1,279,199	1,380,117	1,391,000
Total assets		2,291,302	2,369,692	2,380,000
LIABILITIES				
Payables				
Suppliers	2.3A	51,913	20,979	45,000
Other payables	2.3B	1,042	211,692	188,000
Total payables		52,955	232,671	233,000
Interest bearing liabilities				
Leases	2.4A	1,212,862	1,345,952	1,398,000
Total interest bearing liabilities		1,212,862	1,345,952	1,398,000
Provisions				
Employee provisions	4.1A	353,291	279,204	279,000
Total provisions		353,291	279,204	279,000
Total liabilities		1,619,108	1,857,827	1,910,000
Net assets		672,194	511,865	470,000
EQUITY				
Contributed equity		334,000	319,000	334,000
Reserves		137,761	135,058	135,000
Accumulated surplus		200,433	57,807	1,000
Total equity		672,194	511,865	470,000

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:

Trade and other receivables - The variance is due to a timing issue of GST payments.

Property, plant and equipment - The variance is primarily driven by acquisitions being less than was originally budgeted for in 2020-21. The budget non-financial asset balances were updated in the 2020-21 Portfolio Additional Estimates (PAES).

Intangibles - software - The variance is primarily due to the budgeted amount not including accumulated amortisation in 2020-21.

Suppliers - The variance is primarily due to a timing issue.

Other payables - The variance is due to the Commission's income in advance being fully drawn down at 30 June 2021. This was agreed with the provider of the funds after the Commission's budget was prepared.

Leases - The variance is primarily driven by right-of-use leases being less than was originally budgeted for in 2020-21. The budget lease balance was updated in the 2020-21 PAES.

Employee provisions - The variance reflects the impact of staff continuing to take less leave because of COVID-19.

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF CHANGES IN EQUITY

as at 30 June 2021

	2021 \$	2020 \$	Original Budget \$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	319,000	303,000	319,000
Adjusted opening balance	319,000	303,000	319,000
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	15,000	16,000	15,000
Total transactions with owners	15,000	16,000	15,000
Closing balance as 30 June	334,000	319,000	334,000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	57,807	(266,119)	57,000
Adjustment on initial application of AASB 16	-	6,256	-
Adjusted opening balance	57,807	(259,863)	57,000
Comprehensive income			
Surplus/(Deficit) for the period	142,626	317,671	(56,000)
Total comprehensive income	142,626	317,671	(56,000)
Closing balance as 30 June	200,433	57,807	1,000
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	135,058	135,058	135,000
Adjusted opening balance	135,058	135,058	135,000
Comprehensive income			
Other comprehensive income	2,703	-	-
Total comprehensive income	2,703	-	-
Closing balance as 30 June	137,761	135,058	135,000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	511,865	178,195	511,000
Adjusted opening balance	511,865	178,195	511,000
Comprehensive income			
Surplus/(Deficit) for the period	142,626	317,671	(56,000)
Total comprehensive income	142,626	317,671	(56,000)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	15,000	16,000	15,000
Total transactions with owners	15,000	16,000	15,000
Closing balance as 30 June	672,194	511,865	470,000

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 variances between budget and actual in the Statement of Changes in Equity are due to the variances discussed in the other statements.

AUSTRALIAN LAW REFORM COMMISSION
CASH FLOW STATEMENT

for the period ended 30 June 2021

	Notes	2021 \$	2020 \$	Original Budget \$
OPERATING ACTIVITIES				
Cash received				
Sale of goods and rendering of services		11,821	15,539	1,000
Appropriations		2,621,000	2,607,000	2,621,000
Net GST received		53,281	45,706	-
Total cash received		2,686,102	2,668,245	2,622,000
Cash used				
Employees		1,940,102	1,618,608	2,079,000
Suppliers		509,318	850,535	383,000
Interest payments on lease liabilities		26,510	29,208	27,000
Total cash used		2,475,930	2,498,351	2,489,000
Net cash from operating activities		210,172	169,894	133,000
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		77,647	11,821	15,000
Purchase of intangibles		-	22,415	-
Total cash used		77,647	34,236	15,000
Net cash used by investing activities		(77,647)	(34,236)	(15,000)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		15,000	16,000	15,000
Total cash received		15,000	16,000	15,000
Cash used				
Principal payments of lease liabilities		133,090	119,490	133,000
Total cash used		133,090	119,490	133,000
Net cash from financing activities		(118,090)	(103,490)	(118,000)
Net increase/(decrease) in cash held		14,435	32,168	-
Cash and cash equivalents at the beginning of the reporting period		968,118	935,950	968,000
Cash and cash equivalents at the end of the reporting period		982,553	968,118	968,000

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:

Cash used - employees & suppliers - The variances are due to the variances discussed in the other statements.

Purchase of property, plant and equipment - The variance is primarily due to the capitalisation of fitout works undertaken during 2020-21.

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.

Impact of COVID-19

COVID-19 has not caused any significant impact to the operating result of the Commission or amounts recorded for assets and liabilities in the financial statements.

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.

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 2021.

1.1 Expenses

	2021	2020
	\$	\$
1.1A: Employee benefits		
Wages and salaries	1,647,399	1,454,334
Superannuation		
Defined benefit plans	21,454	16,229
Defined contribution plans	168,404	126,133
Leave and other entitlements	154,017	142,488
Total employee benefits	1,991,274	1,739,184

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	6,378	1,600
Library	23,885	11,582
Professional services	234,545	74,081
Printing and office requisites	8,550	32,317
Freight and removals	1,533	-
Telephone and postage	11,576	19,082
Incidentals	3,447	19,416
Minor assets	42,111	59,285
Staff training	9,563	6,072
Maintenance	31,561	37,024
Advertising	-	194
Travel	42,066	74,718
IT services	95,674	64,981
Total goods and services supplied or rendered	510,889	400,352

Goods supplied	47,824	73,529
Services rendered	463,065	326,823
Total goods and services supplied or rendered	510,889	400,352

Other suppliers

Workers compensation expenses	3,308	1,403
Total other suppliers	3,308	1,403
Total suppliers	514,197	401,755

The Commission has no short-term lease commitments at 30 June 2021.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C, 2.2 and 2.4A.

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	26,510	29,208
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Accounting Policy

All borrowing costs are expensed as incurred.

1.2 Own-source revenue and gains

	2021	2020
	\$	\$
1.2A: Revenue from contracts with customers¹	198,913	14,119

Accounting Policy

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

1.2B: Interest²	-	1,202
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1.2C: Other gains

Resources received free of charge - ANAO	36,000	36,000
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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	2,621,000	2,607,000
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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.

¹ This includes an amount of \$0.188m provided by the Attorney-General's Department to fund activities associated with the Judicial Impartiality Inquiry undertaken by the Commission.

² In the 2019-20 financial year, the Commission received interest revenue from the Reserve Bank of Australia and from the Australian Taxation Office for a delay in processing the Commission's 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

	2021	2020
	\$	\$
2.1A: Cash and cash equivalents		
Cash on hand or on deposit	48,364	62,929
Cash in special accounts	934,189	905,189
Total cash and cash equivalents	982,553	968,118

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	527	776
Total goods and services receivables	527	776

Other receivables

Statutory receivables (GST)	29,023	20,681
Total other receivables	29,023	20,681
Total trade and other receivables (gross)	29,550	21,457
Total trade and other receivables (net)	29,550	21,457

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 (2020: 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 2020				
Gross book value	1,471,696	129,387	22,415	1,623,498
Accumulated depreciation	(159,102)	(80,543)	(3,736)	(243,381)
Total as at 1 July 2020	1,312,594	48,844	18,679	1,380,117
Additions				
Purchase	73,137	4,510	-	77,647
Revaluations and impairments recognised in other comprehensive income	-	2,703	-	2,703
Depreciation and amortisation	(6,857)	(10,864)	(4,483)	(22,204)
Depreciation on right-of-use assets	(159,102)	-	-	(159,102)
Other movements	-	38	-	38
Total as at 30 June 2021	1,219,772	45,231	14,196	1,279,199
Total as at 30 June 2021 represented by				
Gross book value	1,537,976	45,231	22,415	1,605,622
Accumulated depreciation and impairment	(318,204)	-	(8,219)	(326,423)
Total as at 30 June 2021	1,219,772	45,231	14,196	1,279,199
Carrying amount of right-of-use assets	1,153,492	-	-	1,153,492

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

Revaluations of non-financial assets

Land and buildings

All revaluations were undertaken in accordance with the revaluation policy stated below. In 2021, there was a nil decrement (2020: nil decrement) for leasehold improvements that was debited to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position.

Plant and equipment

All revaluations were undertaken in accordance with the revaluation policy stated below. In 2021 there was a \$2,703 increment (2020: nil increment) for plant and equipment that was credited against the asset revaluation surplus by asset class and included in the equity section of the statement of financial position.

On 30 June 2021, Public Private Property Pty Ltd conducted the revaluation.

No indicators of impairment were found for land and buildings, plant and equipment and intangibles.

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 2021.

2.3 Payables

	2021 \$	2020 \$
2.3A: Suppliers		
Trade creditors and accruals	51,913	20,979
Total suppliers	51,913	20,979

Settlement is usually made net 30 days.

2.3B: Other payables

Wages and salaries	1,042	23,957
Unearned income ¹	-	187,735
Total other payables	1,042	211,692

¹ The decrease represents the drawdown of income in advance from the Attorney-General's Department to fund activities associated with the Judicial Impartiality Inquiry in 2020-21.

2.4 Interest bearing liabilities

2.4A: Leases

Lease liabilities	1,212,862	1,345,952
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Total cash outflow for leases for the year ended 30 June 2021 was \$159,600 (2020: \$154,952).

Maturity analysis - contractual undiscounted cash flows

Within 1 year	164,388	159,600
Between 1 to 5 years	708,371	872,760
More than 5 years	436,291	436,291
Total leases	1,309,050	1,468,651

The Commission in its capacity as lessee has the following significant leasing arrangement: part of Level 4, 119 North Quay, Brisbane.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C, and 2.2.

Accounting Policy

For all new contracts entered into, the Commission considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

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 2021

	Annual appropriation ¹	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2021 (current and prior years)	Variance ³
	\$	\$	\$	\$	\$
DEPARTMENTAL					
Ordinary annual services	2,621,000	-	2,621,000	2,621,000	-
Capital budget ⁴	15,000	-	15,000	15,000	-
Total departmental	2,636,000	-	2,636,000	2,636,000	-

1. In 2020-21 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 2020-21, 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 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.

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

	2021 \$	2020 \$
Departmental		
2020-21 Supply Act 1	-	-
2020-21 Supply Act 1 - Departmental Capital Budget (DCB)	-	-
2020-21 Appropriation Act 1	-	-
2020-21 Appropriation Act 1 - Departmental Capital Budget (DCB)	-	-
Total departmental	-	-

3.2 Special accounts

	Law Reform Special Account (Departmental)	
	2021	2020
	\$	\$
Balance brought forward from previous period	968,118	935,950
Increases		
Appropriation credited to special account	2,636,000	2,623,000
Total increases	2,636,000	2,623,000
Available for payments	3,604,118	3,558,950
Decreases		
Departmental		
Payments made to suppliers	(681,463)	(972,224)
Payments made to employees	(1,940,102)	(1,618,608)
Total decreases	(2,621,565)	(2,590,832)
Total balance carried to the next period	982,553	968,118
Balance represented by:		
Cash held in Commission bank accounts	48,364	62,929
Cash held in the Official Public Account	934,189	905,189
Total balance carried to the next period	982,553	968,118

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

	2021 \$	2020 \$
4.1A: Employee provisions		
Leave	353,291	279,204
Total employee provisions	353,291	279,204
Employee provisions expected to be settled		
No more than 12 months	191,583	149,830
More than 12 months	161,708	129,374
Total employee provisions	353,291	279,204

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 2021 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.

	2021 \$	2020 \$
Short-term employee benefits		
Salary	468,020	508,118
Total short-term employee benefits	468,020	508,118
Other long-term employee benefits		
Annual leave	36,116	-
Total other long-term employee benefits	36,116	-
Total key management personnel remuneration expenses	504,136	508,118

The total number of key management personnel that are included in the above table are 1 (2020: 1).

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.

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

	2021 \$	2020 \$
5.1A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	982,553	968,118
Trade receivables	527	776
Total financial assets at amortised cost	983,080	968,894
Total financial assets	983,080	968,894
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	51,913	20,979
Other payables	1,042	211,692
Total financial liabilities measured at amortised cost	52,955	232,671
Total financial liabilities	52,955	232,671

There have been no net gains or losses on financial assets in 2020-21 (2020: nil). There have been no net gains or losses on financial liabilities in 2020-21 (2020: nil).

No financial assets have been reclassified in 2020-21 (2020: 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	
	2021	2020
	\$	\$
Non-financial assets		
Plant and equipment	111,511	48,844
Total	111,511	48,844

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 2021 (2020: 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 Current/non-current distinction for assets and liabilities

	2021	2020
	\$	\$
6.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	982,553	968,118
Trade and other receivables	29,550	21,457
Total no more than 12 months	1,012,103	989,575
More than 12 months		
Land and buildings	1,219,772	1,312,594
Plant and equipment	45,231	48,844
Intangibles - software	14,196	18,679
Total more than 12 months	1,279,199	1,380,117
Total assets	2,291,302	2,369,692
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	51,913	20,979
Other payables	1,042	211,692
Leases	140,732	133,090
Employee provisions	191,583	149,830
Total no more than 12 months	385,270	515,591
More than 12 months		
Leases	1,072,130	1,212,862
Employee provisions	161,708	129,374
Total more than 12 months	1,233,838	1,342,236
Total liabilities	1,619,108	1,857,827

ENTITY RESOURCE STATEMENT AND EXPENSES FOR OUTCOMES 2020–21

Entity Resource Statement 2020–21

	Actual available appropriation for 2020–21 \$'000	Payments made 2020–21 \$'000	Balance remaining 2020–21
	(a)	(b)	(a) – (b)
Special Accounts			
Opening balance	968		
Appropriation receipts ¹	2,636		
Other receipts	-		
Payments made		2,622	
Total Special Account	3,604	2,622	982
Total net resourcing and payments for ALRC²	3,604	2,622	

1 Appropriation Act (No.1) 2020–21, and includes an amount of \$16,000 in 2020–21 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:

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

Budget*	Actual expenses	Variation
2020–21 \$'000	2020–21 \$'000	2020–21 \$'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	2,621	2,655	(34)
Expenses not requiring appropriation in the Budget year	57	58	(1)
Total for Program 1	2,678	2,713	(35)

Outcome 1 Totals by appropriation type

Departmental expenses

Departmental Appropriation¹

Special Accounts	2,621	2,655	(34)
Expenses not requiring appropriation in the Budget year	57	58	(1)
Total expenses for Outcome 1	2,678	2,713	(35)

	2018–19	2020–21
Average Staffing Level	11	12

* Full year budget, including any subsequent adjustment made to the 2020–21 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
ALRC	Australian Law Reform Commission
ALRC Act	<i>Australian Law Reform Commission Act 1996 (Cth)</i>
ANAO	Australian National Audit Office
APS	Australian Public Service
ASIC	Australian Securities and Investments Commission
Criminal Code	Schedule to the <i>Criminal Code Act 1995 (Cth)</i>
CP	Consultation Paper
Cth	Commonwealth of Australia
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
PDS	Product Disclosure Statement
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 Services
SLO	Senior Legal Officer
SME	Small and Medium Enterprises
WH&S	Work Health and Safety

LIST OF REQUIREMENTS – NON-CORPORATE COMMONWEALTH ENTITIES

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.

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	iii	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.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	iv	Table of contents.	Mandatory
17AJ(b)	92	Alphabetical index.	Mandatory
17AJ(c)	82	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	84	List of requirements.	Mandatory
17AJ(e)	ii	Details of contact officer.	Mandatory
17AJ(f)	ii	Entity's website address.	Mandatory
17AJ(g)	ii	Electronic address of report.	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	2	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	6	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	6	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	22	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	22	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	36	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	36	Position of the accountable authority or each member of the accountable authority.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AE(1)(aa)(iii)	36	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory
17AE(2)	N/A	Where the outcomes and programs 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.	If applicable, Mandatory
17AD(c)	Report on the Performance of the entity		
	Annual performance Statements		
17AD(c)(i); 16F	22	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	33	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	79–80	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	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.	If applicable, Mandatory.
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	38	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	iii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(2)(b)(ii)	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.	Mandatory
17AG(2)(b)(iii)	iii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	36	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	N/A	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.	If applicable, Mandatory
Audit Committee			
17AG(2A)(a)	40	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	41	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	41	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	41–42	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	41–42	The remuneration of each member of the entity's audit committee.	Mandatory
External Scrutiny			
17AG(3)	43	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	N/A	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.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(3)(b)	N/A	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.	If applicable, Mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
Management of Human Resources			
17AG(4)(a)	46	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	43	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.	Mandatory
17AG(4)(b)	43	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: Statistics on staffing classification level; Statistics on full-time employees; Statistics on part-time employees; Statistics on gender; Statistics on staff location; Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	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> .	Mandatory
17AG(4)(c)(i)	43	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	43	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	43	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	43	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(d)(ii)	45	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	45	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	45	Information on aggregate amount of performance payments.	If applicable, Mandatory
Assets Management			
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory
Purchasing			
17AG(6)	47	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	N/A	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	48	A statement that <i>"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory
17AG(7)(c)	48	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.	Mandatory
17AG(7)(d)	48	A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."</i>	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
Reportable non-consultancy contracts			
17AG(7A)(a)	47	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	47	A statement that <i>“Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.”</i>	Mandatory
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	N/A	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)	N/A	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.	If applicable, Mandatory
Exempt contracts			
17AG(9)	N/A	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 exempted 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.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
	Small business		
17AG(10)(a)	47	A statement that <i>"[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."</i>	Mandatory
17AG(10)(b)	47	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>"[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."</i>	If applicable, Mandatory
	Financial Statements		
17AD(e)	53	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive Remuneration		
17AD(da)	37	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [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."</i>	If applicable, Mandatory
17AH(1)(a)(ii)	48	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AH(1)(c)	48	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	48	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	47	Information required by other legislation.	Mandatory

INDEX

A

Accountable Authority 22, 36, 38, 47
Instructions 36, 38
address and contact details ii
Advertising and market research 48
Air travel 50
ALRC Act. See *Australian Law Reform Commission Act 1996*
Analysis of performance 25
ANAO. See *Australian National Audit Office*
annual performance statement.
See *performance statement*
APS Code of Conduct 39
articles. See *presentations, articles and speaking engagements (by ALRC staff)*
Attorney-General iii, 2, 6, 8, 10, 13, 17, 19, 20, 22, 23, 24, 25, 33, 36
Attorney-General's Department 20, 22
audit
Audit Committee 38, 40, 86
Auditor-General 87, 89
Financial management and audit 38
Independent Auditor's Report 54, 55
Australian Law Reform Commission Act 1996 6
Australian National Audit Office 38, 89

C

citations of ALRC reports. See *reports*
Clark, Jennifer 41
Colvin, The Hon Justice Craig 36
Commissioners, ALRC 36
Conflict of Interest Policy 39
Consultancies 48
consultations 2, 9, 14, 19, 20, 23, 27, 50
contracts. See *procurement*
Corporate Criminal Responsibility (Report 136) 6, 8
Corporate Governance 36
Corporate Plan 22, 23, 38
court and tribunal decisions citations of
ALRC reports 24

D

Derrington, the Hon Justice S C iii, 3, 15, 36, 37. See also *President, ALRC*
Disability strategy 48

E

employment conditions. See *staff*
Employment conditions 44
enabling legislation. See *Australian Law Reform Commission Act 1996*
Enders, Cherie 41
E-news subscribers 28
Enterprise Agreement 44, 45, 49
entity resource statement and expenses for
outcomes 33, 80
Environmental performance 50
Environment Protection and Biodiversity
Conservation Act 1999 50
Ethics 39
External Scrutiny 43

F

financial management 39
financial performance
entity resource statement and expenses
for outcomes 33, 80
financial statements 56, 57, 58, 59, 60,
61, 62, 63, 64, 65, 66, 67, 68, 69, 70,
71, 72, 73, 74, 75, 76, 77, 78, 90
Fraud Control 38
Freedom of information 48. See *Freedom of Information Act 1982*
Freedom of Information Act 1982 47, 48,
90, 91

H

Health and Safety Management
Arrangements 49
Human Resources. See *staff*
Hunter, Kathryn 42

I

Implementation 31
Indemnity 40. See *liability insurance*
Information Publication Scheme 48, 91
internship 44, 46

K

Key management personnel 37
key performance indicators 23

L

Legal services expenditure 49
liability insurance 40

M

mentions of ALRC reports in Parliamentary debates and committee reports 23
Middleton, The Hon Justice John 36
Minister responsible 6, 36. See also *Attorney-General*

O

Occupational Health and Safety 49.
See *work health and safety*
outcome statement 22

P

parliamentary committees
 mentions of ALRC reports in Parliamentary debates and committee reports 24
 Parliamentary scrutiny 43
 Senate Estimates Committee Hearings 43
performance criteria. See *key performance indicators*
performance statement 22, 85
PGPA Act. See *Public Governance, Performance and Accountability Act 2013*
Policies 38
Presentations, articles and speaking engagements 24, 28
President, ALRC iii, 2, 3, 6, 15, 22, 36, 37, 38, 39, 40, 41
President's Foreword 3
Printing 50
Procurement 47, 88
 Indigenous procurement 48
 Small and Medium Enterprises and Small Enterprise participation 47
publications 2, 7, 23, 24, 26, 28, 48. See also *reports*
Public Governance, Performance and Accountability Act 2013 iii, 6, 80
Public Governance, Performance and Accountability Rule 2014 iii
Public Interest Disclosure Policy 39
Public Service Act 1999 6, 36, 39, 44, 87
purchasing. See *procurement*

R

recycling 50
related party disclosures 40
Religious Exemptions in Anti-Discrimination Legislation 6, 19, 27, 28
remuneration 37
reports
 citations or references 24

 implementation 30
 Most frequently viewed reports 30
 Review of Australia's Corporate Criminal Responsibility Regime 8
 Review of the Laws of Impartiality and Bias as they relate to the Federal Judiciary 17
 Review of the Legislative Framework for Corporations and Financial Services Regulation 13
risk management
 Fraud control and risk management 38
 in procurement 47
Role and Functions of the ALRC 6

S

salaries. See *remuneration*
staff
 health and well-being 44, 49
 Indigenous employment / internship 44
 individual flexibility arrangements 44
 non-salary benefits 44, 88
 Performance rewards and bonuses 45
 Staff development 46
 Staff retention and turnover 44
 statistics 43
 Study leave 46
submissions 2, 9, 15, 18, 19, 20, 23, 27

T

travel 47, 50
Twitter ii

V

Vehicles 50

W

water usage 50
website, ALRC ii, 29, 30, 38, 39, 48
work health and safety 39, 49

