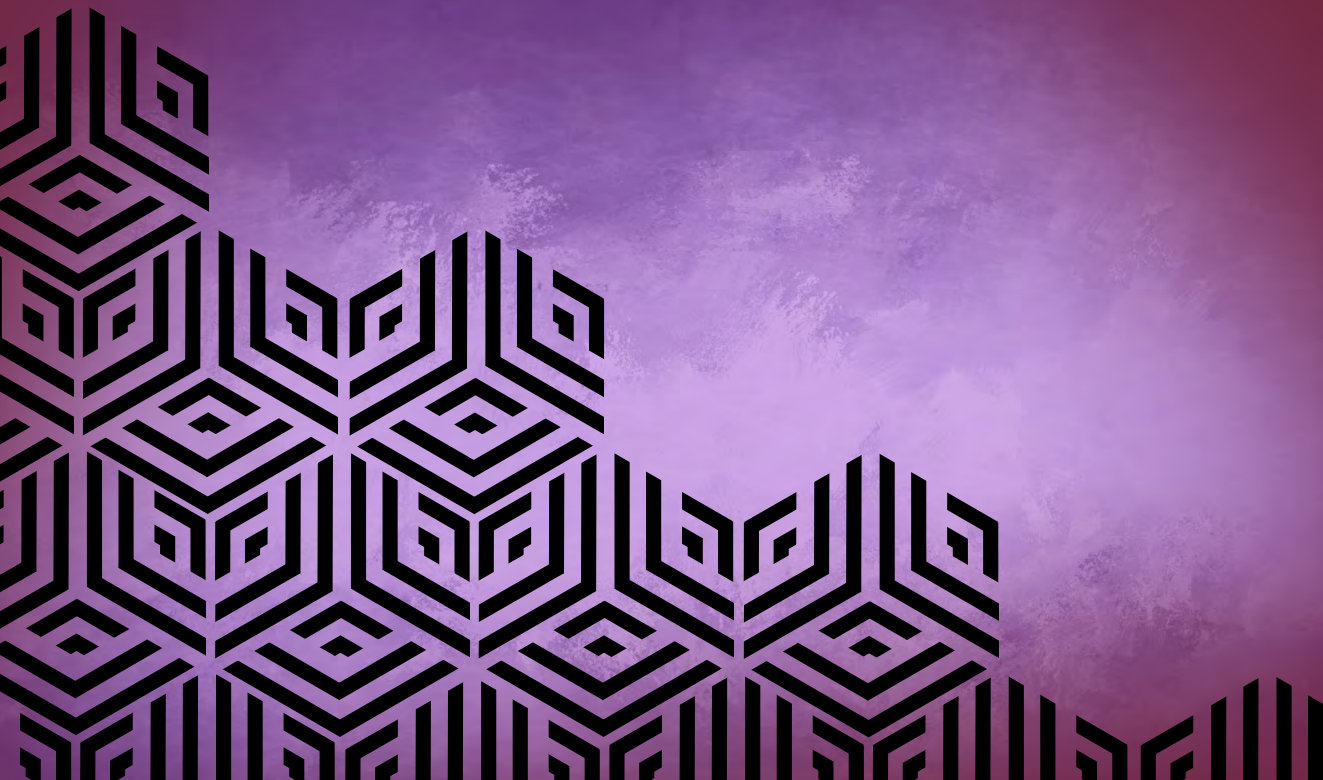




Australian Government

Australian Law Reform Commission

ANNUAL REPORT 2021–2022





Australian Government

Australian Law Reform Commission

ANNUAL REPORT 2021-2022



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

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The Hon Justice S C Derrington AM
President

Australian Government

Australian Law Reform Commission

The Hon Mark Dreyfus KC MP
Attorney-General of Australia
Parliament House
Canberra ACT 2600

2 October 2022

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 2021 to 30 June 2022.

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 2021–22 financial year in accordance with subsection 39(2) of the PGPA Act.

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

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

Yours sincerely

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

Justice S C Derrington AM

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2021–22 SNAPSHOT



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REPORTS



1,195,102
UNIQUE VISITORS
2,428,333
PAGE VIEWS



91
PRESENTATIONS
& ARTICLES



6
PUBLIC SEMINARS &
WEBINARS



105
SUBMISSIONS



5,641
SUBSCRIBERS



355
CITATIONS



1324
EVENT ATTENDEES



14,728
FOLLOWERS



18,667
FOLLOWERS

PRESIDENT'S FOREWORD



PRESIDENT'S FOREWORD

On behalf of the Australian Law Reform Commission (ALRC), I present the Annual Report for 2021–22.

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.

This is the last Annual Report I will present as President of the ALRC as my term expires on 9 January 2023. During my five-year term, the ALRC has published



- *Integrity, Fairness and Efficiency – An Inquiry into Class Action Proceedings and Third-Party Litigation Funders* (ALRC Report 134),
- *Family Law for the Future—An Inquiry into the Family Law System* (ALRC Report 135)
- *Corporate Criminal Responsibility* (ALRC Report 136),
- *Financial Services Legislation: Interim Report A* (ALRC Report 137),
- *Without Fear or Favour – Judicial Impartiality and the Law on Bias* (ALRC Report 138); and
- *Financial Services Legislation: Interim Report B* (ALRC Report 139).

In December 2019, it also published *The Future of Law Reform: A Suggested Program of Work 2020-25*. In addition, numerous consultation and background research papers have been produced.

The flavour of the ALRC's work over this period has been noticeably more “black letter” and commercial than was perhaps the case in the preceding five years. That of course is entirely a reflection of the matters referred to the ALRC for inquiry by the Attorney-General of the day. The nature of these more recent inquiries has enabled the ALRC to engage broadly with the legal profession across a wide range of disciplines and to build strong relationships with the profession, including the judiciary, and a broad range of government, industry, and community stakeholders. I thank all those who have given so willingly of their time and expertise to assist the ALRC to understand the practical and social ramifications of its proposals and recommendations.

Over this period, the ALRC has also taken the opportunity to foster the academic careers of its legal staff and law students from universities across the country. ALRC staff are now widely published in peer-reviewed academic journals of the highest standing and several staff members who were employed during this period have left to pursue postgraduate studies at the University of Oxford (as a Rhodes Scholar), the University of Oslo, and Columbia University. The ALRC has established a clinical program for undergraduate students at Monash University and supervises undergraduate and postgraduate student research projects with the University of Queensland, in addition to its on-going support of the Aurora Scholarship program which draws students from a wide variety of universities.


It has been a privilege to hold the role and to have had the opportunity to build such an exceptional team around me. Young lawyers have willingly left more lucrative government and private practice roles for the sheer intellectual challenge the work of the ALRC presents for them, together with the possibility of making positive improvement to the laws of the nation. Although that team has waxed and waned in response to the content of the various inquiries with which we have been tasked over the past five years, there have been significant constants.

The Hon Justice John Middleton AM has been a part-time Commissioner of the ALRC for the past decade. His term too expires shortly, on 25 December 2022, when he also reaches the compulsory retirement age faced by all members of the federal judiciary. Justice Middleton's wisdom and counsel will be a loss to the ALRC and his significant public service in this voluntary role must not go unacknowledged. I know it has been much appreciated by all involved with the ALRC over the decade.

General-Counsel, Mr Matt Corrigan, has been with me from the beginning and has provided strong governance, project management, and team leadership throughout. His advice has been invaluable and has helped shape the strategic focus of the form and substance of the ALRC. I am immensely grateful to him. Mrs Claudine Kelly, Executive Support Officer, has managed all aspects of the day-to-day operations of the ALRC and has provided outstanding executive support to all members of the team, including the several part-time Commissioners and members of the various advisory committees. I express my enduring gratitude Mrs Kelly for her never-failing attention to detail and exceptional dedication to the ALRC.

In the period 2021–22, the ALRC completed its Inquiry into impartiality and the law on bias as relates to the federal judiciary. I wish to recognise and thank the trusted work of Sarah Fulton and Genevieve Murray in leading and conducting the Inquiry. Over this period, the ALRC has continued to progress a three year inquiry into the simplification of corporations and financial services laws. The ALRC delivered its first two interim reports of the Inquiry, following extensive consultation Australia-wide with stakeholders, and hosted public webinars to build awareness of the Inquiry. The Hon Justice Craig Colvin as a part-time Commissioner has given this current Inquiry much valued ballast with his extensive expertise on corporation and financial services regulation. Many thanks must also go to Dr Andrew Godwin and Micheil Paton who continue to provide the team leadership of this inquiry with great surety.

In the year ahead, the ALRC will continue its work on the legislative framework for the corporations and financial services regulation. The ALRC looks forward to undertaking this important work in the coming year.



The Hon Justice S C Derrington AM

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 2021–22

In the 2021–22 financial year, the ALRC's work spanned three law reform inquiries. One inquiry is underway, a Review of the Legislative Framework for Corporations and Financial Services Regulation progressing with consultations ahead of the publication of Interim Report B in September 2022. A Review of Judicial Impartiality concluded, with the Final Report completed in December 2021. The third 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 2021–22

Area	Publication title	Date of completion
Financial Services Legislation	<i>Complexity and Legislative Design (FSL 2)</i>	15 October 2021
Financial Services Legislation	<i>Improving the Navigability of Legislation (FSL 3)</i>	15 October 2021
Financial Services Legislation	<i>Historical Legislative Developments (FSL 4)</i>	19 November 2021
Financial Services Legislation	<i>Financial Services Legislation: Interim Report A (ALRC Report 137)</i>	30 November 2021
Judicial Impartiality	<i>Final Report: Without Fear or Favour: Judicial Impartiality and the Law on Bias (ALRC Report 138)</i>	6 December 2021
Financial Services Legislation	<i>Risk and Reform in Australian Financial Services Law (FSL 5)</i>	21 March 2022
Financial Services Legislation	<i>Reflecting on Reforms – Submissions to Interim Report A (FSL 6)</i>	12 May 2022

Review of the Legislative Framework for Corporations and Financial Services Regulation

Figures

<i>Referred:</i>	11 September 2020
<i>Date due:</i>	Interim Report A: 30 November 2021 Interim Report B: 30 September 2022 Interim Report C: 25 August 2023 Final Report: 30 November 2023
<i>Date delivered:</i>	Interim Report A: 30 November 2021 Interim Report B: 19 September 2022
<i>Tabled in Parliament:</i>	Interim Report A: 30 November 2021
<i>Consultations held during reporting period:</i>	36
<i>Background Papers and Interim Reports published during reporting period:</i>	5
<i>Seminars and webinars during reporting period:</i>	5
<i>Submissions received during reporting period:</i>	56



Background

On 11 September 2020, the Attorney-General, 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

Interim Report A was completed and published on 30 November 2021. The report contained 13 recommendations, 16 proposals, and 8 questions in relation to the reform of corporations and financial services legislation. The recommendations in Interim Report A relate to matters of consensus at this stage in the process and are accordingly in a form that may be implemented prior to the conclusion of this Inquiry, if accepted by the Australian Government. In respect of the proposals and questions, the ALRC sought written submissions from stakeholders. Interim Report A highlights that the number of definitions in the *Corporations Act 2001*, and the frequency with which they are used, make it the second-most definition-dense Commonwealth Act. It has over 14,500 internal cross-references. 579 defined terms are defined more than once. Chapters 4, 5 and 6 of the Report set out suggested guiding principles for the use of definitions in legislation. Chapter 7 makes proposals to reduce the complexity of the defined terms 'financial product' and 'financial service'. Chapter 8 focuses on the Australian financial services licensing regime. Chapter 9 considers the defined terms 'financial service' and 'product disclosure'. Chapter 10 demonstrates an alternative approach to the legislative architecture. Chapter 11 relates to improving the navigability of concepts relating to 'financial product advice'. Chapter 12 focuses on the definitions of 'retail client' and 'wholesale client'. Lastly, Chapter 13 considers reforms to key conduct obligations imposed on entities involved in the financial services ecosystem.

In response to Interim Report A, the ALRC received 56 submissions from a range of stakeholders, including legal practitioners, financial services providers, consumer representatives, and academics. Industry and professional bodies accounted for the most significant proportion of submissions. The types of financial services providers represented by these bodies included individuals such as financial planners, stockbrokers, mortgage brokers, and accountants, as well as institutions, such as banks, superannuation funds, and insurers. The majority of proposals were supported by stakeholders, although submissions highlighted a range of key issues for the ALRC to consider in further developing the proposals.

Interim Report B

In the reporting period, the ALRC has focused on topic B, which will form the basis of Interim Report B due on 30 September 2022. This topic focuses on regulatory design and hierarchy of laws, and in particular:

- how legislative complexity can be appropriately managed over time;
- how best to maintain regulatory flexibility to clarify technical detail and address atypical or unforeseen circumstances and unintended consequences of regulatory arrangements; and
- how delegated powers should be expressed in legislation, consistent with maintaining an appropriate delegation of legislative authority.

Data analysis

The ALRC has built upon the data analysis completed for Interim Report A, to offer unprecedented insights into corporations and financial services legislation and the Commonwealth statute book more broadly. For example, the ALRC has:

- developed the first complete database of all delegated legislation published on the Federal Register of Legislation, containing data on over 87,000 legislative instruments;
- used computational tools to analyse the text of over 19,000 in force legislative instruments to identify offences and penalties;
- analysed the volume of delegated legislation made under every in force Act of Parliament;
- identified the subject matter and maker of over 125,000 legislative texts, including all Acts and legislative instruments; and
- created a historical database of all offences and civil penalties in the *Corporations Act 2001* (Cth).

Consultation

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 36 consultations with academics, government agencies, regulatory bodies, the financial services sector, business and other representative bodies, consumer groups, judges, civil society organisations and lawyers across Australia.



L-R: The Hon Justice S C Derrington, Cindy Davies, Samuel Walpole, and Phoebe Tapley

Webinars and events

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

'The Devilish Detail of Financial Services Laws' was held on 20 July 2021 in partnership with Melbourne Law School, to launch the *Company and Securities Law Journal Special Issue: Financial Services Laws – Understanding the Devil in the Detail*. The special issue was prompted by legislative mapping undertaken by the ALRC, and discussed matters of legislative design, duplication and inconsistencies in the law, and the benefits of separate regulation versus consolidation. Dean of Melbourne Law School, Professor Pip Nicholson, opened the event, and the Hon Justice Sarah Derrington AM, President of the ALRC, officially launched the special issue. An introduction was provided by Edmund Finnane, Editor of the CSLJ, and the keynote speech by Associate Professor Rosemary Teele Langford. The discussion panellists were: Associate Professor Scott Donald (UNSW Law), Professor Gail Pearson (The University of Sydney Business School), Samuel Walpole (Barrister and ALRC Legal Consultant), Andrew Godwin (ALRC), Cindy Davies (ALRC), and Phoebe Tapley (ALRC).

On 27 January 2022, the ALRC, in partnership with Melbourne Law School, hosted a webinar to review the Twin Peaks model of financial regulation, and to launch the book: *The Cambridge Handbook of Twin Peaks Financial Regulation* (Cambridge University Press, 2021). The webinar was opened by Professor Rosemary Langford, following which the co-editors of the book, Dr Andrew Godwin (Special Counsel at the ALRC) and Dr Andrew Schmulow (Senior Lecturer at the University of Wollongong School of Law) outlined the Twin Peaks landscape in Australia and abroad. Dr Godwin then chaired a panel discussion, with the following panellists: Dr Michael Taylor (author of the seminal article on the Twin Peaks model in 1995 and also author of a chapter in the book), Dr John Laker (Chair of APRA from 2003 to 2014), Mr Alan Cameron (Chair of ASIC from 1993 to 2000 and a member of the ALRC Advisory Committee for the Inquiry) and Mr James Kelly (Head of the Financial System Division at Treasury and member of the ALRC Advisory Committee for the Inquiry). Sir Ross Cranston provided an endorsement for the book.

On 10 February 2022, the ALRC hosted the webinar 'Reducing Complexity: Why? Where? How?' The panel discussion was chaired by Dr Andrew Godwin (ALRC Special Counsel), with a panel comprised of four ALRC Senior Legal Officers: Christopher Ash, William Isdale, Nicholas Simoes da Silva, and Phoebe Tapley. The discussion focused on key proposals and questions from Interim Report A.

On 24 May 2022, the ALRC hosted the webinar 'What Goes Where? A Comparative Discussion of the Legislative Puzzle'. The webinar was chaired by the Hon Justice Craig Colvin (part-time Commissioner, ALRC, and Judge, Federal Court of Australia), with an international panel consisting of Professor Julia Black CBE (Strategic Director of Innovation and Professor of Law, London School of Economics and Political Science), Ross Carter (Parliamentary Counsel, New Zealand Parliamentary Counsel Office), Professor Hans Tjio (CJ Koh Professor and Director, EW Barker Centre for Law & Business, National University of Singapore), and Professor Wai Yee Wan (Associate Dean, Research and Internationalisation, and Professor, School of Law, City University of Hong Kong). The discussion centred upon international approaches to legislative design and hierarchy.

On 17 June 2022, the ALRC hosted the webinar 'What We've Heard and Where to Next'. Chaired by Matt Corrigan (General Counsel, ALRC), with panellists Professor Elise Bant (University of Western Australia Law School and Advisory Committee Member), and ALRC Senior Legal Officers Dr William Isdale and Phoebe Tapley. The discussion focused on submissions received in response to Interim Report A.



L-R: Dr William Isdale, Matt Corrigan, and Phoebe Tapley

Background Papers

Complexity and Legislative Design, October 2021, discusses the sources of complexity and how it may be managed into the future. This includes an analysis of the different forms complexity can take, from subject matter and policy, to the use of convoluted drafting techniques and styles. The paper concludes with techniques for reducing complexity, including through simplified drafting techniques, consistent and strategic use of delegated legislation, and regularly reviewing the statute book.

Improving the Navigability of Legislation, October 2021, relates to how 'navigability' may be assessed both within a piece of legislation, and between levels of the legislative hierarchy, as a means of making the law more accessible. This includes an analysis of the existing empirical research into how users engage with legislation, and a discussion of the structural features that can enhance legislative navigability.

Historical Legislative Developments, November 2021, discusses how corporate and financial services law has evolved over time, with a focus on the underlying constitutional framework. This includes examination of the early steps towards uniformity, to co-operative schemes and the development of national regulators.

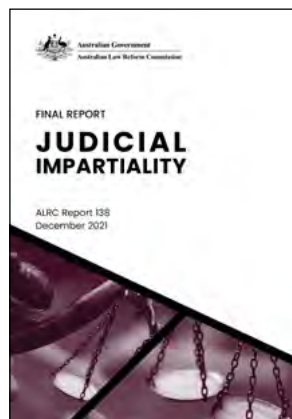
Risk and Reform in Australian Financial Services Law, March 2022, outlines how approaches to risk have shifted over time, and how this has impacted upon Australian financial services regulation. This involves discussion of behavioural economics, financialisation, and the 'risk-shift' to individuals that has occurred in some industries, as well as key events such as the Global Financial Crisis and the Financial Services Royal Commission. This paper also highlights that shifting regulatory philosophies can lead to inconsistent drafting and subsequent complexity.

Reflecting on Reforms – Submissions to Interim Report A, May 2022, broadly outlines the feedback received by the ALRC through written submissions. The ALRC received 56 submissions, which provided feedback in response to both proposals, questions, and recommendations in Interim Report A. The majority of proposals were supported by stakeholders, although submissions brought a number of issues to light for the ALRC to consider when further developing the proposals. While the ALRC did not specifically request stakeholder feedback on the recommendations, a number of submissions nonetheless expressed support, or qualified support, for the recommendations.

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>	6 December 2021
<i>Date delivered:</i>	6 December 2021
<i>Tabled in Parliament:</i>	2 August 2022
<i>Consultations held during reporting period:</i>	16
<i>Submissions received during reporting period:</i>	19 formal submissions, 30 informal submissions
<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 was 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

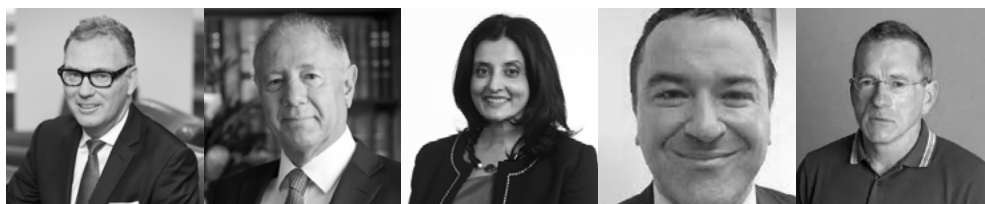
In February 2021 the High Court granted special leave to appeal in a case concerning the law of apprehended bias. Consequently, on 21 June 2021, the timeframe for reporting was amended so as to allow two months from the delivery of the High Court of Australia’s judgment in *Charistead v Charistead* (2021) 393 ALR 389. The judgment was delivered on 6 October 2021, with a subsequent reporting date of 6 December 2021.

Consultation

During the course of its Inquiry, the ALRC spoke with over 180 individuals and organisations across every state and territory in Australia. The ALRC also received 49 formal submissions in response to a Consultation Paper released in April 2021, and 46 informal confidential submissions. These consultations provided diverse and informative perspectives on the current law, how it operates in practice, and potential reforms. During the reporting period, the ALRC conducted 16 consultation meetings with 23 stakeholders.

Webinars

On 19 July 2021, ALRC co-hosted a webinar with Wolters Kluwer, 'Impartiality from both sides of the Bench', discussing the experience of applications of bias from the perspective of diverse stakeholders. The session was chaired by the Honourable Justice Middleton (Federal Court of Australia and ALRC Part-Time Commissioner), with the following panellists: the Honourable Chief Justice William Alstergren AO (Chief Justice of the Family Court of Australia and Chief Judge, Federal Circuit Court of Australia), Minal Vohra SC (Barrister), George Selvanera (Acting Chief Executive Officer, Victorian Aboriginal Legal Service), and Professor Matthew Groves (Deakin University).



Surveys

Prior to the Inquiry, no empirical studies had been carried out in Australia on how the law on bias is used and how the processes for raising and determining issues of bias are perceived. To address some of these gaps, the ALRC included questions in the Australian Survey of Social Attitudes, and undertook surveys of Commonwealth judges, legal professionals, and court users, about their experiences, perceptions, and views on potential reforms. The ALRC also carried out a comprehensive review and analysis of all judgments referring to recusal and disqualification in Commonwealth courts from 2015–21.

Consultations and survey responses broadly supported retaining the existing law on disqualification for bias, but there was significant support across the board for more guidance about the procedures for raising potential bias issues. The ALRC's federal judgment review revealed that procedures for raising issues of bias sometimes differ between courts and judges, and that issues of conduct and prejudgment were the most likely to give rise to applications for disqualification or recusal referred to in reported judgments.

In relation to potential reforms to procedures relating to disqualification applications, lawyers and litigants consulted and surveyed expressed significant support for changes, while judges were less likely to support such reforms — concerned about the potential for alternative procedures to be used tactically to increase cost and delay. For example, 84% of lawyers surveyed (n=183) considered that there were circumstances where it was preferable that an application for disqualification be transferred to another judge, in contrast to 17 out of 60 Commonwealth judges responding to the same question. Similarly, only 23% lawyers surveyed (n=192) considered that the existing procedures encourage appropriate use of bias applications. In contrast, 50 of 59 judges who responded to the same question considered that existing procedures encourage appropriate use. The ALRC's recommendations in this

area (see further below) reflect these different viewpoints and balance the complementary values of access to justice (within limited public resources), efficiency, and public and litigant confidence.

In very broad terms, consultations and empirical data reflected high levels of trust in the Australian judiciary, but also indicated that there were pockets of discontent. A key concern raised in consultations was the limited role the bias rule can play in addressing the potential impact of social and cultural factors on judicial decision-making at an institutional level. Stakeholders also expressed concerns about certain isolated instances of poor judicial conduct that were not adequately addressed by existing procedures.

Final Report

Without Fear or Favour: Judicial Impartiality and the Law on Bias, ALRC Report 138, was completed in December 2021. It contains 14 recommendations intended to promote and protect public confidence in the federal judiciary.

The ALRC agreed with stakeholders that the existing law on actual and apprehended bias does not need to be changed, although it highlighted some areas that are ripe for further judicial development. Nevertheless, for the law to remain sufficient and appropriate to maintain public confidence in the administration of justice, it must be underpinned by appropriate procedures and the right institutional structures. In particular, these must reflect the evolution of the substantive law, which cements apprehended bias as an objective question of law designed to support confidence in the institution, rather than a personal affront to an individual judicial officer. The ALRC's final report makes 14 recommendations. In brief summary, the ALRC's recommendations were:

1. Develop and publish judicial disqualification guidelines for each Commonwealth court.
2. Implement a new procedure for the discretionary transfer of disqualification applications in cases before a single judge.
3. In cases before multimember courts, the court as constituted should determine objections on bias grounds.
4. Develop a streamlined interlocutory appeals procedures for disqualification decisions made by a single judge (to complement the discretionary transfer procedure referred to above).
5. Establish a federal judicial commission to provide a transparent and independent mechanism to consider litigants' and lawyers' concerns about judicial behaviour or impairment, including those that give rise to an apprehension of bias, and to proactively support judges to uphold appropriate standards (although the ALRC did not propose a particular model, consultees expressed significant support for the New South Wales and Victorian models of judicial commission).
6. Review the Guide to Judicial Conduct and legal profession conduct rules, in light of the High Court's *Charisteas* decision.
7. Develop a more transparent process for the appointment of federal judicial officers on merit, involving publication of criteria for appointment, public calls for expressions of interest, and a commitment to promoting diversity in the judiciary.
8. Collect and annually report statistics on diversity in the federal judiciary.
9. Develop a more transparent and structured approach to training and ongoing professional development for judges.
10. Develop a structured and ongoing program of Aboriginal and Torres Strait Islander cross-cultural education for judges, led by Aboriginal and Torres Strait Islander people and organisations.

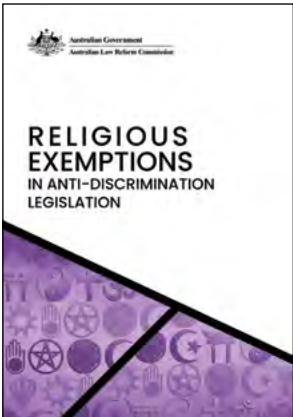
11. Conduct a broad review of the Guide to Judicial Conduct as it relates to judicial impartiality.
12. Systematically capture court users' subjective perceptions of procedural justice.
13. Develop court policies on the creation, development and use of statistical analysis of judicial decision-making.
14. Create accessible public resources that explain processes, structures, and mechanisms in place to support judicial impartiality and ensure judicial accountability.

Judges, and the public they serve, have recognised that human decision-making can never be completely neutral. But this does not mean that judges are biased in the legal sense, nor that they cannot be impartial in a meaningful way. The goal of the law on bias is to define the point at which the appearance of an improper influence on decision-making poses an unacceptable risk to maintaining public confidence in the administration of justice. The success of the law in achieving its aims is dependent on it being supported by appropriate procedures, implemented by the right judges, and complemented by institutional practices. If implemented, the ALRC's recommendations will better support litigants, lawyers, and judges to navigate issues of actual and apprehended bias, demonstrate the courts' commitment to securing judicial impartiality, and address institutional biases beyond the scope of the bias rule. In doing so, the recommendations will help to maintain the confidence of litigants, the profession, and the courts' diverse publics in the years to come.

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 education 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 (176 of those documents from 36 educational bodies were received during the 2019–20 reporting period). Those documents assist in demonstrating the approaches schools take in relation to discrimination laws and the available religious exemptions. The documents include codes of conduct, statements of faith, enrolment agreements and recruitment policies.

Next steps

In 2022, the Religious Freedom Bills lapsed at the end of the Parliamentary term when the election was called. The ALRC awaits further instructions from the Attorney-General regarding this Inquiry.

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: 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 STATEMENTS

Introductory statement

The ALRC annual performance statement is prepared for paragraphs 39(1)(a) and (b) of the PGPA Act for the 2021–22 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 the ALRC's performance in achieving its purpose. The purpose as set out in the Portfolio Budget Statement 2022-23 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. The ALRC maintains an average staffing level of 10 and generally has the capacity to work on two inquiries at any one time — provided sufficient resources are made available.

In 2021–22, the ALRC worked on two Inquiries — completing an inquiry into Judicial Impartiality and continuing with an inquiry into financial services legislation. The ALRC's Religion Inquiry is on hold at the request of the then Attorney General.

The ALRC will work on one inquiry in 2022-23 being the continuing inquiry into financial services legislation. Interim Report A was presented to the Attorney-General on 30 November 2021. Interim Report B is due 30 September 2022 and the Final Report due on 30 November 2023.

In light of this environment, 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 2021–22

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

- the number of consultation papers and the number of reports to government;
- the percentage of inquiries completed on time in accordance with the terms of reference set by the Attorney-General;
- the number of citations or references to ALRC consultation documents, reports and recommendations in Parliamentary debates and committee reports, in court citations and decisions, and in academic publications and other publications;
- the number of submissions received 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 2021–22

Performance measure	2021–22 target	2021–22 Actual	
Number of reports	4	7	<p><i>Without Fear or Favour: Judicial Impartiality and the Law on Bias</i> (ALRC Report 138)</p> <p><i>Financial Services Legislation: Interim Report A</i> (ALRC Report 137)</p> <p>Complexity and Legislative Design (FSL2)⁴</p> <p>Improving the Navigability of Legislation (FSL3)</p> <p>Historical Legislative Developments (FSL4)</p> <p>Risk and Reform in Australian Financial Services Law (FSL5)</p> <p>Reflecting on Reform – Submissions to Interim Report A (FSL6)</p>
Timeliness of report	100%	100%	<p><i>Without Fear or Favour: Judicial Impartiality and the Law on Bias</i> (ALRC Report 138) was delivered to the Attorney General on 6 December 2021 in accordance with amended Terms of Reference received 30 September 2021</p> <p><i>Financial Services Legislation: Interim Report A</i> (ALRC Report 137) was delivered to the Attorney-General on 30 November 2021 as required by the Terms of Reference</p>
Citations or references	100	355	<p>Financial Services</p> <p>69 – court and tribunal decisions</p> <p>243 – academic publications</p> <p>40 – Parliamentary debates and committee reports</p>
Submissions received per inquiry	50	<p>56 – Financial Services</p> <p>49 – Judicial Impartiality</p>	
Consultations held per inquiry	25	<p>36 – Financial Services</p> <p>15 – Judicial Impartiality</p>	
Presentations, articles and speaking engagements	25	91	

⁴ 'FSL' refers to the Financial Services Legislation Inquiry for which each background paper was produced.

Performance measure	2021–22 target	2021–22 Actual	
Broader Community Engagement			
E-news subscribers	1350	5641 ⁵	ALRC Brief – 2605 Financial Services – 1246 Judicial Impartiality – 958 Religious Exemptions – 832
Visitors to website	500,000	Visits: 1,667,775 Page views: 2,428,333 Unique visitors: 1,195,102	
Public Attendance at ALRC seminars	250	1324 attendees / 743 recording views	Judicial Impartiality Q&A: Exploring Viewpoints - 212 online attendees The Devilish Detail of Financial Services Laws - 218 attendees / 148 recording views (Re)viewing Twin Peaks in Australia and Abroad - 164 attendees / 245 recording views Reducing Complexity: Why? Where? How? - 182 attendees / 270 recording views What goes where? A comparative discussion of the legislative puzzle - 241 attendees / 76 recording views What we've heard and where to next - 307 attendees

⁵ This figure aggregates the number of subscribers for each E news. As such, it may include a slight over-count as some people may be 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 two reports in 2021–22:

- *Interim Report A: Financial Services Legislation* (ALRC Report 137); and
- *Without Fear of Favour: Judicial Impartiality and the Law on Bias* (ALRC Report 138).

As part of the Financial Services Inquiry, the ALRC also published five background papers⁶ in 2021–22:

- Complexity and Legislative Design (FSL2);
- Improving the Navigability of Legislation (FSL3);
- Historical Legislative Developments (FSL4);
- Risk and Reform in Australian Financial Services Law (FSL5); and
- Reflecting on Reform – Submissions to Interim Report A (FSL6);

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. The ALRC met its reporting timing requirements for Financial Services Interim Report A and the Judicial Impartiality Final Report.⁷

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 69 mentions of ALRC reports in the judgments of Australian courts and tribunals during 2021–22. This included three citations by the High Court of Australia and 21 citations by the Federal Court of Australia. Over 25 different ALRC reports were cited in court judgments. In all jurisdictions, frequently cited reports include:

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

In addition to ALRC reports, ALRC discussion papers and background papers such as the *Judicial Impartiality – The Law on Bias: A Primer* have been cited in court cases.

⁶ Background papers were first introduced in 2020-21 as part of a revamped consultation process. They have previously not been counted as reports. However, this has been reconsidered given their substantive content and their critical role as part of stakeholder engagement and consultation.

⁷ The ALRC only measures the timeliness of reports for which a statutory timeline is provided by Government in accordance with the *Australian Law Reform Commission Act 1996* (Cth).

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 43 references to ALRC reports and recommendations in second reading speeches and other Parliamentary proceedings during 2021–22. Examples include references to:

- *Elder Abuse – A National Legal Response* (ALRC Report 131, 2017) in relation to the *Aged Care and Other Legislation Amendment (Royal Commission Response No. 2) Bill 2021* and *Treasury Laws Amendment (2021 Measures No. 4) Bill 2021*
- *Integrity, Fairness and Efficiency – An Inquiry into Class Action Proceedings and Third-Party Litigation Funders* (ALRC Report 134, 2017) in relation to the *Treasury Laws Amendment (2021 Measures No. 1) Bill 2021* and *Corporations Amendment (Improving Outcomes for Litigation Funding Participants) Bill 2021*

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 2021–22, the ALRC was cited in at least 243 academic publications, including journal articles, research papers, and textbooks.

Frequently cited reports include:

- *Pathways to Justice—Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Island Peoples* (ALRC Report 133, 2017);
- *Family Violence: A National Legal Response* (ALRC Report 114, 2010); and
- *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 J11, 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 — and the stage of the inquiry during the reporting period.

The ALRC received 105 submissions in 2021–22. Fifty-six of the submissions related to the Financial Services Inquiry. Forty-nine related to the Judicial Impartiality Inquiry. Nineteen of these were formal submissions in response to the Inquiry's Consultation Paper, and 30 were informal confidential submissions made by litigants and practitioners during the reporting period.

The ALRC did not call for submissions in relation to the Framework of Religious Exemptions in Anti-Discrimination Legislation. Accordingly, no submissions were received.

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 2021–22, the ALRC conducted 51 consultations with stakeholders and experts across Australia and overseas. No consultations were held for the Religious Exemptions in Anti-Discrimination Legislation Inquiry as it is currently on hold.

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 91 presentations, articles, and speaking engagements by ALRC Commissioners and staff in 2021–22.

Highlights of ALRC presentations and speaking engagements in 2021–22 included:

- Publication of *Compensation for Native Title* authored by William Isdale.
- Keynote presentation titled 'Without Fear or Favour' at the 2022 Walyalup (Fremantle) Law Conference by Justice S C Derrington AM.
- Presentation titled 'Designing the law for change: Review of the Legislative Framework for Corporations and Financial Services Legislation' at the Law Council of Australia 2022 Corporations Workshop by Matt Corrigan, Nicholas Simoes da Silva and Sarah Fulton.

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 3: E-news subscribers at 30 June 2022

Audience	Number of subscribers
ALRC Brief	2605
Religious Exemptions in Anti-Discrimination Legislation	832
Financial Services Legislation	1246
Judicial Impartiality	958

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 2021–22 include:

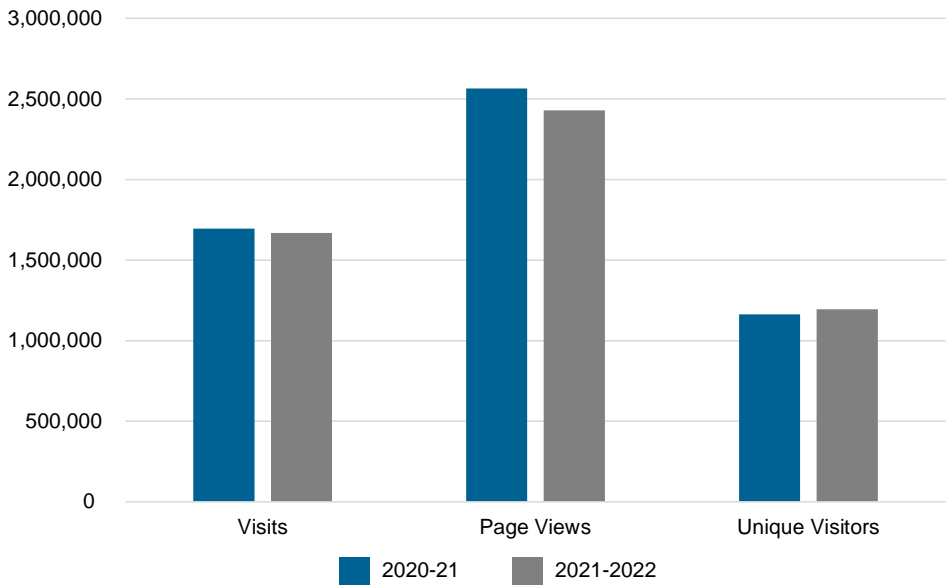
- visits = 1,667,775;
- page views = 2,428,333; and
- unique visitors = 1,195,102.

These metrics represent, compared to the 2020–21 reporting period:

- 1.6% decrease in visits;
- 5.6% decrease in page views; and
- 2.6% increase in unique visitors.

Traffic to the ALRC website has been impacted by the prolonged delay in the public release of the Judicial Impartiality Inquiry. While the ALRC submitted the Final Report for the Judicial Impartiality Inquiry on time in December 2021, it was not tabled by the Government until August 2022. Accordingly, the ALRC could not promote the Judicial Impartiality report in 2020-21 as it was not public.

Figure 1: Comparison of website traffic: July–June in 2020–21 and 2021–22



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 2021–22, 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)
- *Family Law for the Future—An Inquiry into the Family Law System* (ALRC Report 135)
- *Financial Services Legislation: Interim Report A* (ALRC Report 137)
- *Corporate Criminal Responsibility* (ALRC Report 136)

Older reports are also accessed via HTML pages which are not included in the download report. In 2021–22, the top four ALRC reports accessed through the website were as follows:

- *For Your Information: Australian Privacy Law and Practice* (ALRC Report 108);
- *Essentially Yours: The Protection of Human Genetic Information in Australia* (ALRC Report 96);
- *Recognition of Aboriginal Customary Laws* (ALRC Report 31); and
- *Family Violence – A National Legal Response* (ALRC Report 114).

The continued engagement with older reports, such as the 1986 *Recognition of Aboriginal Customary Laws* Report and the 2010 *Essentially Yours: The Protection of Human Genetic Information in Australia* Report, demonstrate the enduring value of the ideas, discussion and research contained in ALRC reports.

ALRC Seminars

The ALRC held six webinars in the reporting period which were attended by a total of 1324 people. The recordings for all of these events are available for online viewing via the ALRC website and have been viewed by at least an additional 743 people. The events were:

Judicial Impartiality Q&A: Exploring Viewpoints	Judicial Impartiality Inquiry
The Devilish Detail of Financial Services Laws	Financial Services Legislation Inquiry
(Re)viewing Twin Peaks in Australia and Abroad	Financial Services Legislation Inquiry
Reducing Complexity: Why? Where? How?	Financial Services Legislation Inquiry
What goes where? A comparative discussion of the legislative puzzle	Financial Services Legislation Inquiry
What we've heard and where to next	Financial Services Legislation 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 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. No recommendations were implemented by the Government in the last financial year.

SUMMARY AND ANALYSIS OF FINANCIAL PERFORMANCE

Financial outcomes

Operating outcome

The 2021–22 financial statements show an operating **deficit** of \$0.044m.

Operating revenue

The ALRC's operating revenue of \$2.829m comprised of revenue from government of \$2.625m, other revenue of \$0.178m, and audit remuneration of \$0.026m.

Operating expenses

The total operating expenses of \$2.874m in 2021–22 were \$0.161m more than 2020–21.

The ALRC's depreciation and amortisation expense increased by \$0.005m.

Equity

The ALRC's total equity is \$0.643m. This includes contributed equity of \$0.349m.

Total assets

The ALRC's total assets increased by \$0.187m.

Total liabilities

The ALRC's total liabilities increased by \$0.216m.

Entity resource statement

The ALRC's Entity Resource Statement and Expenses for Outcomes 2021–22, which summarises the total resources available to the ALRC and the total payments made by the ALRC during 2021–22, 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 Policy. 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 AM, President of the ALRC, was the Accountable Authority of the ALRC during 2021–22.

Members of the Commission

Table 4 lists members of the ALRC during 2021–22 and their terms of appointment. On 30 June 2022, there were three members of the ALRC — one full-time member and two part-time members.

Table 4: Members 2021–22

Commissioner	Term of appointment
Full-time Commissioner	
The Hon Justice S C Derrington AM	Appointed as President 10 January 2018–9 January 2023
Part-time Commissioners	
Standing Part-time Commissioner	
The Hon Justice John Middleton AM	Reappointed 28 November 2019–25 December 2022
Part-time Commissioner for the Legislative Framework for Corporations and Financial Services Regulation	
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 and the General Counsel. Key management personnel remuneration is reported in the table below.

Table 5: Remuneration of key management personnel 2021–22

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	
DERRINGTON, Sarah	President	510,379	-	450	-	-	-	510,829
CORRIGAN, Matthew	General Counsel	243,120	-	-	30,429	19,499	-	293,048
Total		753,499	-	-	30,429	19,499	-	803,877

The Commission has one Senior Executive Service Officer: the General Counsel, who is included in the KMP disclosures. The Commission has no staff falling within the categories required to be reported under subsection 17CC(4) (other highly paid staff) of the PGPA Rule.

Policies

The Accountable Authority Policy and the ALRC Policy Register 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 2021–22, the Accountable Authority Policy was 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 2022–26 was published on 31 August 2022 and is available on the ALRC website.

Financial management and audit

The audit of the 2021–22 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 2021–22 financial accounts and provided an interim report to the Audit and Risk Committee in June 2022.

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 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 and Risk 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 2021–22, 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 2021–22.

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 2021–22, 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 2021–22, 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 2021–22, there were no conflict of interest disclosures.

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

Related party disclosures

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

The ALRC is committed to complying with applicable Accounting Standards and associated disclosures in the annual financial statements in compliance with AASB 124 and has

developed a policy and reporting procedure that meets both the requirements of the AASB and the Department of Finance. This policy requires that ALRC financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related party relationships and by transactions and outstanding balances, including commitments.

Indemnity

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

Nature of liability

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

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

AUDIT & RISK 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: www.alrc.gov.au/about/corporate-information/alrc-audit-and-risk-committee-charter-as-at-june2022/.

The Audit and Risk Committee is made up of three members, appointed by the President. From 1 July 2021, PGPA Rule section 17(4) required 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 membership.

The ALRC Audit and Risk Committee Forward Plan sets a meeting schedule and outlines the activities of the Audit and Risk Committee over the financial year. The Audit and Risk Committee met 4 times in the financial year on 15 September 2021, 21 September 2021, and on 4 April and 24 June 2022. The President appointed Ms Zoe Hutchinson to replace outgoing member Ms Cherie Enders. Ms Clark's appointment as Chair will conclude at the end of October 2022. A representative of the ANAO is invited to attend meetings of the Audit and Risk Committee and in 2021–22 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 outlined below.

Table 6: ALRC Audit and Risk Committee membership 2021–22

Committee Member	Qualifications, knowledge, skills and experience	Number of meetings attended	Total annual remuneration (\$) (including GST)
Jennifer Clark (Chair until October 2022)	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.	4 of 4	\$22,000
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.	4 of 4	Nil
Zoe Hutchinson (Independent Member from March 2022)	Ms Hutchinson is a lawyer and public servant with extensive experience advising on compliance with legal and regulatory frameworks, law reform and public policy. She heads up a team of legal policy officers at the ACT Justice and Community Safety Directorate. Ms Hutchinson holds a Bachelor of Arts and Bachelor of Laws Degree with first class honours from Macquarie University, Sydney and a Master of Laws Degree from Columbia University, New York where she was a James Kent Scholar.	2 of 4	Nil *

Committee Member	Qualifications, knowledge, skills and experience	Number of meetings attended	Total annual remuneration (\$) (including GST)
Cherie Enders (Independent Member until September 2021)	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.	2 of 4	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 2021–22.

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 2021–22.

HUMAN RESOURCE MANAGEMENT

Staffing

The ALRC has one office in Brisbane. On 30 June 2022, the ALRC employed 13 APS staff with a fulltime 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. The ALRC does not have any non-APS staff members

Table 7: Staffing profile as at 30 June 2022

APS/ALRC classification	Men	Women	Full-time	Part-time	Total
SES 1	1	0	1	0	1
EL2/PLO (\$144,740–\$153,553)	1	0	0	1	1
EL1/SLO (\$107,700–\$140,525)	3	2	5	0	5
APS 5–6/LO (\$80,973–\$102,571)	0	3	2	1	3
APS 3–4 (\$63,920–\$78,614)	0	3	3	0	3
Total	5	8	11	2	13

Indigenous employment

During the 2021–22 financial year, there were no employees who identified as Indigenous.

In 2022 the ALRC did not have the opportunity to host interns 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.

Staff retention and turnover

During 2021–22, one ongoing staff member 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 SES employee is employed under a section 24(1) Determination of the *Public Service Act 1999* (Cth). 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 9.

Table 8: 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 2021–22, two employees were awarded a performance bonus, amounting to a total bonus payment for the year of \$5,539.14.

Table 9: Performance bonuses 2021–22

Classification	Number of employees	Total paid	Average payment	Minimum payment	Maximum payment
SLO	2	5,539.14	2,769.57	2,728.64	2,810.50

Further details of total remuneration expenditure in 2021–22 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. The President may exercise discretion and allow an employee to take study leave as paid discretionary leave where the study is relevant to the work of the Commission and the skills gained from the course of study will be of direct benefit to the Commission. Four employees applied for, and were granted, study leave during 2021–22.

Law student engagement

The ALRC offers students the opportunity to gain practical skills by contributing to ALRC research and report writing.

The ALRC has a clinical education program with the Faculty of Law at Monash University. The program commenced in 2018–19. Participants contribute to current ALRC inquiries by completing a range of research tasks under the joint supervision of their university and an ALRC staff member. Participants receive course credit for their work with the ALRC. This partnership replaced the direct internship program previously offered by the ALRC.

During 2021–22, thirteen students from the Faculty of Law at Monash University participated in the ALRC clinical education program, undertaking research on topics related the ALRC's Financial Services Legislation inquiry.

“

I've honestly learnt so much and had a great experience with the ALRC, even with the challenges of lockdown. I've especially enjoyed hearing about everyone's pathways to the ALRC — it really broadened my horizons in terms of what's possible after university.

”

Tiana Sylvia
Monash Law Clinic Student
Semester 2 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 2021–22, the ALRC did not contract with any Indigenous SME.

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 2021–22, two ongoing consultancy contracts were active during the period.

Advertising and market research

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

Disability strategy

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

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

Freedom of information

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

During 2021–22, the ALRC did not receive any FOI requests.

Legal services expenditure

As per the *Legal Services Directions 2017* (Cth), the ALRC reports that during 2021–22 the ALRC was compliant with these Directions. The ALRC had no legal expenditure for 2021–22.

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.

The ALRC's Workplace Discrimination, Harassment and Bullying 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. On a number of short 'lockdown' periods during 2021–22 all staff worked from home either due to the COVID-19 pandemic or the result of the 2022 Brisbane floods. 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 2021–22 that required giving of notice under the WH&S Act.

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

As a workplace health initiative under its Enterprise Agreement, the ALRC provides free and voluntary influenza vaccinations to staff each year. In 2021–22, four employees took advantage of a free vaccination.

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

Environmental performance

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

In line with the principles of ecologically sustainable development, and in line with s 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), the ALRC makes the following report for 2021–22.

Energy efficiency

The ALRC is located in the Commonwealth Law Courts Building at Level 4, 119 North Quay, Brisbane. Motion Sensor lighting controls were installed in the public and foyer areas of the Commonwealth Law Courts and also in the ALRC office. The light switches on when someone enters a room and are dimmed or switched off after a certain amount of inactivity. This new system has improved 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





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 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures 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 2022 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 2022 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 statements 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 – Simplified Disclosures 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.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

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



Racheal Kris

Senior Director

Delegate of the Auditor-General

Canberra

19 September 2022

Australian Law Reform Commission
Financial Statements 2021-22



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STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In my opinion, the attached financial statements for the year ended 30 June 2022 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
16th day of September 2022

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2022

	Notes	2022 \$	2021 \$	Original Budget \$
NET COST OF SERVICES				
EXPENSES				
Employee benefits	1.1A	2,194,011	1,991,274	2,127,000
Suppliers	1.1B	469,656	514,197	375,000
Finance costs	1.1C	23,656	26,510	24,000
Depreciation and amortisation	2.2A	186,223	181,306	175,000
Total expenses		2,873,546	2,713,287	2,701,000
OWN-SOURCE INCOME				
Own-source revenue				
Revenue from contracts with customers	1.2A	177,749	198,913	1,000
Other gains	1.2B	26,300	36,000	41,000
Total own-source revenue		204,049	234,913	42,000
Total own-source income		204,049	234,913	42,000
Net cost of services		2,669,497	2,478,374	2,659,000
Revenue from Government	1.2C	2,625,000	2,621,000	2,625,000
Surplus/(deficit) attributable to the Australian Government		(44,497)	142,626	(34,000)
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		(44,497)	145,329	(34,000)

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 professional services and printing expenditure associated with the Financial Services Legislation Review which was established after the 2021-22 budget was prepared.

Revenue from contracts with customers - The variance is primarily due to the Commission drawing down income in advance to fund activities associated with the Financial Services Legislation Review. This memorandum of understanding was entered into after the Commission's 2021-22 budget was prepared.

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Notes	2022 \$	2021 \$	Original Budget \$
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	1,347,618	982,553	768,000
Trade and other receivables	2.1B	32,256	29,550	21,000
Total financial assets		1,379,874	1,012,103	789,000
Non-financial assets				
Property, plant and equipment	2.2A	1,088,405	1,265,003	1,040,000
Intangibles - software	2.2A	9,713	14,196	18,000
Total non-financial assets		1,098,118	1,279,199	1,058,000
Total assets		2,477,992	2,291,302	1,847,000
LIABILITIES				
Payables				
Suppliers	2.3A	33,874	51,913	45,000
Other payables	2.3B	637	1,042	-
Unearned income	2.3C	223,526	-	188,000
Total payables		258,037	52,955	233,000
Interest bearing liabilities				
Leases	2.4A	1,072,130	1,212,862	1,072,000
Total interest bearing liabilities		1,072,130	1,212,862	1,072,000
Provisions				
Employee provisions	4.1A	505,127	353,291	279,000
Total provisions		505,127	353,291	279,000
Total liabilities		1,835,294	1,619,108	1,584,000
Net assets		642,698	672,194	263,000
EQUITY				
Contributed equity		349,000	334,000	349,000
Reserves		137,761	137,761	135,000
Accumulated surplus		155,937	200,433	(221,000)
Total equity		642,698	672,194	263,000

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:

Cash and cash equivalents - The variance is primarily due to the Commission not fully drawing down the 2021-22 appropriation in the financial year. Additionally, the Commission received cash from the Department of Treasury in 2021-22 to fund the Financial Services Legislation Review after the Commission's 2021-22 budget was prepared.

Unearned income - The variance is due to the Commission's income in advance increasing due to funding received from the Department of the Treasury to undertake activities associated with the Financial Services Legislation Review. This memorandum of understanding was entered into after the Commission's 2021-22 budget was prepared.

Employee provisions - The variance is due to primarily due to Commission staff taking less leave than has been accrued in 2021-22.

AUSTRALIAN LAW REFORM COMMISSION
STATEMENT OF CHANGES IN EQUITY

as at 30 June 2022

	2022 \$	2021 \$	Original Budget \$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	334,000	319,000	334,000
Adjusted opening balance	334,000	319,000	334,000
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	15,000	15,000	15,000
Total transactions with owners	15,000	15,000	15,000
Closing balance as 30 June	349,000	334,000	349,000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	200,433	57,807	(187,000)
Adjustment on initial application of AASB 16	-	-	-
Adjusted opening balance	200,433	57,807	(187,000)
Comprehensive income			
Surplus/(Deficit) for the period	(44,497)	142,626	(34,000)
Total comprehensive income	(44,497)	142,626	(34,000)
Closing balance as 30 June	155,937	200,433	(221,000)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	137,761	135,058	135,000
Adjusted opening balance	137,761	135,058	135,000
Comprehensive income			
Other comprehensive income	-	2,703	-
Total comprehensive income	-	2,703	-
Closing balance as 30 June	137,761	137,761	135,000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	672,194	511,865	282,000
Adjusted opening balance	672,194	511,865	282,000
Comprehensive income			
Surplus/(Deficit) for the period	(44,497)	142,626	(34,000)
Other comprehensive income	-	2,703	-
Total comprehensive income	(44,497)	145,329	(34,000)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	15,000	15,000	15,000
Total transactions with owners	15,000	15,000	15,000
Closing balance as 30 June	642,698	672,194	263,000

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 2022

	Notes	2022 \$	2021 \$	Original Budget \$
OPERATING ACTIVITIES				
Cash received				
Sale of goods and rendering of services		410,693	11,821	1,000
Appropriations		2,625,000	2,621,000	2,625,000
Net GST received		52,030	53,281	-
Total cash received		3,087,723	2,686,102	2,626,000
Cash used				
Employees		2,042,580	1,940,102	2,127,000
Suppliers		525,548	509,318	334,000
Interest payments on lease liabilities		23,656	26,510	24,000
Total cash used		2,591,784	2,475,930	2,485,000
Net cash from operating activities		495,939	210,172	141,000
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		5,142	77,647	15,000
Total cash used		5,142	77,647	15,000
Net cash used by investing activities		(5,142)	(77,647)	(15,000)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		15,000	15,000	15,000
Total cash received		15,000	15,000	15,000
Cash used				
Principal payments of lease liabilities		140,732	133,090	141,000
Total cash used		140,732	133,090	141,000
Net cash from financing activities		(125,732)	(118,090)	(126,000)
Net increase/(decrease) in cash held		365,065	14,435	-
Cash and cash equivalents at the beginning of the reporting period		982,553	968,118	768,000
Cash and cash equivalents at the end of the reporting period		1,347,618	982,553	768,000

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

Budget Variance Commentary

Cash Flow Statement

Explanations of major variances are provided below:

The variances between budget and actual in the Cash Flow Statement are due to the variances discussed in the other statements.

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 – including simplified disclosure for Tier 2 Entities under AASB 1060 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.

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

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

There have been no subsequent events that have the potential to significantly affect the ongoing structure and the financial activities of the Commission. The current President's term ceases on 7 January 2023. As a consequence the Commission's Accountable Authority Instructions will be reviewed in the 2022-23 financial year.

Note 1: Financial Performance

This section analyses the financial performance of Australian Law Reform Commission for the year ended 30 June 2022.

1.1 Expenses

	2022	2021
	\$	\$
1.1A: Employee benefits		
Wages and salaries	1,766,213	1,647,399
Superannuation		
Defined benefit plans	40,324	21,454
Defined contribution plans	174,332	168,404
Leave and other entitlements	213,142	154,017
Total employee benefits	2,194,011	1,991,274

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
Library	7,154	23,885
Professional services	247,954	234,545
Printing and office requisites	26,657	8,550
Freight and removals	1,874	1,533
Telephone and postage	9,261	11,576
Incidentals	6,379	3,447
Minor assets	22,693	42,111
Staff training	8,812	9,563
Maintenance	26,695	31,561
Travel	24,099	42,066
IT services	79,300	95,674
Total goods and services supplied or rendered	460,878	510,889
Goods supplied	44,573	47,824
Services rendered	416,305	463,065
Total goods and services supplied or rendered	460,878	510,889

Other suppliers

External parties		
Workers compensation expenses	8,778	3,308
Total other suppliers	8,778	3,308
Total suppliers	469,656	514,197

The Commission has no short-term lease commitments at 30 June 2022.

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	23,656	26,510
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Accounting Policy

All borrowing costs are expensed as incurred.

1.2 Own-source revenue and gains

	2022	2021
	\$	\$
1.2A: Revenue from contracts with customers ¹	177,749	198,913

Accounting Policy

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

1.2B: Other gains

Resources received free of charge - ANAO	26,300	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.

1.2C: Revenue from Government

Appropriations

Departmental appropriations	2,625,000	2,621,000
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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 \$0.166m provided by the Department of the Treasury to fund activities associated with the Financial Services Legislation Review undertaken by the Commission.

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

	2022	2021
	\$	\$
2.1A: Cash and cash equivalents		
Cash on hand or on deposit	163,179	48,364
Cash in special accounts	1,184,439	934,189
Total cash and cash equivalents	1,347,618	982,553

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	526	527
Total goods and services receivables	526	527

Other receivables

Statutory receivables (GST)	31,730	29,023
Total other receivables	31,730	29,023
Total trade and other receivables (gross)	32,256	29,550
Total trade and other receivables (net)	32,256	29,550

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 (2021: 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 2021				
Gross book value	1,537,976	45,231	22,415	1,605,622
Accumulated depreciation	(318,204)	-	(8,219)	(326,423)
Total as at 1 July 2021	1,219,772	45,231	14,196	1,279,199
Additions				
Purchase	-	5,142	-	5,142
Depreciation and amortisation	(9,468)	(13,170)	(4,483)	(27,121)
Depreciation on right-of-use assets	(159,102)	-	-	(159,102)
Total as at 30 June 2022	1,051,202	37,203	9,713	1,098,118
Total as at 30 June 2022 represented by				
Gross book value	1,537,976	50,373	22,415	1,610,764
Accumulated depreciation and impairment	(486,774)	(13,170)	(12,702)	(512,646)
Total as at 30 June 2022	1,051,202	37,203	9,713	1,098,118
Carrying amount of right-of-use assets	994,390	-	-	994,390

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 2022, there was a nil decrement (2021: 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 2022 there was a nil increment (2021: \$2,703 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.

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

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 2022.

2.3 Payables

	2022 \$	2021 \$
2.3A: Suppliers		
Trade creditors and accruals	33,874	51,913
Total suppliers	33,874	51,913
Settlement is usually made net 30 days.		
2.3B: Other payables	637	1,042
2.3C: Unearned income ¹	223,526	-

¹ This balance represents the undrawn funding provided by the Department of the Treasury to fund activities associated with the Financial Services Legislation Review being undertaken by the Commission.

2.4 Interest bearing liabilities

2.4A: Leases		
Lease liabilities	1,072,130	1,212,862
Total cash outflow for leases for the year ended 30 June 2022 was \$164,388 (2021: \$159,600).		
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	169,320	164,388
Between 1 to 5 years	729,622	708,371
More than 5 years	245,720	436,291
Total leases	1,144,662	1,309,050

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 2022

	Annual appropriation ¹	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2022 (current and prior years)	Variance ³
	\$	\$	\$	\$	\$
DEPARTMENTAL					
Ordinary annual services	2,625,000	-	2,625,000	2,625,000	-
Capital budget ⁴	15,000	-	15,000	15,000	-
Total departmental	2,640,000	-	2,640,000	2,640,000	-

1. In 2021-22 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 2021-22, 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 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.

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

	2022 \$	2021 \$
Departmental		
2021-22 Appropriation Act 1	-	-
2021-22 Appropriation Act 1 - Departmental Capital Budget (DCB)	-	-
Total departmental	-	-

3.2 Special accounts

	Law Reform Special Account (Departmental)	
	2022	2021
	\$	\$
Balance brought forward from previous period	982,553	968,118
Increases		
Appropriation credited to special account	2,640,000	2,636,000
Other receipts	462,723	-
Total increases	3,102,723	2,636,000
Available for payments	4,085,276	3,604,118
Decreases		
Payments made to suppliers	(695,078)	(681,463)
Payments made to employees	(2,042,580)	(1,940,102)
Total decreases	(2,737,658)	(2,621,565)
Total balance carried to the next period	1,347,618	982,553
Balance represented by:		
Cash held in Commission bank accounts	163,179	48,364
Cash held in the Official Public Account	1,184,439	934,189
Total balance carried to the next period	1,347,618	982,553

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

	2022 \$	2021 \$
4.1A: Employee provisions		
Leave	505,127	353,291
Total employee provisions	505,127	353,291
Employee provisions expected to be settled		
No more than 12 months	272,017	191,583
More than 12 months	233,110	161,708
Total employee provisions	505,127	353,291

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 2022 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, Chief Executive Officer and General Counsel.

Key Management Personnel remuneration is reported in the table below.

	2022 \$	2021 \$
Short-term employee benefits		
Salary	678,776	468,020
Other	450	-
Total short-term employee benefits	679,226	468,020
Post-employment benefits - superannuation	30,429	-
Other long-term employee benefits		
Annual leave	74,723	36,116
Long service leave	19,499	-
Total other long-term employee benefits	94,222	36,116
Total key management personnel remuneration expenses	803,877	504,136

The total number of key management personnel that are included in the above table are 2 (2021: 1). In 2021-22, the General Counsel position has been classified as a Key Management Personnel position due to increased responsibilities.

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

	2022 \$	2021 \$
5.1A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	1,347,618	982,553
Trade receivables	526	527
Total financial assets at amortised cost	1,348,144	983,080
Total financial assets	1,348,144	983,080
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	33,874	51,913
Unearned income	223,526	-
Total financial liabilities measured at amortised cost	257,400	51,913
Total financial liabilities	257,400	51,913

There have been no net gains or losses on financial assets in 2021-22 (2021: nil). There have been no net gains or losses on financial liabilities in 2021-22 (2021: nil).

No financial assets have been reclassified in 2021-22 (2021: 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	
	2022	2021
	\$	\$
Non-financial assets		
Property, plant and equipment	94,015	111,511
Total	94,015	111,511

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 2022 (2021: 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

	2022	2021
	\$	\$
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	1,347,618	982,553
Trade and other receivables	32,256	29,550
Total no more than 12 months	1,379,874	1,012,103
More than 12 months		
Land and buildings	1,051,202	1,219,772
Plant and equipment	37,203	45,231
Intangibles - software	9,713	14,196
Total more than 12 months	1,098,118	1,279,199
Total assets	2,477,992	2,291,302
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	33,874	51,913
Other payables	637	1,042
Unearned income	223,526	-
Leases	148,680	140,732
Employee provisions	272,017	191,583
Total no more than 12 months	678,734	385,270
More than 12 months		
Leases	923,450	1,072,130
Employee provisions	233,110	161,708
Total more than 12 months	1,156,560	1,233,838
Total liabilities	1,835,294	1,619,108

ENTITY RESOURCE STATEMENT AND EXPENSES FOR OUTCOMES 2021–22

Entity Resource Statement 2021–22

	Actual available appropriation for 2021–22 (a)	Payments made 2021–22 (b)	Balance remaining 2021–22 (a) – (b)
	\$'000	\$'000	\$'000
Departmental			
Annual appropriations - ordinary annual services	-	-	-
Annual appropriations - other services - non-operating	-	-	-
Total departmental annual appropriations	-	-	-
Departmental special appropriations	-	-	-
Total special appropriations	-	-	-
Special accounts	4,085	2,738	1,347
Total special accounts	4,085	2,738	1,347
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	2,460	2,460	
Total resourcing and payments	1,445	278	1,347

Expenses for Outcome 1

Outcome 1:	Budget*	Actual expenses	Variation
Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education.	2021–22	2021–22	2021–22
	\$'000	\$'000	\$'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 appropriation ¹			
Special Accounts	2,644	2,821	(177)
Expenses not requiring appropriation in the Budget year	57	53	(4)
Total for Program 1	2,701	2,874	(173)
	2020–21	2021–22	
Average Staffing Level	12	12	

* Full year budget, including any subsequent adjustment made to the 2021–22 Budget.

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

GLOSSARY AND INDEXES



GLOSSARY

AASB	Australian Accounting Standards Board
AC	Companion of the Order of Australia
ALRC	Australian Law Reform Commission
ALRC Act	<i>Australian Law Reform Commission Act 1996 (Cth)</i>
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
ANU	Australian National University
APS	Australian Public Service
ASIC	Australian Securities and Investments Commission
CAG	Council of Attorneys-General
CMG	Companion of the Order of St Michael and St George
Criminal Code	Schedule to the Criminal Code Act 1995 (Cth)
CPR	Commonwealth Procurement Rules
Cth	Commonwealth of Australia
DP	Discussion Paper
EL	Executive Level
FOI	Freedom of Information
FOI Act	Freedom of Information Act 1982 (Cth)
FTE	Full-Time Equivalent
KC	King's Counsel
KPI	Key Performance Indicator
LO	Legal Officer
MP	Member of Parliament
NABERS	National Australian Built Environment Rating System
PDF	Portable Document Format
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>
PGPA Financial Reporting Rule	<i>Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (Cth)</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014 (Cth)</i>
PLO	Principal Legal Officer

RMFCP	Risk Management and Fraud Control Policy
SES	Senior Executive Service
SLO	Senior Legal Officer
SME	Small and Medium Enterprises
UNSW	University of New South Wales
WH&S	Work Health and Safety

LIST OF REQUIREMENTS

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 (print only).	Mandatory
17AJ(b)	86	Alphabetical index (print only).	Mandatory
17AJ(c)	76	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	78	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)	20	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	20	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	32	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	32	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	32	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
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		
	<i>Annual performance Statements</i>		
17AD(c)(i); 16F	20	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)	29	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	73–74	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)	34	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)	32	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 noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory
Audit Committee			
17AG(2A)(a)	36	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	37	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	37	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	37–38	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	37–38	The remuneration of each member of the entity's audit committee.	Mandatory
External Scrutiny			
17AG(3)	39	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)	41	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	39	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)	39	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> 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)	39	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)	39	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(c)(ii)	39	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	39	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	40	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	40	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	40	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	40	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)	42	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)	43	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

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(7)(c)	43	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)	43	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
	Reportable non-consultancy contracts		
17AG(7A)(a)	42	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)	42	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

PGPA Rule Reference	Part of Report	Description	Requirement
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 AuditorGeneral 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
Small business			
17AG(10)(a)	42	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory
17AG(10)(b)	42	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 "[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."	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
	Financial Statements		
17AD(e)	47	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive Remuneration		
17AD(da)	33	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 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)	43	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
17AH(1)(c)	43	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	43	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)	42	Information required by other legislation	Mandatory

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