

Victorian  
Law Reform  
Commission



Annual Report 2008-09

*Inclusive, Independent, Innovative*



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

## Credits

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## Highlights of the year

- Magistrate Mandy Chambers and Executive Director of the Federation of Community Legal Centres, Hugh de Kretser, were appointed as commissioners by the Attorney-General. They bring a range of experience and have already made a valuable contribution to law reform.
- In December 2008 the commission moved to new premises in Queen Street, Melbourne which provide a congenial working environment for staff and contain excellent meeting facilities.
- The commission released a Consultation Paper on Jury Directions and discussed draft recommendations with overseas experts, the judiciary, barristers and the Office of Public Prosecutions. The Final Report reflected this extensive consultation and was completed in June 2009.
- A report arising out of a Community Law Reform project was tabled in Parliament in January 2009. The Assistance Animals Final Report recommended changes aimed at clarifying and improving the legal protection for people with disabilities who rely on assistance animals.
- The commission released a Consultation Paper on Surveillance in Public Places. As part of the consultation process researchers visited a number of sites throughout the state to gain an understanding of the use of surveillance devices in Victoria.
- The Attorney-General announced the commission would be conducting a review of Victoria's guardianship laws. The commission's review will ensure that guardianship laws reflect modern standards and the changing demographics of Victoria's population.
- Legislation based on the commission's final report on the Law of Abortion in Victoria was passed by Parliament in late 2008. All parties allowed their members to cast a conscience vote on the issue.
- Parliament also enacted legislation based on the commission's final report on Assisted Reproductive Technology that modernised Victoria's infertility treatment laws.
- Researchers from the commission gave speeches on a range of law reform topics at universities and schools, including some in regional Victoria.



Padma Raman

# Chief Executive Officer's Report

The year was another successful one for the commission with the completion of two references, production of several high quality publications and the relocation of our offices.

## References

The commission completed its reference on jury directions in criminal trials and its community law reform project on the use of assistance animals. The teams working on the references are to be commended for their excellent work and for completing the projects despite disruptions associated with the commission's relocation of offices. The main research team for the juries reference consisted of Tanaya Roy and Rupert Watters. The commission thanks them for their dedication and outstanding work in researching and producing written work on a complex area of law. They were ably assisted for short periods by Matthew Andison and Jen Powell.

Having reinvigorated its community law reform program, the commission completed a project on assistance animals. Michelle Burrell was instrumental in developing the commission's community law reform strategy and in conducting the review on the use of assistance animals by people with a disability. The commission was sad to see Michelle leave but her brilliant work on community law reform continues with the appointment of Myra White to oversee the commission's program.

Myra brings a wealth of diverse public policy experience to the role and has begun a project on the role of the independent person in police interviews with young people. The program has also benefited from the strong organisational, research and consultation skills of its other team member Simone Marrocco.

Simone works as a member of the community law reform team and as my personal assistant. I am indebted to her for all her assistance and support over the year and proudly watch the continual development of her skills at the commission.

The commission released a Consultation Paper and embarked on an ambitious consultation process for its surveillance in public places reference. The team consisting of Emily Minter, Lara Rabiee and skilfully lead by Emma Cashen has worked enormously hard over the last year.

The number and range of publications that the commission produces in a year would not be possible without exceptional communications staff. Sally Finlay our Communications Manager and Clare Chandler, Communications Officer, continued to work with reference teams to ensure that publications were produced on time, our website is updated and to provide advice on consultation processes. Sally has managed our media relations effectively while the team has also coordinated our community education program with an emphasis on explaining our processes and projects to school students.

### Relocation

The commission moved into its new premises on 17 November 2008. Kathy Karlevski demonstrated her incredible range of talents managing the refurbishment and the relocation. Her organisational skills and the extraordinary efforts of the administrative team, Failelei Siatua and Vicki Christou, meant staff were able to work at our old offices till Friday afternoon and could continue to work the following Monday morning at our new premises. The work involved in securing new premises, engaging architects and builders to refurbish premises and move an entire organisation is enormous. It is a testament to Kathy and the administrative team that the commission continued to operate without employing any additional staff over the six month period. With more space and flexible meeting facilities, our new premises provide better conditions for staff and ensure that the commission can undertake its consultation program effectively.

### Commissioners

Commission staff are privileged to be able to work with a fantastic group of commissioners. As always the part-time commissioners have been generous with their time and willing to discuss, debate and clarify issues with staff. For staff, working with experienced, talented and creative commissioners makes the sometimes difficult task of researching and writing exciting. I thank our chairperson and commissioners for their continued support of the staff. I also thank all our staff for their dedication, enthusiasm and hard work over the year.

### Accountable Officer's declaration

In accordance with *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Victorian Law Reform Commission for the year ending 30 June 2009.



**Padma Raman**  
Chief Executive Officer

17 September 2009



Professor Neil Rees

# Chairperson's Report

The Victorian Law Reform Commission has enjoyed a productive year marked by the completion of two significant projects, the commencement of an important reference, changes to the membership of the commission and the acquisition of new premises.

Two new commission members, Hugh de Kretser and Amanda (Mandy) Chambers, were appointed and a longstanding commissioner, Justice David Harper AM, retired from his position.

In December 2008 the commission moved to new premises in Queen Street, Melbourne, which provide a congenial working environment for staff and contain excellent meeting facilities.

The commission delivered two final reports to the Attorney-General and published three consultation papers during the reporting period. All of these documents, which are discussed throughout this report, are available on the commission's website.

Most importantly, the work of the commission continued to inform new laws. Late in 2008 the Victorian Parliament passed two pieces of legislation which were based upon commission reports: the *Abortion Law Reform Act 2008* and the *Assisted Reproductive Treatment Act 2008*. It is pleasing that the Attorney-General sought reports from the commission, which entailed extensive community consultation, before Bills dealing with the sensitive topics of the decriminalisation of abortion and the regulation of assisted reproductive technology were introduced into parliament.

## REPORTS

### Jury Directions

In January 2008 the Attorney-General asked the commission to review the law and practice concerning the directions which judges give to juries in criminal trials and to recommend changes for improvement.

There has been concern that the law of jury directions is too complex, that it does not encourage judges to use modern means of communication, that juries are sometimes given very lengthy directions that are not particularly helpful, and that some appeals against conviction succeed because of very technical errors in the jury directions. While both the NSW and Queensland Law Reform Commissions have similar references, the VLRC is the first to finalise its report.

The Hon. Geoff Eames AO QC, a retired Justice of the Supreme Court of Victoria, played a major role in the preparation of this report as a consultant to the commission. Mr Eames was a Supreme Court judge for 15 years prior to his retirement in 2007 and he has been an Acting Justice of the Supreme Court of the Northern Territory. The commission benefited greatly from his extensive trial and appellate court experience.

The commission published a Jury Directions consultation paper in September 2008 and consulted widely with members of the judiciary and the legal profession.

The final report containing 52 recommendations designed to improve the process of giving jury directions in a criminal trial and to reduce the possibility of error on the part of the trial judge when doing so was handed to the Attorney-General on 1 June 2009. The commission's recommendations fall into three broad categories: new legislation that replaces the common law, new practices to assist the jury and more skills training for trial judges and counsel.

### **Assistance Animals**

One of the commission's functions is to examine and make recommendations about matters that are of general community concern but involve relatively minor legal change. In undertaking community law reform projects the commission aims to promote access for people and groups not traditionally involved in law reform. The commission also aims to provide simple solutions to gaps, inadequacies or anomalies in the law.

Following a request by the Victorian Equal Opportunity and Human Rights Commission, the commission decided to examine the law concerning the use of assistance animals by people with a disability. A consultation paper was published in July 2008 and the commission consulted consumers, disability organisations, service providers and animal training organisations before producing a report with 28 recommendations for reform.

Our inquiry revealed that the law is in need of reform so that it more effectively supports the right of people with a disability to use a trained assistance animal throughout their daily lives. As well as recommendations designed to clarify and improve existing legal protections, the commission proposed a simple regulatory scheme for the training, registration and identification of assistance animals.

## **CONTINUING REFERENCES**

### **Surveillance**

In March 2009 the commission published a consultation paper dealing with the complex issue of surveillance in public places.

This reference provides the community with an opportunity to reflect upon the prevalence of surveillance during our daily lives and to assess whether our current laws are adequate. Our activities are likely to be monitored and recorded whenever we are walking through the city of Melbourne, shopping, catching public transport, driving on major roads and attending a major sporting event. We are not always aware of when we are being monitored, who is doing the monitoring and what use is made of the information that is collected.

Since publishing the consultation paper the commission has consulted widely with groups and individuals including users of public place surveillance, regulators and community groups with a particular interest in this reference. The commission anticipates delivering its final report on the regulation of surveillance in public places to the Attorney-General in early 2010.

### **Guardianship**

In May 2009 the Attorney-General asked the commission to review and report on the desirability of changes to the *Guardianship and Administration Act 1986*. Much has changed since Victoria's groundbreaking guardianship laws commenced operation a generation ago.

During the next two years the commission will consult widely about the best means of ensuring that Victorian guardianship and administration law is responsive to the needs of people with impaired decision making capacity. The commission will pay particular attention to the United Nations' Convention on the Rights of Persons with Disabilities ratified by Australia on 17 July 2008.

## **COMMISSIONERS AND STAFF**

Justice David Harper retired from the commission in October 2008. I take this opportunity to acknowledge the extent of Justice Harper's contribution to the commission throughout his seven years membership. Justice Harper was a willing and hard working member of many divisions of the commission and he has been a source of advice to me about a range of legal matters.

Our new commissioners, Hugh de Kretser and Mandy Chambers, have enthusiastically joined in the work of the commission. Commissioners Paris Aristotle, Judge Felicity Hampel, Professor Sam Ricketson and Judge Iain Ross AO have continued to provide advice and guidance. I thank them all for their contribution to law reform in Victoria.

The staff of the commission under the leadership of the Chief Executive Officer, Padma Raman, have successfully participated in the sometimes arduous process of consultation, research, writing and administration which ultimately culminates in reports to the Attorney-General about law reform.

I look forward to the year ahead with confidence that the members and staff of the commission have the capacity to provide the Attorney-General and the broader Victorian community with innovative and sound advice about the never-ending task of improving our laws.



**Professor Neil Rees**  
Chairperson



## Our Commissioners

During 2008–09 there were significant changes to the commission. One long-serving part-time commissioner, Justice David Harper, left the commission and two new members, Hugh de Kretser and Magistrate Mandy Chambers, were appointed.

Justice Harper retired this year after being a member since 2001. His contributions to the commission's work over this time have been invaluable. Justice Harper was invited to open the new premises of the commission in December 2008.

This year the commission welcomed Hugh de Kretser, Executive Director of the Federation of Community Legal Centres, and Mandy Chambers, a Victorian magistrate.

Commissioners are responsible for the overall direction of the organisation. They are members of divisions of the commission in which they work on specific references. Commissioners meet regularly to discuss recommendations and publications for all references. At the close of the year there were seven commissioners: six part-time commissioners and a full-time Chairperson, Professor Neil Rees.

**Paris Aristotle AM** was appointed as a part-time commissioner in August 2002. He has been the Director of the Victorian Foundation for Survivors of Torture since 1988 and holds several positions on government advisory bodies in the settlement and human services fields, including the Refugee Resettlement Advisory Council and the Immigration Detention Advisory Group. He also sits on the board of the Adult Multicultural Education Services.

He has been a member of the divisions for the Surveillance in Public Places reference and for Community Law Reform.

**Magistrate Mandy Chambers** joined the commission in November 2008. She was appointed to the Magistrates' Court of Victoria in 2006. She is President of the Victorian Magistrates' Association and serves on the court's Sexual Assault Management

Committee, Victims of Crime Tribunal Co-ordinating Committee and Family Violence and Family Law Portfolio Group. She has previously held a number of positions in the employment and industrial relations area.

Magistrate Chambers has been a member of the Jury Directions and Guardianship divisions of the commission.

**Hugh de Kretser** joined the commission in September 2008. He is Executive Director of the Federation of Community Legal Centres. He was previously Principal Community Lawyer and Legal Program Manager at Brimbank Melton Community Legal Centre and worked in employment and industrial relations law. He has also been a non-executive director of the Human Rights Law Resource Centre.

He has been a member of the Jury Directions, Surveillance in Public Places and Guardianship divisions.

**Judge Felicity Hampel** has been a part-time commissioner since October 2001. She was appointed a Judge of the County Court in 2005, prior to which she was a practising barrister and Adjunct Professor of Law at





Left to right: Paris Aristotle, Mandy Chambers, Hugh de Kretser, Felicity Hampel, David Harper, Sam Ricketson, Neil Rees, Iain Ross

Monash University. She joined the Victorian Bar in 1981, was appointed Queens Counsel in 1996 and throughout her career has been active in human rights and public interest advocacy and legal education. In 2005, she received the Women Lawyers' Achievement Award in Victoria.

Judge Hampel has been a member of the commission's Jury Directions and Community Law Reform divisions.

**Justice David Harper AM** joined the commission in October 2001 and retired in 2008. After a long career at the Bar—he was made a QC in Victoria in 1986 and in New South Wales in 1989 and was the Bar Council Chairman in 1990–91—he was appointed as a judge to the Supreme Court of Victoria in 1992. He is currently chair of the International Humanitarian Law Advisory Committee of the Red Cross (Victorian branch), President of the Victorian Association for the Care and Resettlement of Offenders, and Chair of The Northcote Trust, which helps talented young people finish their education. He was awarded a Member of the Order of Australia in 2008.

Before his retirement from the commission in September 2008 Justice Harper served on the Jury Directions division.

**Professor Sam Ricketson** has been a part-time commissioner since October 2001. He is a practising barrister specialising in matters of copyright and intellectual property law and has published widely in these areas. Since 2000, he has been a Professor of Law at the University of Melbourne and was previously Professor of Commercial Law at Monash University. Prior to this, he held academic and research positions at the universities of Melbourne and London. He is also a Fellow of the Academy of the Social Sciences in Australia.

Professor Ricketson has been a division member of the divisions for the Surveillance in Public Place and Guardianship references.

**Professor Neil Rees** has been the Chairperson of the commission since 1 June 2007. His legal career includes periods in academia, in legal practice and as a member of tribunals. Before joining the commission, he was a Professor and Foundation Dean of the Faculty of Law at the University of Newcastle. His tribunal membership includes the New South Wales Administrative Decisions Tribunal, the Mental Health Review Board and the Psychosurgery Review Board.

He has been involved in the establishment of three community legal centres and clinical legal education programs: Springvale (Monash University); Kingsford (University of New South Wales); and Newcastle (University of Newcastle). He has previously been a part-time commissioner of the New South Wales Law Reform Commission.

Professor Rees has been involved with all references throughout the year.

**Judge Iain Ross AO** joined the commission in 2003. He was appointed a judge of the County Court in November 2007 and he is also a Vice-President of VCAT. He was previously a partner of Corrs Chambers Westgarth, specialising in workplace relations and administrative law. He has been a Vice-President of the Australian Industrial Relations Commission. He first became involved in law reform in 1992 as a consultant to the Australian Law Reform Commission's Collective Investments Review. He was a part-time commissioner of the New South Wales Law Reform Commission from 1998 to 2001 and joined the Victorian Law Reform Commission in August 2003.

Judge Ross has been a member of the divisions for the Jury Directions, Surveillance in Public Places and Guardianship references.



# Our Approach

## Functions, Visions and Objectives

The Victorian Law Reform Commission was established as an independent government-funded organisation with a charter to facilitate community-wide consultation and advise parliament on how to improve and update Victorian law. The commission is committed to transparent and public law reform which is independent of the political process.

### Our Functions

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

The functions of the commission are to:

- examine, report and make recommendations to the Attorney-General on any proposal or matter relating to law reform in Victoria that is referred to the commission by the Attorney-General

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

### Our Vision and Values

Our vision is to establish the Victorian Law Reform Commission as the leading law reform agency in Australia. In all its activities, the commission will contribute to the building of a fair, just, responsive, inclusive and accessible legal system for all Victorians.

The commission will:

- maintain a reputation for rigorous legal research and extensive community consultation
- produce timely, thorough and high quality law reform recommendations which provide innovative solutions to complex policy issues
- build community trust in government and enhance the democratic process by fostering public understanding of law reform and encouraging informed community debates on key issues
- give a voice to marginalised groups within the community
- ensure the government is fully informed of law reform developments which have occurred interstate and overseas
- provide fearless, impartial and independent advice to the government of the day and be seen to be doing so
- build partnerships with other bodies involved in law reform to avoid inefficient duplication of effort.

Objectives	Results
To provide the Attorney-General and parliament with high quality, timely, responsive and effective advice on law reform that is independent of government agencies and the political process.	Delivered <i>Assistance Animals: Final Report</i> . Delivered <i>Jury Directions: Final Report</i> . Delivered <i>Assistance Animals: Consultation Paper</i> . Delivered <i>Jury Directions: Consultation Paper</i> . Delivered <i>Surveillance in Public Places: Consultation Paper</i> .
Engage the community in law reform processes and foster community-wide debate on law reform proposals.	Conducted a forum on assistance animals with users, transport operators and guide dog trainers. Held a symposium on jury directions with barristers, law reform bodies and members of the judiciary from other Australian jurisdictions as well as New Zealand. Staff participated in conferences and forums hosted by third parties.
To promote the role of law reform and improve community understanding of law and legal processes relevant to the commission's references.	Provided information about references and the law reform process to media outlets, universities and schools. Distributed Law Reform in Action booklet to legal studies teachers and students in secondary schools.
To coordinate law reform in Victoria and identify areas of emerging concern.	Began work on the role of independent persons in police interviews following a request from the youth sector. Participated in Law Week activities.
To maintain efficient and effective administrative and financial systems and provide a safe and supportive working environment to support the commission's law reform activities.	Relocated to new premises with excellent meeting facilities including a hearing loop. Published submissions on the commission's website for the first time. Added to research tools on intranet and conducted staff seminars with external speakers.

### Operational objectives and performance against objectives

The following sections outline details of the outputs provided by the commission via the Department of Justice to Government, including performance measures and costs for each output, followed by the actual performance results against budgeted targets by output for the commission for the full year ending 30 June 2009.

The outputs relating to the commission are included under the heading of the Department of Justice's Legal Support to Government and Protecting the Rights of Victorians. The commission's outputs contribute to the consolidated total output cost of \$49.7m.

The total output cost is an amount derived from the Appropriation (2008/2009) Act 2008 less savings and other movements plus the amount received from the Legal Services Board, as directed by the Attorney-General.

The difference between the target and the actual figure is due to governance; executive and corporate costs that constitute indirect output costs included in the BP3 estimates and not included in the direct appropriation allocations.

Performance Measures	Unit of Measure	2008-09 Actual	2008-09 Target
<b>Quantity</b>			
Community education and consultation sessions <sup>(a)</sup>	number	50	50
Law reform projects <sup>(b)</sup>	number	4	4
<b>Quality</b>			
Stakeholder satisfaction with consultation/education processes	per cent	85	85
<b>Cost</b>			
Annual appropriation		0.940	0.982
Legal Services Board		1.300	1.680
<b>Total output cost</b>	<b>\$ million</b>	<b>2.240</b>	<b>2.662</b>

Notes:

(a) Community education and consultation sessions are provided on an as needed basis which makes it difficult to accurately predict how many briefings are required for the year.

(b) Law reform projects are referred to the commission by the Attorney-General making it difficult to predict how many will be undertaken in the reporting period.

### Budget portfolio outcome statements

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



Reference:

## Surveillance in Public Places

With the release of a Consultation Paper in March 2009 the commission's surveillance team have embarked on a phase of wide-ranging site visits, consultations and forum events.

### Consultation Paper

A paper outlining surveillance in Victoria, including proposals about how it should be regulated, was released this year after extensive research and preliminary consultation.

Key features of the *Surveillance in Public Places: Consultation Paper* included:

- an explanation of how surveillance is used in public places and how it is regulated
- a discussion of privacy in public places
- an examination of the risks and benefits of public place surveillance
- draft proposals for reform.

### Reform Proposals

The paper sought feedback from the community on a range of proposals for improving the regulation of public place surveillance in Victoria. Proposals in the paper included:

- a new role for an independent regulator to monitor, report and provide information about public place surveillance in Victoria
- new voluntary best-practice standards to promote responsible use of surveillance in public places
- mandatory codes to govern the use of surveillance in public places with sanctions for non-compliance that include civil or criminal penalties

- a licensing system for some surveillance practices that are found to be particularly invasive of privacy
- various changes to clarify and strengthen the *Surveillance Devices Act 1999* (Vic)
- a new statutory obligation to refrain from committing a serious invasion of privacy, such as that proposed by the Australian Law Reform Commission.

These proposals were accompanied by questions designed to stimulate debate and guide submissions. The commission had received 17 submissions in response to the Consultation Paper by the close of the financial year.

The paper received some media coverage, most notably on the ABC's *Stateline* program.



### Community engagement

From April 2009 the surveillance team concentrated on consulting widely with users of surveillance. This process involved visiting a range of sites including:

- Federation Square
- Etihad Stadium
- Melbourne City Council
- State Library of Victoria
- Crown Casino
- Melbourne Sports and Aquatic Centre.

Through these visits the commission gained a valuable insight into current surveillance practices in Victoria.

The team also began holding face-to-face consultations with community groups, users of surveillance and privacy advocates. Further consultations were planned for the second half of 2009. A joint forum with the Yarra Neighbourhood Justice Centre was held in June. Further forum events were also organised to occur in the second half of 2009.

This year also saw the establishment of a Consultative Committee to provide feedback about the commission's proposals and recommendations.

As part of Law Week the surveillance team went on the road to present as part of the Horsham Law Talks program. Students made submissions to the project that reflected their experiences of surveillance in regional areas.

### Staff

Priya SaratChandran continued work on the project before her departure in August 2008. Lara Rabiee continued work on the project throughout the year and was joined by Emily Minter in September 2008. From August 2008 Emma Cashen led the project as Team Leader. Associate Professor Moira Patterson from Monash University continued to provide specialist advice to the project until publication of the Consultation Paper. Research Assistant Miriam Cullen contributed to the Consultation Paper throughout the year. A number of interns provided further assistance to the project.



## Reference: Jury Directions

This year saw the release of both a Consultation Paper and the completion of a Final Report on jury directions. The reference asked the commission to look at how the directions judges give to juries in criminal trials can be simplified and improved.

### Consultation Paper

The commission's *Jury Directions: Consultation Paper* was published in September 2008.

The paper identified factors that contribute to complex and lengthy jury directions. It also considered the requirement that judges summarise evidence for the jury at the end of a trial and refer to defences that may not have been raised by counsel.

The paper contained a series of reform proposals for feedback, including:

- introducing legislation containing all of the circumstances in which the trial judge is, or is not, required to direct the jury and the content of those directions

- creating a document for juries at the commencement of each trial setting out the elements of each offence and indicating the matters that are in dispute.
- restricting counsel from raising points of law on appeal which were not raised, and could have been raised, during the trial.
- clarifying when a judge is required to direct the jury about defences or alternative versions of the facts not put to the jury by counsel.

The commission received 18 submissions in response to the Consultation Paper.

### Consultative Committee and Juries Symposium

An expert committee comprising Supreme and County Court judges, Crown Prosecutors and defence barristers met throughout the year. The committee provided valuable advice which was incorporated into both the Consultation Paper and the Final Report.

The commission also held a symposium on the topic of jury directions in February 2009. The event was attended by representatives of the law reform commissions of New South Wales, Queensland, Tasmania and New Zealand; academics from the University of New South Wales, the University of Queensland and Monash University, and judges from New Zealand. The commission benefited greatly from the knowledge of participants about the law, practice and reform of jury directions in other jurisdictions.



### Final Report

The commission's Final Report on Jury Directions was handed to the Attorney-General on 1 June 2009. The report outlined a range of recommendations to improve and simplify judges' directions. Key recommendations included:

- replacing the various sources of law with one piece of legislation that clearly sets out what directions are mandatory and those which are discretionary. The statute would require all jury directions to be as clear, brief and comprehensible as possible making it simpler for judges to give directions and easier for juries to understand.
- providing the jury with a written 'outline of charges', which identifies the elements of the offences the accused is charged with, and a 'jury guide' which contains a list of questions designed to assist the jury to reach a fair verdict.
- modernising the judge's obligation to refer the jury to the relevant evidence by permitting the judge to provide the jury with written transcripts of proceedings.
- reducing the obligation for the trial judge to instruct the jury about matters not raised by counsel during the trial.
- restricting the opportunity for counsel to argue on appeal that the trial judge made an error in directing the jury when that error was not raised with the trial judge prior to the verdict being delivered.
- providing training to newly appointed judges and a refresher course for existing judges about jury directions.
- encouraging the Bar Council to consider establishing a specialist skills training course and accreditation scheme for criminal barristers who conduct criminal trials and considering whether accredited specialist barristers should receive a fee loading.
- introducing a Public Defenders scheme – the defence equivalent of Crown Prosecutors – along the lines of the schemes in New South Wales and Queensland.

### Staff

Tanaya Roy and Rupert Watters continued work on the project. They were joined by Jennifer Powell and Matthew Andison at different points throughout the year. Neil Rees and Geoff Eames QC continued to lead the project.



Reference:

## Guardianship

The laws and practices that protect Victorians with impaired decision-making capacity will be reviewed under the commission's latest reference from the Attorney-General. The extensive reference is the first review of Victorian guardianship and administration laws for more than 20 years.

### **Guardianship and Administration – Background**

A guardian is appointed to make personal and lifestyle decisions for an adult who cannot make their own decisions. These can include decisions about accommodation, healthcare or access to services. An administrator is appointed to make financial and legal decisions for an adult who cannot make their own decisions.

Both of these roles are spelt out under the *Guardianship and Administration Act 1986*. In most cases a family member or friend will be appointed a guardian or administrator. Applications to appoint a guardian or administrator are made through VCAT.

If there is no suitable relative or friend to act as a guardian VCAT will appoint a public advocate from the Office of the Public Advocate. Where there is no one to act as an administrator VCAT will appoint State Trustees as an independent administrator.

### **Terms of Reference**

Under the terms of reference the commission is required to be guided by principles of respect for dignity and individual autonomy and to advance, promote and protect the rights of people with impaired decision-making capacity. Recommendations from the commission must be consistent with Australia's human rights obligations and the Victorian Charter of Human Rights.



In particular the commission has been asked to consider:

- the role of guardians and administrators
- the need to balance the protection of a person with impaired capacity by a guardian or administrator with the person's exercise and enjoyment of their human rights
- the alignment of guardianship and administration law with other relevant laws
- the role of informal decision-making for an adult with impaired capacity
- the functions, powers and duties of the Public Advocate
- the role and powers of the Victorian Civil and Administrative Tribunal and the appointment of guardians and administrators
- existing laws that deal with medical research, non-medical research, medical and other treatment of a represented person.

The commission must report by 30 June 2011.

### **Staffing and Planning**

By the close of the financial year plans were underway to establish a staff team to work on the project. Chairperson of the commission, Neil Rees, will be leading the reference. Plans were also underway for the establishment of some consultative groups to assist the commission.

An Information Paper on the topic is planned for release in the coming months.



# Community Law Reform

The Victorian Law Reform Commission Act allows the commission to make recommendations on minor legal issues of general community concern or suggest to the Attorney-General that he or she refer a law reform project to the commission.

## Spotlight on Community Law Reform

Apart from making submissions to projects the commission receives from the Attorney-General, the community can suggest ideas for law reform projects. If the project involves a relatively minor change to the law the commission may be able to turn the suggestion into a Community Law Reform project.

The aim of the program is to improve accessibility for people and communities who are not usually involved in law reform but who have good ideas about how the law could be improved.

The Community Law Reform manager, assisted by commission staff, administers the program. The Community Law Reform program also has a dedicated division who assess community suggestions and contribute to projects once they are established. This financial year the division comprised Professor Neil Rees, Judge Felicity Hampel and Paris Aristotle.

## Assistance Animals

The commission's *Assistance Animals: Final Report* was launched on 29 January 2009 by the Attorney-General Rob Hulls. The report made a range of recommendations aimed at giving people with disabilities who use assistance animals greater protection under the law. The report recommended creating a regulatory scheme for assistance animals

in Victoria which would include standard identification for animals and accreditation for trainers. It also suggested an Assistance Animals Act be created so that all the relevant legislation can be kept in one place.

The Equal Opportunity Act has been amended to reflect some of the commission's recommendations. The government is now considering the commission's other recommendations.

The report was published after community consultation with businesses, individuals who use assistance animals, service providers, transport operators, assistance animal training organisations, disability groups, local government, state government departments and statutory agencies. A Consultation Paper was published in July 2008. The report and Consultation Paper were made available in a range of accessible formats.

The commission received 28 submissions in response to the paper and conducted 19 consultations. For the first time the commission also published public submissions on our website.



### Supporting Young People in Police Interviews

Work began this year on a project looking at the role of Independent Persons in police interviews with young people. Independent Persons regularly attend police interviews with young people when their parent or guardian is unavailable but what they are supposed to do in the interview, and who can and cannot be an Independent Person, is not defined in legislation. After preliminary research and consultation work began on a Background Paper.

### Community Law Reform suggestions

The commission received 13 suggestions this financial year. They concerned issues such as the Residential Tenancies Act, double jeopardy, changes to the Firearms Act and compulsory third party insurance. A number of suggestions that meet the commission criteria are now being considered for future Community Law Reform projects.

The commission's online form for Community Law Reform suggestions proved popular, with two suggestions being submitted online and seven suggestions using the form criteria via email.

### Criteria for community suggestions

Generally the commission can only complete one or two projects per year and in deciding whether to undertake a Community Law Reform project the commission considers:

- The area in which the law applies—the commission can only make recommendations about state laws.
  - The scope of the community law reform project—including the complexity of the legal issues raised, the amount of research required, and the amount of legal change that may be needed. The commission can only do community law reform projects that deal with relatively small changes to the law.
  - The amount of community consultation that will be needed to fully consider the issue—complex and controversial subjects or areas of law that do not have strong community consensus will generally not fit within community law reform projects. These types of issues require significant consultation and public debate to resolve. This is better suited to a government initiated reference or inquiry.
- The law reform proposal's likely public benefit—the commission is interested in projects that will fix problems with the law that affect a significant proportion of the population or address problems faced by significantly disadvantaged members of the community.
  - The prospects of success for the reform proposal—community law reform projects must provide a simple, effective solution to an anomaly, inequity or gap in the law.

### Staff

The commission welcomed a new Community Law Reform manager, Myra White, to the commission in May 2009. Myra is assisted by Project Officer Simone Marrocco and other commission staff. A number of interns assisted with the Community Law Reform program throughout the year.



# Implementation Report

## Abortion

A Bill based on the Victorian Law Reform Commission's Final Report on the law of abortion in Victoria was introduced to parliament on 19 August 2008 by the Minister for Women's Affairs Maxine Morand.

The report was tabled in May 2008 and of the three options for decriminalisation provided by the commission's report the government chose Model B. This model proposed that terminations of pregnancy be regulated like any other medical procedure up to 24 weeks gestation.

After 24 weeks gestation, a registered medical practitioner may perform an abortion on a women only if the medical practitioner:

- a) reasonably believes that the termination of pregnancy is appropriate in all the circumstances
- b) has consulted at least one other medical practitioner who also reasonably believes that the termination is appropriate in all the circumstances.

All political parties allowed their members to vote individually—known as casting a conscience vote—rather than vote along party policy lines.

The legislation—the *Abortion Law Reform Act 2008*—received the royal assent on 22 October 2008 and commenced operation the following day.

## Assisted Reproductive Technology

On September 9 2008 the Attorney-General Rob Hulls introduced legislation based on the commission's Final Report on Assisted Reproductive Technology.

The report was tabled in June 2007 and made 130 recommendations for a new legislative framework governing access to fertility treatment clinics, recognition of parental status, sperm and egg donations, information about donors, adoption, surrogacy, and using people's sperm and eggs after they die.

While the majority of recommendations were included in the *Assisted Reproductive Treatment Act 2008*, recommendations on adoption were referred to a national working group.

All political parties allowed their members to cast a conscience vote.



# Education and Outreach

The commission has continued its education and outreach activities in line with our objectives to engage the community in the law reform process and promote the role of law reform.

## Engagement with schools and universities

Commission staff spoke regularly at schools and universities through the year.

The Surveillance team participated in the Victorian Law Foundation's Law Week program by attending an event with secondary school students in Horsham.

Staff also visited the bush fire affected community of Alexandra and spoke to students about the law reform process.

In early 2009 the commission produced a poster about the law reform process distributed free to all Victorian Legal studies students.

Several lectures were given to law students at Victorian universities about past and current references.

## Intern program

The commission has continued to participate in the Victoria Law Foundation's intern program. The program places law students with an interest in research and legal policy and community legal education in public sector and community organisations. The commission also had a representative on the selection panel.

The past year has seen four interns pass through the commission.

Minh Le worked on the *Jury Directions: Consultation Paper* and Dahni Houseman assisted with the *Assistance Animals: Consultation Paper*. Susanne Zhou contributed to the *Surveillance in Public Places: Consultation Paper* and Sarah Notarianni provided support on the *Jury Directions: Final Report*.

## Speaking engagements

In addition to speaking to students and schools and universities, Commissioners and commission staff have spoken at public events throughout 2008-09.

Professor Rees spoke at the Australasian Law Reform Agencies Conference on cycles in institutional law reform and also launched the Mental Health Legal Centre's report: *Lacking Insight*.

CEO Padma Raman spoke on abortion law reform and family violence at conferences in Sydney and Melbourne.

## In the news

The commission continued to be a source of information for the media on the law reform process and on specific references.

Of particular interest to the media were recommendations arising from the final report of jury directions and the issue of surveillance in public places received coverage following the release of the commission's consultation paper.

The commission continued to contribute to the *Law Institute Journal* covering the commission's work on a variety of issues throughout the year.



# Organisational Structure

## Audit Committee and roles

The audit committee consists of:

- Anthony Phillips (Chairperson),
- Neil Rees,
- John Bafit.

The main responsibilities of the audit committee are to:

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

## Human Resource Management

The commission has continued its commitment to OH&S compliance as well as general staff health and wellbeing during the financial year with a number of key initiatives:

- 4 staff members took advantage of the subsidised influenza immunisation program organised by the Department of Justice.
- 4 staff members undertook training as fire wardens and all staff participated in fire drill evacuation exercises.
- 6 staff members undertook training as first aid officers.

## Employment and conduct principles

The commission is bound by the code of conduct for the Victorian public sector, which contains principles of appointment on merit, fair and reasonable treatment, equal employment opportunity and protection from discrimination, harassment and bullying.

The commission actively promotes safe work practices, career development and a friendly, non-discriminatory workplace. The organisation provides flexibility in the workplace that will enhance productivity as well as assist staff to balance work with family and personal responsibilities.

The commission is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria without discrimination.

## Workforce data staffing trends

2006	2007	2008	2009
17	20	20	16

	Ongoing Employees <sup>(a)</sup>				Fixed term & Casual Employees
	Employees (Headcount)	Full time (Headcount)	Part time (Headcount)	FTE <sup>(b)</sup> (Headcount)	FTE <sup>(b)</sup>
June 2009	8	6	2	7.5	7.6
June 2008	12	9	3	11.3	7.8

	2009			2008		
	Ongoing <sup>(a)</sup>		Fixed term & Casual Employees	Ongoing <sup>(a)</sup>		Fixed term & Casual Employees
	Employees (Headcount)	FTE <sup>(b)</sup>	FTE <sup>(b)</sup>	Employees (Headcount)	FTE <sup>(b)</sup>	FTE <sup>(b)</sup>
<b>Gender:</b>						
Male	1	1	1	1	1	1
Female	7	6.5	6.6	11	10.3	6.8
<b>Total</b>	<b>8</b>	<b>7.5</b>	<b>7.6</b>	<b>12</b>	<b>11.3</b>	<b>7.8</b>
<b>Age</b>						
Under 25	0	0	0	0	0	0
25-34	4	1	5.6	6	5.8	6.8
35-44	1	3	2	2	2	1
45-54	1	0.9	0	2	1.9	0
55-64	2	2.6	0	2	1.6	0
Over 64	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>7.5</b>	<b>7.6</b>	<b>12</b>	<b>11.3</b>	<b>7.8</b>
<b>Classification</b>						
VPS 1	0	0	0	0	0	0
VPS 2	1	1	0	1	1	0
VPS 3	3	2.6	2	2	1.6	2.8
VPS 4	0	0	0	0	0	0
VPS 5	2	1.9	4.6	4	3.9	5
VPS 6	0	0	1	3	2.8	0
Executive <sup>(c)</sup>	1	1	0	1	1	0
Statutory appointee	1	1	0	1	1	0
<b>Total</b>	<b>8</b>	<b>7.5</b>	<b>7.6</b>	<b>12</b>	<b>11.3</b>	<b>7.8</b>

### Notes:

(a) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

(b) FTE means full time staff equivalent.

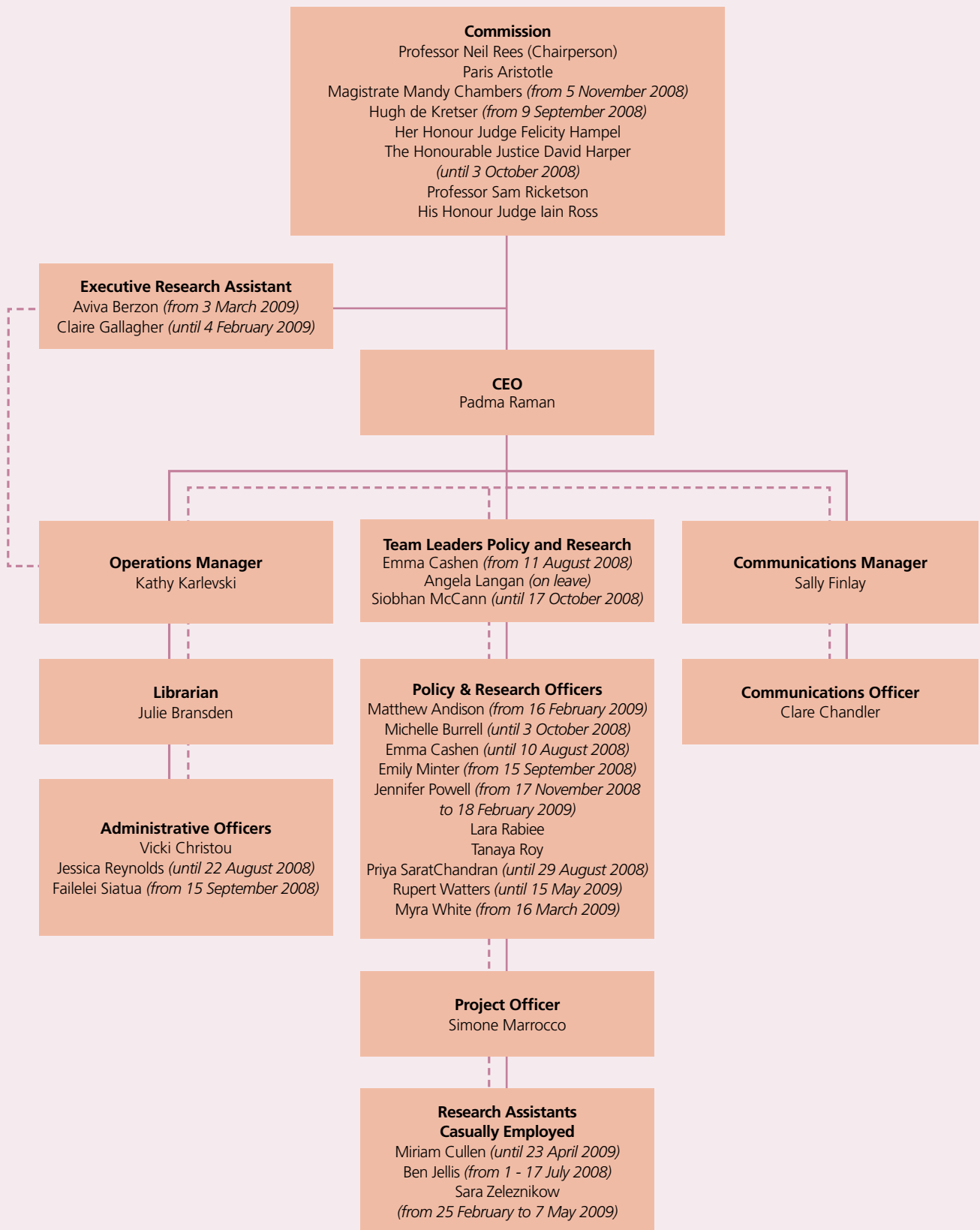
(c) Executive is defined as a person employed as a public service body head or other executive under Part 3, Division 5 of the Public Administration Act 2004. The definition of an executive officer does not include Governor in Council appointments as statutory office holders.

(d) All figures reflect employment levels during the last full pay period of June of each year.

(e) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies, and a small number of people who are not employees but appointees to a statutory office, as defined in the Public Administration Act 2004.

(f) The decrease in employment levels between June 2008 and June 2009 is due to staff leaving at the completion of a reference.

# Organisational Chart







# Workforce Data

## Diversity reporting

The commission is focussed on promoting workplace diversity and advocating for people in the community through policy development, specialist research and consultation with community, government departments and others to foster inclusion and to develop initiatives to support diversity planning. This approach ensures effective cultural, economic and social outcomes for all Victorian communities.

## Women's affairs

The commission's work on abortion and access to assisted reproduction reform were implemented in the financial year. Both references focused on women's access to health care services and involved intensive consultation with women's groups. The commission work on family violence also resulted in new laws that came into effect in December 2008. The commission also contributed to the National Council to Reduce Violence against Women and their Children by participating in an all day workshop on judicial education.

The commission continues to be represented on the Government's Family Violence Stakeholder Reference Group and the Sexual Assault Advisory Group.

## Young people

During the year, the commission engaged in a range of activities that targeted young people. Following a request from the Youth Affairs Council of Victoria and the Centre for Multicultural Youth Issues, the commission began a community law reform project to clarify the role of the independent person in police interviews with young people.

The commission also consulted with young people in relation to its surveillance in public places reference. As part of its community education program, the commission has provided information on law reform to schools and has presented at the annual Victorian Commercial Teachers Association conference on current law reform projects.

## Culturally and Linguistically Diverse Communities

The commission strives to ensure that the issues relevant to CALD communities are taken into account in all its work. In line with our inclusive consultation practices, we target CALD communities on relevant law reform proposals. The commission consulted with refugee and immigrant communities in its surveillance in public places reference. The surveillance project was also advertised through CALD community newspapers. The commission also initiated a community law reform project in response to issues highlighted by the Centre for Multicultural Youth Issues.

## Indigenous communities

During the year the commission has made attempts to consult with indigenous communities on their views on surveillance in public places. The surveillance project was advertised through the Koori Mail. We also received a submission from the Victorian Aboriginal Legal Service in response to our Consultation Paper on surveillance in public places.



## Other Disclosures

### Freedom of information

The *Freedom of Information Act 1982* allows the public the right to access documents held by the commission. The commission did not receive any applications from members of the public for the 12 months ending 30 June 2009.

### National Competition Policy

In 1995, all Australian Governments (Federal, State and Territory) agreed to review and, where appropriate, reform all existing legislative restrictions on competition. Under National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

The commission continues to comply with the requirements of the National Competition Policy.

### Compliance with *Building Act 1993*

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

### Compliance with the *Whistleblowers Protection Act 2001*

The *Whistleblowers Protection Act 2001* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The commission does not tolerate improper conduct by employees, or the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. The commission will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

For the 12 months ending 30 June 2009, the commission did not receive any disclosures.

### Reporting procedures

Disclosures of improper conduct or detrimental action by the commission or its employees may be made to the following officers:

#### *Protected Disclosure Coordinator*

Damien O'Shea  
Director, Executive Services  
(Department of Justice)  
Phone: (03) 8684 0090

#### *Protected Disclosure Officers*

Cynthia Marwood  
Legal Policy Officer, Civil Law Policy  
(Department of Justice)  
Phone: (03) 8684 0846

Ms Kathy Karlevski  
Operations Manager  
(Victorian Law Reform Commission)  
Phone: (03) 8619 8630

Alternatively, disclosures of improper conduct or detrimental action by the commission or its employees may also be made directly to:

#### *The Ombudsman Victoria*

Level 9, 459 Collins Street (North Tower)  
Melbourne VIC 3000  
Telephone: (03) 9613 6222  
Toll free: 1800 806 314  
Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

### Office based environmental impacts

Since 2002 – 03 all government departments have been required to implement formal Environmental Management Systems (EMS) to reduce the environmental impacts of their office-based activities. These cover energy, water, waste, paper and vehicle fuel management, and procurement.

The government's *Our Environment Our Future – Sustainability Action Statement* (July 2006) committed expanding EMS to statutory agencies.

In March 2008 the Minister for Environment and Climate Change launched the *ResourceSmart* Government program. The program's implementation is being phased in across statutory agencies between early 2008 and 2010 – 11.

The commission was invited to join phase 4 of the program in April 2009. The program includes an action planning process, tools and resources, a reward and recognition scheme, networking, and professional capacity building services.

As a participating agency the commission is required to annually report on their environmental performance. Reporting commenced in the 2008 annual report (with comparative 2007 data).

In addition, the commission is expected to comply with any information requests by the Commissioner for Environmental Sustainability for his annual audits of government's progress in environmental management.

As part of its commitment to *ResourceSmart* the commission has appointed Ms Emily Minter as the environmental representative and Ms Kathy Karlevski as the responsible manager. They will develop and implement environmental management initiatives.

### Current environmental management practices

- GreenEarth electricity
- 20% GreenPower (Accredited Renewable Energy)
- Motion sensors
- Recycling paper
- Using recycled paper
- Double sided printing
- Draft printing (half strength toner)
- Toner recycling
- All staff members were issued a thermal mug for take-away beverages. This small thing has reduced the number of carton/plastic coffee cups by 99%. All staff are happy to take the thermal mug with them to buy their coffee.

## Other Disclosures (continued)

### Energy

The Commission solely consumes electrical energy for the purpose of running its core business.

The increase in total energy usage from 2008 to 2009 has occurred because the commission is now reporting data from another address. In the 2008 financial year the commission occupied 518.5m<sup>2</sup>. However, since November 2008, the commission occupies 897m<sup>2</sup>.

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

The data represented below was collected through energy retailer billing information.

Indicator		2008 – 09		2007 – 08	
		Electricity	Green Power	Electricity	Green Power
Total energy usage segmented by primary source (MJ)	To 14 Nov 08	83,772	0	127,448	0
	From 17 Nov 08	105,246	108,432	0	0
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO <sub>2</sub> e)	To 14 Nov 08	30.4837	0	53.8095	0
	From 17 Nov 08	38.31	23.6743	0	0
Percentage of electricity purchased as Green Power	To 14 Nov 08	0		0	
	From 17 Nov 08	20%			
Units of energy used per FTE (MJ/FTE)	To 14 Nov 08	5547.8146	0	7867.1411	
	From 17 Nov 08	6969.96	7180.9272		
Units of energy used per unit of office area (MJ/m <sup>2</sup> )	To 14 Nov 08	161.7220	0	246.0380	
	From 17 Nov 08	117.3315	120.8829		

### Targets

- Purchase 25% Green Power, as percentage of total electricity consumption, by 30 June 2010.
- Conduct energy audit to determine whether less energy can be consumed in the reporting period to 30 June 2010.

### Explanatory Notes

- The increase in the total electricity energy usage from 2008 has occurred due to the relocation of the commission. The floor size has increased since 17 November 2008 to 897sqm.
- Copiers, printers and fax machines have been set to "sleep" mode when not in use.
- Dishwashers only used when full and always on energy-save cycle.
- Lights and supplementary air-conditioning is turned off when conference room is vacant.
- Screens, lights and other office equipment are switched off when not in use.

## Paper

The commission is becoming more efficient in relation to paper use.

Programs were commenced during the reporting period which provided additional reductions in consumption.

Indicator	2008 – 09	2007 – 08
Total units of copy paper used (reams)	340	404
Units of copy paper used per FTE (reams/FTE)	22.5	24.9
Percentage of 75 – 100% recycled content copy paper purchased (%)	98.53%	14%
Percentage of 50 – 75% recycled content copy paper purchased (%)	0	86%
Percentage of 0 – 50% recycled content copy paper purchased (%)	1.47%	0
<b>Optional indicators</b>		
Total units of A4 equivalent paper used in publications (reams)	2340	No data available
Percentage of publications publicly accessible electronically (%)	100%	100%
<b>Actions undertaken</b>		
Default paper	Default copy paper purchased through stationery supplier is 100% recycled content. If this is unavailable, supply defaults to 80% recycled content.	

## Targets

- Reduce units of copy paper used per FTE to 20 reams per FTE by 30 June 2010; and
- All the Commission's white A4 and A3 paper stock to have at least 80% recycled content by 30 June 2010.

## Waste

The waste generated by the Commission is divided into two general classes – landfill and recycling.

Indicator	2008 – 09		2007 – 08	
	Landfill	Commingled recycling	Landfill	Commingled recycling
Total units of waste disposed of by destination (kg/year)	1257	42	760	20
Units of waste disposed of per FTE by destinations (kg/FTE)	78.56	2.62	46.91	1.23
Recycling rate (per cent of total waste)	90		90	
Greenhouse gas emissions associated with waste disposal (t CO <sub>2</sub> -e)	No data available		No data available	

The data represented above was collected through the retailer.

## Explanatory Notes

The move to the new premises was a direct result of the increase of waste in the reporting period. In November 2008 there was an overall increase of 30% to waste. Using the average monthly figures, 2008-09 figures would have shown a slight increase in landfill to 800 kg/year (50.19 kg/FTE), however before the relocation significant cleaning was undertaken.

## Other Disclosures *(continued)*

### Water

The consumption of water is included in the building's overhead costs and charges. Sole use for the Commission cannot be identified. An apportionment method to calculate water consumption is not considered a justifiable measure as each level has different staff numbers and area size.

### Transport

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

Over 90% of employees regularly use public transport, cycle or walk to and from work.

Eighty-seven percent of staff reside in metropolitan Melbourne, the remainder in the CBD.

### Greenhouse gas emissions

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

### Other information

Actions taken during the year to reduce energy use in the building and/or tenancy includes:

- replacement inefficient boilers with higher efficiency boilers including new control strategy and pump system;
- a staff awareness program to encourage staff to turn off equipment and lights after use; and
- installation of energy saver down-lights and fluorescent tubes.

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

### Additional departmental information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the commission and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers of the commission;
- details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the commission about the activities of the commission and where they can be obtained;
- details of any other research and development activities undertaken by the commission that are not otherwise covered either in a document which contains the financial report or report of operations;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the commission to develop community awareness of the services provided by the commission; and
- details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the Report of Operations.

The information is available on request from the:

Operations Manager  
Phone: (03) 8619 8630

### Attestation on compliance with the Australian/New Zealand Risk Management Standard

We certify that the Victorian Law Reform Commission has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (or equivalent designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The audit committee verifies this assurance and that the risk profile of the commission has been critically reviewed within the last 12 months.



**Padma Raman**  
Accountable Officer

Victorian Law Reform Commission  
17 September 2008



**Anthony Phillips**  
Chairperson

Audit Committee  
17 September 2008

### Disclosure index

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



Victorian  
Law Reform  
Commission



## Financial Report 2008-09

For the Financial year ended 30 June 2009

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## Accountable officer's and chief finance and accounting officer's declaration

We certify that the attached financial report for the Commission has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2009 and financial position of the Commission at 30 June 2009.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial report for issue on 1 October 2009.



**Padma Raman**

Accountable Officer  
Victorian Law Reform Commission

Melbourne  
1 October 2009



**Kathy Karlevski**

Chief Finance and Accounting Officer  
Victorian Law Reform Commission

Melbourne  
1 October 2009



**Prof Neil Rees**

Chairperson  
Victorian Law Reform Commission

Melbourne  
1 October 2009





Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Commission Members, Victorian Law Reform Commission

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2009 of the Victorian Law Reform Commission which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

#### *The Commission Members' Responsibility for the Financial Report*

The Members of the Victorian Law Reform Commission are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Commission Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Level 24, 35 Collins Street, Melbourne Vic. 3000  
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of the Victorian Law Reform Commission for the year ended 30 June 2009. The Members of the Victorian Law Reform Commission are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Victorian Law Reform Commission website.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Law Reform Commission as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
1 October 2009

  
D D R Pearson  
Auditor-General

2

Level 24, 365 Collins Street, Melbourne Vic, 3000  
Telephono 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# Comprehensive operating statement

for the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
<b>Income from transactions</b>			
Output Appropriations - Department of Justice	2b	940,641	948,525
Other Income - Legal Services Board	2b	1,300,000	1,640,000
Interest received on Trust Account funds	2a	0	31,466
<b>Total income from transactions</b>		<b>2,240,641</b>	<b>2,619,992</b>
<b>Expenses from transactions</b>			
Employee benefits	3a	(1,711,495)	(1,790,568)
Depreciation and amortisation	3b	(227,520)	(15,613)
Interest expense	3c	(1,399)	(1,845)
Other operating expenses <sup>(a)</sup>	3d	(784,287)	(662,611)
<b>Total expenses from transactions</b>		<b>(2,724,702)</b>	<b>(2,470,638)</b>
<b>Net result from transactions (net operating balance)</b>		<b>(484,061)</b>	<b>149,353</b>
<b>Other economic flows included in net result</b>			
Other gains/(losses) from other economic flows	4	(8,108)	1,122
<b>Total other economic flows included in net result</b>		<b>(8,108)</b>	<b>1,122</b>
<b>Net result</b>		<b>(492,169)</b>	<b>150,475</b>
<b>Comprehensive result</b>		<b>(492,169)</b>	<b>150,475</b>

Notes:

(a) Other operating expenses include the purchase of supplies and consumables, service, maintenance and rent and associated costs.

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 37 to 57.

# Balance sheet

as at 30 June 2009

	Notes	2009 \$	2008 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	16	400	400
Receivables	5	134,267	1,484,454
<b>Total financial assets</b>		<b>134,667</b>	<b>1,484,854</b>
<b>Non-financial assets</b>			
Plant and equipment	6	893,460	55,737
Other	7	57,654	0
<b>Total non-financial assets</b>		<b>951,114</b>	<b>55,737</b>
<b>Total assets</b>		<b>1,085,781</b>	<b>1,540,591</b>
<b>Liabilities</b>			
Payables	8	132,566	120,121
Interest bearing liabilities	9	16,063	24,213
Provisions	10	234,263	201,200
<b>Total liabilities</b>		<b>382,892</b>	<b>345,534</b>
<b>Net assets</b>		<b>702,888</b>	<b>1,195,057</b>
<b>Equity</b>			
Accumulated surplus		229,511	721,680
Contributed capital		473,377	473,377
<b>Total equity</b>		<b>702,888</b>	<b>1,195,057</b>
Commitments for expenditure	12		
Contingent liabilities and contingent assets	13		

The above balance sheet should be read in conjunction with the accompanying notes included on pages 37 to 57.

# Statement of changes in equity

for the financial year ended 30 June 2009

	Equity at 1 July 2008 \$	Total comprehensive result \$	Transactions with owners in their capacity as owners \$	Equity at 30 June 2009 \$
Accumulated surplus/(deficit)	721,680	(492,169)	0	<b>229,511</b>
Contributions by owners	473,377	0	0	<b>473,377</b>
<b>Total equity at end of financial year</b>	<b>1,195,057</b>	<b>(492,169)</b>	<b>0</b>	<b>702,888</b>

	Equity at 1 July 2007 \$	Total comprehensive result \$	Transactions with owners in their capacity as owners \$	Equity at 30 June 2008 \$
Accumulated surplus/(deficit)	571,205	150,475	0	<b>721,680</b>
Contributions by owners	473,377	0	0	<b>473,377</b>
<b>Total equity at end of financial year</b>	<b>1,044,582</b>	<b>150,475</b>	<b>0</b>	<b>1,195,057</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes included on pages 37 to 57.

## Cash flow statement

for the financial year ended 30 June 2009

	<i>Notes</i>	<b>2009</b> \$	2008 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government		2,290,827	752,441
Receipts from other entities		1,300,000	1,640,000
Interest received		0	31,466
<b>Total receipts</b>		<b>3,590,827</b>	<b>2,423,907</b>
<b>Payments</b>			
Payments to suppliers and employees		(2,517,435)	(2,416,268)
<b>Total payments</b>		<b>(2,517,435)</b>	<b>(2,416,268)</b>
<b>Net cash flows from/(used in) operating activities</b>	<i>16b</i>	<b>1,073,392</b>	<b>7,638</b>
<b>Cash flows from investing activities</b>			
Payments for non-financial assets		(1,065,242)	0
<b>Net cash flows from/(used in) investing activities</b>		<b>8,150</b>	<b>7,638</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		0	0
Repayment of finance leases		(8,150)	(7,638)
<b>Net cash flows from/(used in) financing activities</b>		<b>(8,150)</b>	<b>(7,638)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the financial year		400	400
<b>Cash and cash equivalents at the end of the financial year</b>	<i>16a</i>	<b>400</b>	<b>400</b>

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 37 to 57.

# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (A) Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards and Interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

### (B) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain non-financial assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented for the year ended 30 June 2008.

### (C) Scope and presentation of financial statements

#### *Early adoption of AASB 101 (September 2007)*

As a result of a state wide policy to improve consistency in public sector reporting, the Commission has revised the presentation of its complete set of financial statements to align with the AASB 1049 presentation format, used in the Financial Report for the State and the general government sector. In addition, the Commission has also early adopted the September 2007 version of AASB 101.

In keeping with AASB 101 (September 2007) this complete set of financial statements includes the following changes:

- (a) the notion of:
- 'a complete set of financial statements' rather than using 'financial report';
  - 'changes in equity' rather than 'movements in equity'; and
  - 'transactions with owners in their capacity as owners' rather than 'transactions with owners as owners'.
- (b) references to equity holders as *owner*.

Some of the changes applied to the financial statements and notes as a result of alignment to AASB 1049 that are allowable under the AASB 101 (September 2007) include the following:

- extended operating statement incorporating non owner changes in equity, which is now referred to as comprehensive operating statement;
- items being presented by liquidity order in the balance sheet;
- the inclusion of a limited number of Government Finance Statistics (GFS) classifications, such as income or expenses from transactions, and other economic flows; and
- a glossary of terms included in the notes explaining certain terms, including GFS terms adopted.

#### *Comprehensive operating statement*

The comprehensive operating statement includes items previously included in the statement of changes in equity. Income and expenses in the comprehensive operating statement are separated into either 'transactions' or 'other economic flows'.

#### *Balance sheet*

Items of assets and liabilities in the balance sheet are:

- ranked in liquidity order;
- aggregated into financial and non financial assets;
- classified according to GFS terminology, but retain measurement and disclosure rules under existing accounting standards applicable to the Commission; and
- current versus non current assets and liabilities are disclosed in the notes where relevant.

#### *Statement of changes in equity*

The statement of changes in equity presents reconciliations of each non owner and owner equity opening balance at the beginning of the year to the closing balance at the end of the year, showing separately movements due to amounts recognised in the comprehensive result and amounts recognised in equity related to transactions with owners in their capacity as owners.

#### *Cash flow statement*

The cash flow statement classifies flows by operating, investing and financing activities in accordance with AASB 107 Cash Flow Statements. There were no significant changes due to alignment of the Commission's financial statements presentation formats to AASB 1049.

# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **(D) Reporting entity**

The financial statements cover the Commission as an individual reporting entity.

The Victorian Law Reform Commission was proclaimed on 6 April 2001. The entity was incorporated under the *Law Reform Commission Act 2000* Act No. 44/2000. The powers and function of the Commission are set out in section 4 of the Act. The Commission reports directly to the Attorney-General on matters relating to references and reports to the Deputy Secretary on all operational and administrative matters.

Its principal address is:

Victorian Law Reform Commission  
3/333 Queen St  
MELBOURNE VIC 3000

The financial statements include all the controlled activities of the Commission.

A description of the nature of the Commission's operations and its principal activities is included in the Report of Operations on pages 1-28 which does not form part of these financial statements.

### **Objectives and funding**

The Commission's objectives are to provide the Attorney-General and Parliament with high quality, timely, responsive and effective advice on law reform which is independent of government agencies and of the political process.

The Commission is funded by accrual-based parliamentary appropriations for the provision of outputs and amounts paid to it under Section 6.7.10(1A) of the *Legal Profession Act 2004*. The appropriation amount includes funding for discretionary items, such as amortisation and depreciation.

### **Outputs of the Commission**

The Commission undertakes legal and empirical research and provides policy advice to the Victorian Government on law reform issues referred to the Commission by the Attorney-General, undertakes research and makes recommendations on minor law reform issues raised in community consultations or suggested by the judiciary, the legal profession or community legal centres, and implements proposals through new or amending legislation and administrative reform.

No separate output statement has been prepared as the Commission has only one output group and the comprehensive operating statement effectively provides the relevant information.

### **(E) Events after reporting date**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Commission and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to condition which arose after the reporting date and which may have a material impact on the results of subsequent years.

### **(F) Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated exclusive of the amount of GST receivable or payable. The Department of Justice manages the GST transactions on behalf of the Commission and the net amount of GST recoverable from or payable to the taxation authority is recognised in the Department of Justice's financial statements.

Commitments and contingent assets or liabilities are presented on a gross basis.

### **(G) Income from transactions**

All income received by the Commission is generally required to be paid into the Consolidated Fund or the Trust Fund.

Income becomes controlled by the Commission when it is granted by the Department of Justice. Additionally, the amounts paid to it under Section 6.7.10(1A) of the *Legal Profession Act 2004* become controlled when the Commission deposits the monies into the Trust Fund.

### **Other income**

The Attorney-General directed the Commission be allocated funds from the Law Reform and Research Account. These non public monies are held by the Legal Services Board until they are deposited in the Victorian Law Reform Commission's Trust account.

The Department of Treasury and Finance, in establishing the trust fund, stipulated "the trust fund amounts and appropriation amounts must be used equally to meet the operating and capital expenses of the VLRC i.e. the appropriation funds are not to be exhausted in the first instance to allow the VLRC to accumulate investment income from Trust Funds." The Department of Justice monitors the equal use of the trust funds and appropriation amounts for operating and capital expenditure of the Commission.

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes.



# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Interest revenue**

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### **(H) Expenses from transactions**

#### **Employee benefits**

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

#### **Depreciation and amortisation**

Depreciation is provided on plant and equipment. Depreciation is generally calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. Note 6 provides details on the estimated useful lives that are used in the calculation of depreciation on plant and equipment.

#### **Interest expense**

Interest expenses are recognised as expenses in the period in which they are incurred.

#### **Other operating expenses**

##### **Supplies and services**

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

#### **(I) Other economic flows included in net result**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

#### **Other gains/(losses) from other economic flows**

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

### **(J) Financial assets**

#### **Cash and deposits**

Cash and deposits, including cash equivalents, comprise cash on hand.

For the cash flow statement presentation purposes, cash and cash equivalents includes cash on hand.

#### **Receivables**

Receivables consist predominantly of debtors in relation to goods and services and accrued investment. Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

Receivables consist predominantly of amounts owing from the Department of Justice. In addition, receivables also include debtors in relation to goods and services.

#### **Leases**

Leases of plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **Commission as lessee**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum lease payments are allocated between the principal component of the lease liability, and the interest expense calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

#### **Lease incentives**

All incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (K) Liabilities

#### Payables

Payables represent liabilities for goods and services provided to the Commission that are unpaid at the end of the financial year. Payables are initially measured at fair value, being the cost of the goods and services, and then subsequently measured at amortised cost.

#### Interest bearing liabilities

Interest bearing liabilities are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method.

#### Provisions

Provisions are recognised when the Commission has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

#### Employee Benefits

##### (i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

##### (ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

- present value—component that the Commission does not expect to settle within 12 months; and
- nominal value—component that the Commission expects to settle within 12 months.

**Non current liability – conditional LSL** is disclosed as a non current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to Note 1(i)).

##### (iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Commission recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

##### Employee benefits on costs

Employee benefits on costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

### (L) Commitments

Commitments are disclosed at their nominal value and inclusive of the GST payable.

### (M) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented exclusive of GST receivable or payable respectively.

### (N) Equity

#### Contributions by owners

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

### **(O) Foreign currency**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items at reporting date are translated at the exchange rate existing at reporting date.

### **(P) Functional and presentation currency**

The functional currency of the Commission is the Australian dollar, which has also been identified as the presentation currency of this Commission.

### **(Q) Rounding of amounts**

Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

### **(R) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. DTF assesses the impact of these new standards and advises Commissions and other entities of their applicability and early adoption where applicable.

As advised in Note 1(C) the Commission has early adopted the September 2007 version of AASB 101.

As at 30 June 2009, the following standards and interpretations (applicable to Commissions) had been issued but were not mandatory for financial year ending 30 June 2009. The Commission has not, and does not intend to, adopt these standards early.

# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<b>Standard / Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning or ending on</b>	<b>Impact on commission's financial statements</b>
AASB 8 Operating Segments	Supersedes AASB 114 <i>Segment Reporting</i>	Beginning 1 January 2009	Not applicable.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, ASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 123 Borrowing Costs	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to the qualifying assets.  In February 2009, the AASB decided that not-for-profit public sector entities could continue to expense borrowing costs attributable to qualifying assets pending the outcome of various IPSASB/AASB projects.	Beginning 1 January 2009	Not applicable.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	An accompanying amending standard, also introduced consequential amendments in other Standards.	Beginning 1 January 2009	Same as AASB 123 above.
AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	This Amending Standard changes the term 'general purpose financial report' to 'general purpose financial statements' and the term 'financial report' to 'financial statements'.	Beginning 1 January 2009	Impact is insignificant.
AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations	These amendments clarify that vesting conditions comprise service conditions and performance conditions only and that other features of a share-based payment transaction are not vesting conditions.	Beginning 1 January 2009	Impact expected to be insignificant to the Commission.
AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	This Amending Standard introduces an exception to the definition of financial liability to classify as equity instruments certain puttable financial instruments and certain instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation of the entity.	Beginning 1 January 2009	Not applicable to not-for-profit entities.
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 & Interpretations 9 & 107]	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 July 2009	Impact expected to be insignificant.

# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<b>Standard / Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning or ending on</b>	<b>Impact on commission's financial statements</b>
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Projects [AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]	A suite of amendments to existing standards following issuance of IASB Standard improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 January 2009	Impact is being evaluated.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements project [AASB 1 & AASB 5]	The amendments require all the assets and liabilities of a for-sale subsidiary's to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.	Beginning 1 July 2009	Impact is expected to be insignificant.
AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]	Changes mainly relate to treatment of dividends from subsidiaries or controlled entities.	Beginning 1 January 2009	Impact is expected to be insignificant.
AASB 2008-08 Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139]	The amendments to AASB 139 clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations.	Beginning 1 July 2009	Impact is being evaluated.
AASB 2008-09 Amendments to AASB 1049 for consistency with AASB 101	Amendments to AASB 1049 for consistency with AASB 101 (September 2007) version.	Beginning 1 January 2009	Not applicable to public sector entities except for certain presentation formats.
Interpretation 15 –Agreements for the Construction of Real Estate [AASB 118]	This Interpretation addresses two issues: 1. Is the agreement within the scope of AASB 111 Construction Contracts or AASB 118 Revenue? 2. When should revenue from the construction of real estate be recognised?	Beginning 1 January 2009	Impact is being evaluated.
AASB 2008-11 Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities [AASB 3]	This Standard makes amendments as a result of a review by the AASB, of the suitability of applying the requirements in that Standard for business combinations among not-for-profit entities. Amendments only relate to local governments.	Beginning 1 July 2009	Impact is insignificant.
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]	Some of the amendments are in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners.	Beginning 1 July 2009	Impact is being evaluated.

# Notes to the financial statements

30 June 2009

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<b>Standard / Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning or ending on</b>	<b>Impact on commission's financial statements</b>
AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]	The amendments arise from the AASB's review of the requirement in AASB 123 to capitalise borrowing costs. In February 2009, the AASB decided that not-for-profit public sector entities could continue to expense borrowing costs attributable to qualifying assets pending the outcome of various IPSASB/AASB projects.	Operative for periods beginning on or after 1 January 2009 that end on or after 30 April 2009	The Commission continues to expense borrowing costs.
AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	These amendments arise from the issuance of <i>Improving Disclosures about Financial Instruments (Amendments to IFRS 7)</i> by the IASB in March 2009. The amendments require enhanced disclosures about fair value measurements and liquidity risk.	Operative for periods beginning on or after 1 January 2009 that end on or after 30 April 2009	Impact is being evaluated.
AASB 2009-6 Amendments to Australian Accounting Standards	This standard makes numerous editorial amendments as a consequence of the issuance in September 2007 of a revised AASB 101. For example, the term 'revaluation reserve' is changed to 'revaluation surplus'.	Operative for periods beginning on or after 1 January 2009 that end on or after 30 June 2009	Impact is expected to be insignificant.
AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	Various consequential amendments to existing standards as a result of IASB's Annual Improvement's project.	Beginning 1 July 2009	Impact is expected to be insignificant.
AASB 2009-7 Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	A suite of amendments as a result of editorial corrections by the AASB and by the IASB, some of which relate to correcting errors made in AASB 2008-12.	Beginning 1 July 2009	Impact is being evaluated.
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 January 2010	Impact is being evaluated.

# Notes to the financial statements

30 June 2009

## NOTE 2: INCOME FROM TRANSACTIONS

	2009 \$	2008 \$
<b>(a) Interest</b>		
Interest on bank deposits	0	31,466
<b>Total interest revenue</b>	<b>0</b>	<b>31,466</b>
<b>(b) Grants and other transfers (other than contributions by owners)</b>		
Department of Justice	940,641	948,525
Other public bodies	1,300,000	1,640,000
<b>Total grants</b>	<b>2,240,641</b>	<b>2,588,525</b>

## NOTE 3: EXPENSES FROM TRANSACTIONS

	2009 \$	2008 \$
<b>(a) Employee benefits</b>		
Post employment benefits:		
– Defined contribution superannuation plans	(126,462)	(131,426)
Salaries, wages and long service leave	(1,585,033)	(1,659,142)
<b>Total employee benefits</b>	<b>(1,711,495)</b>	<b>(1,790,568)</b>
<b>(b) Depreciation and amortisation</b>		
Depreciation of non-current assets	(23,423)	(8,027)
Amortisation of non-current physical and intangible assets	(204,097)	(7,586)
<b>Total depreciation and amortisation</b>	<b>(227,520)</b>	<b>(15,613)</b>
<b>(c) Interest expense</b>		
Finance lease costs	(1,399)	(1,845)
<b>Total interest expense</b>	<b>(1,399)</b>	<b>(1,845)</b>
<b>(d) Other operating expenses</b>		
Supplies and services:		
– Purchase of supplies and consumables	(161,094)	(238,038)
– Purchase of services	(302,505)	(248,251)
– Maintenance	(8,274)	(14,646)
– Rent and associated costs	(312,415)	(161,677)
<b>Total other operating expenses</b>	<b>(784,287)</b>	<b>(662,611)</b>

# Notes to the financial statements

30 June 2009

## NOTE 4: OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2009 \$	2008 \$
<b>(a) Other gains/(losses) from other economic flows</b>		
Reclassification from accumulated surplus/(deficit)		
Net gain/(loss) arising from revaluation of long service leave liability	(8,108)	1,122
<b>Total other gains/(losses) from other economic flows</b>	<b>(8,108)</b>	<b>1,122</b>

## NOTE 5: RECEIVABLES

	2009 \$	2008 \$
<b>Current receivables</b>		
<b>Statutory</b>		
Amounts owing from Victorian Government	59,691	1,398,118
Other	0	36,300
<b>Total current receivables</b>	<b>59,691</b>	<b>1,434,418</b>
<b>Statutory</b>		
Amounts owing from Victorian Government	74,576	50,036
<b>Total non-current receivables</b>	<b>74,576</b>	<b>50,036</b>
<b>Total receivables</b>	<b>134,267</b>	<b>1,484,454</b>

## NOTE 6: PLANT AND EQUIPMENT

	2009 \$	2008 \$
<b>Leasehold Improvements</b>		
At cost	1,065,242	381,388
Less: accumulated depreciation	(196,511)	(381,388)
	868,731	0
<b>Plant and equipment</b>		
At cost	26,088	78,744
Less: accumulated depreciation	(17,613)	(46,846)
	8,475	31,898
<b>Motor vehicle</b>		
Under finance lease - at cost	39,011	39,011
Less: accumulated amortisation	(22,757)	(15,172)
	16,254	23,839
<b>Total plant and equipment</b>	<b>893,460</b>	<b>55,737</b>



# Notes to the financial statements

30 June 2009

## NOTE 6: PLANT AND EQUIPMENT (CONTINUED)

**Table 6.1: Movements in carrying amounts**

	Leasehold improvements at cost \$	Plant & equipment at cost \$	Motor vehicle under finance lease at cost \$	Total \$
<b>2009</b>				
<b>Carrying amount</b>				
Balance at 1 July 2007	0	39,925	31,425	71,350
Additions	0	0	0	0
Disposals	0	0	0	0
Depreciation expense	0	(8,027)	0	(8,027)
Amortisation expense	0	0	(7,586)	(7,586)
<b>Balance as at 1 July 2008</b>	<b>0</b>	<b>31,898</b>	<b>23,839</b>	<b>55,737</b>
Additions	1,065,242	0	0	1,065,242
Disposals	0	0	0	0
Depreciation expense	0	(23,423)	0	(23,423)
Amortisation expense	(196,511)	0	(7,586)	(204,097)
<b>Balance as at 30 June 2009</b>	<b>868,731</b>	<b>8,475</b>	<b>16,253</b>	<b>893,460</b>

The following useful lives of assets are used in the calculation of depreciation:

Leasehold improvements	5 years
Plant and equipment	3-10 years
Motor vehicle under finance lease	3 years

**Table 6.2: Aggregate depreciation recognised as an expense during the year**

	2009 \$	2008 \$
Leasehold improvements	(196,511)	0
Plant and equipment	(23,423)	(8,027)
Motor vehicle	(7,586)	(7,586)
	<b>(227,520)</b>	<b>(15,613)</b>

# Notes to the financial statements

30 June 2009

## NOTE 7: OTHER ASSETS

	2009 \$	2008 \$
<b>Current other assets</b>		
Prepayments	57,654	0
<b>Total other assets</b>	<b>57,654</b>	<b>0</b>

## NOTE 8: PAYABLES

	2009 \$	2008 \$
<b>Current payables</b>		
Amounts Payable to trade creditors	70,930	79,322
Other creditors	4,981	6,144
Accrued Salaries	56,655	34,655
	<b>132,566</b>	<b>120,121</b>

### (a) Maturity analysis of payables

Refer to Table 15.4 in Note 15.

### (b) Nature and extent of risk arising from payables

Refer to Table 15.4 in Note 15.

## NOTE 9: INTEREST BEARING LIABILITIES

	2009 \$	2008 \$
<b>Current interest bearing liabilities</b>		
Finance lease liabilities (Note 14)	16,063	24,213
<b>Total current interest bearing liabilities</b>	<b>16,063</b>	<b>24,213</b>

### (a) Maturity analysis of interest bearing liabilities

Refer to Table 15.4 in Note 15.

### (b) Nature and extent of risk arising from interest bearing liabilities

Refer to Table 15.4 in Note 15.

# Notes to the financial statements

30 June 2009

## NOTE 10. PROVISIONS

	2009 \$	2008 \$
<b>Current provisions</b>		
Employee benefits <sup>(a)</sup> [Note 10(a)]		
Unconditional and expected to be settled within 12 months <sup>(b)</sup>	89,374	120,504
Unconditional and expected to be settled after 12 months <sup>(c)</sup>	40,554	4,919
	129,928	125,423
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months <sup>(b)</sup>	22,887	19,008
Unconditional and expected to be settled after 12 months <sup>(c)</sup>	6,872	6,733
<b>Total current provisions</b>	<b>159,687</b>	<b>151,164</b>
<b>Non-current provisions</b>		
Employee benefits <sup>(a)</sup> [Note 10(a)]	64,821	43,481
Provisions related to employee benefit on-costs	9,755	6,555
<b>Total non-current provisions</b>	<b>74,576</b>	<b>50,036</b>
<b>Total provisions</b>	<b>234,263</b>	<b>201,200</b>

### (a) Employee benefits and related on-costs

	2009 \$	2008 \$
<b>Current employee benefits</b>		
Annual leave entitlements	87,658	83,300
Unconditional long service leave entitlements	42,270	42,122
<b>Non-current employee benefits</b>		
Conditional long service leave entitlements	64,821	43,481
<b>Total employee benefits</b>	<b>194,749</b>	<b>168,903</b>
Current on-cost	29,759	25,741
Non-current on-costs	9,755	6,555
<b>Total on-costs</b>	<b>39,514</b>	<b>32,297</b>
<b>Total employee benefits and related on-costs</b>	<b>234,263</b>	<b>201,200</b>

Notes:

(a) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(b) The amounts disclosed are nominal amounts.

(c) The amounts disclosed are discounted to present values.

# Notes to the financial statements

30 June 2009

## NOTE 10. PROVISIONS (CONTINUED)

### (b) Movement in provisions

	On-costs Annual Leave	On-costs LSL	Total
	2009 \$	2009 \$	2009 \$
<b>Opening balance</b>	19,391	12,906	32,297
Additional provisions recognised	19,184	3,211	22,394
Reductions arising from payments/other sacrifices of future economic benefits	(15,177)	0	(15,177)
<b>Closing balance</b>	<b>23,398</b>	<b>16,117</b>	<b>39,514</b>
Current	23,398	6,361	29,759
Non-current	0	9,755	9,755
	<b>23,398</b>	<b>16,117</b>	<b>39,514</b>

## NOTE 11. SUPERANNUATION

Employees of the Commission are entitled to receive superannuation benefits and the Commission contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

The Commission does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Commission.

The name and details of the major employee superannuation funds and contributions made by the Commission are as follows:

Fund	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2009 \$	2008 \$	2009 \$	2008 \$
State Superannuation Fund - revised and new	91,045	87,705	1,418	3,067
Various other funds	35,417	40,405	712	249
<b>Total</b>	<b>126,462</b>	<b>128,110</b>	<b>2,130</b>	<b>3,316</b>

## NOTE 12. COMMITMENTS FOR EXPENDITURE

### Capital expenditure commitments

There are no capital expenditure commitments as at 30 June 2009.

As at 30 June 2008, the Commission had signed a *Heads of Agreement* for the lease of its new office tenancy. The lease commenced on 1 July 2008 and occupation of the new premises was planned for November 2008. An Architect was engaged to oversee the planning and fitout of the new tenancy for a fee of \$64,000. The estimated cost of the fitout, expected to be paid within 12 months, was \$897,000, based on historical fitout data obtained from the Department of Justice.

## NOTE 13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are neither contingent assets nor contingent liabilities at balance date not provided for in the Balance Sheet as at 30 June 2009 (\$Nil - 2008).

# Notes to the financial statements

30 June 2009

## NOTE 14. LEASES

### Finance leases

#### Leasing arrangements

Finance leases relate to motor vehicles with lease terms of 33 months. The Commission does not have an option to purchase the leased asset at the expiry of the lease period.

	Minimum future lease payments <sup>(a)</sup>		Present value of minimum future lease payments	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>Finance lease liabilities payable</b>				
Within 1 year	16,063	25,264	16,063	24,213
Later than 1 year but not later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Minimum lease payments	16,063	25,264	16,063	24,213
Less: Future finance charges	0	(1,050)	0	0
Present value of minimum lease payments	<b>16,063</b>	<b>24,213</b>	<b>16,063</b>	<b>24,213</b>
Included in the financial statement as:				
Current interest bearing liability (Note 9)			16,063	24,213
Non-current interest bearing liability (Note 9)			0	0
			<b>16,063</b>	<b>24,213</b>

Note:

(a) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

### Operating leases

#### Leasing arrangements

Operating leases relate to accommodation rental with lease terms of 5 years, with an option to extend for a further two years. The operating lease contract does not contain a market review clause in the event that the Commission exercises its option not to renew, but has a 4% fixed annual increases on the anniversary of the lease commencement date. The Commission does not have an option to purchase the leased asset at the expiry of the lease period.

	2009 \$	2008 \$
<b>Non-cancellable operating leases payable</b>		
Not longer than one year	331,850	220,823
Longer than one year and not longer than five years	1,102,293	1,120,983
Longer than five years	0	0
	<b>1,434,143</b>	<b>1,341,805</b>

# Notes to the financial statements

30 June 2009

## NOTE 15. FINANCIAL INSTRUMENTS

### (a) Financial risk management objectives and policies

The Commission's principal financial instruments comprise of:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- finance lease payables.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

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

The carrying amounts of the Commission's financial assets and financial liabilities by category are in the following table.

**Table 15.1: Categorisation of financial instruments**

	Notes	2009 \$	2008 \$
<b>Financial assets</b>			
Cash and deposits	16	400	400
<b>Total financial assets<sup>(a)</sup></b>		<b>400</b>	<b>400</b>
<b>Financial liabilities</b>			
At amortised cost	8, 9	143,649	144,335
<b>Total financial liabilities<sup>(b)</sup></b>		<b>143,649</b>	<b>144,335</b>

Notes:

(a) The total amount of financial assets disclosed here excludes statutory receivables (i.e. Amounts owing from Victorian Government and GST input tax credit recoverable).

(b) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable).

### (b) Credit risk

Credit risk arises from the financial assets of the Commission, which comprise cash and deposits, trade and other receivables. The Commission's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the Commission. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Commission's financial assets is minimal because the main debtor is the Department of Justice.

**Table 15.2: Maximum exposure to credit risk**

Financial assets and other credit risks	Maximum credit risk	
	2009 \$	2008 \$
Cash and deposits	400	400
	<b>400</b>	<b>400</b>

### (c) Liquidity risks

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

The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the Balance Sheet, except as detailed in the following table:

# Notes to the financial statements

30 June 2009

## NOTE 15. FINANCIAL INSTRUMENTS (CONTINUED)

**Table 15.3: Maximum exposure to liquidity risk**

Financial liabilities and other liquidity exposure	Maximum liquidity risk	
	2009 \$	2008 \$
Payables	127,586	120,121
Interest bearing liability	16,063	24,213
	<b>143,650</b>	<b>144,335</b>

The following table discloses the contractual maturity analysis for the Commission's financial liabilities.

**Table 15.4: Maturity analysis of financial liabilities**

	Carrying amount \$	Nominal amount \$	Maturity dates <sup>(a)</sup>			
			Less than 1 month \$	1-3 months \$	3 months - 1 year \$	1-5 years \$
<b>2009</b>						
Payables	127,586	127,586	127,586	0	0	0
Interest bearing liabilities	16,063	16,063	0	0	0	0
	<b>143,650</b>	<b>143,650</b>	<b>127,586</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2008</b>						
Payables	120,121	120,121	120,121	0	0	0
Interest bearing liabilities	24,213	25,264	889	1,778	22,597	0
	<b>144,334</b>	<b>145,385</b>	<b>121,010</b>	<b>1,778</b>	<b>22,597</b>	<b>0</b>

Note:

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

### (d) Market risk

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

#### Foreign currency risk

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

#### Interest rate risk

Interest rate risk is insignificant and may arise through the Commission's interest bearing liabilities.

### (e) Fair value

The Commission considers that the carrying amount of financial assets and liabilities recorded in the financial report to be a fair approximation of their fair values.

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Commission considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

# Notes to the financial statements

30 June 2009

## NOTE 16. CASH FLOW INFORMATION

### (a) Reconciliation of cash and cash equivalents

	2009 \$	2008 \$
Total cash and cash equivalents disclosed in the balance sheet <sup>(a)</sup>	400	400
<b>Balance as per cash flow statement</b>	<b>400</b>	<b>400</b>

Note:

(a) For the purposes of the cashflow statement 'Total cash and cash equivalents' is Cash on Hand.

### (b) Reconciliation of net result for the period to net cash flows from operating activities

	2009 \$	2008 \$
<b>Net result for the period</b>	<b>(492,169)</b>	<b>150,475</b>
<b>Non-cash movements:</b>		
Depreciation and amortisation of non-current assets	227,520	15,613
<b>Movements in assets and liabilities:</b>		
(Increase)/decrease in receivables	1,350,186	(232,385)
(Increase)/decrease in prepayments	(57,655)	0
(Decrease)/Increase in payables	12,445	43,520
(Decrease)/Increase in provisions	33,064	30,414
<b>Net cash flows from/(used in) operating activities</b>	<b>1,073,392</b>	<b>7,638</b>

## NOTE 17. REMUNERATION OF AUDITORS

	2009 \$	2008 \$
<b>Victorian Auditor-General's Office</b>		
Audit or review of the financial report	15,444	14,040
	<b>15,444</b>	<b>14,040</b>

## NOTE 18. RELATED PARTIES

The Accountable Officer is employed by the Department of Justice.

The Commission conducted business and other transactions with its portfolio department - Justice - at normal commercial terms throughout the financial year.

### Other transactions

Other related transactions and loans requiring disclosure under the Directions for the Minister of Finance have been considered and there are no matters to report.



# Notes to the financial statements

30 June 2009

## NOTE 19: RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

### Names

#### Ministers and the Department

The persons who held the positions of Minister and Secretary of the Department are as follows:

Attorney-General	The Hon. Rob Hulls, MP	1 July 2008 to 30 June 2009
Acting Attorney-General	The Hon. John Lenders, MLC	22 August 2008 to 6 September 2008
	The Hon. Bob Cameron, MP	16 October 2008 to 26 October 2008
	The Hon. John Lenders, MLC	20 December 2008 to 4 January 2009
	The Hon. Peter Batchelor, MP	5 January 2009 to 7 January 2009
	The Hon. Bob Cameron, MP	3 April 2009 to 9 April 2009
	The Hon. Bob Cameron, MP	23 April 2009 to 26 April 2009
	The Hon. Tony Robinson, MP	26 June 2009 to 30 June 2009
Secretary to the Department of Justice	Ms Penny Armytage	1 July 2008 to 30 June 2009
Acting Secretary to the Department of Justice	Dr Claire Noone	5 June 2009 to 12 June 2009

#### The Commission

The persons who were Responsible Persons of the Commission as stipulated in Section 19 of the *Victorian Law Reform Commission Act 2000*, for the reporting period are as follows:

<i>Statutory Office Holder</i>		
Chairperson	Prof. Neil Rees	1 July 2008 to 30 June 2009
<i>Accountable Officer</i>		
Chief Executive Officer	Ms Padma Raman	1 July 2008 to 30 June 2009

## Remuneration

#### Ministers and the Department

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Remuneration received or receivable by the Secretary in connection with the management of the Department during the period is reported by the Department of Justice.

#### The Commission

Remuneration received or receivable by the Chairperson in connection with the management of the Commission during the reporting period was in the range:

Base: \$200,000–\$200,999. Total: \$200,000–\$200,999. (Base: \$194,000–\$194,999. Total: \$194,000–\$194,999 in 2008).

Remuneration received or receivable by the Accountable Officer (CEO) in connection with the management of the Commission during the reporting period was in the range:

Base: \$151,000–\$151,999. Total: \$163,000–163,999. (Base: \$145,000–\$145,999. Total: \$156,000–156,999 in 2008).

Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

## NOTE 20. SUBSEQUENT EVENTS

The commission has no material or significant events occurring after reporting date.

# Notes to the financial statements

30 June 2009

## NOTE 21. GLOSSARY OF TERMS

### **Actuarial gains or losses on superannuation defined benefit plans**

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

### **Comprehensive result**

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

### **Commitments**

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

### **Employee benefits expenses**

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

### **Financial asset**

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

### **Financial statements**

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

### **Interest expense**

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short term and long term borrowings, amortisation of discounts

or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

### **Interest revenue**

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received.

### **Net result**

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

### **Net result from transactions/net operating balance**

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

### **Other economic flows**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non produced) from their use or removal. In simple terms, other economic flows are changes arising from market re measurements.

### **Payables**

Includes short and long term trade debt and accounts payable, grants and interest payable.

### **Receivables**

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

### **Supplies and services**

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

### **Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

# Notes to the financial statements

30 June 2009

## NOTE 22: SUMMARY OF COMPLIANCE WITH ANNUAL PARLIAMENTARY AND SPECIAL APPROPRIATIONS

### (a) Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the annual parliamentary appropriation received by the Commission for the year. In accordance with accrual output-based management procedures 'Provision of outputs' are disclosed as 'controlled' activities of the Commission.

	<i>Appropriation Act</i>				<i>Total Parliamentary Authority</i>		<i>Appropriations Applied</i>		<i>Variance</i>	
	<i>Annual Appropriation</i>		<i>Section 3(2)</i>		<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>						
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Controlled</b>										
Provision for outputs	982,000	1,010,000	0	0	982,000	1,010,000	940,641	948,525	41,359	61,475
<b>Total</b>	<b>982,000</b>	<b>1,010,000</b>	<b>0</b>	<b>0</b>	<b>982,000</b>	<b>1,010,000</b>	<b>940,641</b>	<b>948,525</b>	<b>41,359</b>	<b>61,475</b>

Note:

The variance is primarily related to governance, executive and corporate costs.

## Appendix 1: Disclosure Index

The Annual Report of the Victorian Law Reform Commission is prepared in accordance with all relevant Victorian Legislation. This index has been prepared to facilitate identification of the Commission's compliance with statutory disclosure requirements.

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# Appendix 1: Disclosure Index

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<i>Victorian Industry Participation Policy Act 2003</i>		
<i>Financial Management Act 1994</i>		
<i>Multicultural Victoria Act 2004</i>		

## Appendix 2: Budget Portfolio Outcomes

The Budget Portfolio Outcomes provides a comparison between the actual financial statements of the entity and the forecast financial information published in the Budget Papers.

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

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

### FINANCIAL REVIEW OF OPERATIONS AND FINANCIAL CONDITION

<i>Five year financial summary</i>	2009 \$	2008 \$	2007 \$	2006 \$	2005 \$
<b>Target Budget</b>	Unavailable	Unavailable	2,400,000	2,400,000	2,100,000
<b>Expected Outcome</b>	Unavailable	Unavailable	2,400,000	2,400,000	2,700,000
<b>Annual Appropriation</b>	982,000	1,010,000	1,046,000	1,010,000	949,000
<b>Actual</b>					
Grant from Department of Justice	940,641	948,525	957,648	903,382	935,868
Other revenue	1,300,000	1,640,000	1,600,000	1,409,827	1,510,000
Interest received on Trust Account funds	0	31,466	20,767	19,883	11,130
<b>Total revenue</b>	<b>2,240,641</b>	<b>2,619,992</b>	<b>2,578,413</b>	<b>2,333,092</b>	<b>2,456,998</b>
Net result from operating activities	(492,169)	150,475	239,695	121,855	100,776
Net cash flow from operating activities	8,150	7,638	53,959	5,737	44,398
Total assets	1,085,781	1,540,591	1,365,568	1,082,250	1,025,727
Total liabilities	382,892	345,534	279,238	234,507	300,190

In the financial year ended 30 June 2009, the Commission's net result from operating activities was primarily affected by the reduced funding from the Legal Services Board of \$340,000 and an increase of \$227,520 in depreciation expense arising from the acquisition of leasehold fittings for the new premises during the year.

The \$41,359 difference between the annual appropriation and the actual grant by the Department of Justice is due to governance, executive and corporate costs.

In the financial year ending June 2008, the Department introduced changes to its 2007-08 output structure to reflect Machinery of Government changes, better alignment and consistency with service delivery and legislative requirements. The outputs were rationalised through consolidating like services provided by different agencies, including the Victorian Law Reform Commission, within its portfolio. The revised structure was to provide a more effective tool for managing service delivery and accountability, while maintaining transparency for the Government.

Included under the heading of *Legal Support to Government and Protecting the Rights of Victorians* are the changed outputs relating to the Commission. The Commission's outputs contribute to the consolidated total output cost of \$31.7m. The changed performance measures are the same as the 2006-07 measures except for a change in wording and measure the exact same activities as the performance measures in 2006-07.<sup>1</sup>

As a result of the output consolidation there is no longer a separate output figure for the Commission, and therefore figures are unavailable for 2007-08 and future years.

The \$61,475 difference between the annual appropriation<sup>2</sup> and the actual grant by the Department of Justice is due to governance, executive and corporate costs that constitute indirect output costs included in the BP3 estimates and not included in the direct appropriation allocations.

1. Department of Treasury and Finance, Service Delivery 2007-08, Budget Paper No. 3 (2007) 157-61.

2. *Appropriation (2007/2008) Act 2007* 10.





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