

report



Victorian
Law Reform
Commission



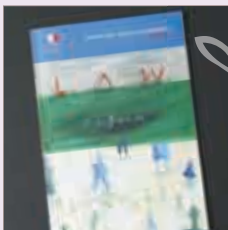
ANNUAL REPORT 2005-06

Improving the law

annual



HIGHLIGHTS OF THE YEAR



- recommendations for a new Workplace Privacy Act to counter legislative gaps in current privacy law in the *Workplace Privacy: Final Report*;
- participated in a tri-commission review of the uniform Evidence Act, which culminated in the *Uniform Evidence Law: Report*;
- advised the Victorian Government on what needed to be done to implement the uniform Evidence Act in *Implementing the Uniform Evidence Act: Report*;
- completed two rounds of consultation and produced the *Review of the Bail Act: Consultation Paper*;
- rapid turnaround of the *Family Violence Police Holding Powers: Interim Report*, which recommended new police powers to deal with perpetrators of family violence;
- recommendations for a new Family Violence Act and improved approach from police and the courts in the *Review of Family Violence Laws: Report*;
- completion of the commission's second Community Law Reform report *Residential Tenancy Databases: Report*;
- completion of the *Assisted Reproductive Technology & Adoption Position Paper Two: Parentage* and *Position Paper Three: Surrogacy*, and consultations on all three position papers.

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CHAIRPERSON'S REPORT

The Honourable Justice Marcia Neave AO

This year's annual report celebrates the fifth anniversary of the Victorian Law Reform Commission. Our goal was to establish an inclusive, innovative and independent commission. It is timely to reflect on the extent to which we have met this goal over the past five years.

Independence

Because of the history of institutional law reform in Victoria, it was important to build bipartisan support for the commission as an independent agency. Members of parliament from the opposition have voted with the government on all of the Bills that have resulted from the commission's reports. The Victorian Law Reform Commission is now an established feature of the legal landscape.

Independence is, in part, an attitude of mind, but it can be supported or undermined by institutional structures. I hope the commission will continue to argue for funding and administrative arrangements which best ensure its continuing independence.

Inclusion

Work on all our references has involved extensive programs of public consultation. Over 25 meetings in regional areas were held for the Family Violence reference and many of these centres were revisited once the final report was published to provide briefings on our recommendations. Consultation with Indigenous communities for this reference involved a forum in which the specific issues faced by Indigenous people and models for possible alternative justice approaches were canvassed.

The commission has worked hard to improve public understanding of the law. The Bail reference includes a particular focus on victims of crime, for whom we produced a brochure about the project, which was distributed with the assistance of the Victims Assistance and Counselling Programme.

Implementation

Most law reform agencies take a long-term view of implementation. If something is implemented within ten years, this is regarded as doing well. Judged by this measure, the commission's implementation record so far is very encouraging.

Virtually all of the commission's recommendations in relation to defences to homicide have been enacted into legislation. Legislative changes have also been made in the areas of property co-ownership, bail and family violence. Bills have been introduced into parliament to implement recommendations made in our reports on compulsory care of people with an intellectual disability and sexual offences affecting children. Work on implementation is under way in relation to the commission's reports on the uniform Evidence Act and it is likely that most of the commission's recommendations on sexual offences affecting adult victims will also be implemented.

While legislative change is often the basis of law reform, procedural innovation and training is also very important in effecting change. In this area, the Magistrates' and County Courts have responded to recommendations in relation to sexual offences with the establishment of specialist lists to deal with offences against children, and the government



Chairperson's Report

has announced the establishment of a Child Witness Service as recommended in our report. The Sentencing Advisory Council has undertaken research recommended in the report on Defences to Homicide and Victoria Police is also undertaking training recommended in the report on Family Violence. I hope that the commission's innovative work on workplace privacy will also find its way into legislation.

Future Challenges

In this, my final, Chairperson's Report for the commission, I want to thank all those who have helped us achieve our goals. Our success has been due to the hard work of commissioners, research and administrative staff, consultants and the many members of the public, legal profession and judiciary who participated in our consultations. The Attorney-General has been receptive to our recommendations and officers in the Department of Justice have worked on their implementation. I want to acknowledge the fine work of Judith Peirce, who led the reference on family violence as full-time Commissioner and has now completed her term. I also pay tribute to the leadership of Padma Raman, the Chief Executive Officer of the commission.

I wish the commission every success in its next five years.

Marcia Neave
Chairperson



Commissioner's Report

COMMISSIONER'S REPORT

Ms Judith Peirce

Review of Family Violence Laws

This year marked a milestone for the commission's Family Violence reference with the tabling of two reports: the *Family Violence Police Holding Powers: Interim Report*, tabled on 15 September 2005, and the *Review of Family Violence Laws: Report*, tabled and launched on 1 March 2006.

The final report involves a comprehensive consideration of all aspects of the justice system which are relevant to family violence, making 153 recommendations for change. Our report views family violence through an analysis of power and control and recognises that it can take diverse forms. We use a human rights perspective and consider the effects of family violence on individuals and our society.

This approach places the social and legal contexts and the experiences of those affected by family violence at the centre of analysis. Through our extensive consultations, we were able to identify the values and beliefs of the community, the police, the courts and other legal personnel. This assisted us to understand what happens to victims and to appreciate the importance of changing widespread misconceptions about family violence in the justice system.

The publication of the final report was marked by extensive briefings in regional and metropolitan Melbourne where I am pleased to report that we received overwhelming support for our recommendations and approach.

The decision to implement any or all of our recommendations is, of course, the prerogative of government. However, the commission is increasingly playing an important role in supporting government departments in implementation programs. All of our recommendations in relation to police holding powers have already been implemented in legislation. In 2006, the Department of Justice established two teams to prepare an exposure draft of proposed legislation (expected late 2006) and to consider non-legislative implementation of our recommendations.

Community Law Reform

In April 2006, we published a community law reform report on Residential Tenancy Databases, a project which was suggested by the Tenants Union of Victoria. We have also prepared a discussion paper for the Mental Health Legal Centre on advance directives, worked with the Equal Opportunity Commission of Victoria on a project on assistance animals and commenced investigating an administrative law matter referred by Flemington and Kensington Community Legal Centre. The intern program initiated and managed by the Victoria Law Foundation is a key component of this work.



PART-TIME COMMISSIONERS

The commission also plays an active role in community engagement, including Law Week events, secondary schools curriculum support, and lecture programs for universities and community groups. We have hosted delegations from East Timor and China where new programs to combat family violence are being developed and from Indonesia to discuss approaches to institutional law reform.

As the Family Violence reference has now been finalised, my term as commissioner is completed. I have been privileged to work at the commission and would like to thank the former Chairperson, Justice Marcia Neave, Chief Executive Officer, Padma Raman, and all the very talented staff who contribute to the commission's excellent reputation and success.

Judith Peirce
Commissioner

The Victorian Law Reform Commission has a mix of nine full-time and part-time commissioners.

Justice Marcia Neave was the full-time chairperson of the commission from its establishment in 2001 until her appointment to the Victorian Court of Appeal in February 2006.

Ms Judith Peirce was a full-time commissioner working on the Family Violence reference until June 2006. Justice Tim Smith has worked full-time on the Evidence review for periods of his appointment.

Commissioners are responsible for the overall direction of the organisation. They are each members of divisions of the commission in which they work on specific references. All commissioners meet regularly to discuss interim and final reports of all references.

Mr 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 1987 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.



PART-TIME COMMISSIONERS continued

Mr Aristotle has been a member of the divisions for the Assisted Reproductive Technology & Adoption, and Surveillance in Public Places references and advised the Family Violence reference.

Her Honour Judge Jennifer Coate became a part-time commissioner in October 2001. She has been a judge of the County Court since June 2000 and was President of the Children's Court until May 2006 and prior to that spent eight years as a magistrate. Judge Coate has worked as a barrister, solicitor and academic and served on social policy groups and committees.

In the past year, Judge Coate has been a member of the Bail division.

Her Honour Judge Felicity Hampel has been a part-time commissioner since October 2001. She was appointed as a judge of the County Court in 2005, prior to which she was a practising Senior Counsel and Adjunct Professor of Law at 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 divisions for Assisted Reproductive Technology & Adoption (chair), Bail and Workplace Privacy references.

The Honourable Justice David Harper has been with the commission since October 2001. After a long career at the Bar—he was made a QC in Victoria in 1986 and in New South Wales in 1989—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.

Justice Harper has been a member of the commission's divisions for the Bail (chair) and Evidence references.

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 member of the divisions for the Assisted Reproductive Technology & Adoption, Workplace Privacy, and Surveillance in Public Places (chair) references.

OUR PART-TIME COMMISSIONERS

Dr Iain Ross AO is a partner at Corrs Chambers Westgarth, specialising in workplace relations law. He was previously the 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 NSW Law Reform Commission from 1998 to 2001 and joined the Victorian Law Reform Commission in August 2003.

Dr Ross has been a member of the divisions for the Evidence, Workplace Privacy and Surveillance in Public Places references.

The Honourable Justice Tim Smith has been a judge on the Victorian Supreme Court since 1990. For two years prior to this appointment, he was a judge of the County Court and was appointed a Queens Counsel in 1986. Justice Smith has had a long-standing interest in evidence law and law reform. He was appointed as commissioner in charge of the Australian Law Reform Commission review of evidence law between 1980 and 1987, which resulted in the introduction of the uniform Evidence Act, used in federal jurisdictions, NSW, ACT and Tasmania.

Justice Smith has been the commissioner in charge of the Evidence reference.



- A. Paris Aristotle
- B. Jennifer Coate
- C. Felicity Hampel
- D. David Harper
- E. Sam Ricketson
- F. Iain Ross
- G. Tim Smith

Part Time Commissioners



CHIEF EXECUTIVE OFFICER'S REPORT

Padma Raman

This year has been one of transformation—externally, in terms of the implementation of the commission's recommendations from a number of references, and internally, with the departure of our foundation Chairperson, Justice Marcia Neave AO, and our full-time Commissioner, Judith Peirce. Amidst these changes, we have also had the opportunity to consolidate and reflect on our first five years of operation.

References and Projects

As this report demonstrates, the commission has had a busy year with the completion of three major references: Workplace Privacy, Evidence and Family Violence. We also completed our second community law reform project on Residential Tenancy Databases in early 2006. As a demonstration of its capacity to produce recommendations under extremely tight timeframes, the commission completed a report on Family Violence Police Holding Powers in less than a month.

This year, we are able to boast an impressive implementation record, with recommendations from a number of completed references now made into law. Legislation has been passed by parliament which puts into effect recommendations made by the commission in reports on Disputes between Co-owners, Defences to Homicide, Sexual Offences Law and Procedure, People with Intellectual Disabilities at Risk, and those in relation to police holding powers in situations of family violence.

However, implementation is but one measure of our effectiveness as a law reform body. This year, we have continued to consult widely on references and recommendations with the publication of further position papers in relation to the Assisted Reproductive Technology & Adoption reference and have had extensive community consultations for the Bail reference.

Over the year, we have focused our attention on developing the community law reform program and refining the processes for responding to suggestions for small-scale law reform projects made by members of the public and other agencies. As part of our role in coordinating law reform activities across the state, we produce the biannual e-newsletter, *Inform*, which provides information about law reform activities being conducted by a number of agencies. We have also continued to develop our profile with schools, through our involvement in Law Week activities.

Changes at the Commission

In February 2006, the commission's first Chairperson, Professor Marcia Neave, was appointed as a judge on the Victorian Court of Appeal. As we prepare to welcome a new Chairperson to the organisation, we have had the opportunity to reflect on and appreciate the important influence Marcia had in developing a healthy law reform body and shaping the direction of law reform in Victoria. Over the past five years, she has provided inspiring intellectual leadership for the organisation. Her intelligence, energy and endless



diligence has helped build our reputation and develop an organisational culture of high standards and achievement. She has also ensured that law reform in Victoria is a truly participatory process and encouraged staff to develop innovative community engagement practices.

Judith Peirce's term as full-time Commissioner came to an end on 31 May 2006. Judith's work on the Family Violence reference has received widespread praise and support. Her leadership in relation to community law reform has been crucial in reconceptualising the commission's engagement with the community. Judith also made an enormous contribution to the effective operation of the organisation utilising her past management experience to improve our internal processes.

Justice Tim Smith, who was responsible for leading the Evidence reference, finished his term as Commissioner on 6 June 2006. He ensured that the commission completed one of its most complex references in record time, while navigating the challenging path of working with two other law reform commissions to produce joint recommendations.

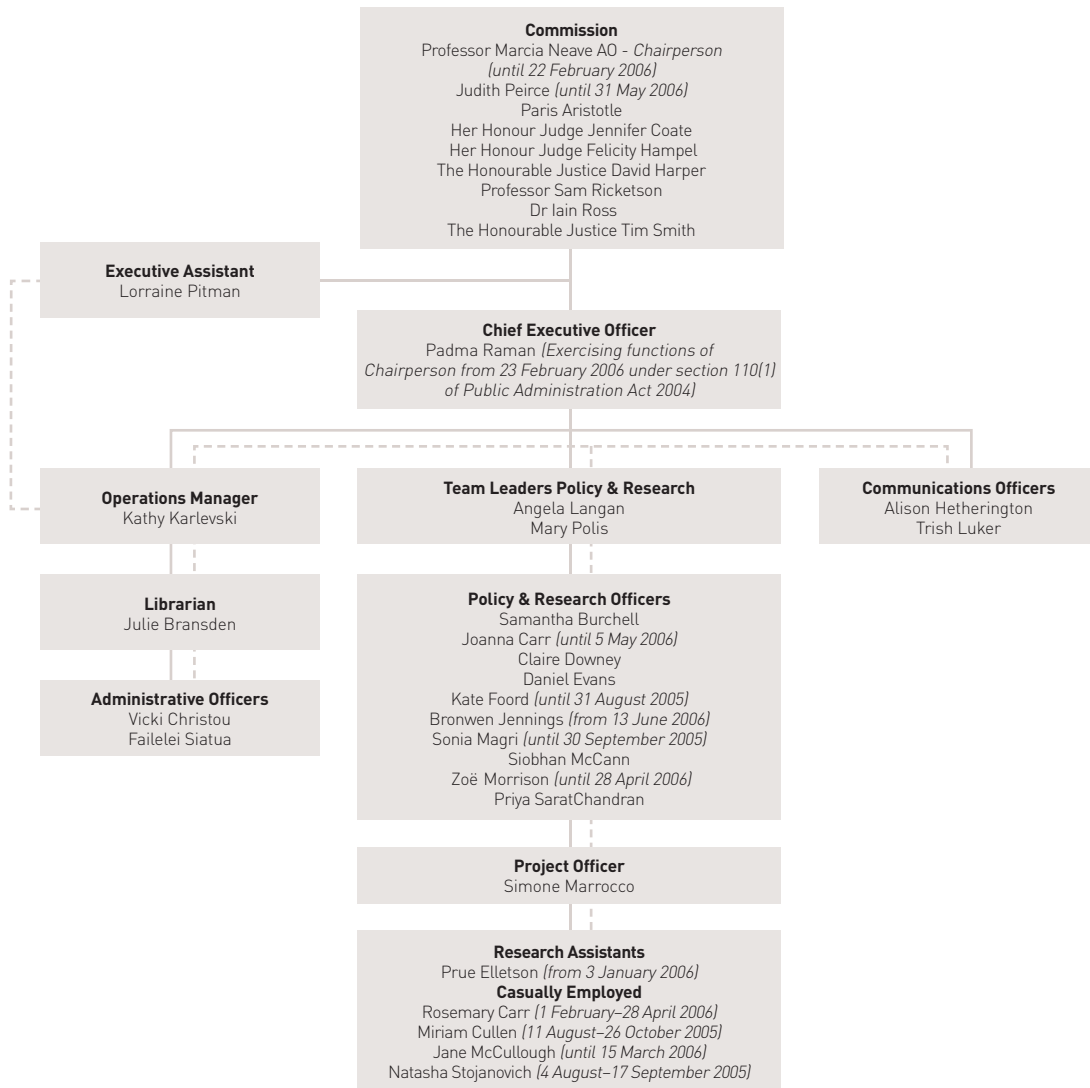
As the organisational chart shows, there has also been some turnover in staff as work on references is completed. As always, I pay tribute to the work of commission staff. They are a cohesive team with remarkable energy, commitment, intelligence and skills. I also want to sincerely thank all staff and commissioners for their support and patience as I have attempted to perform the functions of the Chair while we await the appointment of a new Chairperson.

Padma Raman
Chief Executive Officer

Officer's Report
Chief Executive



ORGANISATIONAL CHART





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. It 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;

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



Our Approach



Our Approach

OUR APPROACH

Functions, Visions and Objectives continued



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:

- establish 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; and
- build partnerships with other bodies involved in law reform to avoid inefficient duplication of effort.





Our Objectives

Objectives

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.

Engage the community in law reform processes and foster community-wide debate on law reform proposals.

To promote the role of law reform and improve community understanding of law and legal processes relevant to the commission's references.

To coordinate law reform in Victoria and identify areas of emerging concern.

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.

Results

- Delivered final reports for Evidence, Workplace Privacy and Family Violence references on schedule.
- Completed an interim report on Family Violence Police Holding Powers.
- Completed a community law reform project report on Residential Tenancy Databases.
- Contributed towards government efforts to implement recommendations.

- Consulted widely with the community in meetings, roundtables and public forums for Family Violence, Workplace Privacy, Assisted Reproductive Technology & Adoption, and Bail references.
- Consulted with the legal services sector for the Evidence reference.
- Provided information about key directions in each reference to relevant media outlets.
- Produced summary publications for specific audiences.

- Held a law reform event on Sexual Offences law reform for school students as part of Law Week.
- Prepared and distributed school curriculum support notes on Sexual Offences law reform, in support of *Law Reform in Action* booklet.
- Participated in relevant conferences, forums and other public events.

- Produced the *Inform* e-newsletter with updates on law reform activities in the state.
- Worked with the Tenants Union of Victoria on community law reform project.

- Refined our community law reform processes to encourage suggestions for reform from the public.
- Delivered all objectives within budget.
- Convened regular audit committee meetings



IMPLEMENTATION REPORT

The past year has seen an influx of legislation into the Victorian parliament based in full or in part on the commission's recommendations for reform.

Five Bills were introduced into parliament that have included recommendations from the commission's reports on Disputes Between Co-owners, Defences to Homicide, Sexual Offences Law and Procedure, People with Intellectual Disabilities at Risk and the *Family Violence Police Holding Powers Interim Report*.

Most of this legislation was introduced within a year or two of the reports' tabling, with only the Disputes Between Co-owners and People with Intellectual Disabilities at Risk reports taking longer to make it into the statute books.

While the commission does not rely solely on the implementation of its recommendations as a measure of its success, the significance of enactment into legislation should not be underestimated.

Disputes Between Co-owners

The Property (Co-ownership) Bill was introduced in September 2005 and amended Part IV of the *Property Law Act 1958*, based on the commission's June 2001 report, *Disputes Between Co-owners*.

The Bill took up the commission's recommendation to move disputes about co-ownership under Part IV of the Act from the Supreme and County Courts to the Victorian Civil and Administrative Tribunal for cheaper and easier resolution of complaints.

The commission made 59 recommendations in its report but not all were implemented through this legislation. In debate about the Bill, the Parliamentary Secretary for Justice, Jenny Mikakos, said the report's other recommendations would be 'considered in more detail at a later stage'.

Defences to Homicide

It took roughly one year for the commission's Defences to Homicide recommendations to be picked up in the Crimes (Homicide) Bill, which was introduced in October 2005.

The government's support for the abolition of the provocation defence was publicised soon after the commission's report was tabled in November 2004. The Bill adopted all of the commission's recommendations, with some modifications on issues such as infanticide and self-defence in family violence cases.

Sexual Offences

After setting up a specialist unit in the Department of Justice to sift through the commission's landmark *Sexual Offences: Law and Procedure Report*, tabled in August 2004, the Crimes (Sexual Offences) Bill was introduced in November 2005.



Report

Implementation

This Bill adopted the commission's recommendations about evidence given by children and people with a cognitive impairment in sexual offence cases. The report's other recommendations are still being considered by the government for possible legislation.

The commission's recommendations in relation to the need for specialist sexual offences lists in courts to improve the conduct and speed of cases have also been taken up. The County Court began its sexual offences list in October 2005 and in April 2006 the Magistrates' Court began piloting its own sexual offences list.

Police Holding Powers

The commission was asked to prepare an interim report on police powers in family violence cases in August 2005, which was tabled in September, and just one month later the Crimes (Family Violence) (Holding Powers) Bill was introduced. The Bill implemented all of the commission's interim recommendations.

Intellectual Disability

In February 2006 the government introduced the Disability Bill, which incorporated recommendations from the commission's November 2003 report about restrictive interventions and compulsory treatment of people with an intellectual disability.



REFERENCES

Family Violence

The commission's Review of Family Violence Laws was completed towards the end of this financial year, but not before gathering feedback on the consultation paper, publishing an interim report on police powers, releasing the final report and then embarking on an extensive round of briefings.

The *Review of Family Violence Laws: Consultation Paper* was released in December 2004. It attracted 87 submissions and was followed by meetings with interested stakeholders to float possible options for reform.

Police Holding Powers

In August 2005, the Attorney-General asked the commission to prepare an interim report for parliament on a proposal to give police the power to hold or detain a person while applying for an interim intervention order in family violence cases. The commission was given just three weeks to write the interim report, which was tabled in parliament on 15 September 2005.

The report recommended that police be given a holding power in family violence cases, with safeguards built into the Act regarding how long someone may be held and procedures for people aged under 18. The commission has also recommended that specific consideration be given to situations when the police are dealing with people with cognitive impairments, Indigenous Australians and people from non-English speaking backgrounds.

The interim recommendations were adopted in the *Crimes (Family Violence) (Holding Powers) Act 2006*, which came into force on 1 July 2006.

New Family Violence Act

The *Review of Family Violence Laws: Report* was completed by its 31 December 2005 deadline and was tabled in parliament on 1 March 2006.

The report recommended the introduction of a dedicated Family Violence Act with a broader definition which reflects the dynamics of family violence, and highlights common myths and stereotypes. It also recommends a review of the way police and the courts approach family violence cases, in addition to better training for police, registrars and magistrates. Training should be focussed on the barriers to the intervention system faced by Indigenous Australians, people with disabilities and people from non-English speaking backgrounds.

Victoria Police has been asked to establish a specialist prosecution unit which would support victims, improve evidence gathering at family violence incidents they are called to, and prosecute more intervention order breaches.

Courts have been called on to provide private areas where victims can tell their story to registrars and to ensure the safety of victims while they are in court buildings. The commission has also recommended that intervention orders be tailored to individual situations and forms be written in plain English.



Family Violence

An important element of improving the courts' protection of victims is the provision of legal advice and representation through community legal centres.

Magistrates have been asked to pay greater attention to occasions of child contact and the danger this can pose to family violence victims. The commission highlights the necessity for more orders which remove the violent person from the family home rather than the victim/s.

Community education is also a high priority and the commission has recommended that the government fund a widespread campaign to promote respect in family relationships.

Following the report's release, the family violence team delivered briefings about the report's recommendations to police, magistrates, court registrars, family violence support services, community legal centres, and interested non-government organisations.

The Department of Justice has begun the process of examining the commission's 153 recommendations in preparation for new legislation.

I'm looking forward to the day when I can start integrating back into my community as it has already been two years that I have spent hiding in my home and feeling that no one cares about what is happening to me. This report has given me optimism.

Family violence victim



REFERENCES

Evidence

The efficiency that has characterised the commission's review of the uniform Evidence Act was on show again this year, with the release of three major publications that have moved the country closer to uniform evidence laws.

Working with the Australian Law Reform Commission and New South Wales (NSW) Law Reform Commission, the Victorian commission had to produce substantial information in a short timespan to tie in with the Commonwealth Attorney-General's December 2005 deadline.

The three commissions were asked to review the uniform Evidence Act currently operating in NSW, ACT, Tasmania, Norfolk Island and federal jurisdictions.

In July 2005 a Discussion Paper by the three commissions working together was released. Following this, the Victorian and Australian commissions jointly consulted with Victorian judiciary and practitioners about the questions raised in the paper.

Uniform Evidence Act Review

The *Uniform Evidence Law: Report* was released in all three jurisdictions on 8 February 2006.

The commissions found the uniform Act had been working well, but made 63 recommendations to improve provisions, including those dealing with hearsay, expert evidence, privileged communications and vulnerable witnesses.

The report recommends education for judges and lawyers about the policy underlying the Act, improper questions in cross-examination, expert opinion evidence, child witnesses, and the nature of sexual assault.

A change to the test of competence to make it easier for witnesses aged under 18 and those with cognitive impairment to give evidence has also been recommended, and that expert evidence should be allowed about the development and behaviour of children.

The commissions have recommended that the Standing Committee of Attorneys-General instigate an investigation of the jury system and the warnings and directions given to juries by judges. The report

I offer congratulations on the report on implementing the Uniform Evidence Act. This is a great achievement of the Commission and a lasting tribute to you (and to Tim Smith) and other co-workers.

The Hon Justice Michael Kirby, High Court of Australia



Evidence

also recommends that judges not warn juries about the reliability of children's evidence because of age, and recommends changes to warnings about the delay between an incident occurring and the hearing in court.

Another recommendation is that the term 'de facto spouse' be replaced with de facto partner, ensuring equal treatment of same-sex partners called to give evidence.

The prevalence of electronic communications has been recognised with changes recommended to the rules for proof of documents.

One of the more highly publicised recommendations concerns the protection of confidential information in a professional relationship. The commissions have opted for the NSW model which allows a judge the discretion to exclude this information.

Uniform Evidence Act in Victoria

The Implementing the Uniform Evidence Act: Report was tabled at the same time as the final report. It details the legislation which would need to be changed to accommodate the introduction of the Act in Victoria and the specific provisions that would need to be tailored.

The Victorian Government has already indicated it wants to see the introduction of the uniform Evidence Act and the Standing Committee of Attorneys-General is also meeting to discuss the recommendations in the joint review.



REFERENCES

Bail

The release of a consultation paper and meetings with experts and stakeholders this year has prepared the Bail reference team to begin work on a final report to government.

Work on the review of the Bail Act began in earnest in February 2005 and a lengthy consultation paper was released in November of the same year. The paper was written after commission staff met with nearly 50 individuals and organisations in Melbourne, Geelong, Mildura, Moe and Shepparton.

Participants in the meetings included bail support program workers, police, bail justices, defence lawyers, prosecutors, registrars, magistrates, Department of Justice staff, Indigenous Australian representatives, and victim support workers.

Information gleaned in these meetings, extensive research, and recommendations from a review of the Bail Act completed by the previous law reform commission in 1992, contributed to the *Review of the Bail Act: Consultation Paper*.

Areas for Reform

The consultation paper looks at possible procedural, administrative and legislative changes that may improve the operation of the bail system.

The need to redraft the Act in plain English was recommended in the previous commission's review and was raised again in many of the consultations undertaken this time around. The current Act is complicated in structure and language, and most people thought it needed to be easier to understand.

The presumption against bail for some offences was opposed by many people, who preferred to see bail decisions focused on the individual. There was also concern that the tests to determine whether someone should get bail were too complicated and lead to inconsistent decision making.

Children are treated in the same way as adults under the Act and there are no provisions to allow a decision maker to remand a vulnerable young person (18–21) to a youth-specific facility rather than an adult prison.

Victoria's bail justice system deals with after-hours bail decisions, where police are seeking remand. It was criticised for lacking guidelines, adequate update training and provision of information to bail justices, and oversight of their decisions and behaviour.

Other major issues covered included the information given to victims about bail hearings and decisions, the availability and effectiveness of support programs for people on bail, and the exchange of information between courts and police to ensure police have up-to-date information when considering bail.



Follow-up Consultations

To ensure victims of crime knew about the reference and had the chance to participate, the commission published a small booklet entitled *Have Your Say About Bail Law*. This was directed at lay people with no knowledge of bail law and was distributed through the Victims Assistance and Counselling Programme's network of counsellors throughout Victoria.

The commission received 45 submissions to the consultation paper, predominantly from organisations, such as the Office of Public Prosecutions and the Criminal Bar Association.

Once all the submissions were received, the commission held meetings with experts and stakeholders to talk further about the options for reform. Participants in these meetings included Victoria Police, Victorian Aboriginal Legal Service, Mental Health Legal Service, Youthlaw, magistrates, registrars, bail justices, lawyers, and prosecutors.

The commission plans to give a final report to government during 2007.

This Consultation Paper [Bail] is a very welcome and timely initiative. The paper is very well researched and raises very important issues.

Dr Chris Corns, School of Law, La Trobe University



REFERENCES

Assisted Reproductive Technology & Adoption

The Assisted Reproductive Technology (ART) & Adoption reference team published two position papers in the past year and began work on a final report.

The first position paper about access to ART was released in May 2005 and received more than 330 submissions.

This year, *Position Paper Two: Parentage* and *Position Paper Three: Surrogacy* were released with interim recommendations and questions for the public. Each paper was kept short and people were given roughly one month to respond, although late submissions were accepted.

Defining Parentage

The Parentage Paper was released on 22 July 2005. It recommended counselling people who receive ART treatment about why and how they should tell their children about their conception, rather than forcing them to tell.

More than 350 submissions were made to the paper, which also opposed allowing sperm donors to initiate contact with people born from their sperm. Decisions about contact should be a matter for the donor conceived person, not the donor.

In the interim recommendations, same-sex parents would receive the same legal recognition as heterosexual parents. The non-biological parent would be recognised as a parent of the child and could be registered on the child's birth certificate.

The commission believes this would provide more certainty for the rights of children born to same-sex couples, who don't have the same access to child support and inheritance as children born to heterosexual couples.

Uncertainty about the status of donors should be clarified by declaring that sperm and egg donors are not parents of the children born as a result of their donation, regardless of the type of family the child is born into.

Clarifying Surrogacy Laws

The Surrogacy Paper came out on 25 November 2005 and attracted 59 submissions. It started from the position that the government needs to decide whether surrogacy should be permitted by the State.

I value the thorough and respectful manner in which this investigation is being conducted.

Dr Maggie Kirkman, Key Centre for Women's Health in Society, University of Melbourne



The commission recommended a range of measures to clarify current laws, which permit surrogacy but make it technically difficult. Currently, infertility requirements apply to the surrogate and her partner rather than the commissioning parents. According to the interim recommendations, the need for the surrogate to be infertile would be removed and access requirements for ART treatment would apply to the commissioning parents rather than the surrogate.

Surrogates and commissioning parents would need to meet certain criteria before being treated by a clinic and only the surrogates' medical expenses could be paid for by the commissioning parents.

Commissioning parents would be recognised as the legal parents of the child if a court was satisfied that this would be in the best interests of the child. This could only happen with the surrogate mother's consent.

Each position paper release has been followed by a round of consultations with stakeholders and experts in the area to discuss the interim recommendations in light of responses received in submissions.

The commission has begun to revisit the interim recommendations in preparation for development of recommendations for the final report, which it plans to give to government by the end of 2006.



REFERENCES

Workplace Privacy and Surveillance

Workplace Privacy

A dedicated Workplace Privacy Act is the centrepiece of the 65 recommendations in the commission's *Workplace Privacy: Final Report*.

Tabled in parliament on 5 October 2005, the report covers a wide range of privacy intrusive practices, including medical testing, video surveillance and email monitoring.

The commission decided that workers' privacy was not adequately protected by current laws and there is a need at the state level to close these legislative gaps.

The recommended Workplace Privacy Act imposes an obligation on employers to not unreasonably breach workers' privacy. A set of principles defines the obligation:

- the purpose for using a practice must be directly connected to the employer's business;
- practices used should be proportionate to the risk involved;
- employers should implement appropriate safeguards; and
- employers should inform and consult with workers before introducing practices.

The commission has recommended that codes of practice be developed from these principles to guide businesses.

Some codes of practice, such as for email monitoring or overt surveillance, would be advisory only. Mandatory codes would regulate testing for drugs and alcohol, and covert surveillance.

If employers wanted to use a practice that intrudes on workers' privacy when they are not working, they would need to apply to the proposed independent regulator for authorisation. This would also be the case if they want to conduct genetic testing of their workers.

Surveillance in toilets and washrooms would be banned outright.

Employers who breached a mandatory code of practice, used a practice without authorisation or used a prohibited practice would be in breach of the Act and subject to civil penalties.

The independent regulator would have the power to initiate inquiries, investigate complaints, conciliate and make rulings. The commission has recommended that these rulings be reviewable by the Victorian Civil and Administrative Tribunal.

A Workplace Privacy Bill, drafted by the Office of Parliamentary Counsel, is included in the report to illustrate how the recommendations would translate into legislation.

Following the report's release, commissioners and staff conducted information briefings for unions, business groups, technology providers and industrial relations lawyers.

The government is yet to announce whether it will introduce legislation based on the report.



Work Place Privacy & Surveillance

Surveillance in Public Places

The second stage of the Privacy reference began in March 2006 and is concerned with surveillance in public places. The terms of reference call on the commission to report on:

'whether legislative or other measures are necessary to ensure that there is appropriate control of surveillance, including current and emerging methods of surveillance, and the publication of photographs without the subject's consent. As part of this examination, the commission should consider whether any regulatory models proposed by the commission in relation to surveillance of workers, could be applied in other surveillance contexts, such as surveillance in places of public resort, to provide for a uniform approach to the regulation of surveillance.'

Initial research into the issues and limited informal consultation has taken place in preparation for publication of a consultation paper next year.

This is an important contribution to a consistent and fair legislative approach to privacy in the workplace.

Hon Helen Buckingham, MLC, member for Koonung



COMMUNITY LAW REFORM

During the year, the commission completed a community law reform project on Residential Tenancy Databases which was applauded at the state and federal levels.

Suggestions for community law reform projects are received from community organisations and members of the public. Over the year, research for these projects has been undertaken by student interns as part of the Victoria Law Foundation's Legal Policy Internship Program.

Residential Tenancy Databases

The report on Residential Tenancy Databases was tabled in parliament in April 2006. The issue had been brought to the commission's attention by the Tenants Union of Victoria.

Residential tenancy databases contain information about tenants and their rental history and are routinely used by real estate agents in their assessment of prospective tenants in the private rental market.

These databases are currently unregulated in Victoria, although they are regulated in NSW, Queensland and the ACT.

The commission has recommended that states and territories work together to ensure a level of national consistency in the regulation of databases. However, in the meantime, the Victorian *Residential Tenancies Act 1997* should be amended to regulate their use.

Tenants should be given access to information about them which is contained in databases. The commission has recommended that the Victorian Civil and Administrative Tribunal be responsible for settling disputes between tenants, real estate agents and database operators.

Assistance Animals and Living Wills

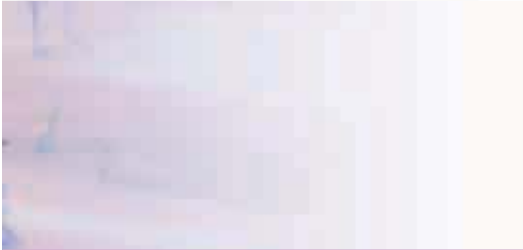
The commission assists other agencies to investigate the feasibility of law reform projects through the provision of legal research expertise.

At the suggestion of the Equal Opportunity Commission of Victoria, we conducted initial research into the use of assistance animals.

Currently, the law permits people who are visually or hearing impaired to use assistance dogs. However, individuals who have disabilities which do not fall into these categories do not necessarily have rights to the use of such animals. This may include individuals with mental health or physical mobility issues.

In particular, there are potential problems in relation to the use of public transport and access to public venues, such as restaurants.

The commission has also prepared advice for the Mental Health Legal Centre on possible law reform on advance directives, which facilitate people registering instructions for what they would like to happen when they are ill.



5 YEARS OF LAW REFORM

Coordination and Monitoring of Law Reform

The commission has responsibility for coordinating and monitoring law reform activities in Victoria.

In 2003, the Victorian Law Reform Advisory Council was established to assist with the coordinating role and to share information, knowledge and experience relevant to law reform. The council also has a role in identifying potential areas of law reform which could be pursued as community law reform projects.

Members of the council are drawn from key agencies engaged in law reform, including the Federation of Community Legal Centres, Equal Opportunity Commission of Victoria, Law Institute of Victoria, Public Interest Law Clearing House, Victoria Law Foundation, Victoria Legal Aid, Parliamentary Law Reform Committees and the Department of Justice.

To assist with the dissemination of information about law reform activities, twice a year the commission publishes an electronic newsletter, *Inform*, which provides a round-up of law reform activities in the state.

The newsletter includes information about progress on the current projects of the commission and other law reform activities being undertaken by agencies. It is published and distributed electronically and has links to further information.

On 27 April 2006, the commission celebrated its fifth anniversary with an event to acknowledge the important contribution made by many individuals and organisations to work on references and community law reform projects.

Members of advisory committees, key community sector organisations, current and previous staff, student interns, consultants and the legal services sector all attended.

Professor David Weisbrot, from the Australian Law Reform Commission gave an engaging speech about the law reform process and Justice Marcia Neave, newly appointed to the Victorian Supreme Court of Appeal, reflected on the first five years of the commission's operations.



EDUCATION & OUTREACH

Helping Students

The commission has continued to help schools teach their legal studies students about the law reform process through visits to schools, law reform study notes, and the annual Law Week event.

Victims on Trial: Sexual Offences Law Reform was the title of this year's Law Week discussion for VCE students. Held at the State Library of Victoria, the morning session gave students the opportunity to question people working in the field and the law reformers who recommended change.

Every year the commission also talks to legal studies teachers at their annual conference and participates in the Law Institute's schools lecture series, which is attended by legal studies students and their teachers.

This year the commission provided study notes on sexual offences law reform, as a companion to last year's *Law Reform in Action* booklet for students.

Online Resources

The website is an important link to the wider community for the commission.

All the commission's publications are available on the site the day they are released and important news is placed on the site as soon as it occurs.

In the past year the number of unique visitors to the site was 23, 743, an increase of close to 3000 visitors since last year.

Plans are underway to revamp the structure and look of the website to make it easier for people to use and ensure it is accessible for people with a disability.

Into Print

It was another busy year for publications, with nine papers and reports released and two summaries.

The commission always endeavours to write its publications in accessible language but sometimes a shorter, separate publication is needed to reach the widest possible audience.

The *Have Your Say About Bail Law* booklet and *Family Violence Report: Summary* were both produced to give interested people a quick overview of the commission's work.

All commission publications are provided to the public at no cost, in hard copy and electronic versions. A CD version of the *Sexual Offences: Final Report* was produced to keep up with the continuing interest from the public and to reduce the cost of getting reprints of this popular publication.

In the past year the following publications have been released:

- *Assisted Reproductive Technology & Adoption Position Paper Two: Parentage* (July 2005)
- *Family Violence Police Holding Powers: Interim Report* (September 2005)
- *Workplace Privacy: Final Report* (October 2005)



- *Review of the Bail Act: Consultation Paper* (November 2005)
- *Have Your Say About Bail Law* (November 2005)
- *Assisted Reproductive Technology & Adoption Position Paper Three: Surrogacy* (November 2005)
- *Implementing the Uniform Evidence Act: Report* (February 2006)
- *Uniform Evidence Law: Final Report* (February 2006)
- *Review of Family Violence Laws: Report* (March 2006)
- *Review of Family Violence Laws: Final Report Summary* (March 2006)
- *Residential Tenancy Databases: Report* (April 2006)

Reform on Film

Owen Elliott's *Men in Boxes* was the inaugural winner of the commission's \$500 Reform on Film prize at the Shepparton Shorts Film Festival in March.

The ten-minute film examined men's attitudes to masculinity, with a focus on family violence. To be eligible for the prize, film-makers must address a law in need of reform or one of the projects being undertaken by the commission.

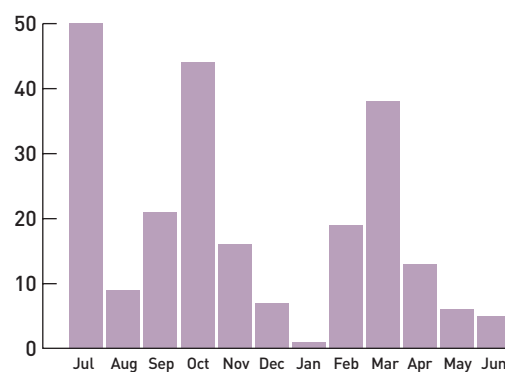
The prize is offered to get people thinking about some of the important moral and social issues involved in making, respecting and reforming laws.

In the News

The commission's Assisted Reproductive Technology project continued to attract media attention this year, as did the launch of the *Workplace Privacy: Final Report* and *Review of Family Violence Laws: Report*.

The commission tries to help journalists with any queries they may have about law reform to ensure the public is kept informed. We also issue media releases whenever a publication is released or when the commission is holding a public event.

Typically, the bulk of the media coverage occurs when a publication is released and more so when final recommendations are given to parliament.



Number of articles in general and specialist media that mentioned the commission



EDUCATION & OUTREACH continued

Other Countries Drop By

Law reform processes and principles cross national boundaries, as evidenced by visits to the commission by Chinese and Indonesian delegations and two Japanese judges.

The Chinese delegation from the All China Women's Federation were in Australia to participate in an extensive program on how family violence is treated by our policy makers, police and courts.

The commission's Family Violence team talked about its *Review of Family Violence Laws: Report* and the processes involved in developing recommendations.

The group of Indonesian government and academic staff were in Melbourne for a three-month human rights program at Monash University and included a visit to the commission to help them understand how Australian institutions deal with human rights issues as part of their everyday functions.

Japan has a program of sending its young judges overseas to learn about other legal systems. The commission met with one judge who is studying at the University of Melbourne and a visiting judge who has worked on law reform projects in Japan.

Speaking Engagements

Commissioners and staff regularly speak about the commission and its work at schools and conferences and to community groups and legal sector organisations.

In the past year we have spoken to about 30 organisations, including Amnesty International, Australian Catholic University, Supreme Court of Victoria, and Forensic College of the Australian Psychological Society.

We have also spoken at a criminal law conference in Adelaide, the inaugural Neale Molloy lecture for Anglicare, and the Infertility Treatment Authority's annual symposium.

Education & Outreach

The Victorian Law Reform Commission is one law reform agency that has sought to assist stakeholders to access the consultation process by adopting a range of formats for consultation documents, including publication of plain English summaries and discussion papers.

The Promise of Law Reform (The Federation Press, 2005)



DISCLOSURES

Report of Operations

As a statutory authority, the commission is required to comply with a number of government Acts and regulations.

Human Resource Management

The Chairperson has the statutory responsibility as employer of staff and for overall management of the commission. 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, balanced lifestyles and a friendly, non-discriminatory workplace. The organisation provides flexibility in the workplace that will enhance the productivity as well as assist staff to balance work with family and personal responsibilities. All members of staff are required to engage in a performance management program.

Staff Development and Training

The commission supports staff in their pursuit of professional development through training and further studies. During 2005–6, staff attended courses, workshops and conferences to develop their professional skills and knowledge in areas of relevance to their work and careers. The range of activities has included:

- courses in information technology, communications, financial and business requirements;

- conferences of relevance to law reform generally and specific references;
- executive and management training programs; and
- inhouse staff seminars with speakers from agencies with which the commission has a working relationship.

Some members of staff are undertaking undergraduate and postgraduate studies.

Occupational Health and Safety

The commission is committed to the continual improvement of health and safety standards and performance in the workplace. During 2005–6, there were no human or financial costs of occupational injury or illness. Many staff took advantage of the subsidised influenza immunisation program organised by the Department of Justice. All new staff received ergonomic assessments of their work spaces by qualified professionals. All staff participated in fire drill evacuation exercises. Two staff members are trained as first aid officers.

Industrial Relations

During 2005–6, members of commission staff have been employed under the terms of the Victorian Public Service Agreements 2004 and 2006 (from 1/3/06). The commission has a cooperative relationship with the union representing the interests of staff, the Community and Public Sector Union. No time was lost during the year through industrial disputes or accidents.



DISCLOSURES

Report of Operations Continued

Whistleblowers

The *Whistleblowers Protection Act 2001* encourages and facilitates disclosures of improper conduct by public officers and public bodies. For the 12 months ending 30 June 2006, the commission did not receive any disclosures.

Freedom of Information

The *Freedom of Information Act 1982* allows the public the right to access documents held by the commission. For the 12 months ending 30 June 2006, the commission did not receive any applications.

Building and Maintenance

In accordance with the requirements of the directions of the Minister for Finance, the annual report must include a statement about compliance with the building and maintenance of provisions of the *Building Act 1993* for publicly owned buildings controlled by the commission. However, the commission does not own or control any government buildings.

Department of Victorian Communities

In accordance with the requirements outlined in the Premiers Circular 2006/1, the commission is required to report on its responsiveness to the following Victorian community areas:

- culturally and linguistically diverse (CALD) communities;

- Indigenous communities;
- women; and
- young people.

This requirement forms part of the whole-of-government performance reporting framework and is required under the *Multicultural Victoria Act 2004*.

Cultural Diversity

The commission has a commitment to engaging with the Victorian community in an inclusive manner. Law reform projects involve consultation strategies aimed at enhancing the participation of people from culturally and linguistically diverse communities.

One of the commission's key strategies for participation is the involvement of representatives from community organisations on advisory committees for references. The involvement of key gate-keepers in this capacity is beneficial when the commission organises meetings with people from diverse cultural backgrounds.

During the course of the reference, the Review of Family Violence Laws had a specialist advisory committee with representatives from culturally and linguistically diverse communities. Membership included representatives from a range of organisations and consultations for this reference included meetings with the Immigrant Women's Domestic Violence Service.

During 2005–6, the commission has maintained the availability of the brochure Changing the Law in 11 community languages: Arabic, Cantonese, Croatian, Greek, Italian, Macedonian, Mandarin, Spanish, Somali, Turkish and Vietnamese. The commission has not used language services during 2005–6.

Australian Indigenous communities

One of the key strategic areas identified in the Victorian Indigenous Affairs Framework is the facilitation of active partnerships through the involvement of Indigenous Victorians in the planning, management and delivery of services. The commission's commitment to Indigenous participation is demonstrated in the inclusion of Indigenous community representatives as members of the principal advisory committee for the Family Violence reference. A number of Indigenous-specific roundtables and other discussion forums were held during the course of this reference and were conducted in partnership with the Indigenous Issues Unit at the Department of Justice.

Another strategic area identified is improved justice outcomes for Indigenous families and communities. The terms of reference for the Review of Family Violence Laws requested that the commission have specific regard to the accessibility of the *Crimes (Family Violence) Act 1987* to Indigenous communities. The commission has made a number of recommendations in the final report for this reference which are intended to make the intervention order system for family violence more accessible for Indigenous victims of family violence.

The terms of reference for the Bail project requests the commission to have specific regard to the impact of the bail system on Indigenous Australians and their over-representation on remand.

Women

The commission is readily able to identify a commitment to the principle of representation and equity contained in the Leading with Victoria's Women: Forward Plan 2004–7. During 2005–6, the majority of senior decision-making and leadership positions in the organisation have been occupied by women and the majority of staff in the organisation overall are women.

The commission has an important role in meeting the Victorian Government's commitment to justice and safety for women, specifically in relation to the priority areas of family violence, sexual assault and, of course, law reform. During 2005–6, the commission published the *Review of Family Violence Laws: Report*, which included 153 recommendations for changes to the law intended to improve its responsiveness to family violence. The commission's reference on access to Assisted Reproductive Technology & Adoption is also of specific relevance to women, particularly lesbian women.

Young People

The terms of the Bail reference specifically request that the commission investigate the intersection of the *Bail Act 1977* and the *Children and Young Person's Act 1989*. During 2005–6, consultations for this project included collaboration with individuals working in the areas of juvenile justice and youth services.



Audit Committee

AUDIT COMMITTEE

The Audit Committee consists of the following members:

Mark Zanatta, Chairperson

Paris Aristotle, replaced by Judith Peirce from 1/1/06

Jamie Gardiner

Hugh Macphee

Dale Monk, replaced by Yamusa Alhassan from 16/1/06

Kathy Karlevski, as Chief Financial and Accounting Officer, attends meetings by standing invitation and provides committee members with finance and administrative support.

The committee undertakes the oversight of:

- financial performance and the financial reporting process, including the annual financial statements;
- the scope of work, performance and independence of internal audit;
- the scope of work, performance and independence of external auditors;
- the operation and implementation of the risk management framework;
- matters of accountability and internal control affecting the operations of the commission;
- the effectiveness of management information systems and other systems of internal control;
- the acceptability of and correct accounting treatment for and disclosure of significant transactions which are not part of the commission's normal course of business;
- the sign off of accounting policies; and
- the commission's process for monitoring compliance with laws and regulations and its own code of conduct and code of financial practice.

In performing its duties, the committee maintains an effective working relationship with the commission, management, and the internal and external auditors.



FINANCIAL REPORT
FOR THE VICTORIAN LAW REFORM COMMISSION
for the financial year ended 30 June 2006

OPERATING STATEMENT

for the financial year ended 30 June 2006

	Note	2006 \$	2005 \$
Income	2(a)		
Output appropriations—Department of Justice		903,382	935,868
Other income—Legal Services Board		1,409,827	1,510,000
Interest received on trust account funds		19,883	11,130
Total income		2,333,092	2,456,998
Expenses			
Employee benefits expense and on-costs	2(b)	(1,546,715)	(1,543,917)
Depreciation and amortisation expense	2(c)	(105,216)	(76,052)
Printing, stationery & other expenses	2(d)	(259,565)	(307,837)
Communication	2(e)	(103,560)	(118,240)
Contractors and professional services	2(f)	(30,068)	(120,512)
Other expenses from ordinary activities	2(g)	(166,113)	(189,574)
Total expenses		(2,211,237)	(2,356,132)
Net result from continuing operations		121,855	100,866
Net result for the period		121,855	100,866

Notes to the financial statements are included on pages 39–55.

BALANCE SHEET

as at 30 June 2006

	Note	2006 \$	2005 \$
Current assets			
Cash and cash equivalents	14	400	400
Receivables	4, 16	873,604	703,671
Non-current assets held for sale	5	19,282	0
Total current assets		893,286	704,071
Non-current assets			
Plant and equipment	9	143,463	265,109
Receivables	4, 16	45,501	56,547
Total non-current assets		188,964	321,656
Total assets		1,082,250	1,025,727
Current liabilities			
Payables	6, 16	57,100	87,117
Interest bearing liabilities	7	19,675	3,156
Employee benefits	8	112,231	133,615
Total current liabilities		189,006	223,888
Non-current liabilities			
Employee benefits	8	45,501	56,547
Interest bearing liabilities	7	0	19,405
Total non-current liabilities		45,501	75,952
Total liabilities		234,507	299,839
Net assets		847,743	725,888
Equity			
Contributed capital	10(a)	474,484	474,484
Accumulated surplus	10(b)	373,259	251,404
Total equity	10(c)	847,743	725,888
Contingent liabilities and contingent assets	12		
Commitments for expenditure	11		

Notes to the financial statements are included on pages 39–55.

STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the financial year ended 30 June 2006

	Note	2006 \$	2005 \$
Total equity at the beginning of the year	10(c)	725,888	625,022
Net result for the period		121,855	100,866
Total recognised income and expense for the period		121,855	100,866
Total equity at the end of the year		847,743	725,888

Notes to the financial statements are included on pages 39-55.

CASH FLOW STATEMENT

for the financial year ended 30 June 2006

	Note	2006 \$	2005 \$
Cash flows from operating activities			
Receipts from the Department of Justice		744,494	712,571
Receipts from Legal Services Board		1,409,827	1,510,000
Interest received		19,883	11,130
Payments to suppliers and employees		(2,168,467)	(2,189,304)
Net cash provided by/(used in) operating activities	14(b)	5,737	44,397
Cash flows from investing activities			
Payments for plant and equipment		(2,852)	(67,435)
Receipts into trust from sale of fixed assets		0	477
Net cash provided by/(used in) investing activities		(2,852)	(66,958)
Cash flows from financing activities			
Proceeds from borrowings		0	22,561
Repayment of finance leases		(2,885)	0
Net cash provided by/(used in) financing activities		(2,885)	22,561
Net increase/(decrease) in cash held		0	0
Cash and cash equivalents at the beginning of the financial year		400	400
Cash and cash equivalents at the end of the financial year	14(a)	400	400

Notes to the financial statements are included on pages 39-55.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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*, Australian Accounting Standards Board (AASB) and Urgent Issues Group (UIG) interpretations. Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

Basis of preparation

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

In the application of A-IFRS management is required to make judgments, 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 circumstances, 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.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

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 commission changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the commission's financial position, financial performance and cash flows is discussed in Note 18.

The commission has also elected to apply Accounting Standard AASB 2005-4 and 2005-6 'Amendments to Accounting Standards' (June 2005), even though the standard is not required to be applied until annual reporting periods beginning on or after 1 January 2006.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004, the commission's date of transition, except for the accounting policies in respect of financial instruments. The commission has not restated comparative information for financial instruments, including derivatives, as permitted under the first-time adoption transitional provisions. The accounting policies for financial instruments applicable to the comparative information and the impact of the changes in these accounting policies are discussed further in Note 1(p).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Reporting entity

The financial statements include the controlled activities of the commission.

The Victorian Law Reform Commission was proclaimed on 6 April 2001. The entity was incorporated under the *Victorian 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.

Administered resources

The Department of Justice administers but does not control certain resources on behalf of the Victorian Law Reform Commission. It is accountable for the transactions involving certain resources, but does not have the discretion to deploy the resources for achievement of the commission's objectives.

Non-current assets

All non-current assets controlled by the commission are reported in the balance sheet.

(b) 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 grants from the Department of Justice for the provision of outputs and amounts paid to it under Section 383(2) of the *Legal Practice Act 1996*.

The grant amount includes funding for non-discretionary items, such as capital asset charge, amortisation and depreciation.

(c) Output 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 operating statement effectively provides the relevant information.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except that where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

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.

(e) Interest bearing liabilities

Interest bearing liabilities are recorded initially at fair value, 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.

(f) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred and include interest on finance lease charges.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Capital asset charge

The capital asset charge, when applied, represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The charge is calculated on the budgeted carrying amount of non-current physical assets.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in bank.

(i) Contributions by owners

Consistent with UIG Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* appropriations for additions to net assets have been designated as contributions by owners. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

(j) Depreciation

Depreciation is provided on plant and equipment and is 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.

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

	2006	2005
Computer equipment	3 years	3 years
Plant and equipment	10 years	10 years
Motor vehicle under finance lease	3 years	3 years
Leasehold improvements	6 years	6 years

(k) Employee benefits and on-costs

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are to be measured based on their expected settlement. **Short-term employee benefits** expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. **Other long-term employee benefits** not falling due within 12 months, after the end of the period measured at present value of the estimated future cash outflows to be made by the commission in respect of services provided by employees up to reporting date.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Provisions made for annual leave and unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave representing less than seven years of continuous service is measured at present value.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(l) Leased assets

Leases 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Commission as lessee

Assets held under finance leases are recognised as assets of the commission at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance lease assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Operating lease

The operating lease relates to office facilities with a lease term of 6 years with an option to extend for a further 3 years. The operating lease contains a market review clause in the event that the commission exercises its option to renew. The commission does not have an option to purchase the leased asset at the expiry of the lease period. Refer to Note 11.

(ii) Finance lease

The finance lease relates to a motor vehicle with a lease term of 36 months. The commission does not have an option to purchase the leased asset at the expiry of the lease period. Refer to Note 11.

(m) Non-current physical assets

Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

(n) Revenue recognition

Revenue received by the commission is required to be paid into either the consolidated fund or the trust fund.

Revenue becomes controlled by the commission when it is granted by the Department of Justice. Additionally, the amounts paid to it under Section 383(2) of the *Legal Practice Act 1996* become controlled when the commission deposits the monies into the trust fund.

Amounts disclosed as revenues are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for the commission as follows:

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Other revenue

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 (formerly the Legal Practice 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.

(o) Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Comparative information— financial instruments

The commission has elected not to restate comparative information for financial instruments within the scope of AASB 132 'Financial Instruments: Disclosure and Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement', as permitted on the first-time adoption of A-IFRS.

The accounting policies applied to accounting for financial instruments in the current financial year are detailed in notes 1(e), 1(h) and 1(p). The following accounting policies were applied to accounting for financial instruments in the comparative financial year:

(i) Payables

Payables represent liabilities for goods and services (excluding GST) provided to the commission prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(ii) Interest bearing liabilities

Loans are carried at historical cost. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(iii) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(q) Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is expected to be completed within one year from the date of classification.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

	2006 \$	2005 \$
2. NET RESULT FROM OPERATIONS		
INCOME		
(a) Output Appropriations—Department of Justice	903,382	935,868
Other Income—Legal Services Board	1,409,827	1,510,000
Interest received on trust account funds	19,883	11,130
Income from continuing operations	2,333,092	2,456,998
EXPENSES		
(b) Employee benefits expense and on-costs		
<i>Direct costs</i>		
Salaries, wages and overtime	(1,269,087)	(1,222,047)
Sick leave, annual leave and long service leave	(67,875)	(128,194)
Superannuation (refer Note 15)	(87,121)	(74,747)
<i>Related on-costs</i>		
Payroll tax	(81,245)	(72,135)
Staff training	(20,729)	(23,717)
Staff training—Youth Employment Scheme	0	(11,338)
Workcover	(7,505)	(5,639)
Fringe benefits tax	(13,153)	(6,100)
	(1,546,715)	(1,543,917)
(c) Depreciation and amortisation expense		
Depreciation of plant and equipment	(25,731)	(22,245)
Amortisation of leasehold improvements	(79,485)	(53,807)
	(105,216)	(76,052)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

	2006 \$	2005 \$
2. NET RESULT FROM OPERATIONS (CONTINUED)		
(d) Printing, stationery & other office expenses		
Stationery, consumables and supplies	(20,710)	(19,956)
External printing	(111,680)	(152,778)
Books, Acts, newspapers, journals	(13,755)	(17,548)
Advertising	(4,337)	(11,680)
Office equipment costs and maintenance	(25,161)	(23,215)
Legal subscriptions	(38,508)	(46,856)
Tram, train and taxi fares and other local travel	(4,490)	(6,944)
Airfares	(13,814)	(16,887)
Functions, meetings	(18,273)	(2,871)
Accommodation and travel	(8,837)	(9,102)
	(259,565)	(307,837)
(e) Communication		
Couriers	(10,159)	(7,345)
Electronic communication charge	(22,068)	(27,378)
Postage	(28,048)	(32,297)
Cabling, software and computer maintenance	(43,285)	(51,220)
	(103,560)	(118,240)
(f) Contractor and professional services		
Professional fees	(29,955)	(120,005)
Police/hospital records search	(113)	(507)
	(30,068)	(120,512)
(g) Other operating expenses		
Rent and associated services	(150,185)	(157,815)
Motor vehicle costs	(5,316)	(4,309)
Electricity	(5,120)	(5,268)
Repairs and maintenance—furniture and fittings	(5,492)	(4,018)
Net loss on disposal of property, plant and equipment	0	(644)
Capital asset charge	0	(17,520)
	(166,113)	(189,574)
Total Expenses	(2,211,237)	(2,356,132)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

	2006 \$	2005 \$
3. REMUNERATION OF AUDITORS		
Victorian Auditor-General's Office		
Audit of the financial report	11,900	11,600
	11,900	11,600
4. RECEIVABLES		
Current		
Amount owing from Department of Justice	873,604	703,671
	873,604	703,671
Non-current		
Amount owing from Department of Justice	45,501	56,547
	919,105	760,218
5. NON-CURRENT ASSETS HELD FOR SALE		
Motor vehicle held for sale	19,282	0
	19,282	0
6. PAYABLES		
Current		
Amounts payable to trade creditors	39,848	62,872
Other creditors	3,117	2,867
Accrued salaries	14,136	21,378
	57,100	87,117
7. INTEREST BEARING LIABILITIES		
Current		
Secured		
At amortised cost (2005: cost)		
Finance lease liabilities (Note 11)	19,675	3,156
	19,675	3,156
Non-current		
Secured		
At amortised cost (2005: cost)		
Finance lease liabilities (Note 11)	0	19,405
	0	19,405

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

	2006 \$	2005 \$
8. EMPLOYEE BENEFITS		
Current [Note 1(k)]		
<i>Short-term employee benefits</i>		
Annual leave	48,132	67,179
Long service leave	9,294	7,516
<i>Other long-term employee benefits</i>		
Annual leave	16,424	23,482
Long service leave	38,381	35,438
	112,231	133,615
Non-Current [Note 1(k)]		
Long service leave	45,501	56,547
	157,732	190,162
9. PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	381,388	381,388
Less: accumulated depreciation	(322,685)	(246,407)
	58,704	134,981
Plant and equipment		
At cost	181,463	178,611
Less: accumulated depreciation	(96,703)	(70,972)
	84,760	107,639
Motor vehicle		
Under finance lease—at cost	0	23,319
Less: accumulated amortisation	0	(830)
	0	22,489
Total plant and equipment	143,463	265,109

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

9. PLANT AND EQUIPMENT (CONTINUED)

2006	Leasehold improvements at cost \$	Plant & equipment at cost \$	Motor vehicle under finance lease at cost \$	Total \$
Carrying amount				
Balance at 1 July 2004	187,959	86,889	0	274,848
Additions	0	44,116	23,319	67,435
Disposals	0	(1,121)	0	(1,121)
Depreciation expense	0	(22,245)	0	(22,245)
Amortisation expense	(52,978)	0	(830)	(53,808)
Balance as at 1 July 2005	134,981	107,639	22,489	265,109
Additions	0	2,852	0	2,852
Disposals	0	0	0	0
Classified as held for sale	0	0	(19,282)	(19,282)
Depreciation expense	0	(25,731)	0	(25,731)
Amortisation expense	(76,278)	0	(3,207)	(79,485)
Balance as at 30 June 2006	58,703	84,760	0	143,463

	2006 \$	2005 \$
10. EQUITY AND MOVEMENT IN EQUITY		
(a) Contributed capital		
Balance at beginning of financial year	474,484	474,484
Capital contributions during the period	0	0
Balance at end of financial year	474,484	474,484
(b) Accumulated surplus		
Balance at beginning of financial year	251,404	150,538
Net result for the period	121,855	100,866
Balance at end of the financial year	373,259	251,404
(c) Equity		
Balance at beginning of financial year	725,888	625,022
Net result for the period	121,855	100,866
Balance at end of the financial year	847,743	725,888

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

	2006 \$	2005 \$
11. COMMITMENTS FOR EXPENDITURE		
(a) Lease commitments [Note 1(i)(i)]		
Non-cancellable operating lease		
Within 1 year	105,254	138,338
Later than 1 year but not later than 5 years	0	104,879
Later than 5 years	0	0
	105,254	243,217

	Minimum future lease payments		Present value of minimum future lease payments	
	2006 \$	2005 \$	2006 \$	2005 \$
Finance lease [Note 1(i)(ii)]				
Within 1 year	19,675	4,530	19,675	3,156
Later than 1 year but not later than 5 years	0	21,291	0	19,405
Later than 5 years	0	0	0	0
Minimum lease payments	19,675	25,821	19,675	22,561
Less: future finance charges	0	(3,260)	0	0
Present value of minimum lease payments	19,675	22,561	19,675	22,561
Included in the financial statement as:				
Current interest bearing liability [Note 7]			19,675	3,156
Non-current interest bearing liability [Note 7]			0	19,405
			19,675	22,561

(b) Capital expenditure commitments

There are no commitments for capital expenditure as at 30 June 2006 (\$Nil - 2005).

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are neither contingent liabilities nor contingent assets at balance date not provided for in the Balance Sheet as at 30 June 2006 (\$Nil - 2005).

13. SUBSEQUENT EVENTS

There are no significant events occurring after reporting date to be reported as at 30 June 2006 (\$Nil - 2005).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

	2006 \$	2005 \$
14. NOTES TO CASH FLOW STATEMENTS		
(a) Reconciliation of cash		
For the purposes of the Cash Flow Statement, cash includes:		
Cash on hand	400	400
Cash in bank	0	0
	400	400
(b) Reconciliation of net result for the period to net cash flows from operating activities		
Net result for the period	121,855	100,866
(Gain)/loss on sale or disposal of non-current assets	0	644
Depreciation and amortisation of non-current assets	105,216	76,052
Net changes in net assets and liabilities		
(Increase)/decrease in assets:		
Current receivables	(169,934)	(223,296)
Non-current receivables	11,046	0
Increase/(decrease) in liabilities:		
Current payables	(30,017)	14,086
Current employee benefits	(21,384)	38,783
Other current liabilities	0	0
Non-current employee benefits	(11,046)	37,262
Net cash from operating activities	5,737	44,397

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

	2006 \$	2005 \$
15. SUPERANNUATION FUNDS		
Fund		
Victorian Superannuation Board (New Scheme)	70,248	59,530
Asgard Capital Management Ltd	4,635	4,522
Care Super Plan	6,184	6,015
HESTA	0	1,645
LUCRF	3,229	1,345
Unisuper	2,825	1,690
	87,121	74,747

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the operating statement of the commission.

The bases for contributions are determined by the various schemes.

All employees of the commission are entitled to benefits on retirement, disability or death from the Government Employees' Superannuation Fund. This fund provides defined lump sum benefits based on years of service and final average salary.

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the years ended 30 June.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

16. FINANCIAL INSTRUMENTS

(a) Credit risk exposure: Maximum exposures to credit risk at balance date in relation to each class of financial asset and liability is the carrying amount of those assets and liabilities in the Balance Sheet. The carrying amount of these assets and liabilities approximates their fair value and is non-interest bearing.

Interest rate risk exposure—30 June 2006

	Weighted average effective interest rate %	Less than 1 year \$	Maturing dates		Non Interest Bearing \$	Total \$
			1-2 years \$	More than 2 Years \$		
Financial assets						
Cash (Note 14)		0	0	0	400	400
Receivables (Note 4)		0	0	0	919,106	919,106
Total		0	0	0	919,506	919,506
Financial liabilities						
Payables (Note 6)	-	0	0	0	42,965	42,965
Interest bearing liability (Note 7)	6.36	19,675	0	0	0	19,675
Total		19,675	0	0	42,965	62,640

Interest rate risk exposure—30 June 2005

	Weighted average effective interest rate %	Less than 1 year \$	Maturing dates		Non Interest Bearing \$	Total \$
			1-2 years \$	More than 2 Years \$		
Financial assets						
Cash (Note 14)		0	0	0	400	400
Receivables (Note 4)		0	0	0	760,218	760,218
Total		0	0	0	760,618	760,618
Financial liabilities						
Payables (Note 6)	-	0	0	0	65,739	65,739
Interest bearing liability (Note 7)	6.29	3,156	19,405	0	0	22,561
Total		3,156	19,405	0	65,739	88,300

The net fair value of financial assets and financial liabilities as at 30 June 2006 is their book value.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

17. 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

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

Attorney-General	The Hon Rob Hulls MP	1 July 2005 to 30 June 2006
Acting Attorney-General	The Hon John Pandazopoulos MP	1 July 2005 to 3 July 2005
	The Hon Bob Cameron MP	17 September 2005 to 25 September 2005
	The Hon John Lenders MP	24 November 2005 to 25 November 2005
	The Hon John Thwaites MP	26 November 2005 to 11 December 2005
	The Hon John Lenders MP	24 December 2005 to 2 January 2006
	The Hon John Lenders MP	16 January 2006 to 5 February 2006
	The Hon Bob Cameron MP	14 April 2006 to 18 April 2006
	The Hon Bob Cameron MP	24 June 2006 to 27 June 2006
	The Hon Bob Cameron MP	29 June 2006 to 30 June 2006
Secretary to the Department of Justice	Penny Armytage	1 July 2005 to 30 June 2006
Acting Secretary to the Department of Justice	Dr Claire Noone	24 December 2005 to 22 January 2006

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:

Statutory Office Holder

Chairperson	Professor Marcia Neave	1 July 2005 to 22 February 2006
Performing Chairperson's functions under s. 110(1) of the <i>Public Administration Act 2004</i>	Ms Padma Raman	23 February 2006 to 30 June 2006
Chief Executive Officer	Ms Padma Raman	1 July 2005 to 30 June 2006

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

17. RESPONSIBLE PERSONS (CONTINUED)

Remuneration

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

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

Base: \$120,000 – \$129,999. Total: \$180,000 – \$189,999. (\$180,000 – \$189,999 in 2005).

Remuneration received or receivable by the Accountable Officer in connection with the management of the commission during the reporting period was in the range:

Base: \$130,000 – \$139,999. Total: \$150,000 – 159,999. (\$120,000 – \$129,999 in 2005).

The Accountable Officer, unless the Minister otherwise determines, is the Chief Executive Officer as stipulated in the *Financial Management Act 1994*.

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

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

Other transactions

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

18. REMUNERATION OF EXECUTIVES

An executive officer is 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 does not include Governor-in-Council appointments as statutory office holders.

Based on this definition the commission does not have executive officers.

Remuneration received or receivable by commission's responsible persons is reported in Note 17.

19. IMPACTS OF THE ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The commission changed its accounting policies, other than its accounting policies for financial instruments, on 1 July 2004 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' with 1 July 2004 as the date of transition.

The transition from superseded policies to A-IFRS has not materially affected the commission's financial position, financial performance and cash flows.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2006

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

We certify that the attached financial statements for the Victorian Law Reform Commission have 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 Operating Statement, Balance Sheet, Statement of Recognised Income and Expense, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2006 and financial position of the commission at 30 June 2006.

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



Padma Raman
Accountable Officer
Melbourne
12 September 2006



Kathy Karlevski
Chief Finance and Accounting Officer
Melbourne
12 September 2006



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Victorian Law Reform Commission

To the Members of the Parliament of Victoria and the Members of the Commission
Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2006 relates to the financial report of the Victorian Law Reform Commission included on its web site. The members of the Victorian Law Reform Commission are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. 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 this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2006 of the Victorian Law Reform Commission consists of the operating statement, balance sheet, statement of income and expenses, cash flow statement, notes to and forming part of the financial report, and the accountable officer's and chief finance and accounting officer's declaration.

Members' Responsibility

The members of the Victorian Law Reform Commission are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

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Auditing in the Public Interest



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Commission's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of the Victorian Law Reform Commission as at 30 June 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE
12 September 2006



JW CAMERON
Auditor-General

APPENDIX ONE

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 ONE

Disclosure Index

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SD 4.2(c)	Compliance with Ministerial directions	40
SD 4.2(d)	Rounding of amounts	42
<i>Other disclosures in notes to the financial statements</i>		
FRD 13	Disclosure of parliamentary appropriations	60
FRD 9A	Departmental disclosure of administered assets and liabilities	-
FRD 11	Disclosure of ex-gratia payments	-
FRD 21A	Responsible person and executive officer disclosures	53
Legislation		
<i>Freedom of Information Act 1982</i>		
<i>Whistleblowers Protection Act 2001</i>		
<i>Victorian Industry Participation Act 2003</i>		
<i>Building Act 1983</i>		
<i>Financial Management Act 1994</i>		
<i>Audit Act 1994</i>		

APPENDIX TWO

Budget Portfolio Outcomes

The budget portfolio outcomes provides a comparison between the actual financial statements of the entity and the forecasted financial information published in the budget papers. The budget portfolio outcomes consists of the statements for financial performance, position and cash flows. The former statements are also referred to as operating statement and balance sheet.

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

	2006	2005	2004	2003	2002
	\$	\$	\$	\$	\$
Five year financial summary					
Target budget	2,400,000 ¹	2,100,000 ²	2,300,000	2,400,000	2,300,000
Expected outcome	2,400,000	2,700,000	2,400,000	2,400,000	2,100,000
Annual appropriation	1,010,000	949,000	962,000	918,000	—
Actual					
Grant from Department of Justice	903,382	935,868	868,893	821,327	928,300
Other revenue	1,409,827	1,510,000	1,380,720	1,000,000	950,000
Interest received on trust account funds	19,883	11,130	29,814	14,301	0
Total revenue	2,333,092	2,456,998	2,279,427	1,835,628	1,878,300
Net result from operating activities	121,855	100,866	114,960	(214,492)	249,810
Net cash flow from operating activities	5,737	44,397	33,544	5,762	75,797
Total assets	1,082,250	1,025,727	812,171	657,595	895,795
Total liabilities	234,507	299,839	187,407	147,793	171,501

In the financial year ending June 2006, as was the case in the previous financial year ending June 2005, the commission's result from ordinary activities was significantly affected by the retraction of funding provided for non-discretionary expenses such as depreciation and capital asset charge.

Output appropriation revenue provides the commission with the necessary funds to meet its operational obligations. This revenue does not include an amount equivalent to the depreciation expense. Therefore, the net result reported by the commission reflects the full cost of operations which is inclusive of usage of previously acquired physical assets but for which no funding is required in the reporting year. The operating result doesn't reflect any overrun of budget or any deficit of cash.

¹ Department of Treasury and Finance: Department of Justice Budget Estimates (BP3) 2005-06, 151
<<http://www.dtf.vic.gov.au/DTF/rwp323.nsf/AllDocs/F9CF366A12A000E14A2569E40013AF37?OpenDocument&Expand=3.2&>>
accessed 15 June 2006.

² Department of Treasury and Finance: Department of Justice Budget Estimates (BP3) 2004-05, 161
<[http://www.budget.vic.gov.au/CA256E5B007FC170/WebObj/BP3_ChapterThree/\\$File/BP3_ChapterThree.pdf](http://www.budget.vic.gov.au/CA256E5B007FC170/WebObj/BP3_ChapterThree/$File/BP3_ChapterThree.pdf)>
accessed 1 August 2005.

VLRC PUBLICATIONS

- *Disputes Between Co-owners: Discussion Paper* (June 2001)
- *Privacy Law: Options for Reform—Information Paper* (July 2001)
- *Sexual Offences: Law and Procedure—Discussion Paper* (September 2001) (Outline also available)
- *Failure to Appear in Court in Response to Bail: Draft Recommendation Paper* (January 2002)
- *Disputes Between Co-owners: Report* (March 2002)
- *Criminal Liability for Workplace Death and Serious Injury in the Public Sector: Report* (May 2002)
- *Failure to Appear in Court in Response to Bail: Report* (June 2002)
- *People with Intellectual Disabilities at Risk—A Legal Framework for Compulsory Care: Discussion Paper* (June 2002)
- *What Should the Law Say About People with Intellectual Disabilities Who are at Risk of Hurting Themselves or Other People? Discussion Paper in Easy English* (June 2002)
- *Defences to Homicide: Issues Paper* (June 2002)
- *Who Kills Whom and Why: Looking Beyond Legal Categories* by Associate Professor Jenny Morgan (June 2002)
- *Workplace Privacy: Issues Paper* (October 2002)
- *Defining Privacy: Occasional Paper* by Kate Foord (October 2002)
- *Sexual Offences: Interim Report* (June 2003)
- *Defences to Homicide: Options Paper* (September 2003)
- *People with Intellectual Disabilities at Risk: A Legal Framework for Compulsory Care* (November 2003)
- *Assisted Reproductive Technology & Adoption: Should the Current Eligibility Criteria in Victoria be Changed? Consultation Paper* (December 2003)
- *People with Intellectual Disabilities at Risk: A Legal Framework for Compulsory Care: Report in Easy English* (July 2004)
- *Sexual Offences: Final Report* (August 2004)
- *The Convention on the Rights of the Child: The Rights and Best Interests of Children Conceived Through Assisted Reproduction: Occasional Paper* by John Tobin (September 2004)
- *A.R.T., Surrogacy and Legal Parentage: A Comparative Legislative Review: Occasional Paper* by Adjunct Professor John Seymour and Ms Sonia Magri (September 2004)
- *Outcomes of Children Born of A.R.T. in a Diverse Range of Families* by Dr Ruth McNair (September 2004)
- *Workplace Privacy: Options Paper* (September 2004)
- *Defences to Homicide: Final Report* (October 2004)
- *Review of Family Violence Laws: Consultation Paper* (November 2004)
- *Review of the Laws of Evidence: Information Paper* (February 2005)
- *Assisted Reproductive Technology Position Paper One: Access* (May 2005)
- *Assisted Reproductive Technology Position Paper Two: Parentage* (July 2005)
- *Family Violence Police Holding Powers: Interim Report* (September 2005)
- *Workplace Privacy: Final Report* (October 2005)
- *Review of the Bail Act: Consultation Paper* (November 2005)
- *Have Your Say About Bail Law* (November 2005)
- *Assisted Reproductive Technology Position Paper Three: Surrogacy* (November 2005)
- *Implementing the Uniform Evidence Act: Report* (February 2006)
- *Uniform Evidence Law: Final Report* (February 2006)
- *Review of Family Violence Laws: Report* (March 2006)
- *Review of Family Violence Laws: Final Report Summary* (March 2006)
- *Residential Tenancy Databases: Report* (April 2006)



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