

AUSTRALIAN LAW REFORM COMMISSION

Section 1: Overview

The Australian Law Reform Commission (the Commission) plays a key role in the process of law reform in Australia. The Commission undertakes inquiries referred to it by the Attorney-General and makes recommendations for law reform with respect to issues raised by those inquiries. The Commission consults all relevant sectors of the community and experts interested in the inquiry, and researches and analyses the legal, social and economic issues raised.

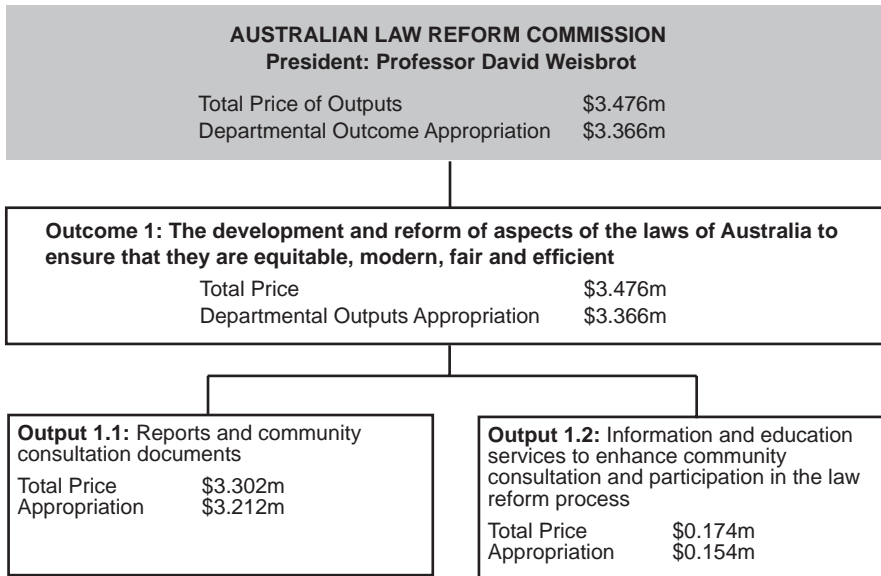
The Commission is committed to raising public awareness on key legal issues affecting Australian society. It does this primarily through its website and a publications program. Its cornerstone publication is the bi-annual journal *Reform*, which seeks to inform a non-legal audience of contemporary legal issues. Members of the Commission also regularly speak at conferences, seminars and meetings of professional and community groups.

The Commission regularly briefs the Attorney-General on issues arising out of its work and advises on priorities for law reform in Australia.

Where the Commission has made relevant recommendations or has acquired special expertise or experience, it also makes submissions to inquiries undertaken by Parliamentary Committees and other bodies reporting to Parliament on the law reform issues raised in those inquiries.

The Commission works to achieve one outcome specified by government, with two output areas.

Table 1.1: Agency outcomes and output groups



Section 2: Resources for 2006-07

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total departmental appropriation for the Commission in the 2006-07 Budget is \$3.366m.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by the Commission for provision of goods or services. These resources are approved for use by ALRC and are included in Table 2.1.

Table 2.3: Other resources available to be used¹

	Estimated Resources 2005-06 \$'000	Budget Estimate 2006-07 \$'000
Departmental resources		
Sale of goods and services	23	20
Interest	85	85
Other	85	5
Total departmental other resources available to be used	193	110

1. This table replaces the former table 'Receipts from Other sources'. It represents own source receipts available for spending on departmental purposes.

Revenue from sale of goods and services is due to partial recovery of the costs of some publications, as explained in Section 4.2.

The decrease in other revenue in 2006-07 compared to 2005-06 is due to registration fees for the Australasian Law Reform Agencies Conference, organised by the ALRC during the 2005-06 financial year. This revenue is estimated to be \$0.085m. Conference-related expenses will exceed this revenue, as the ALRC budgeted to subsidise the Conference in order to facilitate the participation of delegates from developing countries. The ALRC does not expect to receive any similar revenue in 2006-07.

Section 3: Outcomes

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The Commission has two outputs. Given the substantial weighting of Output 1.1, the Commission has attributed all overheads to this output.

The costing of Output 1.2 is largely contained to salaries for 1.8 full-time equivalent staff, printing and production costs (for the journal *Reform* and the ALRC Annual Report), and costs associated with the hosting and maintenance of the website. The revenue from other sources directly attributable to Output 1.2 is from subscriptions to *Reform*.

The relationship between activities of the Commission and the outcome is summarised in Table 1.1.

Output 1.1 Reports and community consultation documents

The publication of reports on matters referred by the Attorney-General meets the Commission’s statutory functions as set out in Part 3 of the *Australian Law Reform Commission Act 1996*. In conducting an inquiry, the Commission researches and analyses the legal, social and economic issues raised as well as consulting with all relevant sectors of the community and experts interested in the inquiry. To conduct effective consultations, the Commission publishes consultation papers which raise questions or put forward proposals for discussion. This methodology facilitates community participation in the policy-making process and provides for constructive feedback.

Output 1.2 Information and education services to enhance community consultation and participation in the law reform process

To enhance the community consultation aspect of the Commission’s work, it is important for the Commission to provide information to a variety of audiences in appropriate formats. The range of services provided include the Commission’s website, the bi-annual journal *Reform*, the production of the ALRC Annual Report and general information brochures, and media releases and briefings.

3.2 OUTCOMES — DEPARTMENTAL

Departmental appropriations by outcome

The Commission has one outcome.

3.3 OUTCOMES AND PERFORMANCE

Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 1

	Estimated Actual 2005–06 \$'000	Budget Estimate 2006–07 \$'000
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 - Reports and community consultation documents	3,217	3,212
Output 1.2 - Information and education services to enhance community consultation and participation in the law reform process	160	154
Subtotal Output 1.1	3,377	3,366
Total revenue from Government (appropriations) contributing to price of departmental outputs	3,377	3,366
OTHER RESOURCES AVAILABLE TO BE USED		
Output 1.1 - Reports and community consultation documents	68	90
Output 1.2 - Information and education services to enhance community consultation and participation in the law reform process	125	20
Total revenue from other sources	193	110
Total resources (Total revenue from Government and from other sources)	3,570	3,476
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	3,570	3,476
Average staffing level (number)	19	19

Performance information for Outcome 1

Performance information for individual outputs relating to the Commission are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Effectiveness – Overall Achievement of the Outcome	
<i>Effectiveness Indicators</i>	<i>Measures</i>
Broad based community involvement in law reform Reception of law reform reports and recommendations	Extent of community participation, especially relevant professional, industry and interest groups Positive critical feedback on quality of reports Percentage of reports implemented by those to whom recommendations are targeted
Performance Information for Departmental Outputs	
<i>Output Description</i>	<i>Performance Measure</i>
Output 1.1: Reports and community consultation documents	Quality: Timely completion of references within agreed parameters Extent to which publications are well received by stakeholders and stimulate public debate Quantity: Appropriately wide distribution of community consultation documents – >2,000 per annum hard copies plus electronic availability Price: \$3.302m
Output 1.2: Information and education services to enhance community consultation and participation in the law reform process	Quality: Provision of timely and accessible information via website, media and articles in <i>Reform</i> and other journals Quantity: 10% per annum increase in website hits Regular publication of journal <i>Reform</i> Regular contributions to external journals, public speaking engagements and institutional visits Price: \$0.174m

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

The Commission does not participate in purchaser-provider arrangements.

4.2 COST RECOVERY ARRANGEMENTS

The Commission has a cost recovery arrangement for the sale of publications and subscriptions for the journal *Reform*. These products are marginally costed and do not include capital or overhead costs. Revenue generated from cost recovery activities is disclosed in Table 2.3.

Summary of cost recovery impact statement

As the Commission's cost recovery arrangement is not significant, the preparation of a cost recovery impact statement is not required.

Section 5: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The Commission has budgeted for a nil operating result in 2006-07.

Total revenues from government (appropriation) are estimated to be \$3.366m, representing a decrease of \$0.011m in actual dollar terms. This is the result of the application of budget parameters, including the efficiency dividend of 1.25 per cent per annum.

Other revenue will also decrease in 2006-07 as revenue in 2005-06 as revenue arising from the Australasian Law Reform Agencies Conference which will not be held in 2006-07. Payments to suppliers will decrease in 2006-07 for the same reason.

There have been several significant changes in accounting policy to allow the Commission to comply with the Australian Equivalents to International Financial Reporting Standards (AEIFRS). In particular, property, plant and equipment have been measured at fair value from 30 June 2005 and the cost of make good provisions of the lease for the Commission's office premises is now recognised as a liability.

BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement for the period ended 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	3,377	3,366	3,392	3,427	3,461
Goods and services	23	20	20	20	20
Interest	85	85	87	90	92
Other	85	5	5	5	5
Total revenue	3,570	3,476	3,504	3,542	3,578
Total income	3,570	3,476	3,504	3,542	3,578
EXPENSE					
Employees	2,182	2,202	2,224	2,250	2,278
Suppliers	1,283	1,164	1,170	1,182	1,190
Depreciation and amortisation	105	110	110	110	110
Total expenses	3,570	3,476	3,504	3,542	3,578
Net surplus or (deficit) attributable to the Australian Government	-	-	-	-	-

Table 5.2: Budgeted departmental balance sheet as at 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	1,376	1,381	1,350	1,310	1,300
Receivables	25	25	25	25	25
Total financial assets	1,401	1,406	1,375	1,335	1,325
Non-financial assets					
Infrastructure, plant and equipment	220	230	290	300	310
Other	25	25	25	25	25
Total non-financial assets	245	255	315	325	335
Total assets	1,646	1,661	1,690	1,660	1,660
LIABILITIES					
Provisions					
Employees	480	450	450	450	450
Total provisions	480	450	450	450	450
Payables					
Suppliers	50	50	50	50	50
Total payables	50	50	50	50	50
Total liabilities	530	500	500	500	500
EQUITY*					
Parent entity interest					
Reserves	62	62	62	62	62
Retained surpluses or accumulated deficits	1,054	1,099	1,128	1,098	1,098
Total parent entity interest	1,116	1,161	1,190	1,160	1,160
Total equity	1,116	1,161	1,190	1,160	1,160
Current assets	1,401	1,406	1,375	1,335	1,325
Non-current assets	245	255	315	325	335
Current liabilities	333	303	303	303	303
Non-current liabilities	197	197	197	197	197

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	23	20	20	20	20
Appropriations	3,377	3,366	3,392	3,427	3,461
Interest	85	85	87	90	92
Total cash received	3,485	3,471	3,499	3,537	3,573
Cash used					
Employees	2,152	2,202	2,224	2,250	2,278
Suppliers	1,278	1,199	1,231	1,277	1,255
Total cash used	3,430	3,401	3,455	3,527	3,533
Net cash from or (used by) operating activities	55	70	44	10	40
INVESTING ACTIVITIES					
Total cash received					
	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	55	65	75	50	50
Total cash used	55	65	75	50	50
Net cash from or (used by) investing activities	55	65	75	50	50
FINANCING ACTIVITIES					
Total cash received					
	-	-	-	-	-
Total cash used					
	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	5	(31)	(40)	(10)
Cash at the beginning of the reporting period	1,376	1,376	1,381	1,350	1,310
Cash at the end of the reporting period	1,376	1,381	1,350	1,310	1,300

Table 5.4: Departmental statement of changes in equity — summary of movement Budget 2006-07

	Accumulated Results \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Opening balance as at 1 July 2006	1,054	62	1,116
Balance carried forward from previous period	45	-	45
Adjusted opening balance	1,099	62	1,161
Sub-total income and expense	-	-	-
Total income and expenses recognised directly in equity	-	-	-
Sub-total transactions with owners	-	-	-
Estimated closing balance as at 30 June 2007	1,099	62	1,161

Table 5.5: Departmental capital budget statement

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total capital appropriations	-	-	-	-	-
Represented by:					
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally by departmental resources	55	65	75	50	50
Total	55	65	75	50	50

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2006-07

	Other Infrastructure Plant and Equipment \$'000	Total \$'000
As at 1 July 2006		
Gross book value	310	310
Accumulated depreciation	90	90
Opening net book value	220	220
Additions:		
by purchase	100	100
Depreciation/amortisation expense	110	110
As at 30 June 2007		
Gross book value	430	430
Accumulated depreciation	200	200
Estimated closing net book value	230	230

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The Commission's budgeted financial statements have been prepared on an accrual basis, in accordance with historical cost convention and consistent with Australian Accounting Standards.

Assets and liabilities are recognised in the Commission's balance sheet at Table 5.2 when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenue and expenses are recognised in the Commission's income statement at Table 5.1 when, and only when, the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Revenue from government

Appropriations for departmental outputs are recognised as revenue.

Revenue from the sale of goods (mainly publications) is recognised upon the delivery of goods to customers.

Employee expenses

Employee expenses consist of salaries, leave entitlements, redundancy expenses and superannuation.

Cash

Cash includes notes and coins held and any deposits held at call with a bank or financial institution.

Depreciation

Depreciable property, plant and equipment are written off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation. Useful lives are reviewed at each balance date.

Property, plant and equipment

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$0.001m, which are expensed in the year of acquisition. The \$0.001m threshold was selected because it facilitates efficient asset management and recording without greatly affecting asset values recognised.