

# AUSTRALIAN LAW REFORM COMMISSION

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Law Reform Commission (ALRC) supports the Attorney-General and the Australian Government to maintain and improve Australia's system of law and justice by contributing to the process of law reform. The ALRC's outcome is 'informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education'.

Under the *Australian Law Reform Commission Act 1996*, the ALRC's function is to undertake inquiries on matters referred to it by the Attorney-General and to review Commonwealth laws and legal processes relevant to those matters for the purpose of systematically developing and reforming the law. In pursuing this function, the ALRC provides reports outlining recommendations for law reform that contribute to the government's objective of achieving an equitable and accessible system of federal justice and the harmonisation of Australia's laws and practices. Through the improvement of Australia's law and justice framework, the ALRC contributes to the Attorney-General's outcome – a just and secure society through the maintenance and improvement of Australia's law, justice, security and integrity frameworks.

The ALRC has one program to achieve its outcome – conducting inquiries into aspects of Australian law and related processes for the purpose of law reform. It is through the inquiry process that the ALRC is able to undertake the research and analysis that underpin the recommendations for law reform and provide the basis for informed government decisions.

There are no new measures affecting the ALRC or new functions. In 2018-19, the ALRC will complete two inquiries – a review into class actions and litigation funding, which is due to report in December 2018, and a review of the family law system, which is due to report in March 2019. The ALRC will also undertake any other inquiries referred to it by the Attorney-General.

The ALRC will be represented at legal, industry and community conferences and seminars to discuss its inquiry work and law reform processes generally. Where the ALRC has made relevant recommendations or has acquired special expertise or experience, it will make submissions to inquiries undertaken by other bodies, especially parliamentary committees, on the law reform issues raised in those inquiries.

The key challenge and risk to the ALRC delivering its program is that the commission is solely reliant on the government for its referrals. The extent to which the ALRC can deliver on its objective therefore is influenced from year to year by the government's law reform agenda, the number of inquiries referred to the ALRC, the subject matter and scope of any particular inquiry, the prescribed timeframe and the resources made available to undertake the work. The commission works closely with the Attorney-General's Department to ensure there is appropriate lead time for planning and managing resources when new inquiries are referred to the ALRC.

## **1.2 ENTITY RESOURCE STATEMENT**

Table 1.1 shows the total funding from all sources available to the ALRC for its operations and to deliver programs and services on behalf of the government. All appropriation to the ALRC runs through the Law Reform Special Account as required under section 45 of the *Australian Law Reform Commission Act 1996*.

For more detailed information on special accounts and special appropriations, see Budget Paper No. 4: Agency Resourcing.

Table 1.1 is presented on a resourcing (that is, appropriations and cash available) basis, while the budgeted expenses by Outcome 1 table in section 2 and the financial statements in section 3 are presented on an accrual basis.

**Table 1.1: Entity resource statement—Budget estimates for 2018–19 as at Budget May 2018**

	<b>2017–18 Estimated actual \$'000</b>	<b>2018–19 Estimate \$'000</b>
<b>DEPARTMENTAL</b>		
<b>Annual appropriations—ordinary annual services (a)</b>		
Departmental appropriation (b)	2,701	2,595
s74 retained revenue receipts (c)	1	1
Departmental capital budget (d)	16	16
<b>Total departmental annual appropriations</b>	<b>2,718</b>	<b>2,612</b>
<b>Special accounts (e)</b>		
Opening balance	1,266	1,266
Appropriation receipts (f)	2,717	2,611
Appropriation receipts from other entities (g)	1	1
<b>Total special accounts</b>	<b>3,984</b>	<b>3,878</b>
Less departmental appropriations drawn from annual or special appropriations and credited to special accounts	(2,718)	(2,612)
<b>Total net resourcing for entity</b>	<b>3,984</b>	<b>3,878</b>
	<b>2017–18</b>	<b>2018–19</b>
<b>Average staffing level (number)</b>	11	12

Prepared on a resourcing (that is, appropriations and cash available) basis.

Note: All figures are GST exclusive and may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018–19.

(b) Excludes the departmental capital budget.

(c) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. See Table 3.5 for further details. For accounting purposes, this amount is designated as 'contributions by owners'.

(e) For further information on special accounts, see Budget Paper No. 4: Agency Resourcing. See also Table 2.1 for further information on outcome and program expenses broken down by various funding sources, such as annual appropriations and special accounts.

(f) Amounts credited to the special accounts from ALRC's annual appropriations.

(g) Amounts credited to the special accounts from another entity's annual and special appropriations.

### 1.3 BUDGET MEASURES

Budget measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the ALRC are detailed in Budget Paper No. 2 and summarised in Part 1 of Table 1.2.

**Table 1.2: Entity 2018–19 Budget measures**

**Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Expense measures</b>						
Attorney-General's Portfolio— efficiencies	1					
Departmental expenses		(8)	(14)	(14)	(14)	(14)
<b>Total expense measures</b>		<b>(8)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

Figures displayed as a negative represent a decrease in funds and figures displayed as a positive represent an increase in funds.

**Part 2: Other measures not previously reported in a portfolio statement**

The ALRC has no other measures not previously reported in a portfolio statement.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the budget and forward years.

The ALRC's outcome is described below together with its related program.

### **Note**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for ALRC can be found at  
<https://www.alrc.gov.au/about/corporate-information/corporate-plan-2017>

The most recent annual performance statement can be found at  
<https://www.alrc.gov.au/about/annual-reports>

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education**

### Budgeted expenses for Outcome 1

Table 2.1 shows how much the ALRC intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program and by administered and departmental funding sources.

**Table 2.1: Budgeted expenses for Outcome 1**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>Program 1.1: Conducting inquiries into aspects of Australian law and related processes for the purpose of law reform</b>					
Departmental expenses					
Special accounts					
Law Reform Special Account— <i>Public Governance, Performance     and Accountability Act 2013 s80     (Australian Law Reform     Commission Act 1996 s45)</i>	2,701	2,595	2,610	2,629	2,645
Expenses not requiring appropriation in the budget year (a)	260	58	58	58	57
<b>Departmental total</b>	<b>2,961</b>	<b>2,653</b>	<b>2,668</b>	<b>2,687</b>	<b>2,702</b>
<b>Total expenses for Outcome 1</b>	<b>2,961</b>	<b>2,653</b>	<b>2,668</b>	<b>2,687</b>	<b>2,702</b>

	2017–18	2018–19
<b>Average staffing level (number)</b>	11	12

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

(a) Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, and audit fees.

**Performance criteria for Outcome 1**

Table 2.2 shows the performance criteria for each program associated with Outcome 1. It also summarises how the program is delivered.

**Table 2.2 Performance criteria for Outcome 1**

<b>Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education</b>		
<b>Program 1.1: Conducting inquiries into aspects of Australian law and related processes for the purpose of law reform</b>		
This program contributes to Outcome 1 through conducting inquiries into aspects of Australian law and related processes for the purpose of law reform.		
<b>Delivery</b>	<p>The ALRC will:</p> <ul style="list-style-type: none"> <li>• conduct inquiries as referred by the Attorney-General</li> <li>• undertake research and analysis of legal policy issues raised by an inquiry</li> <li>• consult stakeholders and experts and produce consultation documents for each inquiry</li> <li>• elicit submissions to inform the formulation of recommendations</li> <li>• produce a final report containing recommendations for law reform for each inquiry</li> <li>• present at public conferences, seminars and parliamentary inquiries to ensure that the work of the ALRC is publicly debated and discussed, and contributes to the community's knowledge about the government's law reform agenda</li> <li>• track and report on implementation of its recommendations.</li> </ul> <p>Target groups for the ALRC's program are the Australian Parliament and the Australian community.</p>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets (estimated actual)</b>
2017–18	Implementation of reports Citations or references Submissions received Visitors to website Presentations and speaking engagements Media mentions	85% (85%) 50 (70) 150 (425) >250,000 ( 950,000) 25 (35) 250 (376)
2018–19	Implementation of reports Citations or references Submissions received Visitors to website Presentations and speaking engagements Media mentions	85% 50 150 >250,000 25 250
2019–20 and beyond	As per 2018–19.	As per 2018–19.
<b>Purpose</b>	To contribute to informed government decisions about law reform that will lead to a fair, equitable and accessible system of federal justice that contributes to a just and secure society.	

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There is no material difference between the entity resourcing and financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

Total revenue in 2018–19 is estimated to be \$2.631m, comprising \$2.595m from government and \$0.036m from other sources.

Expenses in 2018–19 are estimated to be \$2.653m comprising \$1.966m in employee expenses, \$0.665m in supplier expenses and \$0.022m in depreciation and amortisation expenses.



### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	2,215	1,966	1,927	2,087	2,155
Suppliers	720	665	721	582	531
Depreciation and amortisation	26	22	20	18	16
<b>Total expenses</b>	<b>2,961</b>	<b>2,653</b>	<b>2,668</b>	<b>2,687</b>	<b>2,702</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	1	1	1	1	–
<b>Total own-source revenue</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>–</b>
<b>Gains</b>					
Other	33	35	37	39	41
<b>Total gains</b>	<b>33</b>	<b>35</b>	<b>37</b>	<b>39</b>	<b>41</b>
<b>Total own-source income</b>	<b>34</b>	<b>36</b>	<b>38</b>	<b>40</b>	<b>41</b>
<b>Net (cost of)/contribution by services</b>	<b>(2,927)</b>	<b>(2,617)</b>	<b>(2,630)</b>	<b>(2,647)</b>	<b>(2,661)</b>
Revenue from government	2,701	2,595	2,610	2,629	2,645
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(226)</b>	<b>(22)</b>	<b>(20)</b>	<b>(18)</b>	<b>(16)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(226)</b>	<b>(22)</b>	<b>(20)</b>	<b>(18)</b>	<b>(16)</b>

**Note: Impact of net cash appropriation arrangements**

	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(200)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Less depreciation/amortisation expenses previously funded through revenue appropriations (a)	26	22	20	18	16
<b>Total comprehensive income/(loss) as per the statement of comprehensive income</b>	<b>(226)</b>	<b>(22)</b>	<b>(20)</b>	<b>(18)</b>	<b>(16)</b>

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Bill 1 equity appropriations. For information regarding departmental capital budgets, see Table 3.5 Departmental capital budget statement.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,334	1,134	1,134	1,134	1,134
Trade and other receivables	(193)	7	7	7	7
<b>Total financial assets</b>	<b>1,141</b>	<b>1,141</b>	<b>1,141</b>	<b>1,141</b>	<b>1,141</b>
<b>Non-financial assets</b>					
Property, plant and equipment	24	18	16	13	12
Other non-financial assets	34	34	34	34	34
<b>Total non-financial assets</b>	<b>58</b>	<b>52</b>	<b>50</b>	<b>47</b>	<b>46</b>
<b>Total assets</b>	<b>1,199</b>	<b>1,193</b>	<b>1,191</b>	<b>1,188</b>	<b>1,187</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	18	18	18	18	18
Other payables	125	125	125	125	125
<b>Total payables</b>	<b>143</b>	<b>143</b>	<b>143</b>	<b>143</b>	<b>143</b>
<b>Interest bearing liabilities</b>					
<b>Provisions</b>					
Employee provisions	519	519	519	519	519
<b>Total provisions</b>	<b>519</b>	<b>519</b>	<b>519</b>	<b>519</b>	<b>519</b>
<b>Total liabilities</b>	<b>662</b>	<b>662</b>	<b>662</b>	<b>662</b>	<b>662</b>
<b>Net assets</b>	<b>537</b>	<b>531</b>	<b>529</b>	<b>526</b>	<b>525</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	287	303	319	334	349
Reserves	136	136	136	136	136
Retained surplus/(accumulated deficit)	114	92	74	56	40
<b>Total parent entity interest</b>	<b>537</b>	<b>531</b>	<b>529</b>	<b>526</b>	<b>525</b>
<b>Total equity</b>	<b>537</b>	<b>531</b>	<b>529</b>	<b>526</b>	<b>525</b>

Prepared on Australian Accounting Standards basis.

\*'Equity' is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity—summary of movement (budget year 2018–19)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2018</b>				
Balance carried forward from previous period	114	136	287	537
Adjustment for changes in accounting policies	–	–	–	–
<b>Adjusted opening balance</b>	<b>114</b>	<b>136</b>	<b>287</b>	<b>537</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(22)	–	–	(22)
<b>Total comprehensive income</b>	<b>(22)</b>	<b>–</b>	<b>–</b>	<b>(22)</b>
<b>Transactions with owners</b>				
Contributions by owners				
Departmental capital budget	–	–	16	16
<b>Sub-total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>16</b>
<b>Estimated closing balance as at 30 June 2019</b>	<b>92</b>	<b>136</b>	<b>303</b>	<b>531</b>
<b>Closing balance attributable to the Australian Government</b>	<b>92</b>	<b>136</b>	<b>303</b>	<b>531</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	2,701	2,595	2,610	2,629	2,645
Sale of goods and rendering of services	1	1	1	1	–
<b>Total cash received</b>	<b>2,702</b>	<b>2,596</b>	<b>2,611</b>	<b>2,630</b>	<b>2,645</b>
<b>Cash used</b>					
Employees	2,215	1,966	1,927	2,087	2,155
Suppliers	687	630	684	543	490
<b>Total cash used</b>	<b>2,902</b>	<b>2,596</b>	<b>2,611</b>	<b>2,630</b>	<b>2,645</b>
<b>Net cash from/(used by) operating activities</b>	<b>(200)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	16	16	16	15	15
<b>Total cash used</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>
<b>Net cash from/(used by) investing activities</b>	<b>(16)</b>	<b>(16)</b>	<b>(16)</b>	<b>(15)</b>	<b>(15)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	16	16	16	15	15
<b>Total cash received</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>
<b>Net cash from/(used by) financing activities</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>
<b>Net increase/(decrease) in cash held</b>	<b>(200)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash and cash equivalents at the beginning of the reporting period	1,334	1,134	1,134	1,134	1,134
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget—Bill 1 (DCB)	16	16	16	15	15
<b>Total new capital appropriations</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>
<b>Provided for:</b>					
Purchase of non-financial assets	16	16	16	15	15
<b>Total items</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation— DCB (a)	16	16	16	15	15
<b>Total purchases of non-financial assets</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	16	16	16	15	15
<b>Total cash used to acquire assets</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).

**Table 3.6: Statement of asset movements (budget year 2018–19)**

	Other property, plant & equipment \$'000	Total \$'000
<b>As at 1 July 2018</b>		
Gross book value	50	50
Accumulated depreciation/amortisation and impairment	(26)	(26)
<b>Opening net book balance</b>	<b>24</b>	<b>24</b>
<b>CAPITAL ASSET ADDITIONS</b>		
<b>Estimated expenditure on new or replacement assets</b>		
By purchase—appropriation ordinary annual services (a)	16	16
<b>Total additions</b>	<b>16</b>	<b>16</b>
<b>Other movements</b>		
Depreciation/amortisation expense	(22)	(22)
<b>Total other movements</b>	<b>(22)</b>	<b>(22)</b>
<b>As at 30 June 2019</b>		
Gross book value	66	66
Accumulated depreciation/amortisation and impairment	(48)	(48)
<b>Closing net book balance</b>	<b>18</b>	<b>18</b>

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018–19 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.