



LAW REFORM COMMISSION
of
WESTERN AUSTRALIA

ANNUAL REPORT

1 July 2016 - 30 June 2017

TABLE OF CONTENTS

STATEMENT OF COMPLIANCE	3
ABOUT THIS REPORT	4
MESSAGE FROM THE CHAIR	5
OVERVIEW OF THE LAW REFORM COMMISSION OF WESTERN AUSTRALIA	9
Executive Summary	9
Operational Structure	11
Performance Management Framework	14
Outcome Based Management Framework	14
Changes to Outcome Based Management Framework	14
Shared Responsibilities with Other Agencies	14
AGENCY PERFORMANCE	15
Report on Operations	15
Financial Targets	15
Key Performance Indicators	15
SIGNIFICANT ISSUES IMPACTING THE AGENCY	16
AUDITOR GENERAL'S INDEPENDENT AUDITORS REPORT	17-20
DISCLOSURE AND LEGAL COMPLIANCE	21
Financial Statements	21
Certification of Financial Statements	21
Statement of Comprehensive Income	22
Statement of Financial Position	23
Statement of Changes in Equity	24
Cash Flow Statement	25
Notes to the Financial Statements	26-43
Key Performance Indicators	44
Certification of Key Performance Indicators	44
Detailed Information in Support of Key Performance Indicators	45
Ministerial Directives	50
Other Financial Disclosures	50
Governance Disclosures	50
Other Legal Requirements	50
Government Policy Requirements	51
APPENDIX 1: CURRENT REFERENCES	53
APPENDIX 2: SECTION 40 ESTIMATES	54

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE

WITH THE *FINANCIAL MANAGEMENT ACT 2006*

For the year ending 30 June 2017

Hon John Quigley MLA

Attorney General

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to State Parliament the Annual Report of the Law Reform Commission of Western Australia for the year ending 30 June 2017.

This report has been prepared in accordance with the provisions of the *Financial Management Act 2006*. The content and layout are consistent with the requirements of Treasurer's Instruction 903.

Yours sincerely



Dr David Cox

Chair
Law Reform Commission
of Western Australia

28 August 2017



Ms Fiona Seaward

Member
Law Reform Commission
of Western Australia

28 August 2017

ABOUT THIS REPORT

This report provides an overview of the activities of the Law Reform Commission of Western Australia (the “**Commission**”) during 2016-17.

The overview gives a summary of the Commission’s activities, operational structure and performance management framework. The Agency Performance – Report on Operations section details the Commission’s operations, including key performance indicators. This is followed by the section that identifies significant issues impacting on the agency. The last section, Disclosure and Legal Compliance, covers all financial statements, governance requirements and a breakdown of key performance indicators.

The appendix outlines the Commission’s current reference(s).

For further information on the operations of the Commission, for copies of this Annual Report, or any of the Commission’s other publications, please visit the Commission’s web page at www.lrc.justice.wa.gov.au

Printed copies and copies supplied in alternative formats for those with disabilities may be requested from the Commission by calling the number below.

LAW REFORM COMMISSION CONTACT DETAILS

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MESSAGE FROM THE CHAIR

The 2016-17 financial year has been another successful one for the Commission, building on previous financial years' consolidation.

Since July 2014, the Department of the Attorney General (DotAG) has been tasked with providing all project management and executive support functions to the Commission from its own resources. Also, the Commission has not received a future recurrent budget to conduct its projects, having to exhaust its bank account balance before the responsibility for financing falls to the Department. 2016-17 saw the continuation of this operational structure.

In an environment of slimmed down resourcing of agencies, the Commission's operational structure places a greater reliance on the resources of DotAG to discharge its statutory functions. In light of this, the Commission continues to be a statutory authority and independent agency under the *Law Reform Commission Act 1972 (WA)*. This legal independence is borne out in the content of completed projects and within its findings. The Commission is also driven in maintaining its current high standard of operations and levels of community service.

The current operational structure provides flexibility in the options that are available to carry out projects. Depending upon the characteristics of each reference, the Commission has the flexibility to engage either outsourced writers who have practical, and if required; academic, expertise in that specific area of law. Alternatively, the Commission may engage partially outsourced Departmental writers by drawing upon the resources of a seconded DotAG staff member.

For larger-scale and time-intensive projects, the Commission adopted a partial outsourcing model using a Departmental staff member to undertake the '*Review of the Firearms Act 1973 (WA)*' reference. Whereas, for smaller-scale and more complex or discrete references, as in the '*Intersection of the Family Law and Caveat Systems in Western Australia*' reference, the Commission engaged an outsourced consultant.

Future resourcing of the Commission, both in staff and financial resources is reliant upon particularly, the Department's commitment and position to itself provide the requisite level of assistance. The resourcing of the Commission may face future existential/headwind challenges in light of the current economic position of the State and which has resulted in the reduction and merger of State Government departments. The affect upon the Commission of the merger of both DotAG and the Department of Corrective Services into the newly formed Department of Justice remains to be seen.

Notwithstanding these particular headwinds, it has been a testament to the professionalism of the staff within DotAG and in particular the executive of DotAG that the Commission is resourced to provide a high level of service to the Western Australian community. Regular ongoing dialogue with the Attorney General and Acting Director General of the Department of Justice has been constructive and considerate, and essential for the future maintenance of the Commission's statutory functions. Each of them has provided strong assurances that they are committed to the Commission's objectives of independence of its findings and a high level of service to the community.

In the 2016-2017 year the Commission:

- completed a substantial and detailed final report into the reference '*Review into the Firearms Act 1973 (WA)*'.
- produced its discussion paper in response to the '*Intersection of the Family Law and Caveat Systems in Western Australia*' reference; and
- undertook a broad program of stakeholder consultation as part of the reference '*Review into the Firearms Act 1973 (WA)*'.

I would like to thank barrister, Mr Dane Chandler, for his well-researched contribution to the Discussion Paper, the '*Intersection of the Family Law and Caveat Systems in Western Australia*'. In the complex legal subject areas of family and property law, Dane provided a comprehensive analysis of the legal framework around the

MESSAGE FROM THE CHAIR

(continued)

interactivity of the family law and caveat systems and how this may affect proceedings. I would also like to thank DotAG staff who assisted the Commission throughout the year, Dominic Fernandes and Dave Major. The work of both Dom and Dave in providing further research capabilities and continuing to maintain the Commission's productivity is very much appreciated by each of the Commissioners and the Commission as a whole, it need not be said but the work does not go unnoticed and the Commission is indebted to both Dominic and Dave.

On another note, Commission members including myself, attended various seminars and forums held by the Public Sector Commission of Western Australia and other service providers. These events have been notable in providing development opportunities for Commission members while ensuring ongoing information provision in areas across the public sector of Western Australia. I wish to thank the Public Sector Commission of Western Australia and other service providers for providing the opportunities to attend and participate in these events.

COMPLETED REFERENCES

Review of the *Firearms Act 1973* (WA)

On 24 February 2014 the previous Attorney General, the Hon Michael Mischin MLC, directed the Commission to report on the *Firearms Act 1973* (WA). The Terms of Reference in substance amounted to a review of the firearms legislation in Western Australia. The referral was prompted by the recognition and acknowledgment by the Hon Liza Harvey MLA, former Minister for Police, and Hon Michael Mischin MLC, former Attorney General, that a comprehensive review of the firearms legislation was overdue.

The Commission undertook extensive consultations with a variety of stakeholders in the preparation of a discussion paper released on 30 October 2015. The reference garnered the greatest amount of public interest in the history of the Commission, receiving a substantial and unprecedented 1245 written submissions. Submissions ranged from ordinary firearms owners; firearms associations;

those who wished for greater restrictions on firearms; various agencies and organisations, and finally the views of WA Police as the agency responsible for the firearms legislation. The Commission welcomed the contribution these submissions made in the compilation of the Final Report. The spirited comments that many of the submissions conveyed allowed the Commission to see the importance of firearms law reform to both firearms users and those campaigning for tighter control on the possession and use of firearms.

In the compilation of the Final Report, the Commission undertook further consultations with key stakeholders to 'iron-out' discrete areas of the report. This further consultation enabled the Commission to acquire the necessary understanding and insight to be able to make informed recommendations on legislative and non-legislative change.

The Final Report contains 143 recommendations and many sub-recommendations in order to provide more specific guidance on suggested reform. Recommendations relate to amendments to the content and structure of the firearms legislation as well as suggestions for improvements to procedure and policy.

The Commission indicated that when contemplating the recommended areas for reform, it kept in mind the need to provide a strong regulatory framework in order to enhance community safety while at the same time acknowledging that most crimes involving firearms are carried out by people who are not licensed to carry them. The Commission sought where possible to reduce red tape but emphasised that the possession and use of firearms is a privilege that is always conditional on the need to ensure public safety. The starting point for the report, and a theme that was conveyed to the Commission on many occasions, was that the primary aim of the firearms legislation must be to reduce the risk to the community. The Commission sought to ensure that the various aspects of the regulatory regime are necessary to facilitate and enhance that aim.

MESSAGE FROM THE CHAIR

(continued)

The Final Report was tabled in State Parliament on 22 November 2016. It is noted the Government is in the process of considering the recommendations and will provide its response in due course.

CURRENT REFERENCES

The Intersection of the Family Law and Caveat Systems in Western Australia

On 8 October 2015, the Family Law Practitioners' Association of Western Australia (Inc.) (the "**FLPAWA**") presented to the Attorney General a detailed written submission by which it advocated: for legislative amendments for a new "spousal caveat" to allow a spouse not having a direct caveatable interest in the title deed of the land to lodge a caveat against land owned by either spouse during their relationship, following the breakdown of the relationship; and to give the Family Court of Western Australia (the "**FCWA**") jurisdictional conferral of powers to extend the operation of caveats.

The Commission received the Terms of Reference from the former Attorney General on 2 August 2016 thereby requesting the Commission "to examine and report upon the caveat system in relation to de facto and marital breakdowns giving consideration to:

- i) the inter-relationship of the right to lodge a caveat over land and the *Family Court Act 1997* (WA) and the *Family Law Act 1975* (Cth); and
- ii) the submission of the Family Law Practitioners' Association of Western Australia (Inc.) titled: "Submission to the Attorney General for the State of Western Australia in relation to issues at the intersection of family law and caveat systems"; and
- iii) the amendments proposed in that submission; namely
 - a) the creation of a right for a party to lodge a caveat over land owned by a former spouse following a relationship breakdown and pending resolution of matters between the former spouses by way of Family Court order or otherwise; and

- b) the conferral of power on the Family Court of Western Australia to make an order extending the operation of a caveat where the caveator and the registered proprietor are former spouses who are already parties to a case before the Family Court of Western Australia.

And to recommend whether any legislative or other changes should be enacted or implemented."

The FLPAWA propose these amendments to address the following two inter-related issues:

- a) the inability of a spouse who is not the registered proprietor of land, and who is unable to establish the criteria for an equitable interest in that land, to lodge a caveat over that land to protect the status quo pending their application for a property alteration order in the Family Court of Western Australia being determined; and
- b) to avoid the need for a spouse who has lodged a caveat to commence proceedings in the Supreme Court of Western Australia to apply to extend that caveat, while also needing to commence proceedings in the FCWA for a property alteration order.

The Commission published the Discussion Paper on 12 May 2017, inviting submissions and requesting comments in relation to seven questions which were aimed to direct discussion. The Commission received six submissions, four of which were substantial.

The Commission consulted with the FCWA, FLPAWA and Landgate and these discussions proved invaluable in shaping and informing the final report. Consultations also highlighted the need to address some practical considerations which were not addressed in the Discussion Paper.

The 2017-18 financial year will see the completion of this reference.

MESSAGE FROM THE CHAIR

(continued)

COMMUNITY CONSULTATION

Each reference the Commission takes on involves a thorough and detailed research and consultation process. The Commission has been fortunate to have had the assistance of many diligent and dedicated experts who were willing to bring their knowledge and skills to the preparation of the Commission's reports. The Commission sincerely appreciates the efforts made by all involved. Their views and efforts in identifying the difficulties in current laws, and proposing considered alternatives to the existing arrangements to address those difficulties, play a significant role in developing proposals and reports. The efforts made by individuals and organisations ensure that the Commission's reports are comprehensive, accurate and considered.

The Commission successfully completed its final report into the 'Review into the *Firearms Act 1973* (WA)' reference. The Commission is grateful to its Departmental project writers, Mr Dominic Fernandes and Ms Sarah Burnside, who conducted the research, consultations and writing of the Final Report and Discussion Paper, respectively. I wish to thank both Dominic and Sarah for their diligence, dedication and hard work in tackling an exhaustive research area that involves complexities of practices and competing interests. The Commission appreciates the high quality of work delivered by both Dominic and Sarah, while they also acted as the Executive Officer of the Commission. Both Dominic and Sarah were very capably assisted by Mr Dave Major. The assistance provided by Dave was extensive and without him, the report would not have been delivered within the timeframe.

The Commission engaged in a broad program of face-to-face consultations in the production of both the Discussion Paper and Final Report. The Commission extends its thanks to the firearms businesses and clubs, agencies, and WA Police for meeting with the Commission and providing quality input.

The Commission completed its discussion paper into 'The Intersection of the Family Law and Caveat Systems in Western Australia' reference. The Commission contracted the services of

barrister, Mr Dane Chandler, for the legal research and writing of the Discussion Paper and is thankful for his diligence in researching and writing the Discussion Paper. The final report is due for tabling in Parliament in the 2017-18 financial year.

The Commission conducted consultations with the FCWA, FLPWA and Landgate and these proved noteworthy and essential in the construction of the Discussion Paper and towards the final report.

The Commission would also like to acknowledge the support of DotAG for its ongoing responsibility in providing executive and project management assistance to the Commission and thanks the Acting Director General, Dr Adam Tomison, for his commitment and support in this regard.

In particular, the members of the Commission would like to express their appreciation for the work of Dominic Fernandes and David Major. The Commission is extremely grateful for their dedication and professionalism. Their work in coordinating legal research activities, project managing the references and keeping the Commission operating smoothly has ensured that the referrals have been completed in good time and to a high standard. This professionalism enabled the Commission to maintain its productivity without any compromise to the independence or quality of its work.

Finally, the Commission would like to thank the former Attorney General, the Hon Michael Mischin MLC, for his support of the Commission's work. The Commission also thanks the Attorney General, the Hon John Quigley MLA, for his ongoing interest and support of the Commission's work.

Dr David Cox

OVERVIEW OF THE LAW REFORM COMMISSION

EXECUTIVE SUMMARY

The Commission's role is to keep the law up-to-date and relevant to the needs of Western Australian society. The Commission achieves this by receiving terms of reference, and reviewing selected legislation, at the request of the Attorney General to identify opportunities for reform.

References may result from proposals submitted by the Commission, suggestions made by the public or topics of interest to the Attorney General. The Attorney General determines the order of priority in which the Commission deals with references, and the Attorney General then presents the Commission's reports to State Parliament as soon as practicable after the Commission completes its work on each reference.

The Commission's output measures the progress of a reference against milestone targets. The extent to which the Commission meets the timeframes set by the Attorney General is therefore considered to be a key performance indicator which measures the extent to which the Commission is contributing to keeping Western Australian law up-to-date.

THE COMMUNITY SERVED

The people of Western Australia are the Commission's primary clients or customers. This must be the case for a law reform organisation, funded by the taxpayers, in a society governed by law. To be meaningful and effective, law reform must make every effort to be inclusive and fair.

The law reform process should include communication and consultation with the public and the relevant stakeholders concerned with particular projects. Moreover, the Commission's work must be completed in a reasonably timely fashion in order to be efficient and effective.

STAKEHOLDERS

The Commission's stakeholders include those governed by particular laws and those charged with enforcing and administering them. With each reference, the Commission makes an effort to identify stakeholders concerned with the specific

topic. The stakeholders' list changes from project to project. While parents and teachers may be more interested in school councils in the *School Education Act 1999*, journalists may be concerned about defamation in the *Defamation Act 2005*, for instance. Property owners and strata companies may seek amendments to the *Strata Titles Act 1985*, while local governments may be concerned with local emergency management arrangements in the *Emergency Management Act 2005*. Once an issue is identified, the Commission invites stakeholders' submissions when developing its recommendations.

PERFORMANCE HIGHLIGHTS

Review of the *Firearms Act 1973* (WA)

The Commission has completed its final report into the 'Review of the *Firearms Act 1973*' which was tabled in Parliament on 22 November 2016.

The Commission was requested to examine the *Firearms Act 1973* (WA) and make recommendations for reform. The review considered the requirement for legislative and/or procedural changes regarding: the licensing and storage of firearms; the definitions and categorisation of firearms; the effects of changes in firearm technology, and penalties for firearms offences. The Commission also reviewed issues arising from recent WA Police operations and inquiries and reports of agencies and State Parliament in relation to firearms.

The response to the Discussion Paper garnered amongst the greatest amount of public interest in the history of the Commission, receiving a substantial and unprecedented 1245 written submissions, demonstrating the keen public interest in the review.

The scale of the project in incorporating the array of subject areas within the *Firearms Act 1973* and in accommodating a diversity of views was substantial and significant. The Final Report contains 143 recommendations and many sub-recommendations in order to provide more specific guidance on suggested reform.

OVERVIEW OF THE LAW REFORM COMMISSION

(continued)

The Intersection of the Family Law and Caveat Systems in Western Australia

On 2 August 2016, the Commission received the Terms of Reference of the above reference from the former Attorney General. This followed a substantial submission provided by the FLPAWA to the former Attorney General which promulgated the reference.

In summary, the Terms of Reference required the Commission to investigate two substantive issues relating to the FLPAWA submission: firstly, to consider legislative amendments for a new “spousal caveat” to allow a spouse not having a direct caveatable interest in the title deed of the land to lodge a caveat against land owned by either spouse during their relationship, following the breakdown of the relationship; and secondly, to consider jurisdictional conferral of powers be given to the FCWA to extend the operation of caveats.

The FLPAWA proposed these matters to help address the material issues for those practising and affected by Family Law in Western Australia. That is firstly, whereby a spouse who is not the registered proprietor of land, and who is unable to establish the criteria for an equitable interest in that land, may lodge a caveat over that land to protect the status quo pending their application for a property alteration order in the FCWA being determined; and secondly, to avoid the need for a spouse who has lodged a caveat to commence proceedings in the Supreme Court of Western Australia to apply to extend that caveat, whilst also needing to commence proceedings in the FCWA for a property alteration order.

The Commission completed the Discussion Paper into the above reference and requested submissions in response to seven questions which were aimed to direct discussion. The Commission received six submissions, four of which were substantial.

The 2017-18 financial year will see the final report published for this reference.

TECHNOLOGICAL AND ADMINISTRATIVE CHANGES

To facilitate the citation and reference to the Commission’s considerable body of work, all publications are available for download in either Adobe Reader (pdf) or Microsoft Word.

The Commission’s website received more than 497,424 hits throughout 2016-17.

During the past year the Commission’s staff received and dealt with 1062 letters, emails and telephone calls — predominately regarding the ‘Review of the *Firearms Act 1973*’ reference, and from members of the public concerned about issues and problems they had experienced with the justice system or with the operation of particular laws.

Staff within the Department of the Attorney General carried out the executive support and project management functions of the Commission.

FINANCIAL FORECAST

The Commission’s reference on the ‘Review of the *Firearms Act 1973*’ was completed with the Final Report presented to the former Attorney General and tabled on 22 November 2016 in State Parliament.

The Discussion Paper into the reference ‘The Intersection of the Family Law and Caveat Systems in Western Australia’ was released on 12 May 2017, inviting submissions in response to seven questions and proposals.

DotAG provided executive support and project management functions of the Commission in 2016-17 and was accommodated within DotAG’s existing budget.

OPERATIONAL STRUCTURE

ENABLING LEGISLATION

The Law Reform Commission was established as a Statutory Authority under the *Law Reform Commission Act 1972 (WA)* on 31 October 1972.

RESPONSIBLE MINISTER

The Hon John Quigley MLA, Attorney General.

The Law Reform Commission of Western Australia reviews areas of the law referred to it by the Attorney General of the day to identify potential opportunities for reform. References may result from proposals submitted by the Commission, suggestions made by the public or topics of interest to the Attorney General. Section 11 of the *Law Reform Commission Act 1972 (WA)* sets out the functions of the Commission. The Attorney General determines the order of priority in which the Commission deals with references. The Attorney General presents the Commission's reports to State Parliament as soon as practicable after the Commission completes its work on each reference.

MISSION

The Commission's mission is to assist in keeping the law up-to-date and relevant to the needs of Western Australian society.

STRUCTURE AND MEMBERSHIP OF THE COMMISSION

The Commission may consist of up to five members, two full-time and three part-time, appointed by the Governor of Western Australia. Of the part-time members, one is to be a private legal practitioner with no less than eight years' experience; one must be engaged in teaching law at a university in Western Australia with a status no less than that of Senior Lecturer; and the third is to be a legal officer of the State Solicitor's Office with no less than eight years' experience. Full-time members are to be legal practitioners of at least eight years' standing, or persons suitable for appointment by reason of their legal qualifications and experience, whether in Western Australia or elsewhere.

COMMISSIONERS

Private Legal Practitioner
University Law Senior Lecturer
State Solicitor's Office Legal Officer

Department of the Attorney General

Chairman

Under section 5 of the *Law Reform Commission Act 1972 (WA)*, the Commission elects its Chairman from among the members. The Chairman may hold office for a term not exceeding one year, but shall be eligible for re-election.

During 2016-17, Dr David Cox (BSc (Hons), PhD (UWA), LLB (Hons) (Murdoch)) continued his tenure as the Chair of the Commission. Dr Cox joined the Commission in August 2014. He is a barrister in the Western Australian law firm Francis Burt Chambers. Dr Cox's areas of practice are in commercial law, health law and intellectual property law. Prior to becoming a lawyer, he was a research scientist in the fields of biochemistry and physiology.

Members

Ms Fiona Seaward (BComm, LLB (Hons) (UWA)) joined the Commission in August 2015. She is a Senior Assistant State Solicitor employed in the State Solicitor's Office, where she has worked in various capacities since 2000. Ms Seaward graduated from the University of Western Australia in 1999 with a Bachelor of Laws with First Class Honours and a Bachelor of Commerce. Ms Seaward provides advice and acts as counsel for the State Government and its agencies in relation to a range of matters, principally in the areas of administrative law, constitutional law, land compensation and the fields of privacy and information sharing.

OPERATIONAL STRUCTURE

(continued)

Dr Augusto Zimmermann (LLB, LL.M (PUC-Rio), PhD (Monash)) joined the Commission in June 2012. Dr Zimmermann is Senior Lecturer and former Associate Dean (Research) and Postgraduate Studies Director at Murdoch University's School of Law. He is the founder and President of the Western Australian Legal Theory Association, a Vice-President of the Australian Society of Legal Philosophy, and Editor of the Western Australian Jurist law journal. A prolific writer and the author of numerous articles and academic texts, Dr Zimmermann was recently appointed as a Professor of Notre Dame University's Sydney campus and was awarded the 2012 Vice Chancellor's Award for Excellence in Research, and two School Dean's Research Awards, in 2010 and 2011. Dr Zimmermann has also received the 2013 Law Lecturer of the Year Award from the Murdoch Student Law Society, in recognition of the outstanding level of teaching, service and personal contribution he provided to the students of Murdoch Law School.

Members' Fees

The Western Australian Governor in Executive Council sets the remuneration of the Commissioners. Section 9 of the *Law Reform Commission Act 1972* (WA) states that a member "shall be paid such remuneration and allowances as the Governor may from time to time determine".

Fees payable to part-time members from private practice are determined on a formula related to 35 per cent of the median between the highest and lowest points of the salary scale for Associate Professors at a university in the State, as adjusted from time to time.

Fees payable to part-time members from academia are determined on a formula related to 25% of the salary paid to a General Division Class 1 public servant, as adjusted from time to time.

The State Solicitor's Office representative receives no additional fee beyond their ordinary salary.

Former members of the Commission can be located at the Commission's web address: http://www.lrc.justice.wa.gov.au/P/past_members.aspx?uid=5016-2351-3409-1374

As required by the Public Sector Commission's Annual Reporting Framework: 2016-17 reporting year, the following table outlines the remuneration for Commission members:

Law Reform Commission of Western Australia				
Position	Name	Type of remuneration*	Period of membership	Gross/actual remuneration
Chair (<i>part time</i>)	Dr David Cox	Honorarium	35 months	\$52,112 pa
Member (<i>part time</i>)	Ms Fiona Seaward	#See note below	23 months	Not applicable
Member (<i>part time</i>)	Dr Augusto Zimmermann	Honorarium	5 years	\$42,722 pa
TOTAL				\$94,834

* Sessional, per meeting, half day or annual.

As Ms Seaward is employed at the State Solicitor's Office under the *Public Sector Management Act 1994* (WA) she is not entitled to remuneration for her membership of the Commission.

OPERATIONAL STRUCTURE

(continued)

Senior Officer

During 2016-17, Mr Dominic Fernandes, Legal Policy Officer at DotAG, served as Executive Officer for the Commission with responsibility for coordinating legal research activities, executive support and project management of the various references.

ADMINISTERED LEGISLATION

Key Legislation Impacting on the Commission's activities is listed below.

In the performance of its functions, the Commission complies with the following relevant Acts:

- *Auditor General Act 2006*
- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Equal Opportunity Act 1984*
- *Evidence Act 1906; Acts Amendment (Evidence) Act 2000*
- *Financial Administration and Audit Act 1985*
- *Freedom of Information Act 1992*
- *Government Employees Superannuation Act 1987*
- *Industrial Relations Act 1979*
- *Interpretation Act 1984*
- *Library Board of Western Australia Act 1951*
- *Limitation Act 1935*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Supply Commission Act 1991*
- *State Records Act 2000*
- *State Records (Consequential Provisions) Act 2000*
- *The Criminal Code Act 1913*
- *Workers Compensation and Injury Management Act 1981*

In the financial administration of the Commission, the Commission has complied with the requirements of the *Financial Management Act 2006* and every other relevant written law, and exercised controls that provide reasonable assurance that the receipt and expenditure of monies and the acquisition and disposal of public property and incurring of liabilities have accorded with legislative provisions.

At the date of signing, the Commission is not aware of any circumstances that would render the particulars included in this statement misleading or inaccurate.

DIVERSIFICATION

The Commission engages consultants for research, writing and editing. This permits individuals who would not otherwise have been able to participate in the process of law reform to bring their unique and special skills to the Commission's law reform activities on less than a full-time basis. The Commission endeavours to use the public tender procedure to select writers for each project.

PUBLICATIONS

Appendix 1 provides current terms of reference. Information about available publications can be found on the Commission's website at www.lrc.justice.wa.gov.au

LEGISLATIVE CHANGE

There were no statutory changes or significant judicial decisions affecting the Commission in 2016-17.

OPERATIONAL STRUCTURE

(continued)

MEETINGS OF THE COMMISSION

The Commission held 17 meetings and one meeting with the Attorney General during the 2016-17 financial year. These meetings were primarily devoted to discussing the progress of the 'Review of the *Firearms Act 1973*' reference. In addition, members of the Commission attended public and private consultations in respect to the 'Review of the *Firearms Act 1973*' and the 'Intersection of the Family Law and Caveat Systems in Western Australia' references.

OFFICE

The Commission may be reached by phone on (08) 9264 1340, fax (08) 9264 6114, and e-mail lrcwa@justice.wa.gov.au

The Commission's website is www.lrc.justice.wa.gov.au

The administrative office is located at Level 23, David Malcolm Justice Centre, 28 Barrack Street, Perth.

PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED MANAGEMENT FRAMEWORK

Government Goal:

Outcomes Based Service Delivery — Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

The Law Reform Commission of Western Australia's desired outcome:

'The law is reviewed as requested by the Attorney General and stakeholders are kept informed' is best aligned with the State Government's goal to provide a 'greater focus on achieving results in key service delivery areas for the benefit of all Western Australians'.

To achieve this outcome, the Commission receives its terms of reference from the Attorney General and performs reviews of selected legislation at the request of the Attorney General. The extent to which the Commission meets the timeframes set for it is therefore considered to be a key performance indicator ("KPI") that measures the extent to which the Commission is contributing to keeping the law up-to-date.

The Commission provides publications on law reform as its service to the Western Australian community. In performing this service the Commission, upon receipt of references from the Attorney General to review particular areas of the law, examines current law and practice, consults widely, issues discussion papers for public comment and prepares final reports making recommendations for reform.

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

The Commission's Outcome Based Management Framework did not change during 2016-17.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The Commission did not share any responsibilities with other agencies in 2016-17.

AGENCY PERFORMANCE

REPORT ON OPERATIONS

REVIEW OF THE *FIREARMS ACT 1973* (WA)

The Commission completed the final report into the 'Review of the *Firearms Act 1973*' in 2016-17. The Terms of Reference in substance amounted to a review of the firearms legislation in Western Australia. The reference garnered amongst the greatest amount of public interest in the history of the Commission, receiving a substantial and unprecedented 1245 written submissions. Submissions ranged from ordinary firearms owners; firearms associations; those who wished for greater restrictions on firearms; various agencies and organisations, and finally the views of WA Police as the agency responsible for the Firearms Legislation. The number of submissions received demonstrates the keen public interest in the review.

Project writer Sarah Burnside completed the Discussion Paper in October 2015 and Dominic Fernandes completed the Final Report for the reference that was tabled in State Parliament in November 2016.

The Final Report contains 143 recommendations and many sub-recommendations in order to provide more specific guidance on suggested reform. Recommendations relate to amendments to the content and structure of the firearms legislation as well as suggestions for improvements to procedure and policy.

It is noted the State Government is in the process of considering the recommendations and will provide its response in due course.

KEY PERFORMANCE INDICATORS

ACTUAL RESULTS VERSUS BUDGET TARGETS

Summary of Key Performance Indicators	Target ⁽¹⁾	Actual	Variation
Outcome: <i>The law is reviewed as requested by the Attorney General and stakeholders are kept informed</i>			
Key Effectiveness Indicator: Progress against target milestone timelines – The extent to which the Commission is meeting the Attorney General's law reform requests in a timely manner	100%	100%	0
Service: <i>Publications on Law Reform</i>			
Key Effectiveness Indicator:			
Average Cost per Publication	\$129,200	\$184,452	\$55,252
Total Community Contacts	450	1,062	612
Average Cost per Contact	\$30.22	\$18.28	(\$11.94)
Number of Publications on Law Reform	2	2	0

(1) Target for the Key Effectiveness Indicator ('Total Number of Publications') and target for the Key Efficiency Indicator ('Total Number of Community Contacts') has been set for 2016-17 as per identified Commission agreement.

SIGNIFICANT ISSUES IMPACTING THE AGENCY

CURRENT AND EMERGING ISSUES AND TRENDS

The most fundamental issue for the Commission is to assist in keeping Western Australian law up-to-date and relevant to the needs of society.

A further issue resulting from this is the need to make law reform as meaningful and effective as possible.

ECONOMIC AND SOCIAL TRENDS

Since the commencement of the 2014-15 financial year, no specific allocation has been made for the Commission's operations in the Budget Statements or in the out years beyond. Responsibility for ensuring the Commission is able to discharge its statutory functions is assumed by DotAG.

The Commission is currently tasked with reporting to the Attorney General in relation to the terms of reference for

- The Intersection of the Family Law and Caveat Systems in Western Australia.

In 2016-17 and beyond the level of support that DotAG is willing and able to provide to the Commission and extent to which the Commission may be able to use its own existing funds — or access funds through DotAG — to enable it, where appropriate, to engage external resources — such as independent experts and project writers — will influence the extent to which the Commission is capable of discharging its statutory responsibilities and reporting to the Attorney General on a timely basis. The Commission is encouraged by the continued communication between the Attorney General and DotAG in relation to the existing resourcing arrangements.

CHANGES IN WRITTEN LAW

There were no changes in any written law that affected the Commission during the financial year.

LIKELY DEVELOPMENT AND FORECAST RESULTS OF OPERATIONS

The structure of the Commission has allowed it to conduct research on more than one reference at a time. It expects to continue to do so, subject to satisfactory resourcing in relation to the issues identified above. A discussion paper on the 'Intersection of the Family Law and Caveat Systems in Western Australia' reference has been published and the Commission is in the process of completing the final report. The Commission is also in the process of identifying and communicating a list of potential new references in which the Attorney General may consider in providing to the Commission.

AUDITOR GENERAL'S INDEPENDENT AUDITORS REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

LAW REFORM COMMISSION OF WESTERN AUSTRALIA

Report on the Financial Statements

Opinion

I have audited the financial statements of the Law Reform Commission of Western Australia which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Law Reform Commission of Western Australia for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Commission for the Financial Statements

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commission is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

AUDITOR GENERAL'S INDEPENDENT AUDITORS REPORT

(continued)

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission.
- Conclude on the appropriateness of the Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Law Reform Commission of Western Australia. The controls exercised by the Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Law Reform Commission of Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The Commission's Responsibilities

The Commission is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

AUDITOR GENERAL'S INDEPENDENT AUDITORS REPORT

(continued)

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Law Reform Commission of Western Australia for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Law Reform Commission of Western Australia are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2017.

The Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commission is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the Commission's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

AUDITOR GENERAL'S INDEPENDENT AUDITORS REPORT

(continued)

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Law Reform Commission of Western Australia for the year ended 30 June 2017 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
29 August 2017

DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2017

The accompanying financial statements of the Law Reform Commission of Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2017 and the financial position as at 30 June 2017.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Dr David Cox
Chair
Law Reform Commission
of Western Australia

28 August 2017



Ms Fiona Seaward
Member
Law Reform Commission
of Western Australia

28 August 2017



Mr. Rodolfo Montilvo
Acting Chief Finance Officer
Department of Justice

28 August 2017

DISCLOSURES AND LEGAL COMPLIANCE (continued)

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2017

	Note	2017 \$	2016 \$
COST OF SERVICE			
Expenses			
Employee benefits expense	4	104,208	96,832
Supplies and services	6	273,864	417,214
Other expenses	7	10,249	19,045
Total cost of services		388,321	533,091
Income			
Other revenue		-	-
Total income other than income from State Government		-	-
NET COST OF SERVICES		388,321	533,091
Income from State Government			
Service appropriation	9	-	-
Services received free of charge		284,113	202,659
Total income from State Government		284,113	202,659
(DEFICIT)/SURPLUS FOR THE PERIOD		(104,208)	(330,432)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(104,208)	(330,432)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	13	1,142,005	1,350,969
Receivables	10	-	11,680
Total Current Assets		1,142,005	1,362,649
TOTAL ASSETS		1,142,005	1,362,649
LIABILITIES			
Current Liabilities			
Payables	11	388	116,824
Total Current Liabilities		388	116,824
TOTAL LIABILITIES		388	116,824
NET ASSETS		1,141,617	1,245,825
EQUITY			
Contributed equity	12	17,000	17,000
Accumulated surplus	12	1,124,617	1,228,825
TOTAL EQUITY		1,141,617	1,245,825

The Statement of Financial Position should be read in conjunction with the accompanying notes.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

	Note	Contributed equity \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2015	12	17,000	1,559,257	1,576,257
Total comprehensive income		-	(330,432)	(330,432)
Balance at 30 June 2016		17,000	1,228,825	1,245,825
Balance at 1 July 2016		17,000	1,228,825	1,245,825
Total comprehensive income		-	(104,208)	(104,208)
Balance at 30 June 2017		17,000	1,124,617	1,141,617

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation	9	-	-
Net cash provided by State Government		<u>-</u>	<u>-</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(103,844)	(99,184)
Supplies and services		(116,800)	(116,800)
GST payments on purchases			(11,680)
Receipts			
Other receipts		-	-
GST receipts from taxation authority		11,680	-
Net cash used in operating activities	13	<u>(208,964)</u>	<u>(227,664)</u>
Net (decrease)/increase in cash and cash equivalents		(208,964)	(227,664)
Cash and cash equivalents at the beginning of the reporting period		1,350,969	1,578,633
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13	<u>1,142,005</u>	<u>1,350,969</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Australian Accounting Standards	27
Note 2: Summary of significant accounting policies.....	27
Note 3: Disclosure of changes in accounting policy and estimates	30
Note 4: Employee benefits expense	34
Note 5: Compensation of Key Management Personnel	35
Note 6: Supplies and services	35
Note 7: Other expenses	36
Note 8: Related Party Transactions	36
Note 9: Income from State Government	37
Note 10: Receivables.....	37
Note 11: Payables	37
Note 12: Equity.....	38
Note 13: Notes to the Statement of Cash Flows.....	39
Note 14: Commitments	39
Note 15: Financial Instruments	40
Note 16: Remuneration of auditor	42
Note 17: Supplementary financial information	43

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Australian Accounting Standards

General

The financial statements of the Law Reform Commission of Western Australia (the Commission) for the year ended 30 June 2017 have been prepared in accordance with 'Australian Accounting Standards'. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Commission has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not yet operative) by the Commission for the annual reporting period ended 30 June 2017.

Note 2: Summary of significant accounting policies

(a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

(c) Reporting entity

The reporting entity comprises the Commission and no other related bodies.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

Mission

The Commission's mission is to assist in keeping the law up-to-date and relevant to the needs of society.

Service

The Commission's service is publications on law reform.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

As there is only one service provided by the Commission, the Schedule of Income by Service and Schedule of Asset and Liabilities by Service have not been prepared.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Gains

Realised or unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

(f) Financial instruments

In addition to cash, the Commission has two categories of financial instruments:

- Loans and receivables;
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial assets

- Cash and cash equivalents
- Receivables

Financial liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(g) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets include restricted cash and cash equivalent, cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(h) Accrued salaries

Accrued salaries (see note 11 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

(i) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(j) Payables

Payables are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(k) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

(l) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, or other superannuation fund.

(m) Services received free of charge or for nominal cost

Services received free of charge or for nominal cost that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the statement of financial position.

Services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(n) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

(o) Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 3: Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted on the Commission.

AASB 1057	<p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>
AASB 2015-1	<p><i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i></p> <p>The amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.</p>
AASB 2015-6	<p><i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.</p>

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. By virtue of a limited exemption, the Commission has early adopted AASB 2015 7 Amendments to Australian Accounting Standards Fair Value Disclosures of Not for Profit Public Sector Entities. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

*Operative
for reporting
periods
beginning
on/after*

<p>AASB 9</p>	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Commission has not yet determined the application or the potential impact of the Standard.</p>	<p>1 Jan 2018</p>
<p>AASB 15</p>	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The Commission's income is principally derived from appropriations which will be measured under AASB 1058 <i>Income of Not for Profit Entities</i> and will be unaffected by this change. However, the Commission has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Commission has discharged its performance obligations.</p>	<p>1 Jan 2019</p>
<p>AASB 16</p>	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>There is no financial impact as the Commission currently has no operating lease commitments.</p>	<p>1 Jan 2019</p>
<p>AASB 1058</p>	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Commission has not yet determined the application or the potential impact of the Standard.</p>	<p>1 Jan 2019</p>

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

		<i>Operative for reporting periods beginning on/after</i>
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the standard.</p>	1 Jan 2018
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015 8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2015-8	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not For Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016 7. The Commission has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

		<i>Operative for reporting periods beginning on/after</i>
AASB 2016-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.</p>	1 Jan 2018
AASB 2016-4	<p><i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The Commission has not yet determined the application or the potential impact.</p>	1 Jan 2017
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not for Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014 5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> for not for profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

		<i>Operative for reporting periods beginning on/after</i>
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019
AASB 2017-2	<p><i>Amendments to Australian Accounting Standards – Further Annual Improvements 2014 2016 Cycle</i></p> <p>This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity’s interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>	1 Jan 2017

Note 4: Employee benefits expense

	2017	2016
	\$	\$
Wages and salaries	95,199	88,227
Superannuation - defined contribution plans ^(a)	9,009	8,605
	104,208	96,832

(a) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 5: Compensation of Key Management Personnel

The Commission has determined that key management personnel include Ministers and senior officers of the Commission. However, the Commission is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation for senior officers of the Commission for the reporting period are presented within the following bands:

	2017	2016
	\$	\$
Compensation Band (\$)		
50,001 – 60,000	1	1
40,001 – 50,000	1	1
0 ^(a)	1	1

(a) Member is employed by the State Solicitors Office under the Public Service Management Act 1994; she is not entitled to remuneration of her membership.

	2017	2016
	\$	\$
Short term employee benefits	95,199	88,227
Post employment benefits	9,009	8,605
Other long term benefits	-	-
Termination benefits	-	-
Total compensation of senior officers	104,208	96,832

Note 6: Supplies and services

	2017	2016
	\$	\$
Business and Financial Services*	36,197	87,567
Shared Information Services*	57,905	69,808
Policy and Aboriginal Services	108,826	-
Services and contracts*	68,807	259,839
Communications*	2,129	-
	273,864	417,214

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 7: Other expenses

	2017	2016
	\$	\$
Printing*	10,249	16,144
Advertising*	-	1,674
Other expenses(a)*	-	1,227
	10,249	19,045

(a) Includes travel and accommodation, and storage and transportation.

* Payment for these expenses was made by the Department of the Attorney General as the administrative functions of the Commission were transferred to the Department from 1 July 2014.

Note 8: Related Party Transactions

The Commission is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Commission is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of the Commission include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- Services received free of charge from the Department of the Attorney General (Note 9);
- Superannuation payments to GESB (Note 4);

Material transactions with related parties

There were no transactions (including general citizen type transactions) between the Commission and Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 9: Income from State Government

	2017 \$	2016 \$
Appropriation received during the period:		
Service appropriation	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Resources received free of charge from other state government agencies during the period: ^(a)		
Department of the Attorney General		
- Financial, human resources and information technology services	284,113	202,659
	284,113	202,659
	<hr/>	<hr/>
Total Income from State Government	284,113	202,659

(a) Assets or services received free of charge or for nominal cost are recognised as revenue at the fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. The value of resources received free of charge recognised during the period was calculated based on estimates and information provided by agencies.

Note 10: Receivables

	2017 \$	2016 \$
<u>Current</u>		
GST receivable	-	11,680
Total Current	<hr/> - <hr/>	<hr/> 11,680 <hr/>

Note 11: Payables

	2017 \$	2016 \$
<u>Current</u>		
Trades and other creditors	24	116,824
Accrued salaries ^(a)	364	-
Total current	<hr/> 388 <hr/>	<hr/> 116,824 <hr/>

(a) The last pay day in 2016-2017 was 29 June 2017; therefore there was one day's salary accrual for this financial year. (There was no salary accrual in 2015-2016 as the last pay day was on the 30 June 2016.)

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 12: Equity

The Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.

Contributed equity

	2017	2016
	\$	\$
Balance at start of period	17,000	17,000
Balance at end of period	17,000	17,000
Accumulated surplus		
Balance at start of period	1,228,825	1,559,257
Result for the period	(104,208)	(330,432)
Balance at end of period	1,124,617	1,228,825
Total Equity at end of period	1,141,617	1,245,825

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 13: Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017	2016
	\$	\$
Cash and cash equivalents	1,142,005	1,350,969
	<u>1,142,005</u>	<u>1,350,969</u>

Reconciliation of net cost of services to net cash flows used in operating activities

	2017	2016
	\$	\$
Net cost of services	(388,321)	(533,091)
<u>Non-cash items</u>		
Services received free of charge	284,113	202,659
<u>(Increase)/decrease in assets</u>		
GST receivable	11,680	(11,680)
<u>Increase/(decrease) in liabilities</u>		
Other payables	(116,800)	116,800
Accrued salaries	364	(2,352)
Net cash used in by operating activities	<u>(208,964)</u>	<u>(227,664)</u>

Note 14: Commitments

There were no commitments as at 30 June 2017 (2016: nil).

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 15: Financial Instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Commission are cash and cash equivalents, receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission. Credit risk also arises from cash and cash equivalents held at banks and financial institutions.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 15(c) 'Financial instrument disclosures'.

The Commission does not have any significant credit risks as services are provided only to government agencies. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk, other than in respect of cash and cash equivalents.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business. The Commission has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk the changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risk. The Commission is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing and it has no borrowings, therefore, neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are:

	2017	2016
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	1,142,005	1,350,969
Receivables	-	-
	1,142,005	1,350,969
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	388	116,824
	388	116,824

(c) Financial instruments disclosures

Credit Risk

The following table details the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount	Not past due and not Impaired	Past due but not impaired				
			Up to 1 month	1-3 months	3 months to 1 year	More than 5 years	Impaired financial assets
	\$	\$	\$	\$	\$	\$	\$
2017							
Cash and cash equivalents	1,142,005	1,142,005	-	-	-	-	-
	1,142,005	1,142,005	-	-	-	-	-
2016							
Cash and cash equivalents	1,350,969	1,350,969	-	-	-	-	-
	1,350,969	1,350,969	-	-	-	-	-

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Liquidity Risk

The following table details the contractual maturity analysis of financial assets and financial liabilities.

Maturity analysis of financial assets and financial liabilities							
	Carrying Amount	Nominal Amount	Past due but not impaired				
			Up to 1 month	1-3 months	3 months to 1 year	1- 5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
2017							
<u>Financial Assets</u>							
Cash and cash equivalents	1,142,005	1,142,005	1,142,005	-	-	-	-
	1,142,005	1,142,005	1,142,005	-	-	-	-
<u>Financial Liabilities</u>							
Payables	388	388	388	-	-	-	-
	388	388	388	-	-	-	-
2016							
<u>Financial Assets</u>							
Cash and cash equivalents	1,350,969	1,350,969	1,350,969	-	-	-	-
	1,350,969	1,350,969	1,350,969	-	-	-	-
<u>Financial Liabilities</u>							
Payables	116,824	116,824	116,824	-	-	-	-
	116,824	116,824	116,824	-	-	-	-

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Note 16: Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for current financial year is as follows:

	2017	2016
	\$	\$
Auditing the accounts, financial statements and key performance indicators	12,550	12,400

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

Note 17: Supplementary financial information

There were no losses of public moneys or other public property through theft or default during the financial year (2016: nil).

There were no write offs of public money or other public property during the financial year (2016: nil).

There were no gifts of public property during the financial year (2016: nil).

There were no contingent liabilities as at 30 June 2016 (2016: nil).

The Commission had no related bodies during the financial year (2016: nil).

The Commission had no affiliated bodies during the financial year (2016: nil).

DISCLOSURES AND LEGAL COMPLIANCE (continued)

NOTES TO THE FINANCIAL STATEMENTS

LAW REFORM COMMISSION OF WESTERN AUSTRALIA

KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For the year ending 30 June 2017

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Law Reform Commission of Western Australia's performance, and fairly represent the performance of the Law Reform Commission of Western Australia for the financial year ended 30 June 2017



Dr David Cox

Chair
Law Reform Commission
of Western Australia

28 August 2017



Ms Fiona Seaward

Member
Law Reform Commission
of Western Australia

28 August 2017

DISCLOSURES AND LEGAL COMPLIANCE (continued)

KEY PERFORMANCE INDICATORS

Detailed Information in Support of Key Performance Indicators

GOVERNMENT GOAL: OUTCOME BASED SERVICE DELIVERY

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

THE COMMISSION'S STRATEGIC OBJECTIVE

MISSION:

To assist in keeping the law up-to-date and relevant to the needs of Western Australian society

DESIRED OUTCOME:

The law is reviewed as requested by the Attorney General and stakeholders are kept informed.

The Commission receives its terms of reference from the Attorney General and performs reviews of selected legislation at the request of the Attorney General. The extent to which the Commission meets the timeframes set is therefore considered to be a KPI which measures the extent to which the Commission is contributing to keeping the law up-to-date.

EFFECTIVENESS INDICATOR: Progress against target timelines

The extent to which the Commission is meeting the Attorney General's law reform requests in a timely manner.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

KEY PERFORMANCE INDICATORS

THE PERCENTAGES OF REFERENCES PROGRESSING AS PLANNED AGAINST TARGET TIMELINES

Target: 100% progressing as planned

	2016-2017 Target ^(a)	2016-2017 Actual	2015-2016 ^(a)	2014-2015 ^(a)
% on target	100%	100%	100%	33%

(a) In the 2014-15; 2015-16, and 2016-17 financial years, the final report due date has been set as per the Attorney General's request outlined in the Terms of Reference.

References	2016-2017	2015-2016	2014-2015
Brought Forward	1	2	3
New	1	-	-
Total to be Reviewed	2	2	3
References Completed During the Year	1 ^(a)	1	1
References with Elapsed time	- ^(b)	-	2

(a) Refer to Table A: 'Review into the *Firearms Act 1973* (WA) Reference', for progress against milestone and explanation for variance to milestone.

(b) Refer to Table B: 'The Intersection of the Family Law and Caveat Systems in Western Australia Reference' for progress against milestone and explanation for variance to milestone.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

KEY PERFORMANCE INDICATORS

The Commission carried out work on two references in the financial year 2016–17. The effectiveness of each reference is measured separately as shown below.

A REVIEW INTO THE *FIREARMS ACT 1973* (WA) REFERENCE

Table A shows the progress to date, phases completed and target completion dates for the Review into the *Firearms Act 1973* (WA) reference in 2016–17.

Table A – Progress towards the Review into the *Firearms Act 1973* (WA) reference

Milestones	Terms of reference referred to LRC	Project plan completed/ signed	Tender process completed/ contracts awarded & signed	Project writer engaged ^(c)	First draft of discussion paper	Discussion paper published & released	Provide LRC report on response to discussion paper & submissions	Draft report submitted to LRC	Final report forwarded to Attorney General
Target Date ^(b)	N/A	N/A	N/A	June 2014	N/A	February 2015	N/A	May – August 2015	31 October 2016 ^(a)
Actual Date	March 2014	April 2014	N/A	June 2014	N/A	30 October 2015	N/A	10 October 2016	28 October 2016

Key:

- (a) The target date for completion as per the Attorney General’s request outlined in the Terms of Reference was initially 1 September 2015. However, due to the unprecedented and extraordinary response that the Commission has received to the Discussion Paper and the extra time required to properly consider the submissions and consult, the Commission sought and received an extension to complete the final report by 30 September 2016; reported in the previous 2015-16 financial year. In 2016-17 an extension was received to complete the reference by 31 October 2016.
 - (b) Interim milestone targets based on initial project plans approved by the Commission.
 - (c) The project writer for the reference was a Department of the Attorney General staff member.
- N/A Milestone not applicable for this KPI.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

KEY PERFORMANCE INDICATORS

THE INTERSECTION OF THE FAMILY LAW AND CAVEAT SYSTEMS IN WESTERN AUSTRALIA REFERENCE

Table B shows the progress to date, phases completed and target completion dates for the Intersection of the Family Law and Caveat Systems in Western Australia reference in 2016–17.

Table B – Progress towards the Intersection of the Family Law and Caveat Systems in Western Australia reference

Milestones	Terms of reference referred to LRC	Project plan completed/signed	Tender process completed/contracts awarded & signed	Project writer engaged ^(c)	First draft of discussion paper	Discussion paper published & released	Provide LRC report on response to discussion paper & submissions	Draft report submitted to LRC	Final report forwarded to Attorney General
Target Date^(b)	N/A	N/A	December 2016	December 2016	February 2017	March 2017	May 2017	May 2017	31 July 2017 ^(a)
Actual Date	2 August 2016	29 September 2016	13 February 2017	13 February 2017	29 March 2017	12 May 2017	(c)	(c)	(c)

Key:

- (a) The target date for completion as per the Attorney General's request outlined in the Terms of Reference was initially 31 May 2017. However, due to circumstances associated with tendering, contract negotiations, and seeking further public submission due to the number of submissions received (in part owing to the narrow scope of this reference), the Commission sought and received an extension to complete the final report by 31 July 2017.
- (b) Interim milestone targets based on initial project plans approved by the Commission.
- (c) Actual milestone target has been granted recourse to next financial year's reporting schedule as per the target due date referenced in key-point (a).

N/A Milestone not applicable for this KPI.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

KEY PERFORMANCE INDICATORS

SERVICE: PUBLICATIONS ON LAW REFORM

EFFECTIVENESS INDICATOR: Publications on Law Reform

The extent to which the Commission is meeting the Attorney General's law reform requests in a timely manner.

Service: Publications on Law Reform

The delivery of the Commission's service 'Publications on Law Reform' is achieved through work undertaken in the production of reports compiled in relation to references and by the extent to which the Commission was able to reach stakeholders and inform them on matters of law reform.

Total publications worked on for the year refers to work undertaken in relation to references received by the Commission in the 2016-17 financial year and brought forward from prior years.

Total Community Contacts refers to correspondence with stakeholders by Commission representatives. Activity relates to Commission publications and matters of law reform consisting of: submissions received; incoming and outgoing mail; e-mails to the Commission's email address, and phone calls and faxes.

Total Publications and Community Contacts and their Average Cost

The following table shows the total number of publications and the average cost per publication in 2016-17 and previous financial years. The table also identifies the total community contacts and the average cost per contact in the same period.

	Target 2016-2017	Actual 2016-2017	2015-2016	2014-2015
Service: Total Publications ^(a)	2	2	2	2
Average Cost Per Publication	\$129,200	\$184,452 ^{(c)(d)}	\$253,218	\$123,721
Total Community Contacts	450 ^(b)	1,062	1,911	598
Average Cost Per Contact	\$30.22	\$18.28 ^{(e)(f)}	\$13.95	\$32.67

a) Total Publications refers to the number of references referred to the Commission by the Attorney General and includes published, in-progress and completed references during the financial year.

b) An activity target for Total Community Contacts was not required to be submitted for the 2016-17 Budget Statements due to the continuing nature of the Commission's current funding model. Total Community Contacts target was set by the Commission and outlined in the Commission's minutes.

c) The increase in average cost per publication over the target is due to an unexpected, increased level of associated staffing resource costs, due to the significant level of stakeholder engagement and community interest in the 'Review of the *Firearms Act 1973* (WA)' reference.

d) The decrease in average cost per publication from the actual cost in 2015-16 to 2016-17 is due to the reduced cost associated with the 'Intersection of the Family Law and Caveat Systems in Western Australia' reference in comparison to the 'Provisional Damages and Damages for Gratuitous Services' reference completed in 2015-16.

e) The decrease in average cost per contact from target is due to the unprecedented response by stakeholders and the public in the 'Review of the *Firearms Act 1973* (WA)' reference and the associated increase in responses required.

f) The increase in average cost per contact from the actual cost in 2015-16 to 2016-17 is due to the reduced number of public contacts received that was associated with the 'Review of the *Firearms Act 1973* (WA)' reference in comparison to the high level of public contacts for this reference in 2015-16.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

KEY PERFORMANCE INDICATORS

MINISTERIAL DIRECTIVES

There have been no ministerial directives in this reporting period.

OTHER FINANCIAL DISCLOSURES

CAPITAL WORKS

The Commission has no capital works projects.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

	2016-17	2015-16
Full-time permanent	Nil	Nil
Full-time contract	Nil	Nil
Part-time measured on an FTE basis	Nil	Nil
On secondment	Nil	Nil

STAFF DEVELOPMENT

The learning and development of Commission members is encapsulated within DotAG's Strategic Learning and Development Framework.

WORKERS COMPENSATION

No workers compensation claims were recorded during the financial year.

GOVERNANCE DISCLOSURES

CONTRACTS WITH SENIOR OFFICERS

No member of the Commission had any interest in or benefit from any contract that the Commission entered.

PERSONAL USE OF CORPORATE CREDIT CARD

No member of the Commission was issued with a corporate credit card.

OTHER LEGAL REQUIREMENTS

ADVERTISING AND SPONSORSHIP

In accordance with section 175ZE of the *Electoral Act 1907* (WA), the Commission incurred the following expenditure relating to advertising and sponsorship during the 2016-17 financial year.

Advertising agencies	Nil
Market research organisations	Nil
Polling organisations	Nil
Direct mail organisations	Nil
Media advertising organisations	Nil
Total	Nil

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

The Commission is committed to ensuring that professional and appropriate services are provided to meet the needs of community members with physical, intellectual, sensory or cognitive disabilities, their carers and families. The Commission recognises delivering the same level and quality of service and advice, with full awareness and understanding of the needs of people with disabilities.

The Commission's office — located on Level 23 of the David Malcolm Justice Centre at 28 Barrack Street, Perth — has wheelchair access, lift access to the upper floors and convenient public parking nearby.

This annual report is designed to be print-accessible to people with disabilities and can be supplied in alternative formats on request. In accordance with the Commission's community outreach program, all public meeting venues are selected with disabled access in mind, including special facilities for the hearing-impaired and the projection of discussion notes on large screens so that people attending the meeting can see what is being recorded.

Electronic publishing allows documents to be enlarged at will or projected.

DISCLOSURES AND LEGAL COMPLIANCE (continued)

KEY PERFORMANCE INDICATORS

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The Commission has complied with Section 31(1) of the *Public Sector Management Act 1994* in the administration of the Commission's human resource management practices relating to Public Sector Standards, the Western Australian Public Sector Code of Ethics and the Commission's Code of Conduct. The Commission uses DotAG's human resource services and is confident that Departmental human resource management principles have adequate checks in place to ensure compliance requirements are met.

The Commission has adopted the Public Sector Commission's Code of Conduct template for government boards. Various measures are in place to ensure that Commission members and staff assisting the Commission are familiar with the WA Public Sector Commission's Code of Ethics and the Commission's own Code of Conduct. The Commission's Code of Conduct is made available on induction to all Commission members and related responsibilities are included in job descriptions. The Commission's Executive Officer monitors compliance.

In 2016-17 no breach claims were lodged in relation to either the Public Sector Standards or the WA Public Sector Commission's Code of Ethics.

GOVERNMENT POLICY REQUIREMENTS

RECORDKEEPING PLAN

In accordance with section 29 of the *State Records Act 2000*, the Commission must review its Recordkeeping Plan (RKP) every five years or when there is any significant change to the organisation's functions. As such, the Commission reviewed its RKP in January 2014 and provided a report and appropriate documentation to the State Records Commission as evidence of the evaluation of its recordkeeping practices. The RKP review report was tabled at the State Records Commission meeting on 21 March 2014 and the RKP's approval renewed for a further five years. The Commission must submit a report of the next review to the State Records Office again in 2019.

The Commission's RKP provides an accurate reflection of its recordkeeping program and is complied with by all Commission members and staff assisting the Commission. New departmental inductees assisting the Commission are required to complete DotAG's Recordkeeping Awareness Training course through the Enterprise Learning Management System. Commission members and staff assisting the Commission have been trained in record-keeping practices.

SUBSTANTIVE EQUALITY

Although the Commission is not required to negotiate annually the scope of implementation for the Policy Framework for Substantive Equality with the Commissioner for Equal Opportunity, the Commission is aware of the intent and substance of the Policy Framework.

The Commission supports the objective of the Policy Framework to achieve substantive equality in the Western Australian public sector by:

- eliminating systematic racial discrimination in the provision of public sector services; and
- promoting sensitivity to the different needs of client groups

OCCUPATIONAL HEALTH AND SAFETY

The Commission is committed to meeting its obligations and responsibilities under the *Workers' Compensation and Injury Management Act 1981*, the *Occupational Safety and Health Act 1984* and the *Occupational Safety and Health Regulations 1996* in such a manner as it ensures the provision and maintenance of a safe and healthy work environment for its members, Departmental staff and the general public.

Since the Commission uses staff resources through DotAG, training opportunities are available through DotAG's Corporate Learning and Development Division. Although an external audit of the Commission's occupational safety and health management systems has not occurred, the Commission continues to provide a safe and secure working environment for its members and Departmental staff. Commission members and staff assisting the Commission are expected to

DISCLOSURES AND LEGAL COMPLIANCE

(continued)

comply with the Code of Practice - Occupational Safety and Health in the WA Public Sector and to conduct themselves in a safe manner, not placing themselves and others at risk. During the 2016-17 reporting period, no worker's compensation claims were lodged, nor was any time lost from work as a result of work-related illness or injury.

In the event of a work-related injury, the Commission will provide effective claims management and rehabilitation assistance aimed at supporting the injured member through the illness or injury to ensure a safe return to work, where possible.

The Commission is committed to consulting with its members and staff assisting the Commission in a meaningful and effective manner on occupational safety and health issues, enabling each Commission member and Departmental staff member to contribute to decisions that may affect their health, safety and welfare at work.

GOVERNMENT BUILDING CONTRACTS

No contracts subject to the Government Building Training Policy had been awarded.

ANNUAL PERFORMANCE FOR 2016-17

Measure	Actual Results		Results against Target	
	2013-14 ⁽¹⁾	2015-16 ⁽¹⁾	Target	Comment on result
Number of fatalities	0	0	0	
Lost time injury and/or disease incidence rate	0	0	0	
Lost time injury and/or disease severity rate	0	0	0 ⁽²⁾	
Percentage of injured workers returned to work:				
(i) within 13 weeks	N/A ⁽³⁾	N/A ⁽³⁾	100%	
(ii) within 26 weeks	N/A ⁽³⁾	N/A ⁽³⁾	≥ 80%	
Percentage of managers trained in occupational safety, health and injury management responsibilities	100%	100%	≥ 80%	

(1) This is a three-year trend. Thus, the year is to be three years prior to the current reporting year (i.e. current year is 2016-17; previous year is 2013-14).

(2) The reduction may be calculated over a three year period.

(3) There were no injured workers during this reporting year.

APPENDIX 1: CURRENT REFERENCES

The Commission makes recommendations for the reform of areas of the law referred to it by the Attorney General. Once the terms of reference are received the Commission engages specialists with experience and expertise to increase the overall efficiency of the reviews. The Commission uses a project-based management model that allows for the management of multiple references at the same time.

FIREARMS ACT 1973 (WA)

Pursuant to section 11(2)(b) of the *Law Reform Commission Act 1972 (WA)* I hereby refer the matter “the intersection of the Family Law and caveat systems in Western Australia” for consideration by the Commission in accordance with the Terms of Reference.

INTERSECTION OF THE FAMILY LAW AND CAVEAT SYSTEMS IN WESTERN AUSTRALIA

The Law Reform Commission of Western Australia is to examine and report upon the caveat system in relation to de facto and marital breakdowns giving consideration to:

- i) the inter-relationship of the right to lodge a caveat over land and the *Family Court Act 1997 (WA)* and the *Family Law Act 1975 (Cth)*; and
- ii) the submission of the Family Law Practitioners’ Association of Western Australia (Inc.) titled: “Submission to the Attorney General for the State of Western Australia in relation to issues at the intersection of family law and caveat systems”; and
- iii) the amendments proposed in that submission; namely
 - a) the creation of a right for a party to lodge a caveat over land owned by a former spouse following a relationship breakdown and pending resolution of matters between the former spouses by way of Family Court order or otherwise; and
 - b) the conferral of power on the Family Court of Western Australia to make an order extending the operation of a caveat where the caveator and the registered proprietor are former spouses who are already parties to a case before the Family Court of Western Australia.

And to recommend whether any legislative or other changes should be enacted or implemented.

I request that you provide me with your final report by 31 May 2017.

Hon Michael Mischin MLC

2 August 2016

The Commission received a reference in August 2016 to examine the ‘Intersection of the Family Law and Caveat Systems in Western Australia’ and make recommendations for reform. The Commission was asked to conclude the investigation and provide a report initially by 31 May 2017. A discussion paper was released 12 May 2017 seeking public comment. However, due to the narrow scope of the project and the limited number of submissions in response to the Discussion Paper, the period open for submissions was extended. Following this, the Commission sought and received an extension to complete the final report.

APPENDIX 2: ANNUAL ESTIMATES

In accordance with Treasurer's Instruction 953, the annual estimates for the 2017-18 year are hereby enclosed in the 2016-17 Annual Report. These estimates do not form part of the 2016-17 financial statements and are not subject to audit.

Law Reform Commission SECTION 40 ESTIMATES 2017 - 2018

	2015-16 Actuals \$000	2016-17 Estimated Actuals \$000	2017-18 Section 40 Estimates \$000
Statement of Comprehensive Income			
COST OF SERVICES			
Employee benefit expenses	97	92	93
Supplies and services ⁽¹⁾	417	199	134
Other expenses	19	22	22
Total cost of services	533	313	249
Income			
Total income from other than State Government			
Other Revenue	-	-	-
	-	-	-
INCOME FROM STATE GOVERNMENT			
Service appropriation	-	-	-
Services received free of charge	203	221	156
Total income from State Government	203	221	156
SURPLUS / (DEFICIT) FOR THE PERIOD	(330)	(92)	(93)

(1) Includes an amount of \$250k in 2015-16 for Project 106 : Provisional Damages and Damages for Gratuitous Services

APPENDIX 2: ANNUAL ESTIMATES

(continued)

Law Reform Commission SECTION 40 ESTIMATES 2017 - 2018

	2015-16 Actuals \$000	2016-17 Estimated Actuals \$000	2017-18 Section 40 Estimates \$000
Statement of Financial Position			
Current Assets			
Cash and cash equivalents	1,351	1,154	1,061
Receivables	12	-	-
Total Current Assets	1,363	1,154	1,061
TOTAL ASSETS	1,363	1,154	1,061
Current Liabilities			
Payables	117	-	-
Total Current Liabilities	117	-	-
Non-Current Liabilities			
Provisions	-	-	-
TOTAL LIABILITIES	117	-	-
NET ASSETS	1,246	1,154	1,061
EQUITY			
Contributed equity	17	17	17
Accumulated surplus/(deficit)	1,229	1,137	1,044
TOTAL EQUITY	1,246	1,154	1,061

APPENDIX 2: ANNUAL ESTIMATES

(continued)

Law Reform Commission SECTION 40 ESTIMATES 2017 - 2018

	2015-16 Actuals \$000	2016-17 Estimated Actuals \$000	2017-18 Section 40 Estimates \$000
Statement of Changes in Equity			
Contributed equity at start of period	17	17	17
Equity contributions during the period	-	-	-
Contributed equity at the end of the period	17	17	17
Total Current Assets			
ACCUMULATED SURPLUS			
Balance at start of period	1,559	1,229	1,137
Surplus/(deficit) or profit/(loss) for period	(330)	(92)	(93)
Accumulated surplus at the end of the period	1,229	1,137	1,044
Balance of equity at end of period	1,246	1,154	1,061
Statement of Cash Flows			
CASH FLOWS FROM STATE GOVERNMENT			
Appropriation	-	-	-
Net cash provided by State Government	-	-	-
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits	(99)	(92)	(93)
Supplies and services	(117)	(117)	-
GST payments on purchases	(12)	-	-
Receipts			
GST receipts from taxation authority	-	12	-
Net cash provided by/(used in) operating activities	(228)	(197)	(93)
Net increase/(decrease) in cash held	(228)	(197)	(93)
Cash assets at the beginning of the financial year	1,579	1,351	1,154
CASH & CASH EQUIVALENTS AT THE END OF PERIOD	1,351	1,154	1,061



LAW REFORM COMMISSION
of
WESTERN AUSTRALIA