Annual Report 2025/2026

Inclusive
Independent
Innovative

VICTORIAN LAW REFORM COMMISSION



25 YEARS OF VICTORIAN LAW REFORM

A REFLECTIVE CELEBRATION



VICTORIAN
LAW
REFORM
COMMISSION

Published by the Victorian Law Reform Commission

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

Our office is located on the land of the Traditional Custodians, the people of the Kulin Nations. We acknowledge their history, culture and Elders both past and present.

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ISBN: 978-1-7646282-2-8

Published by order, or under the authority, of the Parliament of Victoria.

October 2026

Design: Letterbox

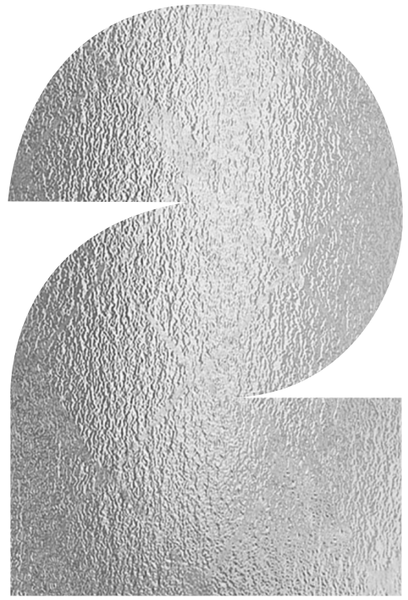
Cover Design

Silver is the traditional choice of material for a 25 year anniversary. The typographic representation of the numeral 25 creates a visual mirroring, inferring the process of reflection and balance.

Annual Report 2025/ 2026

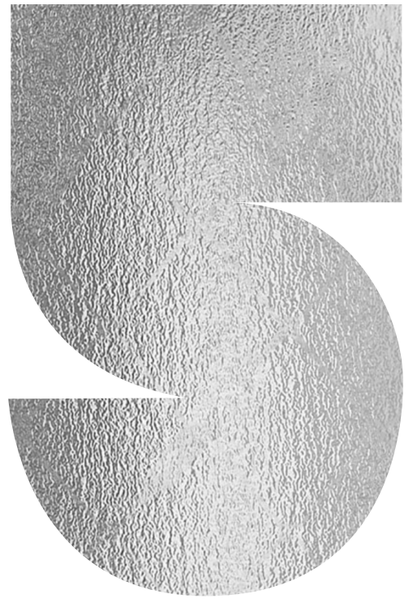
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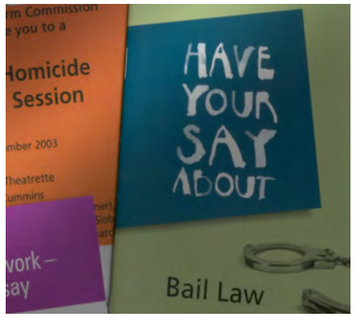
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In 2026, the Victorian Law Reform Commission celebrates 25 years of delivering independent, impactful and robust law reform advice to the Victorian Government. Over that time, its inquiries have led to significant reforms across the justice system.









In 2000, the Parliament of Victoria passed the *Victorian Law Reform Commission Act*, establishing the Victorian Law Reform Commission as an independent and central law reform agency for Victoria.

Then Attorney-General, the Hon. Rob Hulls AM, said the Commission's charter would be 'to facilitate community-wide debate of law reform issues and to assist members of Parliament in identifying key areas of law reform. The aim is to place Victoria at the cutting edge in law reform in Australia.'

The Hon. Marcia Neave AO, then a professor of law at Monash University, who later became a Judge of the Court of Appeal, was appointed as the inaugural chair, to head up the new independent body and deliver a strong program of law reform.

At the official launch event on 27 April 2001, Mr Hulls announced the Commission's first three references, which focused on disputes between co-owners, sexual offences, and privacy and surveillance laws.

Since then, the Commission has played an important role in modernising and improving Victoria's laws in response to social, technological and community change.

It has undertaken 50 inquiries that have made more than 4,000 recommendations for reform. Of these inquiries, 40 were referred by the Attorney-General, while 10 were community law reform projects initiated by the Commission following suggestions from the community members, the legal sector and community organisations.



















Previous page

Former Attorney-General the Hon. Rob Hulls, inaugural CEO Padma Raman PSM and Chair, the Hon. Marcia Neave AO at the VLRC launch, 2001

Rob Hulls at *Defences to Homicide* launch, 2004

Marcia Neave at the *Sexual Offences Law Reform* report launch, and (top) with Rob Hulls and members of Victoria Police, 2004

Above

(Top)
Rob Hulls, Marcia Neave and Prof Stuart Macintyre AO, 2005

Juries Directions Launch, 2009

Consultations for *Birth Registrations and Birth Certificates*, 2012

Phil Grano OAM from the Office of the Public Advocate, CEO Merrin Mason PSM and Acting Chair, His Honour David Jones AM at *Guardianship* launch, 2012

(Bottom)
Former VLRC Chair Prof. Neil Rees AM, 2007

VLRC staff, 2010

Communications Manager Nick Gadd and Victoria Law Foundation's Fabiola Superina at Law Talks, 2016

VLRC Chair, the Hon. Philip Cummins AM, *Crime and Mental Impairment Act* launch, 2014

Philip Cummins with Nick Gadd at VLF Law Talks, 2019

Influencing law reform

Some of the Commission's most influential reports have helped drive major social reform.

The Review of Family Violence Laws (2006) report helped shape Victoria's response to family violence and reforms that led to the Family Violence Protection Act 2008. Responding to changing family structures and advances in reproductive technology, *Assisted Reproductive Technology and Adoption* (2007), contributed to reforms that expanded access to adoption and assisted reproductive treatment, and better recognised same-sex relationships and diverse families. The 2008 *Abortion* report provided recommendations on options for the decriminalisation of abortion, which had remained on the statute books as a crime – despite many calls for change – since Victoria's foundation in 1865.

The Commission's reports have also played an important role in improving the operation and accessibility of the justice system. *Civil Justice Review* (2008) helped drive wide ranging reforms aimed at reducing the cost, complexity and delay of civil litigation. *Guardianship* (2012) contributed to the modernisation of the laws of guardianship in Victoria, which aimed to better protect the rights of adults with disability to make and participate in decisions that affect their lives. *Jury Empanelment* (2014) informed changes to jury selection processes, including reforms to juror identification and jury selection practices, helping to make juries fairer and more representative of the community.

Over 25 years, the Commission has played a leading role in examining complex and emerging issues and new legal challenges. In 2016, Victoria became the first Australian state or territory to legalise access to medicinal cannabis for therapeutic use through a regulated scheme, implementing key recommendations from the *Medicinal Cannabis* (2015) report.

The Commission has undertaken highly technical law reform in areas such as property and succession law. Reviews such as the *Property Law Act 1958* (2011), *Easements and Covenants* (2011) *Succession Laws* (2013), *The Forfeiture Rule* (2014) and *Trading Trusts - Oppression Remedies* (2015) involved detailed examination of complex laws and regulatory frameworks, helping to modernise foundational areas of Victorian law.

More recently, *Artificial Intelligence in Victoria's Courts and Tribunals* (2025), the first inquiry of its kind by an Australian law reform body, examined how AI could be used in courts and tribunals while safeguarding fairness, transparency and public trust in the justice system. In 2026, the Commission is reviewing of the operation and effectiveness of laws prohibiting practices that seek to change or suppress a person's sexual orientation or gender identity.

Another important focus of the Commission's work has been placing victim survivors at the centre of law reform. *Victims of Crime in the Criminal Trial Process* (2016) advanced a more victim-centred approach to the criminal trial process, with recommendations to strengthen recognition, support and protection for victims.

The landmark *Improving the Response of the Justice System to Sexual Offences* (2021) report helped shape significant reforms, including Victoria's affirmative consent model and stronger responses to sexual violence. *Stalking* (2022), the first Australian inquiry into non-family violence stalking laws, examined responses to stalking, harassment and technology-facilitated abuse and recommended measures to strengthen protections for victim survivors. In 2026, the Victorian Government implemented the Commission's recommendation to clarify the stalking offence.

The Commission's inquiries have also influenced law reform beyond Victoria. Its 2006 report on residential tenancies databases informed the national model that was incorporated into Victorian law in 2011. Its collaboration with the Australian and NSW law reform commissions contributed to the development of the Uniform Evidence Law now adopted in most jurisdictions.

Engaging the community

The Commission's community law reform program has enabled issues identified by the community to be considered for reform.

The first project, proposed by the Victorian Aboriginal Legal Service in 2001, examined failure to appear in court in response to bail. Since then, community law reform projects have addressed issues ranging from photographing tenants' possessions (2014) and funeral and burial instructions (2016) to neighbourhood tree disputes (2019) and suggestions to make juries more inclusive of people who are deaf, hard of hearing, blind or with low vision (2023). Current projects are considering children and young people 's participation in family violence intervention orders and legal privilege in integrated legal assistance services.

Community participation is central to the Commission's work. Incorporating lived experience and diverse perspectives helps ensure recommendations are grounded in community experience and are workable in practice. Over time, the Commission has adapted its engagement approaches to changing community expectations and ways of working, embracing digital communication and social media to broaden participation, including from regional Victoria.

Just as the Commission has examined new and emerging challenges in the law, it has also continued to be innovative in how it presents and publishes its work. In 2021, the Commission adopted a new logo featuring an asterisk, a symbol associated with correction, clarification and additional information, aptly reflecting its role in reviewing and improving Victoria's laws.

A distinctive feature of the Commission's publications has been the development of strong visual identities for individual inquiries. Their cover designs have become a hallmark of the Commission's work (see inside back cover for a selection of report covers).

25 Years of Law Reform















The Commission has also been an early adopter of HTML publishing, complementing traditional report formats such as PDFs with a bespoke online publishing platform. Publishing reports directly to its website has made them more searchable, accessible and easier to navigate.

Since launching the *Old Law, New Law* podcast in 2019, the Commission has produced 15 episodes exploring inquiries and broader law reform issues. It has also used a range of inclusive communication formats, including Auslan, audio, Easy English and animated videos, to support wider participation.

Through its education program, the Commission develops curriculum-aligned resources and delivers presentations to Legal Studies students across Victoria, helping to build understanding of law reform and the justice system.

Leadership and legacy

Since its establishment, the Commission has been led by a distinguished succession of Chairs, whose expertise and public standing have enhanced its authority and influence.

Inaugural Chair, the Hon. Marcia Neave AO, was followed by Professor Neil Rees AM, a respected academic and tribunal leader. The late Hon. Philip Cummins AM, an eminent judge and advocate for access to justice, presided over 16 inquiries.

Current chair, the Hon. Anthony North KC, a former Federal Court judge, has maintained the Commission's reputation for rigorous and forward-looking law reform. The Commission has also benefited from the leadership of acting chairs the Hon. Jennifer Coate AO and Bruce Gardner PSM, His Honour David Jones AM and Gemma Varley PSM, who provided continuity and stewardship during periods of transition.

The current and immediate past chairs have also played an important leadership role internationally through their presidency of the Commonwealth Association of Law Reform Agencies. This has strengthened relationships with counterpart organisations in other jurisdictions, creating new opportunities for collaboration and knowledge-sharing, particularly with law reform agencies in Pacific countries.

Over the past 25 years, a total of 33 Commissioners have served the Commission. Their collective expertise, drawn from the law, public policy, academia and the community sector, has enriched the Commission's work.

The Commission has also been fortunate to be served by two longstanding Chief Executive Officers. Merrin Mason PSM, appointed in 2010, led the Commission for 16 years, bringing deep institutional knowledge, strategic insight and clarity of vision. Padma Raman PSM laid many of the organisational foundations during her almost decade-long tenure as inaugural CEO.

Also integral to the quality of the Commission's inquiries have been its dedicated staff, who have brought a wide range of skills, experience and perspectives to their work. Their commitment has fostered a workplace culture that is welcoming, dynamic and collaborative, contributing to the Commission's reputation for excellence.

Connections and collaboration

Collaboration has long been a feature of the Commission's work.

Through its relationship with the Australian Law Reform Commission (ALRC), it has exchanged expertise and ideas on law reform issues of national significance. The close connection between the two organisations is also reflected in the movement of people between them. The Hon. Marcia Neave AO went on to become a Commissioner for the ALRC's sexual offences review, while a number of former VLRC staff have subsequently joined the ALRC. The Commission has been an active contributor to the biennial Australasian Law Reform Agencies Conference (ALRAC). The relationship was further strengthened in 2024 when the Commission hosted the ALRC at its offices following its relocation to Melbourne.

The Commission has also developed strong relationships across Victoria's justice sector. Since 2012, the Commission has enjoyed sharing its Queen Street offices with the Sentencing Advisory Council, enabling the exchange of ideas and expertise.

A wide range of longstanding stakeholder relationships have been central to the Commission's work. These include the courts, Victoria Police, community legal centres, professional bodies and advocacy organisations, whose expertise and ongoing engagement have been critical to its inquiries.

The Commission is grateful to the many individuals and organisations that have contributed their time, knowledge and lived experience over the past 25 years, helping to shape its work and strengthen its recommendations.

Their contribution is reflected in the Commission's enduring influence beyond legislative reform. Its reports have informed public debate, been cited in case law and supported law reform efforts in other jurisdictions, while also shaping education, training and practice across the justice sector. They continue to be used by academics, students, advocacy organisations and community members seeking to understand the law and advocate for change.

While much has changed over the past 25 years, the Commission's goal remains the same: to provide independent, evidence-based recommendations for better Victorian laws that are fair, effective, accessible and responsive to changing community needs.

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Attorney-General, the Hon. Jaclyn Symes, VLRC Chair the Hon. Tony North KC and Minister Gabrielle Williams, 2021

Team leader Kathryn Terry presenting a school talk, 2025

The renewed VLRC identity system

Above

Team Leader Emma Cashen on ABC Radio National's *The Law Report*, 2023

Samoa Law Reform Commission visit, 2025

Marcia Neave, the Hon. Jen Coate AO and ALRC President, the Hon. Mordecai Bromberg (L); Tony North and AI panel, Australian Law Reform Agencies Conference, 2025

This year is the 25th anniversary of the Commission. In that time the Commission has been the central agency for law reform in Victoria. We have much to celebrate. The excellence of our research work is recognised both here and afar. Our recommendations have embraced creative and evidence-based responses to complex legal and social issues advancing a more equitable, responsive and inclusive legal system for Victoria.



The Hon. Anthony North KC

Chair,
Victorian Law Reform Commission

Our staff are the bedrock on which the success of the Commission has been built. Very importantly, we have developed a very friendly workplace where people enjoy coming to work, and where we recognise the demands of family life and other interests and have managed ways to balance those demands with the requirements of our work.

We enjoy the support of many stakeholders who are critical to the success of our work, and whose enthusiasm for engagement with us is a very satisfying part of our work. We pride ourselves on our inclusivity. We take great care and time to consult and encourage contributions from the Victorian community. We recognise that diverse input to our work provides valuable insights into the operation and impact of the law and ensures recommendations for change are practical, robust, and have community support.

The Commission is grateful for the ongoing support of the Victorian Legal Services Board and Commissioner. Its generous funding means that the Commission can maintain its reputation for excellence, retain its experienced staff and continue to find innovative ways to engage and educate the community about law reform.

Independence from government was a founding principle on which the Commission was built. It was designed so that the integrity of the advice of the Commission would be enhanced by freeing it from the exigencies of day-to-day politics. However, the smooth and efficient working of the Commission depends upon constructive relations with government. It is a relief that at the end of this year there has been a significant improvement in those relations.

I mention some of our recent challenges below with the aim of advancing a greater understanding of how we work best and encouraging greater efficiency and a stronger program of law reform into the future. The community has derived great benefit from the Commission's energy and commitment to law reform over the last 25 years and I am looking forward to continuing to build on that proud legacy.

Workflow

The issue of a continuous workflow of references from the Attorney-General has been a regular concern for the Commission in the reporting period, and in previous years. The Commission has urged the present and past Attorneys-General to provide two concurrent references, and to ensure that there is a constant workflow, so that when one reference finishes, another commences. The principle has never been any issue in these discussions, which rather concerned the implementation of an accepted approach. The management and administrative structure of the Commission requires a sufficient flow of references from the Attorney-General to ensure that we can retain experienced senior staff and keep them working.

In this reporting period, the Commission had only one reference from the Attorney-General at a time, moving from AI to the change or suppression practices ban statutory review. There are many law reform projects which the Commission could have undertaken in the interests of improving the law for Victorians. Ordinarily, the Victorian Legal Services Board would have provided funding for a second Attorney-General reference, but as a second reference was not forthcoming before May 2026, the Commission's funding from the Board was reduced by about $1 million.

However, the reporting period ended on a much higher note when, in May 2026, the Attorney-General referred two projects to the Commission — one to conclude on 30 June 2027, concerning the protection of emergency workers while on duty, and one to conclude on 31 March 2028, concerning serious driving offences.

For the future, so that the Commission can fulfil its function as a key agency for law reform in Victoria, it is important that the Commission receives a regular and sufficient workflow.

In the reporting period, the community law Reform team completed Stage 1 of the Family Violence Intervention Order project and commenced work on Stage 2. In the absence of a second Attorney-General reference, we were able to commence a second community law reform project concerning the operation of legal privilege in integrated legal assistance services. Also, in this reporting period we began work on a second Spotlight paper, concerning restricted driver licences. We were very fortunate to have these important issues raised by community bodies and the attendant enthusiasm for our work in those areas.

Commissioners

The experience of the Commission has demonstrated over many years the essential value of having around nine Commissioners. We have built a collegiate group of Commissioners, each of whom brings both particular experience but, importantly, the capacity for critical analysis and deep thought. Whilst the Commissioners are part-time, they are involved in every stage of the production of the reports. Commission meetings have been characterised by robust exchanges and respectful listening. The result is reflected in the quality of the reports we have produced. The contribution of the Commissioners through the integration of diverse outlooks is a cornerstone of the success of the Commission. It is through the mix of backgrounds and experience that the voices of the community are brought into the process of law reform. Decision-making through this process of combination of ideas produces richer outcomes than decision-making by fewer minds.

At the beginning of June 2024, there were nine Commissioners — Liana Buchanan, the Honourable Jennifer Coate AO, Kathleen Foley SC, Emeritus Professor Bernadette McSherry, Dan Nicholson, Gemma Varley PSM, Dr Vivian Waller and me. The terms of four of these Commissioners expired in 2024 and 2025.

As the terms of each of these Commissioners expired, we met with officers of the Department and with advisors to the Attorney-General and raised the need to appoint replacement Commissioners. These efforts culminated in a letter to the Attorney-General at the end of June 2025 in which we wrote of the "critical situation". We referred to discussions concerning new appointments over the previous two years, and we provided suggestions of appropriate appointees. We explained that the suggestions were designed to ensure diversity in gender, sexual orientation, professional, faith and cultural background among the Commissioners.

As I write this report, within a few weeks, the only Commissioners will be Dan Nicholson and me. I also understand that the reappointment of the Hon. Jennifer Coate AO is likely. It is pleasing that there are indications that the government will address this dire situation shortly. We hope that, in future, the government will commit to the regular replacement of retiring Commissioners to maintain the successful dynamic which has served the process of law reform in Victoria so well.

The CEO position

I wrote in the Annual Report last year: *"Next year, the Commission turns 25. This year our CEO Merrin Mason PSM completes 15 of those years. She is the glue which binds the place together. It is impossible in a short space to list her qualities that help make this workplace tick, but in recent years, foremost is her patience and clarity of vision in navigating the difficulty of securing timely references to provide the Commission with an efficient stream of work".*

Every annual report since I commenced as Chair has acknowledged the centrality of Merrin's role in the success of the Commission.

Merrin is the quintessential professional. She is the holder of corporate memory. She shared her vast experience generously. I doubt there was any staff member who had not leaned on her shoulder with an issue to be resolved quietly, calmly, and authoritatively.

It came as a huge shock that the CEO position, following the Silver Review,

was to be downgraded from SES 1 to VPS6, with the inevitable consequence that Merrin would be forced to leave her position.

The view of the Commission is reflected in its resolution of 7 May 2026 as follows:

Vote of thanks to Merrin Mason

The Chair moved that the Commission formally thank Merrin Mason for her 16 years of dedicated service to the Commission.

It was noted that Merrin left the Commission as the result of the Silver Review and the decision by Government to downgrade her position from a Senior Executive Service Band 1 to a VPS 6 (a senior management role).

The Chair's view is that this reclassification was unfortunate and unjustified for numerous reasons:

1. *In 2022 Merrin's position was examined and classified by the Public Service Board as an SES 1 role. At the time the Board engaged in a careful and lengthy study of the work that she undertook as CEO. Her work has not changed since the Board's review. It is therefore inexplicable that it would now be classified at a level 6.*
2. *There was no consultation with the Commission about the downgrading of the CEO position. The Commission was given no opportunity to allow the Department to understand the breadth of the CEO role. If this had happened, the Chair would have indicated that this reclassification was exceptionally inappropriate.*
3. *Part of the reason for the downgrading of the position may have been associated with the reduced workload of the Commission and its recently reduced budget. Because reasons were not provided by the Department this remains unclear. The decline in work and budget was a direct consequence of the failure of Government to support the Commission appropriately. Despite many attempts over several years by the Chair and the Acting Chair to secure two ongoing Attorney-General references this could not be achieved and staff numbers reduced as a consequence. Without two Attorney-General references the Victorian Legal Services Board reduced the Commission's budget by approximately $1 million dollars.*
4. *The abruptness of the change meant that the Commission was unable to plan for the transition to a new CEO. Merrin's departure means the loss of 16 years of corporate knowledge, cohesion and good will. Time to plan would have resulted in less disruption to the organisation and staff.*
5. *There was no financial justification for the decision. Most of the Commission's funding is derived from the Victorian Legal Services Board. At the time of the Department's decision the Commission had, and it continues to have, the budget to cover the costs of an Executive Level CEO position.*
6. *Section 15(3) of the Victorian Law Reform Commission Act 2000 (Vic) states that 'The staff structure of the Commission shall be determined by the chairperson having regard to the Commission's budget.' The Second Reading speech introducing the VLRC Act stated that the Commission would be 'independent of government to enhance the integrity of the advice provided' and 'permanent in nature to bring medium-to-long-term perspective to various issues and policies referred to it' as well as full time and authoritative. The decision by Government to downgrade a fundamental organisational role directly impinges on the independence of the Commission. It does not reflect the view of the Chair and conflicts with his responsibility to determine the structure of the Commission.*

The Commission unanimously adopted the reasons expressed by the Chair and resolved to thank Merrin Mason for her extraordinary work as CEO of the Commission for 16 years, for her guidance to staff on law and policy and her strategic leadership of the organisation. The Commission laments the abrupt and unexpected nature of her departure. We regret the decision of Government and believe it is misguided and damaging to the Commission.

The quality of the work of the commission

Despite the challenges of managing the Commission, as outlined above, the staff have continued to work through disruptions and uncertainty as usual in a highly effective way.

The AI report created a great deal of interest. It is an example of the type of subject for which the Commission is ideally suited because it relates to a matter of significant social change which requires deep and careful consideration. The AI report was the first investigation by a law reform commission in Australia about AI, and only the second in the world. It is cited as the basis of amended practice notes in the Supreme Court of Victoria in the County Court of Victoria. The publication led to an invitation for me to participate in the Australian Legal Convention hosted by the Chief Justice of Australia in Canberra on 21 November 2025 and on several panels, including for the judicial College of Victoria, and media interviews.

The ideas for the community law reform projects concerning legal privilege and family violence intervention orders were suggested by people and organisations working in the community. The topics chosen illustrate that the Commission works at its best. where it is responding to social issues addressed to improve our community.

In my capacity as President of the Commonwealth Association of Law Reform Agencies (CALRAs), in September 2025, I travelled, at my own expense, to Dublin to participate in the celebration of the 50th anniversary of the Irish Law Commission, and then on to London to a dinner in the Guildhall to mark the 60th anniversary of the Law Commission of England and Wales. On my return to Australia, I attended the 50th anniversary of the Australian Law Reform Commission which was held in conjunction with the Australian Law Reform Agencies Conference.

In February this year I travelled to Fiji again at my own expense to represent CALRAs at the Commonwealth Law Ministers Meeting. I was heartened to hear on so many occasions from law reformers around the world of the high esteem in which our work and guidance is held.

The Commission has a hard-earned reputation for excellence in the research produced in our reports. It is an agency of which people of Victoria can be proud.

Where to from here

This report has described how the Commission can best serve the community through improved dealings between the government and the Commission in several areas. The Commission should have a continuity of sufficient work, retiring Commissioners should be replaced in a timely fashion, and the CEO position should be reclassified. There should be regular meetings with the Attorney-General to address these issues. This new approach might usefully be reflected in a protocol between the Attorney-General and the Commission which we would welcome discussing with the Attorney-General.

A final thank you

It is difficult to convey sufficiently my appreciation to all the Commissioners and staff – research, administrative, finance, communications and library – for this reporting period. There has always been a close family atmosphere among all of us working for the Commission. Despite the challenging circumstances, everyone continued to produce excellent work. The support shown for each other demonstrated what a wonderful workplace this is.



The Hon. Anthony North KC
Chair, Victorian Law Reform Commission



Merrin Mason PSM

Thank you, Merrin, for over 16 years of exceptional service, leadership and dedication. Your contribution will be long remembered.

The Victorian Law Reform Commission is the central agency for law reform in Victoria. It is a statutory authority, established under the *Victorian Law Reform Commission Act 2000*.

The Commission makes a significant contribution to maintaining and further developing a just, inclusive and accessible legal system for all Victorians.

The Commission is funded by the Victorian Government and the Victorian Legal Services Board and Commissioner. The Commission's work is independent of the political process.

The Commission is committed to inclusive law reform. It consults with the community and advises the Attorney-General on how to reform Victorian laws.

When the Commission carries out a law reform inquiry, it consults with people who are affected, and especially seeks to engage with:

- people in regional and remote communities
- Aboriginal and Torres Strait Islander peoples
- people from culturally and linguistically diverse backgrounds
- people with disability.

The Commission reports to the Attorney-General on completion of an inquiry, making practical, innovative recommendations that aim to make the law fairer, more up-to-date and more accessible to everyone.

The functions of the Commission

Under section 5(1) of the *Victorian Law Reform Commission Act 2000* (Vic), the functions of the Commission are:

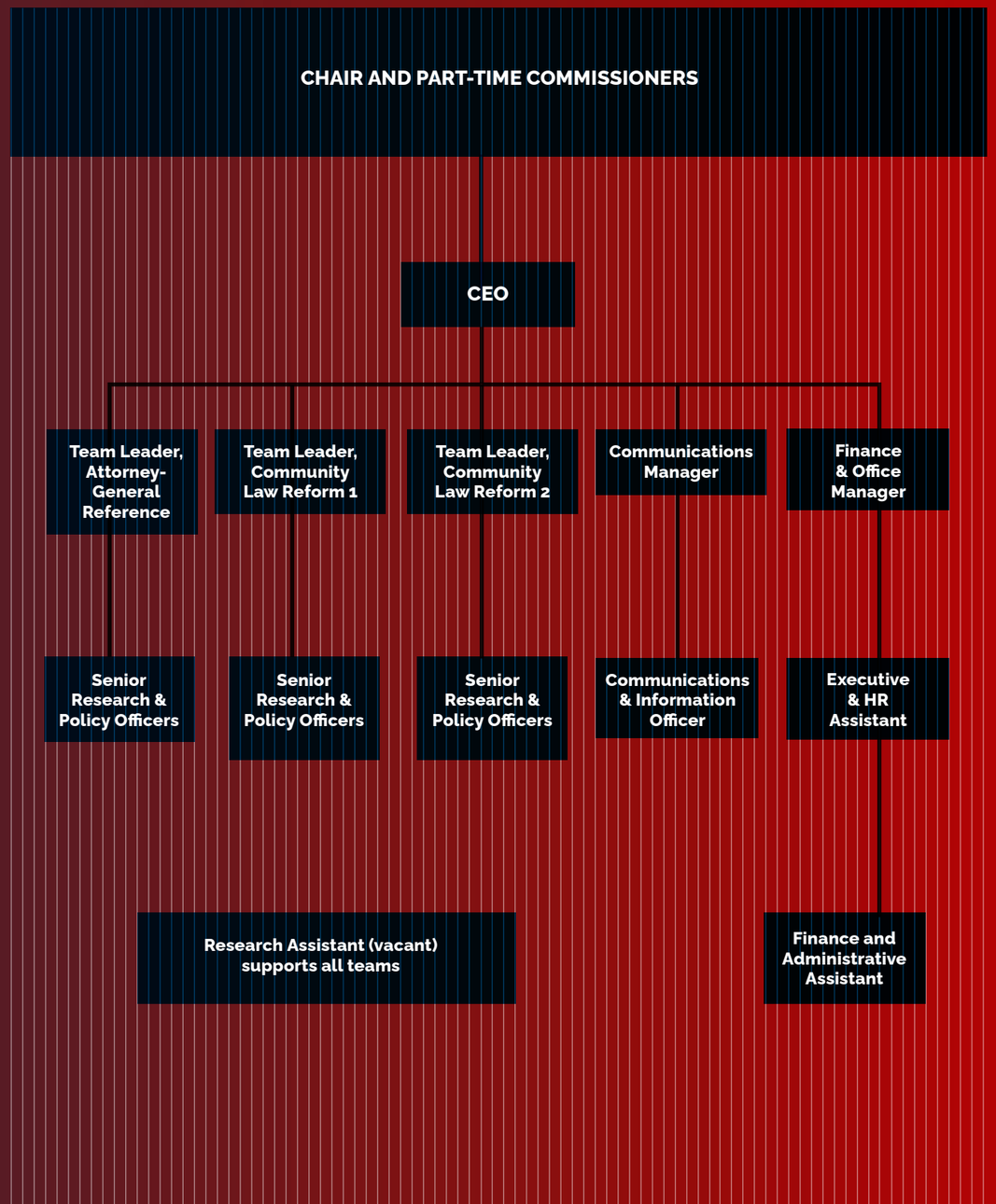
(a) to examine, report and make recommendations to the Attorney-General on any proposal or matter relating to law reform in Victoria that is referred to the Commission by the Attorney-General;

(b) to examine, report and make recommendations to the Attorney-General on any matter that the Commission considers raises relatively minor legal issues that are of general community concern if the Commission is satisfied that the examination of that matter will not require a significant deployment of the resources available to the Commission;

(c) to suggest to the Attorney-General that a proposal or matter relating to law reform in Victoria be referred to the Commission by the Attorney-General;

(d) to monitor and coordinate law reform activity in Victoria;

(e) to undertake educational programs on any area of the law relevant to a reference, whether past or current.



PURPOSE

TO MAKE A SIGNIFICANT CONTRIBUTION TO A JUST, INCLUSIVE AND ACCESSIBLE LEGAL SYSTEM FOR ALL VICTORIANS

PRINCIPLES

- INCLUSIVE
- INDEPENDENT
- INNOVATIVE

VALUES

- INTELLECTUAL RIGOUR
- BALANCED DECISION MAKING
- RECOGNITION OF DIVERSITY
- EFFECTIVE COMMUNICATION
- ETHICAL EMPLOYER

OBJECTIVES

QUALITY LAW REFORM REPORTS

Production of high quality, authoritative, and timely law reform reports

PUBLIC AND PROFESSIONAL REPUTATION

An excellent reputation for rigorous and comprehensive research, extensive community and stakeholder consultation, and for providing robust, impartial and independent advice

PUBLIC ENGAGEMENT AND EDUCATION

Enhancing the public's understanding of law reform, educating students, identifying areas for law reform and increasing contributions to the law reform process

ACCESS FOR PEOPLE FROM DIVERSE BACKGROUNDS

Encourage and support people from diverse and/or disadvantaged communities to participate in law reform projects

SHARING LAW REFORM INFORMATION

Maintain relationships with other bodies involved in law reform in Victoria, monitoring and reporting on law reform activities

ETHICAL EMPLOYER

A safe and productive workplace and a fair, respectful, and satisfying work environment

Commissioners













Chair

The Hon. Anthony North KC

With a distinguished career spanning more than 45 years, the Hon. Anthony North KC is a former judge of the Federal Court and the Supreme Court of the Australian Capital Territory. Admitted to the Victorian Bar in 1976, he was appointed Queen's Counsel in 1989. In 1995, Mr North was made judge of the Federal Court of Australia, where he served until his retirement from the bench in 2018. He also served from 2004 as additional judge of the Supreme Court of the ACT.

As both a barrister and Federal Court judge, Mr North has been involved in some of the largest cases in Australian history, including the pilots' strike in the late 1980s, the Australian waterfront dispute, the Tampa affair and multiple native title cases. He holds a Bachelor of Arts and Bachelor of Laws with Honours from the University of Melbourne and a Master of Laws from the University of London. He was appointed Chair of the Victorian Law Reform Commission in August 2019. In January 2024 he was appointed a Commissioner of the Yoorrook Justice Commission and took leave from the VLRC to fulfil that role until March 2025. In April 2025, he was elected president of the Commonwealth Association of Law Reform Agencies (CALRAs).

The Commissioners

The Hon. Jennifer Coate AO has held several judicial appointments including Magistrate, Deputy Chief Magistrate, the inaugural President of the Children's Court of Victoria, Judge of the County Court of Victoria, the first female State Coroner of Victoria, and Judge of the Family Court of Australia. She served for five years on the Royal Commission into Institutional Responses to Child Sexual Abuse, and in 2020 conducted an Inquiry into Hotel Quarantine in Victoria. In January 2019, she was made an Officer of the Order of Australia. She was admitted as a Fellow of the Australian Academy of Law in May 2022 and was awarded a Doctor of Laws (honoris causa) by Monash University in September 2023. Ms Coate is the Chair of the Victorian Victims of Crime Consultative Committee. She was one of the original appointments to the Victorian Law Reform Commission in 2001, serving until 2008. She rejoined the Commission in 2020 and was reappointed for four years in July 2022. She served as Acting Chair of the VLRC from January 2024 to March 2025. In 2025, she was inducted into the Victorian Honour Roll of Women.

Kathleen Foley SC is a barrister with a broad practice spanning public law, commercial law and common law. She also has a significant public interest litigation practice, representing clients in environmental, police tort and human rights cases. In addition to her work as a barrister, Kathleen is a writer and gender equality advocate. Prior to commencing at the Victorian Bar, Kathleen worked as an attorney in New York and as a solicitor in the government sector in Western Australia. She was appointed to the Victorian Law Reform Commission in November 2020. Reappointed in February 2025 for one year, her term ended in February 2026.

Emeritus Professor Bernadette McSherry holds an honorary position in the Melbourne Law School, having served as the Foundation Director of the Melbourne Social Equity Institute at the University of Melbourne from 2013 to mid-2021. She is an internationally recognised legal academic in the fields of criminal law and mental health law and is a Fellow of the Academy of Social Sciences in Australia as well as a Fellow of the Australian Academy of Law. Professor McSherry served as a Legal Member of the Victorian Mental Health Tribunal for 18 years until mid-2018, and a Commissioner on the Royal Commission into Victoria's Mental Health System. She was appointed to the Victorian Law Reform Commission in June 2018 and reappointed in July 2022. Her second term expires in July 2026.

Dan Nicholson is the Deputy Ombudsman, Operations. Prior to joining the Victorian Ombudsman in 2024, he was the Executive Director, Criminal Law at Victoria Legal Aid, responsible for the delivery of legally aided criminal law services across the state. Mr Nicholson worked with VLA from 2012 in a range of roles, including as the Executive Director, Civil Justice, Access and Equity. He previously managed the Human Rights Unit at the Victorian Department of Justice, was Associate to Justice Maxwell, President of the Court of Appeal, and worked at Fitzroy Legal Service. He has worked on a range of human rights issues in Cambodia and Timor-Leste. He was a Director of the Sentencing Advisory Council from 2021 until 2024. Mr Nicholson was appointed to the Victorian Law Reform Commission in September 2018 and reappointed in September 2022 until September 2026.

Dr Vivian Waller is the Director and Managing Partner of law firm Waller Legal. She has more than 28 years' experience representing survivors of institutional child sexual abuse including litigation in the Supreme Court of Victoria and the High Court of Australia. She has assisted thousands of sexual abuse survivors obtain compensation in claims against religious institutions, public and private schools, orphanages and children's homes. Dr Waller was instrumental in the Royal Commission into the Institutional Responses to Child Sexual Abuse where she represented 20 survivor witnesses in case studies inquiring into the Archdiocese of Melbourne, Victorian State Wards, Yeshiva Bondi and Melbourne, Catholic Church Authorities in Ballarat and the Criminal Justice System. Dr Waller was appointed to the Victorian Law Reform Commission in November 2020 and reappointed in 2021. Her second term expired in August 2025.

Details are correct as at 30 June 2026

Objectives	Results
Produce high-quality, authoritative and timely law reform reports with recommendations that are practical and implementation-focused, and embrace innovative solutions to complex legal and policy issues	The Commission completed two reports and two consultation papers in 2025–26: > *Artificial Intelligence in Victoria's Courts and Tribunals:* report (delivered October 2025, tabled February 2026) > *Examining Aspects of Family Violence Intervention Orders for Children and Young Adults: Stage 1 – Protection for Children Who Turn 18 While on A FVIO*: report (delivered August 2025, tabled November 2025). > *Focused Review of How the Change or Suppression Practices Ban Is Working* consultation paper (February 2026). > *Legal Privilege and Integrated Legal Assistance Services* consultation paper (June 2026).
Maintain a reputation for rigorous legal research, extensive community and stakeholder consultation, and robust, impartial and independent advice to the government	The Commission undertook extensive research for its law reform inquiries in 2025-26. It also engaged in community consultation on two projects including: > 22 consultations for the Focused Review of How the Change or Suppression Practices Ban Is Working > 6 preliminary consultations for Stage 2 of the Examining Aspects of Family Violence Intervention Orders for Children and Young Adults project > 4 preliminary consultations for the Legal Privilege and Integrated Legal Assistance Services project
Enhance public understanding of law reform, encouraging informed community debate on key issues, identifying areas of general community concern and increasing contributions to the law reform process	The Commission's work was reported in the media and mentioned in Parliament. The Commission received 20 community law reform suggestions (see page 29). The Commission delivered 26 in-person and online presentations to schools, university careers events and conferences to inform the community about current law reform projects. This included 19 presentations to VCE students as well as local and international conferences and forums focused on AI and the courts.
Encourage and support people from diverse and/or disadvantaged communities to participate in law reform	The Commission is committed to consulting in a way which is inclusive, accessible, culturally competent and trauma-informed. The Commission encourages and supports people from diverse communities, people experiencing disadvantage and people in regional Victoria to participate in law reform projects.
Maintain relationships with other bodies involved in law reform in Victoria, monitoring and reporting on law reform activities	The Commission regularly works with organisations involved in law reform through its inquiries and education program. The Commission's website reports on the activities of other law reform agencies and relevant law reform activities within Victoria and interstate.

Current Financial Year in Review

> The Commission's income decreased in 2025–26 to $2,837,637 (2024–25: $3,699,410).

> The Commission's expenditure significantly increased in 2025–26 to $3,461,889 (2024–25: $2,868,209), mainly as a result of increased employee expenses and a slight increase in other operating expenses.

> The overall net result was a deficit of $626,968. This has resulted in a decreased trust fund balance of $1,694,095 (2024–25: $2,316,967).

> The Commission's Trust Fund and the State Administered Unit (SAU) receivable account balance decreased overall from $2,843,316 to $2,162,463 at 30 June 2026.

Performance against output performance measures

The following table shows the performance results against targets by output for the Commission over the full year ending 30 June 2026

Performance measures	Unit of Measure	2025–26 Actual	2025–26 Target	Performance Variation (%)	Result *(a)*
Quantity					
Consultation sessions conducted by Victorian Law Reform Commission (VLRC)	number	32	60	-46.7%	■
Written submissions made to the VLRC including online surveys	number	201	60	235%	√
Law reform publications completed by VLRC	number	4	3	33.3%	√
Community education sessions (in person or online) conducted by VLRC	number	26	20	30%	√
Views of school curriculum related material on VLRC website	number	3833	5000	-23%	■
Quality					
Teachers and students who are satisfied with education programs delivered by VLRC and the school curriculum related material provided on the VLRC website	per cent	87.5	85	2.9%	√
Timeliness					
NA					
Cost	$				
Total output cost	**$3,461,889**				

Note:

(a) √ *Performance target achieved or exceeded*

■ *Performance target not achieved – exceeds 5 per cent or $50 million (cost measures only) variance*

● *Performance target not achieved – within 5 per cent or $50 million (cost measures only) variance.*

Performance against output performance measures

Outputs relating to the Commission are included in *Budget Paper No. 3* (BP3) under the heading of the Department of Justice and Community Safety's Justice Policy, Services and Law Reform. The Commission's outputs contribute to this consolidated total output cost of $3,461,889.

Performance targets for the Commission can be found in the Department Performance Statement. The figures show two performance targets as not met in the reporting year.

The Commission's ability to accurately set targets is significantly constrained by its lack of control over workflow. In general, targets are based on an expectation that the Commission will be undertaking two Attorney-General references and one community law project concurrently. However, the number and type of references that will be received during the reporting year may not be known when targets are being set. For most of this reporting year the Commission was uncertain about receiving additional work from the Attorney-General, with new references arriving late in the reporting period.

The number of consultations and submissions varies according to project stage and the law reform topic, with issues of wide community interest generating greater engagement. The Commission received a large number of submissions to the focused review of how the change or suppression practices ban is working. However, the total number of consultations was below the target, largely due to the stages the projects were at during the reporting period. Consultations were undertaken for the change or suppression practices review and some preliminary consultations were held for the new community law reform project examining legal privilege. The number of consultations for the change or suppression practices review was constrained by the six-month timeframe for completing the reference. Consultations for Stage 1 of the FVIO project were undertaken earlier than expected in the previous financial year and Stage 2 consultations were not commenced in this reporting period.

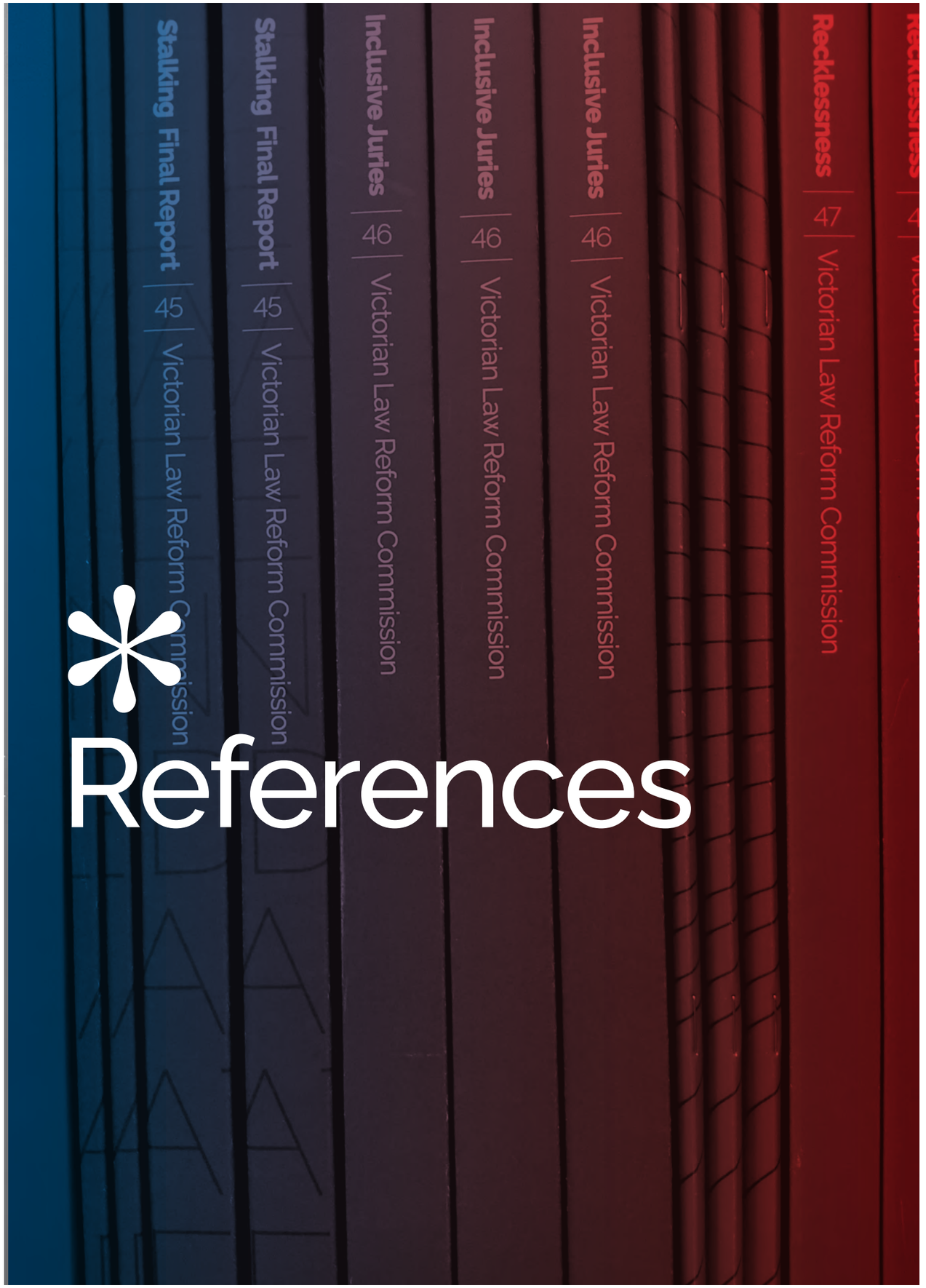
Community education sessions are primarily school presentations for VCE Legal Studies students. Requests for in-person presentations increased during 2025-26, reflecting ongoing return to face-to-face engagement following the COVID-19 pandemic, and increased promotion of the program. Online resources continue to be used, and overall views of reports and website content related to current curriculum topics increased.

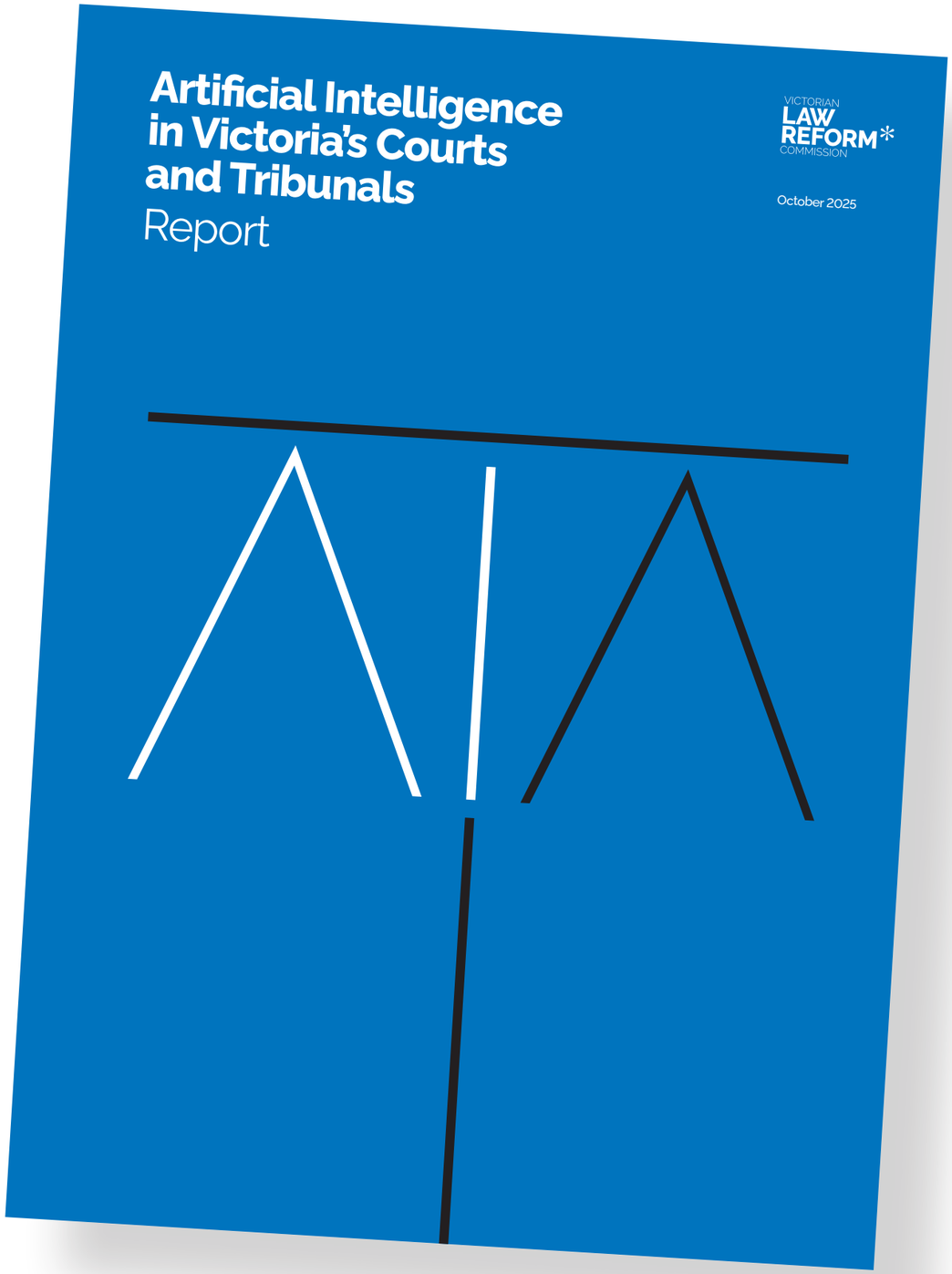
The views of school resources on the website were lower than the target. This was due to an overestimation of continued growth in the use of online educational materials, following significant increases the previous two years after COVID-19. In this financial year, views have stabilised. Increased promotion will continue to raise awareness of the Commission's education program.

The total output cost for the Commission is an amount derived from *the Appropriation (2025-26) Act 2025*, less required savings and other movements, plus the amount received from the Victorian Legal Services Board and Commissioner, as directed by the Attorney-General.

Budget portfolio outcomes

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





Artificial Intelligence in Victoria's Courts and Tribunals

We reviewed the use of Artificial Intelligence (AI) in Victoria's courts and tribunals.

While the use of AI has the potential to improve how Victoria's courts and tribunals operate and to generate efficiencies, it also carries risk.

The Commission was asked to make recommendations on legislative reform opportunities and principles to guide the safe use of AI in Victoria's courts and tribunals.

Our report made 30 recommendations to ensure that public trust is not undermined by the use of AI, and that the fairness, integrity and accountability of the court system is maintained. It also identifies emerging issues that may require future law reform.

Key recommendations include:

- **eight principles to guide the safe use of AI and provide a foundation for public trust in the use of AI in courts and tribunals**
- **guidelines for court users, judicial officers and court and tribunal staff to provide practical guidance on how to implement the principles**
- **governance processes to support Victoria's courts and tribunals to assess and monitor new AI uses, including an AI assurance framework**
- **training and education for lawyers, judicial officers and the public to increase awareness about AI guidelines and promote the safe use of AI.**

This was the first inquiry by an Australian law reform body into the use of AI in courts and tribunals.

Referred
8 May 2024

Due Date
31 October 2025

Tabled in Parliament
3 February 2026

Commissioners and staff
All Commissioners were members of the Division, chaired by Hon Anthony North KC: The Hon. Jennifer Coate AO, Kathleen Foley SC (until February 2026), Professor Bernadette McSherry, Dan Nicholson, and Dr Viv Waller (until August 2025). We acknowledge former Commissioners Liana Buchanan and Gemma Varley for their contribution to this reference in 2024-25.

The reference team comprised team leader Kathryn Terry, senior research and policy officers Emily Clark, Dr Jen Tsen Kwok, Rachel Liebhaber and Dr Florence Seow. We gratefully acknowledge the contributions of our Reference Group members from the ARC Centre of Excellence for Automated Decision-Making and Society (ADM+S): Professor Julian Thomas, Professor Christine Parker. Dr Jake Goldenfein, Professor Kimberlee Weatherall, Dr Aaron Snoswell and Will Cesta. We also acknowledge the advice provided by Professor Tania Sourdin and Professor Jeannie Paterson.

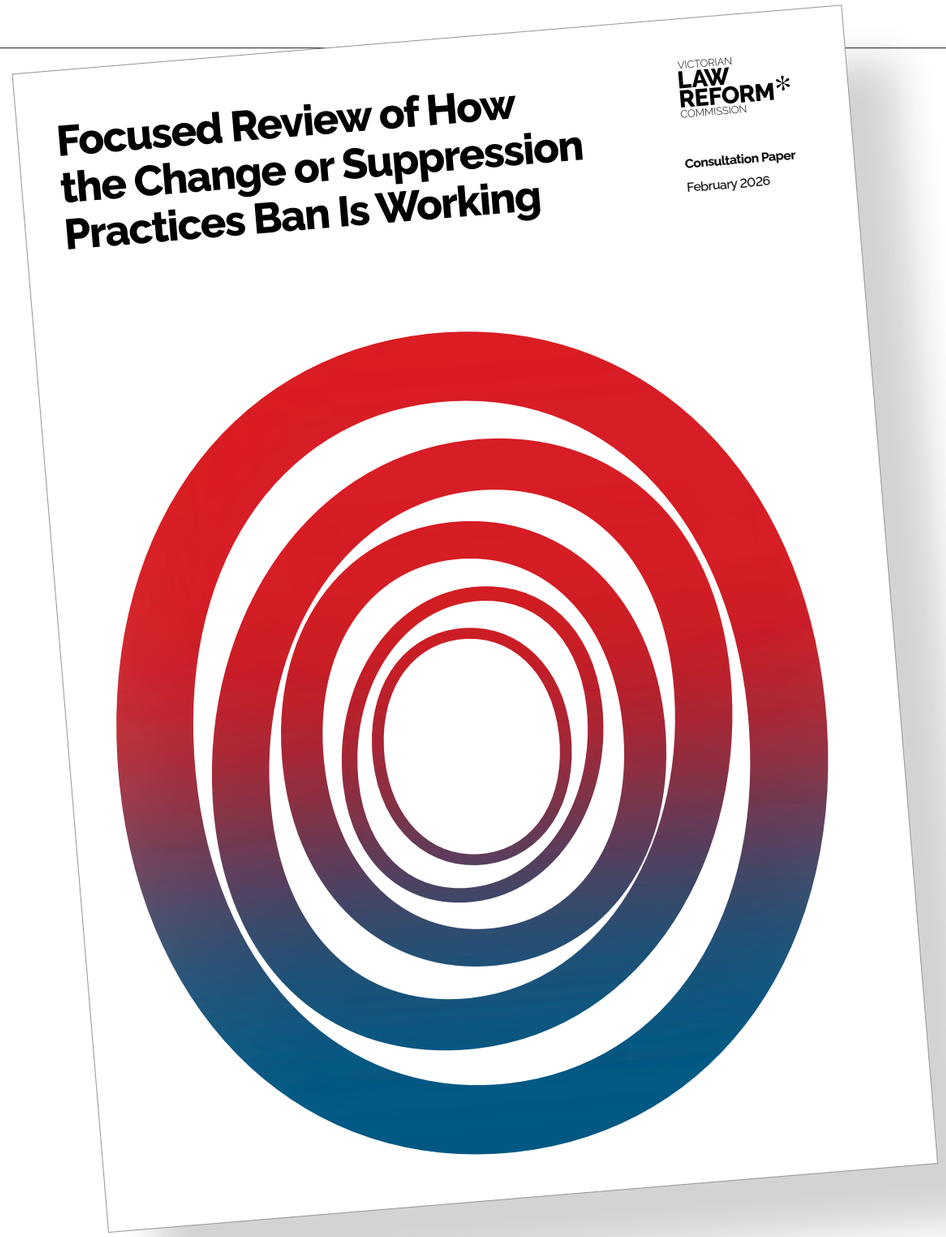
Progress of the reference
Following extensive research and consultation in the previous financial year, the final report was delivered to the Attorney-General on 31 October 2025 and tabled in Parliament on 3 February 2026. There was significant engagement with the community and legal sector during this inquiry and following the release of the report. The Chair and the team leader were invited to nine conferences and forums to discuss AI, including the Australian Law Reform Agencies Conference in Melbourne, the Australian Legal Convention in Canberra and the Academy of Forensic Science conference.

Implementation
In May 2026, the Supreme Court of Victoria updated guidance on the use of AI by court users and introduced guidelines for judicial officers, in line with the report's recommendations. These guidelines have also been adopted by the County Court. In March 2026 the Australasian Institute of Judicial Administration updated the *Guide to Judicial Conduct*, in keeping with the report's recommendation to prohibit AI use for judicial decision-making.

Focused Review of How the Change or Suppression Practices Ban Is Working

The Commission was asked to review the operation and effectiveness of the *Change or Suppression (Conversion) Practices Prohibition Act 2021*. The Act prohibits practices that aim to change or suppress a person's sexual orientation or gender identity. These practices are often referred to as 'conversion practices' and can cause life-long harm and trauma.

The review considered how the current law is operating, whether it is effective in responding to change or suppression practices and consider how it might be improved. This included examining the effectiveness of the Act's civil and criminal responses and whether a redress scheme for victim survivors should be developed.



Referred
1 February 2026

Due Date
28 August 2026

Commissioners and staff
The Chair, the Hon. Anthony North KC formed a Division to work on this reference. All Commissioners are members of the Division: The Hon. Jennifer Coate AO, Professor Bernadette McSherry and Dan Nicholson. Project staff comprised of team leader Kathryn Terry, and senior research and policy officers Emily Clark, Rachel Liebhaber and Dr Florence Seow.

Kerin Leonard was appointed by the Attorney-General as an external expert to conduct the review. The Attorney-General approved the appointment of Ms Leonard as a person with appropriate qualifications and expertise, in accordance with the Act. Her experience across public policy and human rights law has been invaluable to the inquiry.

Progress of the reference
We released a consultation paper on 24 February 2026 to guide community discussion about potential improvements to the operation of the Act. We received 201 submissions from organisations and individuals and held 22 consultations with stakeholders across LGBTQA organisations, the justice system, human rights organisations, faith and multicultural organisations and academia.

As required by the terms of reference, we considered the perspectives of organisations and survivors with expert knowledge and lived experience of change and suppression practices. We are grateful for victim survivors who engaged in the consultation process and provided direct insights about the harm caused by change and suppression practices and on the operation of the Act. At the close of the reporting period, we were in the final stage of drafting the final report.

Emergency Worker Protections

Victorian law provides a range of protections for emergency workers while they are on duty.

The Attorney-General has asked for advice on reforming the law to strengthen protection for emergency workers while at work. This review will examine the meaning of 'on duty,' and how to amend relevant legislation to ensure it adequately:

- **reflects the changing risk environment within which emergency workers are required to perform their duties and**
- **covers the circumstances where emergency workers are at risk while at work.**

The review will engage with the Sentencing Advisory Council's Review of the *Sentencing Act 1991*.

Referred
30 April 2026

Due Date
30 June 2027 (target date)

Progress of the reference
The terms of reference were published in May 2026. Initial scoping research and project planning commenced, and recruitment of the reference team began.

One of the Commission's functions under the *Victorian Law Reform Commission Act 2000* section 5(1)(b) is to make recommendations to the Attorney-General on legal issues of general community concern.

The Commission's community law reform program seeks to improve accessibility for people and communities that are not usually involved in law reform, but who have ideas about how the law could be improved.

Asking community members to identify problems with the law and suggest changes provides valuable insights from those with first-hand experience of the law's operation. The Commission also actively informs the community about law reform work through community legal education and engagement.

In 2025–2026, the Commission's community law reform function included two community law reform teams, each comprising a team leader and two senior research and policy officers.

In September 2025, amid uncertainty about workflow from the Attorney-General, the Commission approved a second community law reform project. This project, examining legal privilege and integrated legal assistance services, was suggested by the Eastern Community Legal Centre on behalf of the legal assistance sector. Recruitment began in December 2025, the team was on board in February 2026, and the project was formally initiated in March 2026, when terms of reference were published.

The Commission acknowledges the Victorian Legal Services Board and Commissioner for their continuing support of the community law reform program, which aligns closely with their access to justice objective.

Criteria for community law reform suggestions
Law reform suggestions come from community members, organisations and groups, and can relate to any area of Victorian law.

When the Commission receives a law reform suggestion, it is assessed against our criteria for community law reform projects. For example, they must relate to a contained problem, that if resolved, could deliver a clear community benefit.

Commission-initiated law reform projects focus on relatively minor legal issues that do not require significant resources to examine. The Commission is interested in projects that will address problems with the law that affect a significant proportion of the population or address problems faced by marginalised members of the community.

Suggestions that fulfil the criteria are researched by the community law reform team and may be developed into a proposal for the approval of the Commission. If a proposal is accepted as a community law reform project, the Commission undertakes a comprehensive process of research and consultation and delivers a report and recommendations to the Attorney-General. This process closely mirrors the process undertaken for references from the Attorney-General. These reports are usually tabled in Parliament, but the Attorney-General is not obliged to do so.

The Commission generally works on one community law reform project at a time but always welcomes suggestions from the community.

Community law reform suggestions

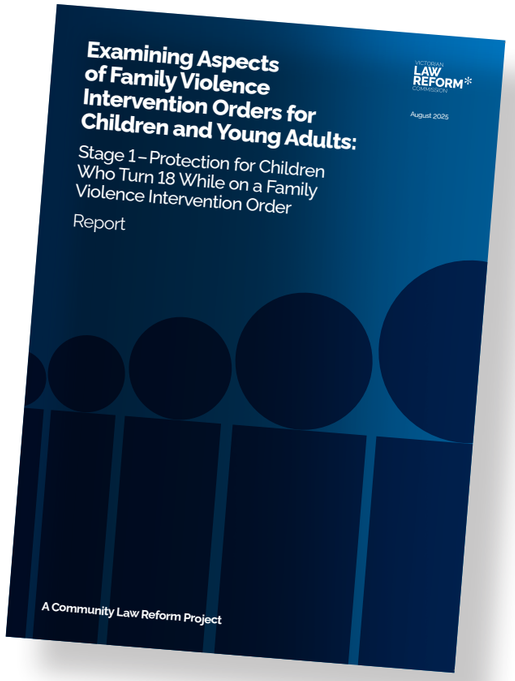
The Commission received 28 suggestions for law reform from the community during 2025–2026.

They related to a range of legal areas, including:

- the use of unpaid work trials for job applicants in creative industries
- the law to prevent misconduct in the administration of estates
- review of the *Personal Safety Intervention Order Act 2010* to prevent vexatious applications, stop the misuse of personal safety intervention orders, and improve information sharing between police and courts
- review of the law relating to wills and inheritances to protect LGBTIQ+ people from being disinherited
- reforms to the law relating to retail leases
- review of privacy laws relating to access to a deceased person's medical records
- reforms to improve compliance and compensation available to tenants who rent methamphetamine-contaminated properties
- reform to criminalise coercive control in Victorian law
- review of the *Powers of Attorney Act 2014* to clarify the limits of attorney decision-making powers
- review of the child protection system
- reform to support charities who are beneficiaries in wills to recover missing charitable bequests
- review of the Working with Children Check system
- review of the *Evidence Act 2008* and the use of identification evidence
- review of civil procedure laws
- review of bail laws for people who are charged for dangerous driving offences.

Community Law Reform Projects commenced in 2025–2026

Examining Aspects of Family Violence Intervention Orders for Children and Young Adults



In 2025–26, the community law reform team completed Stage 1 of a two-part project examining aspects of the law and practice relating to family violence intervention orders (FVIOs) for children and young adults.

Commenced
September 2024

Due date
Stage 1 – delivered August 2025
Stage 2 – mid-2027 delivery target

Tabled in Parliament
Stage 1 – 12 November 2025

This project idea was raised by community members in discussions about family violence reform. The project was divided into two stages to ensure initial reform recommendations could be provided to Government to meet legislative timelines for family violence reforms in late 2025.

Stage 1 examined what happens to children and young people who are protected by a FVIO when they turn 18, an issue sometimes referred to as 'ageing out' of orders.

The Stage 1 final report made three recommendations:

- amend the *Family Violence Protection Act 2008* to ensure that the law is clear that an order may continue after a protected person turns 18;
- require the court to consider children's views and the effect of an order expiring at 18 when determining order duration
- develop updated guidance and training for magistrates on interpreting and applying the changes to the law.

Stage 2 of the project is examining the right of children to participate and have their voices heard in the family violence intervention order system. It considers matters relating to children and young people's participation in FVIO court processes, as an applicant, protected person or affected family member, as well as remaining parts of the terms of reference.

Commissioners and Staff
All Commissioners and the Chair, the Hon. Anthony North KC, were part of the Division overseeing the project: the Hon. Jennifer Coate AO, Professor Bernadette McSherry, and Dan Nicholson. Former Commissioners Kathleen Foley SC and Dr Vivian Waller were part of the Division until the end of their terms as Commissioners.

Project staff comprised team leader Emma Cashen (until April 2026), Acting team leader Kate Robb and senior research and policy officers Dr Liane Hartnett and Hannah Withers.

Progress of the inquiry and implementation
The Stage 1 final report was delivered to the Attorney-General in July. It was tabled in Parliament on 12 November 2025.

The next day, the Justice Legislation Amendment (Family Violence, Stalking and Other Matters) Bill 2025 was introduced in the Legislative Assembly. The Bill included reforms to implement the Commission's first Stage 1 recommendation. In February 2026, the *Justice Legislation Amendment (Family Violence, Stalking and Other Matters) Act 2026* was passed. It amended the Family Violence Protection Act 2008 to clarify that children who are listed as protected people on an adult family member's FVIO and who turn 18 can remain protected for the duration of the order.

Stage 2 of the project commenced in August 2025. Initial research and preliminary consultation with key stakeholders informed the development of a consultation approach designed to support trauma-informed engagement with children and young people and victim survivors of family violence. A Stage 2 issues paper will be released in July 2026.

Legal Privilege and Integrated Legal Assistance Services



Legal privilege allows people to keep their confidential communications with their lawyer private. Integrated legal assistance services are free legal and social services provided to people experiencing disadvantage by legal aid bodies, community legal centres, pro bono practices, and their partner organisations. While the inclusion of social service professionals—such as nurses, social workers and financial counsellors—is often seen as critical to the safe and accessible delivery of legal services, their involvement in client-lawyer communications may jeopardise the client's ability to protect their legal communications from disclosure.

This project is considering the current operation of law and practice and whether reform is needed.

Commenced
March 2026

Due Date
mid-2027

Commissioners and staff
The Chair formed a Division to work on this reference. In addition to the Chair, the Division includes all the Commissioners, the Hon. Jennifer Coate AO, Professor Bernadette McSherry and Dan Nicholson. The project team comprises team leader, Eve Gallagher, and senior research and policy officers, Dr Hannah Robert and Kythe Di Scala.

Progress of inquiry
Preliminary consultations were held with stakeholders to gain a deeper understanding of current law and practice. In June 2026, we published a consultation paper and began formal community consultations, with submissions open until August 2026. As part of our community engagement, we produced an episode of our *Old Law, New Law*, podcast, to discuss this law reform project and encourage community members to share their views. It featured the Chair, Team Leader and guest speakers from the legal assistance sector.

Spotlight

In September 2025 the Commission approved a second Spotlight project, focused on restricted driver licences.

Spotlights are small research papers about issues drawn to our attention by members of the community. They aim to shed light on areas of potential law reform and encourage community debate and discussion. Unlike our other reports, they do not make recommendations.

The new Spotlight explores restricted driver licence regimes. These regimes enable people who have been suspended or disqualified from driving for low-level offences to be granted a restricted licence. A restricted licence allows a person to drive in limited circumstances, for special reasons, such as for employment or caring responsibilities. The Spotlight considers restricted licence regimes that operate in other jurisdictions and explores what a restricted driver licence law could look like in Victoria.

Spotlights are completed in addition to our core community law reform projects and do not have a deadline for delivery. In 2025-26, university students completing placements with the Commission undertook initial research into this issue. Limited consultation on the Spotlight will take place in 2026-27.

Communications



Media highlights

Our work attracted positive media attention during 2025-26, with coverage across major national, state, regional and specialist media outlets.

The *Artificial Intelligence in Victoria's Courts and Tribunals* report was covered by the *Australian Financial Review* and *The Guardian*. The *Law Institute Journal* interviewed the Chair, The Hon. Anthony North KC for feature articles on the AI report, and an international perspective on law reform through his role as President of the Commonwealth Association of Law Reform Agencies. ABC radio reported on reforms implemented following our Stage 1 report on family violence intervention orders for children and young people.

There was wide coverage of legislative reforms implementing recommendations from the *Stalking* report, while the *Improving the Justice System Response to Sexual Offences* report was referenced in articles published in the *Herald-Sun* and other outlets. SBS News reported on the Spotlight paper on VCAT's confidentiality laws.

Earlier inquiries also continued to inform public debate, with our recommendations cited in reporting on jury empanelment and property law.

Website
Website activity increased during 2025–26, with page views rising 6 percent to 331,248 (312,110 in 2024-25). Although active users declined by 21 per cent to 152,310, (from 193,092 in 2024–25), overall online engagement strengthened, with users viewing more content on average.

Website traffic is influenced by the number of inquiries undertaken and the level of public interest they generate. In 2025–26, the most visited content related to the Artificial Intelligence in Victoria's Courts and Tribunals inquiry, current law reform projects, and inquiries of relevance to VCE Legal Studies students, including the *Stalking* and *Inclusive Juries* reports.

Our publications and other documents were downloaded 18,648 times during the year, demonstrating continued interest in our work and law reform resources.

A major redevelopment of our publications library improved its design, functionality and user experience, supported by an upgrade to our custom HTML publishing platform. More than 200 reports and publications are now available through the enhanced digital library, making current and historical resources more accessible.

Social media
We maintained an active social media presence on LinkedIn and Facebook, increasing awareness of our inquiries and activities. This engagement contributed to a 21 per cent increase in LinkedIn followers.

Podcasts
We produced one episode of the *Old Law, New Law* podcast, which focused on our review of Legal Privilege and Integrated Legal Assistance Services.

Education and community engagement





One of the Commission's functions under section 5(1)(e) of the Victorian Law Reform Commission Act is to undertake educational programs on any area of the law relevant to a reference, past or current.

We educate the community about law reform by making presentations at community organisations, conferences, universities and schools. In 2025–26 we delivered 26 presentations in a range of forums.

Our reports and publications are published on our website, easily accessible and searchable, and we also provide educational resources, including case studies.

We adopt plain language principles for our publications, produce podcasts about law reform, and we promote our work through the media, newsletters and our social media channels.

School talks and resources for legal studies students
Law reform and the work of the Commission remain an essential part of the Victorian Certificate of Education (VCE) Legal Studies curriculum.

During 2025–26, we delivered 19 presentations to VCE Legal Studies students at schools across Melbourne and regional Victoria. We participated in the Victoria Law Foundations' regional Law Talks events for schools in Ballarat in September 2025 and Bendigo during Law Week in May 2026.

We produce a range of educational resources to support teachers and students. In April 2026 we updated the *Law Reform in Action* booklet, including a new case study on Stalking. The booklet is available in hard copy and can be downloaded from our website.

During the year, our education pages were accessed 3,833 times.

Community presentations
Our staff and Commissioners presented at conferences and forums during the year. This included the Victorian Commercial Teachers Association annual Comview conference in November 2025 and the Community Development and Community Legal Education network in June 2026.

Communications and information staff
The communications manager is Victoria Kyriakopoulos, and the communications and information officer is Natalie Young.

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The Hon Tony North KC with Legal Privilege Team Leader Eve Gallagher at 3CR Community Radio.

Above

Minaret College students at the VLRC in August 2025; Team Leader Kathryn Terry talking about AI at the Asia Pacific Coroner's Society Conference in October.

Implementation of recommendations

The Commission tracks the progress of new legislation and other reforms related to its work, where this information is publicly available. A record of implementation is published on the Commission's website at *lawreform.vic.gov.au/all-projects/implementation/*



During 2025-26, notable implementations of the Commission's recommendations included:

Examining Aspects of Family Violence Intervention Orders for Children and Young Adults: Stage 1 Report – Protection for Children Who Turn 18 While on a Family Violence Intervention Order (2025)
On 10 February 2026, the *Justice Legislation Amendment (Family Violence, Stalking and Other Matters) Act 2026* was enacted, implementing Recommendation 1 of our Stage 1 Report. It clarifies that children named on a family member's Family Violence Intervention Order can remain protected after turning 18 for the duration of the order.

Artificial Intelligence in Victoria's Courts and Tribunals (2025)
The Commission's recommendations for guidelines and principles to guide AI use in Victoria's courts were adopted through practice notes issued by the Supreme Court of Victoria (May 2026) and the County Court of Victoria (June 2026). The recommendation to prohibit AI use for judicial decision-making, was incorporated into the 4th edition of the Australian Institute of Judicial Administration's *Guide to Judicial Conduct*.

Stalking (2022)
Three recommendations from the Stalking inquiry were implemented through the *Justice Legislation Amendment (Family Violence, Stalking and Other Matters) Act 2026*. This included a key recommendation to amend section 21A of the *Crimes Act 1958* to clarify the elements of the stalking offence and the meaning of the 'course of conduct', making the offence easier to understand and apply in practice. The Act also implemented a recommendation to allow courts to make interim Personal Safety Intervention Orders on their own motion, and amended the *Criminal Procedure Act 2009* to extend existing witness cross-examination protections to victims of stalking. Other recommendations were reflected through initiatives to improve education about stalking and provide judicial guidance on breaches of PSIOs.

Contempt of Court (2020)
On 14 Apr 2026, the *Justice Legislation Further Amendment (Miscellaneous) Act 2026* implemented Recommendation 133 of the *Contempt of Court* report. It amended the *Open Courts Act 2013*, enabling interested parties to revoke or vary a legacy suppression order.

Governance

Audit committee membership and roles

The audit committee consists of the following members:

- Matthew Zappulla, Chairperson (Independent Member)
- Anthony Phillips (Independent Member)
- Bruce Gardner PSM (Independent Member)

The main responsibilities of the audit committee are to:

- review and report independently to the Commission on the annual report and all other financial information published by the Commission
- assist the Commission in reviewing the effectiveness of the Commission's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting
  - compliance with applicable laws and regulations.
- determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, including coordination with the external auditors
- maintain effective communication with external auditors
- consider recommendations made by external auditors and review the implementation of actions to resolve issues raised
- oversee the appropriateness of the risk management framework.

Human resource management and occupational health and safety
The Commission's occupational health and safety (OH&S) strategy is to focus on risk control and to maintain a constant curiosity in relation to health and safety to prevent injury or unintended consequences. The Commission achieves this by ensuring OH&S is part of daily operations for staff working from home and in the office, and encompasses not only physical environment but also considers psychosocial risk.

The Commission's focus is on prevention, and it takes this into account when assessing OH&S risk. Office inspections are formally carried out annually, however, staff are briefed to alert management if any issues arise.

During the 2025-26 financial year, the Commission continued initiatives to improve the health and safety of staff by offering ergonomic assessments, screen-based eye testing and annual influenza vaccinations for those who requested these services.

As part of the strategy to maintain focus on risk control. the OH&S Manager prepares a formal report twice a year for the Audit and Risk Management Committee which is results based and includes initiatives brought about by review and consideration of improvements being made in the health and wellness space.

The Commission had no health and safety incidents during 2025–26.

Four staff are first aid officers. Two staff continue as emergency fire wardens and attend the appropriate training. Staff participated in the scheduled full-scale fire drill held by building management in June 2026. An in-house fire safety and security training session is held annually.

Staff were encouraged and assisted to gain professional development through participation in relevant conferences and appropriate further study.

Counselling support is available to all staff through the Employee Assistance Program. Team debrief sessions are held at the conclusion of references to ensure staff wellbeing and to support process improvement.

Agile workforce
The Commission continues to embrace flexible work arrangements, including working from home. A hybrid work model is available to staff where their work responsibilities allow this. In general, a full-time staff member will work at least three days in the office. Individual circumstances are considered. All staff work at the office on Wednesday to allow the full team to interact on at least one day per week. Most staff are also in the office on Tuesday and Thursday, depending on their full-time or part-time status. The office is closed to the public on a Friday to support part-time arrangements and working from home. Staff discuss individual arrangements with their manager for the remaining days. This model continues to work well, providing a balance between working at home and in the office.

Management remains committed to creating and encouraging a modern and agile workforce. This approach is endorsed by the Department of Justice and Community Safety.

Employment and conduct principles
The Commission is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably, based on the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

The Commission is committed to providing a respectful and supportive workplace for every employee.

Workforce Data

Public sector values and employment principles
The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

By adopting the policies and practices of the Department of Justice and Community Safety and developing Commission-specific policies and practices where necessary, the Commission has policies and practices in place that are consistent with the VPSC's employment standards and provide for fair treatment, recruitment on merit, career opportunities and the early resolution of workplace issues.

The Commission provides employees with guidance on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Workforce inclusion policy
The Commission continues to support a working environment where equal opportunity and diversity, including non-binary gender identities, are valued. The Commission acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff may not disclose this information.

Executive officer data
An Executive Officer (EO) is defined as an executive under Part 3 of the *Public Administration Act 2004* or a person to whom the Victorian Government's Policy on Executive Remuneration in Public entities applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of an EO does not include a statutory office holder.

The Commission employed one full-time SES-1 female executive officer until 27 March 2026.

		June 2026						June 2025						
		All employees [a]	Ongoing [b]			Fixed term and casual		All employees	Ongoing [b]			Fixed term and casual		
		Number	*Full-time*	*Part-time*		*Number*		*Number*	*Full-time*	*Part-time*		*Number*		
		(head-count)	*FTE [d]*	*(head-count)*	*(head-count)*	*FTE [d]*	*(head-count)*	*FTE [d]*	*(head-count)*	*FTE [d]*	*(head-count)*	*FTE [d]*	*(head-count)*	*FTE [d]*
Demographic data	**Gender**													
	Women	15	11.42	3	4	6.2	8	5.2	13	10.9	5	6	9.1	2	1.8
	Men	1	0.33	0	0	0	1	0.33	1	1	0	0	0	1	1
	Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VPS Classification data	**VPS 1-6 grades**													
	VPS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	VPS 3	2	1.3	0	1	0.8	1	0.5	2	1.8	1	1	1.8	0	0
	VPS 4	1	0.6	0	1	0.6	0	0	1	0.6	0	1	0.6	0	0
	VPS 5	9	6.9	2	1	3	6	3.88	8	6.7	3	3	4.9	2	1.8
	VPS 6	3	2.2	1	1	1.80	1	0.4	2	1.8	1	1	1.8	0	0
	Executives [c]	1	0.75	0	0		1	0.75	1	1	0	0	0	1	1
	Total employees	**16**	**11.75**	**3**	**4**	**6.2**	**9**	**5.53**	**14**	**11.19**	**5**	**6**	**9.1**	**3**	**2.8**

Notes:

(a) Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies. Statutory appointees, as defined in the *Public Administration Act 2004* are also excluded.

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

(c) Executive is defined as a person employed as a public service body head or other executive under Par 3, Division 5 of the *Public Administration Act 2004*. The definition of an executive officer does not include Governor in Council appointments as statutory office holders. The Chief Executive Officer departed on 27 March 2026. The Acting Chief Executive Officer is a VPS6 officer and commenced 30 March 2026.

(d) Full-Time Equivalent.

Other Disclosures

Compliance with Local Jobs First Act 2003
The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at $3 million or more in Metropolitan Melbourne or for statewide projects, or $1 million or more for projects in regional Victoria.

The Commission did not enter into any contracts to which the VIPP or Local Jobs First applied for the 12 months ending 30 June 2026.

Consultancy expenditure

Details of consultancies (valued at $10,000 or greater)
In 2025-26, there were four consultancies where the total fees payable to the consultants were $10,000 or greater. Total expenditure incurred during 2025-26 in relation to these consultancies was $91,100 (excluding GST). Details of individual consultancies are outlined below.

Competitive Neutrality Policy
Competitive neutrality requires government businesses to ensure that, where services compete or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Details of consultancies under $10,000
In 2025-26, the Commission engaged consultants for which the total fee payable was $4,100.

Government advertising expenditure
The Commission has not paid for any government advertising expenditure campaigns with a media spend of $100,000 or greater (exclusive of GST) during the 12 months ending 30 June 2026.

Disclosure of major contracts
The Commission did not enter into any major contracts (greater than $10 million in value) in the 2025–26 reporting period.

Consultancies valued at $10,000 or greater

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2025–26 (excluding GST)	Future expenditure (excluding GST)
K. Murray Consulting	Professional services - VLRC website	1 July 2025	30 June 2026	$20,000	$20,000	Not applicable
T. Sourdin Consulting	Professional services - AI Reference	1 July 2025	30 June 2026	$12,000	$12,000	Not applicable
Strathmore Accounting & Audit Services	Accounting quality assurance and CFAO function	1 July 2025	30 June 2026	$35,000	$29,900	$30,000
Victorian Auditor-General's Office	For the audit of the financial report 2024–25	1 July 2025	30 June 2026	$29,200	$29,200	$29,200

Information and Communication Technology (ICT) expenditure

For the 2025–26 reporting period, the Commission had a total ICT expenditure of $73,391 with the details shown below.

($ thousand)

All operational ICT expenditure	*ICT expenditure related to projects to create or enhance ICT capabilities*		
Business As Usual (BAU) ICT expenditure (Total)	Non-Business As Usual (non BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)	Operational expenditure	Capital expenditure
$51,637	$21,754	$73,391	0

ICT expenditure refers to the Commission's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the Commission's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Compliance with the Freedom of information Act 1982
The *Freedom of Information Act 1982* (the Act) gives the public the right to apply for access to documents held by the Commission. The purpose of the Act is to extend, as far as possible, the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

Subject to the provisions of the Act, a person may apply for access to documents held by the Commission, including documents created by the Commission and documents and other material supplied by external organisations or individuals. Information about the types of documents held by the Commission is available on the Commission's website under its Part II Information Statements.

The Act allows the Commission to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the Commission in-confidence and information that is confidential under another Act.

Under the Act, the Freedom of Information (FOI) processing time for requests received is 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time is 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by the Commission, under section 49A of the Act they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request
FOI requests can be submitted online at ovic.vic.gov.au. Access charges may apply relating to search, retrieval and processing of documents under the Act,

Requests can also be submitted in writing to the Commission's Freedom of Information team, as detailed in s17 of the Act.

When making an FOI request, applicants should ensure requests are in writing and clearly identify the types of material or documents being sought.

Requests for documents held by the Victorian Law Reform Commission should be addressed to:

Freedom of Information Manager
Victorian Law Reform Commission
GPO Box 4637
Melbourne VIC 3001

Enquiries can be made to the Commission's FOI Manager via email at law.reform@lawreform.vic.gov.au

FOI statistics/timeliness
During 2025–26, the Commission received no applications.

Further Information
Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and ovic.vic.gov.au.

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

Compliance with the Public Interest Disclosures Act 2012
The *Public Interest Disclosures Act 2012* encourages and facilitates the making of disclosures about improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a framework for disclosures to assessed and, where necessary, investigated and for rectifying action to be taken.

The Commission does not tolerate improper conduct by its employees, nor reprisals against those who make disclosures. It is committed to transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, substantial mismanagement of public resources, or conduct involving substantial risks to public health and safety or the environment.

The Commission will take all reasonable steps to protect people who make disclosures from any detrimental action taken in reprisal for making a disclosure. It will also afford natural justice to any person who is the subject of a disclosure, to the extent permitted by law.

There were no relevant disclosures relating to the Commission in 2025-26.

Reporting procedures
Disclosures of improper conduct or detrimental action by the Commission or any of its employees may be made to any of the following:

- Chief Executive Officer of the Commission
- manager or supervisor of the discloser
- manager or supervisor of the person who is the subject of the disclosure
- a person acting in any of the above roles.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-Corruption Commission:

Independent Broad-based Anti-Corruption Commission (IBAC)
Level 1, North Tower
459 Collins Street
Melbourne VIC 3000
Tel: 1300 735 135
Website: ibac.vic.gov.au

Compliance with the Carers Recognition Act 2012
Commission staff are made aware of their entitlement to carers leave on commencement. Staff also have access to the Department of Justice and Community Safety induction, training and awareness activities, including in relation to carer obligations. An information session on leave entitlements and flexible working arrangements is made to staff at one staff meeting each year.

The Commission has taken practical measures to comply with its obligations under the Act. These include:

- promoting awareness and understanding among staff of the care relationship principles set out in the Act through training and information sessions
- considering the care relationships principles set out in the Act when developing and implementing its hybrid work model
- adopting DJCS policy as set out in the DJCS publication, *Inclusive employment guide: Supporting inclusive recruitment, employment, and retention of employees with disability and carers.*

Compliance with the Disability Act 2006
The Disability Act 2006 reaffirms and strengthens the rights of people with disability and recognises that this requires support across the government sector and within the community.

The Commission complies with its obligations under the Disability Act by adopting the Department of Justice and Community Safety's Disability Action Plan. The Disability Action Plan has four key focus areas: improving data on disability and accessibility, building capability and capacity, creating equitable pathways to career development and leadership, and creating a safer, empowering and inclusive culture.

Reducing barriers to participation in the Commission's work
The Commission provides a range of ways for people with disability to be involved in consultations and educational sessions and to contribute to its law reform work. Information is provided in accessible formats, including HTML, as well as PDF and Word documents. Material has also been published in summary form, Easy English and audio as needed. In-person contributions can be made using Auslan interpreters and can also be facilitated using technology. Contributions can also be made in writing, over the telephone and through web-based forms and surveys.

The Commission has conducted an accessibility audit of its website. Its offices are wheelchair accessible and have wheelchair facilities.

Reducing barriers to people with disability obtaining and maintaining employment
The Commission conducts an open recruitment process and makes adjustments for staff where necessary.

Promoting inclusion and participation in the community
The Commission invites submissions from all groups in the community. It has established relationships with disability advocacy organisations and invites contributions from these groups and their members and clients, as well as seeking responses from the wider community.

Achieving tangible changes in attitudes and practices that discriminate against people with disability
Commission staff have access to training provided by the Department of Justice and Community Safety which focuses on access and inclusion and removing any barriers that may potentially discriminate against people with disability.

Environmental Reporting

The Commission is committed to environmental sustainability in its operations. Sustainability and greenhouse gas emissions reduction form core parts of the Commission's corporate strategy.

The Commission supports the Victorian public sector in adopting new technology that lowers emissions and increases environmental sustainability.

Environmental Management System
The Department of Justice and Community Safety (DJCS) has an Environmental Management System (EMS) which is a structured approach to managing environmental impacts and improving environmental performance. It is based on the national standard AS/NZS ISO 14001:2016: Environmental Management Systems and provides a framework to improve environmental sustainability.

DJCS EMS objectives include:

- reducing greenhouse gas emissions resulting from operational activities
- reducing the amount of waste and maximising the amount of reused and recycled resources in procurement
- ensuring new capital works incorporate environmentally sustainable principles in design, construction and operation
- encouraging staff to reduce environmental impacts through behaviour change
- communicating environmental performance through regular internal and public reporting.

The Commission embraces the objectives of the EMS and incorporates environmental sustainability values where it can.

Reporting boundary for environmental data
Most of the operations and activities of the Commission are included within the organisational boundary for this reporting period. Select data are included and consolidated into the Commission's financial statements.

Greenhouse gas emissions
DJCS reports its greenhouse gas emissions broken down into emissions 'scopes' consistent with national and international reporting standards. The Commission's capacity to report in this way is limited. Available data is included below.

Electricity production and consumption
In the period between 2023-24 to 2025-26, hybrid working arrangements stabilised, contributing to a corresponding reduction in overall electricity consumption. The Commission is mindful of reducing its electricity use and has implemented or plans to take the following actions:

- LED lighting is installed throughout the building.
- All computer equipment is set to hibernate when not in use and staff are encouraged to switch off electrical equipment when not in use.
- Lights and supplementary air-conditioning are turned off when conference rooms are vacant.
- Movement sensors control lights in meeting rooms and offices and lights are timed to go off if areas are vacant.
- Where electrical appliances require replacement, more energy-efficient models are selected (for example, refrigerators with minimum 7-star energy efficiency ratings).

Transportation
The Commission maintained an electric vehicle until its disposal in March 2026.

Environmentally Sustainable Design in new buildings and infrastructure
The Commission occupies leased premises in central Melbourne. The building has a 3.5-star NABERS Energy rating.

Sustainable procurement
The Commission considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction.

Water consumption
From 1 July 2024, the Commission's water accounts were calculated on a Net Annual Valuation basis rather than on the amount of kilolitres consumed. Accordingly, details of the amount of water consumed by the Commission were not available for the 2025–26 year.

There is no data available in relation to recycled water use.

Waste and recycling
Waste management and recycling continue to be a focus for the Commission. A multi-bin system is used in the office, with dedicated collection arrangements for recyclable items, including paper, printer cartridges, batteries and soft plastics to maximise recycling and minimise waste sent to landfill. Data on the volume of waste diverted from landfill for general recycling is not available.

The Commission participates in DJCS's e-waste disposal program. which supports the repurposing of electronic equipment that is no longer required for operational use. used. Once data is securely cleansed, hardware is either made available to employees at market value or donated to charity.

Indicator	2025–26		2024–25		2023–24	
	Electricity	Green Power	Electricity	Green Power	Electricity	Green Power
Total energy usage segmented by primary source (MJ)	69,824	17,456	75,706	18,927	79,821	19,955
Total greenhouse gas emissions from energy consumption (tonnes CO^2 e)	13.41	–	13	–	13.55	–
Percentage of electricity purchased as Green Power	25%	–	25%	–	25%	–
Units of energy used per FTE (MJ/FTE)	2,878	–	3,380	–	4,625	–
Units of energy used per unit of office area (MJ/m^2)	77.84	–	84.40	–	88.99	–

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the Commission and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

(a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers

(b) details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary

(c) details of publications produced by the Commission about the activities of the Commission and how these can be obtained

(d) details of major research and development activities undertaken by the Commission

(e) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit

(f) details of major promotional, public relations and marketing activities undertaken by the Commission to develop community awareness of the services provided by the Commission

(g) details of assessments and measures undertaken to improve the occupational health and safety of employees

(h) a general statement on industrial relations within the Commission and details of time lost through industrial accidents and disputes

(i) details of all consultancies and contractors including:

- > consultants/contractors engaged
- > services provided
- > expenditure committed to for each engagement.

The information is available on request from the:
Finance and Office Manager
Phone: 03 8608 7820
Email: law.reform@lawreform.vic.gov.au

Asset management accountability
The Commission has met the requirements under the Victorian Government's Asset Management Accountability Framework.

Victorian Law Reform Commission Portfolio Financial Management Compliance Attestation Statement

I, the Hon. Anthony North KC, on behalf of the Responsible Body, certify that the Victorian Law Reform Commission has been granted an exemption from the Standing Directions 2018 under the Financial Management Act and Instructions. This exemption has been granted by the Assistant Treasurer on the basis the Victorian Law Reform Commission complies with the Department of Justice and Community Safety's Portfolio Entity Financial Management Compliance Framework.



The Hon. Anthony North KC
Chair
Victorian Law Reform Commission
22 September 2026

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

Financial Report

How this report is structured

The Victorian Law Reform Commission (the Commission) has presented its audited general purpose financial statements for the financial year ended 30 June 2026 in the following structure to provide users with the information about the Commission's stewardship of resources entrusted to it.

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Accountable Officer's, Chief Finance and Accounting Officer's and Chairperson's declaration

The attached financial statements for the Victorian Law Reform Commission have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management 1994* applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of the Commission at 30 June 2026.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 22 September 2026



Emma Cashen

Acting Chief Executive Officer

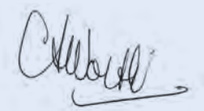
Victorian Law Reform Commission, Melbourne



Michael Almond

Chief Finance and Accounting Officer

Victorian Law Reform Commission, Melbourne



The Hon. Anthony North KC

Chair

Victorian Law Reform Commission, Melbourne

Independent Auditor's Report

Victorian Auditor-General's Office

To the Commissioners of the Victorian Law Reform Commission

Opinion

I have audited the financial report of the Victorian Law Reform Commission (the Commission) which comprises the:

- balance sheet as at 30 June 2026
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- Accountable Officer's, Chief Finance and Accounting Officer's and Chairperson's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the Commission as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards- Simplified Disclosures.

Basis for opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975.* My staff and I are independent of the Commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our 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.

The Commissioners' responsibilities for the financial report

The Commissioners are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards- Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Commissioners determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Commissioners are responsible for assessing the Commission'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 it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, 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 Commissioners
- conclude on the appropriateness of the Commissioners' 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 report 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. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioners 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.

MELBOURNE
26 September 2026

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Notes	2026	2025
		$	$
Income from transactions			
Output appropriations – Department of Justice and Community Safety	*2.1*	705,900	762,000
Grants – Victorian Legal Services Board	*2.1*	2,019,537	2,937,410
Treasurer's Advance	*2.1*	112,200	
Total income from transactions		**2,837,637**	**3,699,410**
Expenses from transactions			
Employee expenses	*3.1.1*	(2,737,257)	(2,217,704)
Depreciation	*4.1.1*	(123,903)	(125,807)
Interest expense	*6.1*	(10,157)	(12,703)
Other operating expenses	*3.2*	(590,572)	(511,995)
Total expenses from transactions		**(3,461,889)**	**(2,868,209)**
Net result from transactions		**(624,252)**	**831,201**
Other economic flows included in net result			
Other gains/(losses) from other economic flows	*8.1*	(2,715)	(1,956)
Total other economic flows included in net result		**(2,715)**	**(1,956)**
Net result		**(626,968)**	**829,245**
Comprehensive result		**(626,968)**	**829,245**

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2026

	Notes	2026	2025
		$	$
Assets			
Financial assets			
Cash and deposits	*6.3*	1,694,095	2,316,967
Receivables	*5.1*	468,367	526,349
Total financial assets		**2,162,463**	**2,843,316**
Non-financial assets			
Property, plant and equipment	*4.1*	65,348	211,392
Other non-financial assets		28,807	27,853
Total non-financial assets		**94,156**	**239,245**
Total assets		**2,256,618**	**3,082,561**
Liabilities			
Payables	*5.2*	116,412	75,249
Borrowings	*6.1*	136,160	425,895
Employee related provisions	*3.1.2*	488,079	454,913
Total liabilities		**740,650**	**956,057**
Net assets		**1,515,968**	**2,126,504**
Equity			
Accumulated surplus		996,124	1,623,092
Contributed capital		519,844	503,412
Net worth		**1,515,968**	**2,126,504**

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Notes	2026	2025
		$	$
Cash flows from operating activities			
Receipts			
Receipts from Government		882,819	755,680
Receipts from other entities		2,019,537	2,937,410
Total receipts		**2,902,356**	**3,693,090**
Payments			
Payments to suppliers and employees		(3,254,455)	(2,568,071)
Interest paid		(10,157)	(12,703)
Total payments		**(3,264,612)**	**(2,580,774)**
Net cash flows from/(used in) operating activities		**(362,257)**	**1,112,315**
Cash flows from/(used in) investing activities			
Proceeds from disposal of non financial assets		23,182	–
Computer and video equipment purchases		(10,493)	–
Net cash flows from/(used in) investing activities		**12,689**	–
Cash flows from/(used in) financing activities			
Owner Contributions by State Government		16,432	–
Repayment of vehicle lease liability		(40,051)	(9,932)
Repayment of building lease liability		(249,685)	(225,374)
Net cash flows from/(used in) financing activities		**(273,304)**	**(235,306)**
Net increase/(decrease) in cash and cash equivalents		**(622,872)**	**877,010**
Cash and cash equivalents at the beginning of the financial year		2,316,967	1,439,957
Cash and cash equivalents at end of financial year	*6.3*	1,694,095	2,316,967

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Accumulated Surplus	Contributions by owners	Total
	$	$	$
Balance at 1 July 2024	793,847	503,412	1,297,259
Net result for the year	829,245	-	829,245
Balance at 30 June 2025	**1,623,092**	**503,412**	**2,126,504**
Net result for the year	(626,968)	-	(626,968)
Contributed Capital	-	16,432	16,432
Balance at 30 June 2026	**996,124**	**519,844**	**1,515,968**

The accompanying notes form part of these financial statements.

1. ABOUT THIS REPORT

The Commission is an independent government-funded body established under the *Law Reform Commission Act 2000* (the Act) as a central agency for developing law reform in Victoria. The Commission's main objective is to provide the Attorney-General and Parliament with high quality, timely, responsive and effective advice on law reform that is independent of government agencies and of the political process.

The Commission reports directly to the Attorney-General. The Attorney-General must table a copy of every Commission report on references before each House of Parliament.

Its principal address is:

Victorian Law Reform Commission
3/333 Queen Street
Melbourne VIC 3000

A description of the nature of the Commission's operations and its principal activities is included in the report of operations on page 4, which does not form part of these financial statements.

Basis of preparation
These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities* and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Commission.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover the Victorian Law Reform Commission as an individual reporting entity and include all the controlled activities of the Commission.

All amounts in the financial statements have been rounded to the nearest dollar unless otherwise stated.

Compliance information
These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction
Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

To enable the Commission to fulfil its objective and provide outputs, it receives income (from accrual-based parliamentary appropriations). The Commission also receives a grant from the Victorian Legal Services Board.

Structure

2.1 Summary of income that funds the delivery of our services 53
2.2 Appropriations 54
2.3 Grants 54

Revenue Recognition
The Commission has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Commission has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Commission recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

(a) contributions by owners, in accordance with AASB 1004;

(b) a lease liability in accordance with AASB 16;

(c) a financial instrument, in accordance with AASB 9; or

(d) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

2.1 Summary of income that funds the delivery of our services

	Notes	2026	2025
		$	$
Output appropriations – Department of Justice and Community Safety	*2.2*	705,900	762,000
Treasurer's Advance for termination payment		112,200	
Grants – Victorian Legal Services Board	*2.3*	2,019,537	2,937,410
Total income from transactions		**2,837,637**	**3,699,410**

2.2. Appropriations

Once annual Parliamentary appropriations are applied by the Treasurer, they become controlled by the Commission and are recognised as income when applied for the purposes defined under the relevant Appropriations Act. The appropriation amount includes funding for discretionary items, such as amortisation and depreciation.

Output appropriations: Income from the outputs the Commission provides to the Government is recognised when those outputs have been delivered and the relevant minister has certified delivery of those outputs in accordance with specified performance criteria.

2.3. Grants

The Attorney-General directed funds to be allocated to the Commission from the Victorian Legal Services Board. These amounts are paid to it under Section 144(3) of the *Legal Profession Uniform Law Application Act 2014*.

These non-public monies are held by the Victorian Legal Services Board until they are deposited in the Commission's Trust Account.

The Department of Treasury and Finance (DTF), in establishing the trust account, stipulated 'the trust fund amounts and appropriation amounts must be used concurrently to meet the operating and capital expenses of the Commission'.

The Department of Justice and Community Safety manages the investment and drawdown of the trust funds and monitors the concurrent and proportionate use of the trust funds and appropriation amounts for operating and capital expenditure of the Commission. Under the Central Banking System arrangements, interest earned from the investment of the Trust Fund balances accrues at the Whole-of-Government level and is not available to the Commission.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the Victorian Law Reform Commission in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and, in this note, the cost associated with provision of services are recorded.

Structure

3.1 Expenses incurred in delivery of services 55

3.2 Other operating expenses 57

3.1 Expenses incurred in delivery of services

	Notes	**2026** $	**2025** $
Employee benefit expenses	*3.1.1*	2,737,257	2,217,704
Other operating expenses	*3.2*	590,572	511,995
Total expenses incurred in the delivery of services		**3,327,829**	**2,729,699**

3.1.1 Employee benefits in the comprehensive operating statement

	2026 $	**2025** $
Defined contribution superannuation expense	242,122	199,371
Salaries and wages, annual leave and long service leave	2,306,286	2,018,333
Termination payments	188,849	–
Total employee expenses	**2,737,257**	**2,217,704**

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2026 $	2025 $
Current provisions:		
Annual leave	155,492	123,974
Long service leave	127,107	159,783
Provisions for on-costs	82,056	69,955
Total current provisions for employee benefits	**364,655**	**353,712**
Non current provisions:		
Employee benefits - Long service leave	101,119	83,103
On-costs	22,305	18,098
Total non current provisions for employee benefits	**123,424**	**101,201**
Total provisions for employee benefits	**488,079**	**454,913**

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities because the Commission does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Commission expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability; even where the Commission does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

> undiscounted value – if the Commission expects to wholly settle within 12 months; or

> present value – if the Commission does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.3 Superannuation contributions

Employees of the Commission are entitled to receive superannuation benefits and the Commission contributes to defined contribution plans.

	Paid contribution for the year		Contribution outstanding at year end	
	2026 $	2025 $	2026 $	2025 $
Defined contribution plans				
VicSuper	91,869	74,100	–	–
Other	150,252	125,271	–	–
Total	**242,122**	**199,371**	**–**	**–**

3.2 Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed. Supplies and services are recognised as an expense in the reporting period in which they are incurred.

	2026 $	2025 $
Supplies and services		
Purchase of supplies and consumables	101,683	52,731
Purchase of services (including remuneration of auditors)	301,860	234,904
Maintenance	2,449	5,336
Rental outgoings and expenses	184,580	219,024
Total other operating expenses	**590,572**	**511,995**

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction
The Commission controls plant and equipment that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Commission to be utilised for delivery of those outputs.

Fair value measurement
Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

4.1 Total property, plant, equipment and vehicles 58

4.1 Total property, plant and equipment[a]

	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2026 $	**2025** $	**2026** $	**2025** $	**2026** $	**2025** $
Right-of-use leased office space	394,581	394,581	(338,195)	(225,463)	56,386	169,117
Computer equipment and video conferencing	22,983	12,490	(14,020)	(10,148)	8,963	2,342
Motor vehicle at fair value	-	57,350	-	(17,418)	-	39,932
Net carrying amount	**417,564**	**464,421**	**(352,215)**	**(253,029)**	**65,348**	**211,391**

(a) See table 4.1.2 for movements. (b) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value.

Initial recognition: Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Right-of-use asset acquired by lessees – Initial measurement
The Commission recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset – Subsequent measurement
Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability. The Commission depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

Vehicles are valued using the current replacement cost method. The Commission acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by Vic Fleet who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases and are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category. Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant, equipment and vehicles
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 Fair Value Measurement, with the consequence that AASB 136 Impairment of Assets, does not apply to such assets that are regularly revalued.

Impairment of right of use assets
The Commission has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

4.1.1 Depreciation and amortisation

Charge for the period

	2026 $	**2025** $
Right of use leased office space	112,732	112,732
Plant, equipment and vehicles	11,171	13,075
Total depreciation and amortisation	**123,903**	**125,807**

Asset	(years) Useful Life
ROU leased asset	3.5
Computer equipment and video conferencing equipment	5
Motor vehicles	5

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table on the left.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Commission obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

	Right of use leased office space at fair value		Vehicles at fair value		Computer equipment & video conferencing at fair value	
	2026 $	**2025** $	**2026** $	**2025** $	**2026** $	**2025** $
Opening balance 1 July	169,117	281,849	39,932	49,885	2,343	5,465
Additions	–	–	–	–	10,493	–
Disposals	–	–	(32,633)	–	–	–
Depreciation	(112,732)	(112,732)	(7,299)	(9,953)	(3,872)	(3,122)
Closing balance 30 June	**56,385**	**169,117**	**–**	**39,932**	**8,964**	**2,343**

Note: Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation.

5. OTHER ASSETS AND LIABILITIES

Introduction
This section sets out those assets and liabilities that arose from the Commission's operations.

Structure

5.1 Receivables 60
5.2 Payables 61

5.1 Receivables

	2026 $	2025 $
Contractual		
Sub-lease – Sentencing Advisory Council [a]	68,323	195,528
Statutory		
Amount owing from Victorian Government	400,044	330,821
Total receivables	**468,367**	**526,349**
Represented by		
Current receivables	344,943	356,825
Non-current receivables	123,424	169,524

(a) The Commission has a sub-lease agreement with the Sentencing Advisory Council for a portion of the office space leased. Refer to Note 6.2.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Commission holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The Commission applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the Commission's impairment policies exposure to credit risk and the calculation of the allowance are in Note 7.

5.2 Payables

	2026 $	2025 $
Contractual		
Supplies and services	94,866	60,993
Other payables	20,274	12,984
Statutory		
FBT payable	1,272	1,272
Total payables	**116,412**	**75,249**
Represented by:		
Current payables	116,412	75,249

Payables consist of:

contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Commission prior to the end of the financial year that are unpaid; and

statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

6. HOW WE FINANCED OUR OPERATIONS

Introduction
This section provides information on the sources of finance utilised by the Commission during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Commission.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

6.1 Borrowings 62
6.2 Leases 63
6.3 Cash equivalents and balances 64
6.4 Trust account balances 64
6.5 Commitments for Expenditure 64

6.1 Borrowings

	2026	2025
	$	$
Current borrowings		
Lease liabilities – Buildings	136,160	249,685
Lease liabilities – Motor Vehicle	–	10,057
Total current borrowings	**136,160**	**259,742**
Non current borrowings		
Lease liabilities – Buildings	–	136,160
Lease liabilities – Motor Vehicle	–	29,994
Total non current borrowings	**–**	**166,154**
Total borrowings	**136,160**	**425,895**

Interest Expense

	2026	2025
	$	$
Lease liabilities – Buildings	6,548	12,135
Lease liabilities – Motor vehicle	3,609	568
Total interest expense	**10,157**	**12,703**

'Interest expense' includes the interest component of finance lease repayments. Interest expense is recognised in the period in which it is incurred.

'Borrowings' refer to interest-bearing liabilities and lease liabilities.

Borrowings are classified as financial instruments. Interest-bearing liabilities are classified at amortised cost unless the Commission elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

The Commission has designated lease liabilities at fair value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. All other interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. They are subsequently measured at fair value, with changes in fair value relating to the Commission's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result.

Maturity analysis of borrowings

			Maturity dates			
	Carrying amount	Nominal amount	Less than 1 month	1–3 months	3 months – 1 year	1–5 years
	$	$	$	$	$	$
2026						
Lease liabilities – Buildings	136,160	136,160	22,464	67,941	45,755	–
Total	**136,160**	**136,160**	**22,464**	**67,941**	**45,755**	**–**
2025						
Lease liabilities – Buildings	385,845	385,845	20,347	61,538	167,800	136,160
Lease liabilities – Motor Vehicle	40,050	40,050	830	2,493	6,734	29,993
Total	**425,895**	**425,895**	**21,177**	**64,031**	**174,534**	**166,153**

6.2 Leases

Information about leases for which the Commission is a lessee is presented below.

The Commission leases its office space and a motor vehicle. The lease contract for the office space is for a three and a half year period and for the motor vehicle it was for a three-year period. The motor vehicle was disposed of in March 2026.

The Commission has a sublease arrangement with the Sentencing Advisory Council which is classified as a finance lease under AASB 16, as the present value of the lease payments amounts to substantially all of the fair value of the underlying asset and the lease terms are for the major part of the economic life of the underlying asset. As an intermediate lessor, the Commission has accounted for the head lease and the sublease as two separate contracts. The period of the agreement is for three and a half years with the remaining term being 6 months as at 30 June 2026. Refer to receivables Note 5.1.

Right-of-use Assets
Right-of-use assets are presented in Note 4.1.

Recognition and measurement of leases as a lessee

Lease Liability – initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Commission's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets
The Commission has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities
The Commission presents right-of-use assets as 'property plant equipment' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

6.3 Cash equivalents and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement purposes, cash and cash equivalents are indicated below.

	2026	2025
	$	$
Funds held in trust [a)(b)]	1,694,095	2,316,967
Balance as per cash flow statement	**1,694,095**	**2,316,967**

(a) Refer to Note 2.3 for details of trust establishment.

(b) Refer to Note 6.4 for details of trust account balances

6.4 Trust account balances

Trust account balances relating to trust accounts controlled by the Commission

	2026				2025			
Cash and cash equivalents and investments	Opening balance as 1 July 2025	Total receipts	Total payments	Closing balance as 30 June 2026	Opening balance as 1 July 2024	Total receipts	Total payments	Closing balance as 30 June 2025
	$	$	$	$	$	$	$	$
Controlled trusts								
VLRC Trust Fund [a)(b)]	2,316,967	2,019,537	2,642,409	1,694,095	1,439,957	2,937,410	2,060,400	2,316,967
Total controlled trusts	**2,316,967**	**2,019,537**	**2,642,409**	**1,694,095**	**1,439,957**	**2,937,410**	**2,060,400**	**2,316,967**

(a) The VLRC Trust fund was created to receive non-public monies from the Victorian Legal Services Board under Section 144(3) of the *Legal Profession Uniform Law Application Act 2014*.

(b) Refer to Note 2.3 for details of trust establishment.

6.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet. There were no outstanding commitments for expenditure as at 30 June 2026 ($Nil -2025).

7. FINANCIAL INSTRUMENTS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction
The Victorian Law Reform Commission (the Commission) is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied.

Structure

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7.2 Contingent assets and contingent liabilities 67
7.3 Fair value determination 67

7.1 Financial instruments specific disclosures

Introduction
Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Commission's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Commission to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Commission recognises the following assets in this category:

- receivables (excluding statutory receivables); and
- trust fund deposits.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value minus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Commission recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

7.1.1 Financial instruments: Categorisation

2026	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
	$	$	$	$
Contractual financial assets				
Cash and deposits	1,694,095	-	-	1,694,095
Receivables[b]	-	68,323	-	68,323
Total contractual financial assets	**1,694,095**	**68,323**	**-**	**1,762,418**
Contractual financial liabilities				
Payables[a]				
Supplies and services	-	-	94,866	94,866
Other payables			20,274	20,274
Borrowings				
Lease liabilities	-	-	136,160	136,160
Total contractual financial liabilities	**-**	**-**	**251,299**	**251,299**

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).
(b) Refer to Note 5.1.

2025	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
	$	$	$	$
Contractual financial assets				
Cash and deposits	2,316,967	-	-	2,316,967
Receivables[b]	-	195,528	-	195,528
Total contractual financial assets	**2,316,967**	**195,528**	**-**	**2,512,495**
Contractual financial liabilities				
Payables[a]				
Supplies and services	-	-	60,993	60,993
Other payables			12,984	12,984
Borrowings				
Lease liabilities	-	-	425,895	425,895
Total contractual financial liabilities	**-**	**-**	**499,872**	**499,872**

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).
(b) Refer to Note 5.1.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

The Commission had no contingent assets or liabilities as at 30 June 2026 (Nil 30 June 2025).

7.3 Fair value determination

This section sets out information on how the Commission determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result; and
- property, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes. The Commission determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end; and
  - details of significant unobservable inputs used in the fair value determination.

Fair value determination of financial assets and liabilities

The Commission currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2026–27 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits **Investments and other contractual financial assets:** > Trust fund deposits	**Payables:** > For supplies and services **Borrowings:** > Lease liabilities

8. OTHER DISCLOSURES

Introduction
This section includes additional material disclosures required by accounting standards or otherwise for the understanding of this financial report.

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8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

	2026	2025
	$	$
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability [a]	6,737	(1,956)
Net gain/(loss) arising from disposal of motor vehicle	(9,452)	–
Total other gains/(losses) from other economic flows	**(2,715)**	**(1,956)**

(a) Revaluation gain/(loss) due to changes in bond interest rates.

8.2 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Names
The persons who held the positions of Ministers and Accountable Officers in the Department of Justice and Community Safety (from 1 July 2025 to 30 June 2026 unless otherwise stated) are as follows:

The Department of Justice and Community Safety

Attorney-General	The Hon. Sonya Kilkenny, MP	1 July 2025	to	30 June 2026
Acting Attorney-General	The Hon. Enver Erdogan MP	20 September 2025	to	28 Sept 2025
		28 December 2025	to	11 January 2026

The Commission

The persons who were Responsible Persons of the Commission as stipulated in Section 7 of the *Victorian Law Reform Commission Act 2000*, for the reporting period are as follows:

Chair	The Hon. Anthony North KC	1 July 2025	to	30 June 2026
Commissioner	Bernadette McSherry	1 July 2025	to	30 June 2026
Commissioner	Dan Nicholson	1 July 2025	to	30 June 2026
Commissioner	The Hon. Jennifer Coate AO	1 July 2025	to	30 June 2026
Commissioner	Kathleen Foley SC	1 July 2025	to	11 February 2026
Commissioner	Dr Vivian Waller	1 July 2025	to	31 August 2025

Accountable Officer

Chief Executive Officer	Merrin Mason PSM	1 July 2025	to	27 March 2026
Acting Chief Executive Officer	Emma Cashen	30 March 2026	to	30 June 2026

8.3 Remuneration of Responsible Persons

Total remuneration during the reporting period for statutory office holders and accountable officers amounted to $847,906 (2024-25: $507,827).

Remuneration received or receivable by the Accountable Officers in connection with the management of the Commission during the reporting period was in the range $460,000 – $470,000. This amount is inclusive of eligible payments made to the departing CEO.

8.4 Related parties

The Commission is an independent agency established under the *Victoria Law Reform Commission Act 2000*. It is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Commission include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The Commission received funding of $2.838 million (2025: $3.699 million) and made payments of $0.308 million (2025: $0.254 million) to government-related entities.

During the year, the Commission had the following government-related entity transactions:

- $118,121 in payroll tax to the State Revenue Office (2025: $94,810).
- $190,502 in other transactions that are collectively, but not individually significant (2025: $159,706).

Key management personnel of the Commission includes the Attorney-General, the Hon. Sonya Kilkenny, MP, the Acting Attorney-General, the Hon. Enver Erdogan, MP and the Chair and Commissioners of the Victorian Law Reform Commission, and members of the Senior Executive Team, which includes:

Key management personnel	Position title
The Hon. Anthony North, KC	Chair
Bernadette McSherry	Commissioner
Dan Nicholson	Commissioner
The Hon. Jennifer Coate AO	Commissioner
Kathleen Foley SC	Commissioner
Dr Vivian Waller	Commissioner
Merrin Mason PSM	Chief Executive Officer
Emma Cashen	Acting Chief Executive Officer

The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

	Total Remuneration	
Remuneration of key management personnel	**2026** $	**2025** $
Short-term employee benefits	576,609	438,219
Post-employment benefits	65,850	54,718
Other long-term benefits	16,598	14,890
Termination benefits	188,849	–
Total remuneration	**847,906**	**507,827**
Total number of key management personnel [(a)]	**8**	**9**
Total annualised employee equivalents [(b)]	**2.4**	**2.2**

(a) Total number of key management personnel includes paid and unpaid Commissioners.
(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

Outside of normal citizen type transactions with the Commission, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.5 Renumeration of auditors

	Total Remuneration	
	2026 $	**2025** $
Victorian Auditor General's Office		
Audit of the financial statements	33,600	29,200
Total renumeration of auditors	**33,600**	**29,200**

8.6 Subsequent events

The Commission's long term existing office space lease will expire on 31 December 2026. A new lease contract for the office space has been negotiated and is currently with the Valuer-General Victoria for review and approval. The proposed new annual lease arrangements will involve reduced lease payments and will otherwise be on similar terms and conditions as the expired lease, allowing for normal rental increases. The proposed new lease arrangements are for a period of three years.

The Commission has a longstanding sub-lease arrangement with the Sentencing Advisory Council which is classified as a finance lease under AASB 16. The Council has advised that they will continue with the lease, but these lease arrangements are yet to be negotiated.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Commission, the results of its financial operations or the state of affairs of the Commission in the future financial years.

8.7 Change in accounting policy

8.7.1 Right-of-use assets

The Commission has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of right-of-use assets arising from market leases, in accordance with the updated requirements under FRD 104.

Previously, the Commission had measured all right-of-use assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, the Commission will measure all right-of-use assets using the cost model. Right-of-use assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136.

Upon adoption of the cost model, the Commission has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model. Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

Right-of-use assets arising from significantly below-market leases

The Commission is not required to make any adjustments to right-of-use assets arising from significantly below-market leases, including peppercorn leases, as the Commission already measures these right-of-use assets using the cost model in accordance with AASB 16 and FRD 104, and are thus not impacted as a result of this accounting policy change.

Impacts on financial statements

On transition to the cost model, there was no impact on the Commission's financial statements. No impairment was identified by the Commission for the right-of-use asset held as at 30 June 2026.

8.8 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

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

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of the Commission to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is either:

- cash
- an equity instrument of another entity
- a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Financial statements in this report comprises:

- a comprehensive operating statement for the period;
- a balance sheet as at the end of the period;
- a statement of changes in equity for the period;
- a cash flow statement for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraph 38 of *AASB 101 Presentation of Financial Statements*.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

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

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories and plant and equipment.

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

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets and fair value changes of financial instruments.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables includes amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

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

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

8.9 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts. The financial statements and notes are presented based on the illustration for a government agency in the 2025-26 Tier 2 *Model Financial Report for Victorian Public Sector Agencies*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Commission's annual reports.

DISCLOSURE INDEX

The annual report of the Commission is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Commission's compliance with statutory disclosure requirements.

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Note: (a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

Legislation
Freedom of Information Act 1982
Building Act 1993
Public Interest Disclosures Act 2012
Carers Recognition Act 2012
Disability Act 2006
Local Jobs First Act 2003
Financial Management Act 1994

BUDGET AND ACTUAL OUTCOMES

The Budget Portfolio Outcomes provide comparisons between the actual financial statements of the agency and forecast financial information published in the Budget Papers.

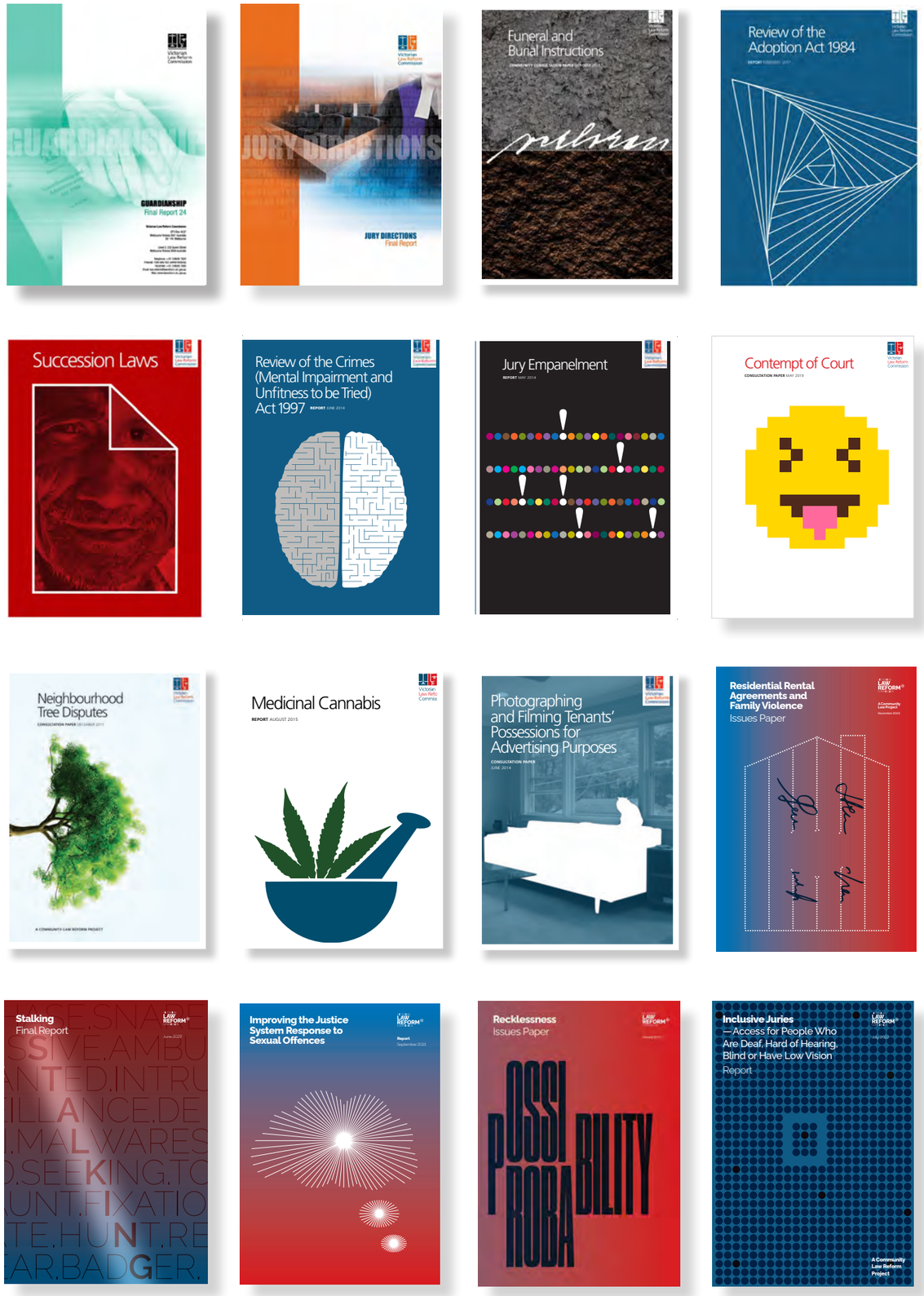
The following table provides information for the current and previous four financial years.

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

Financial review of operations and financial condition

Five-year financial summary	2026	2025	2024	2023	2022
	$	$	$	$	$
Annual Appropriation Actual	707,900	415,000	839,000	824,000	1,226,200
Output appropriations – Department of Justice and Community Safety	705,900	762,000	720,200	778,600	816,200
Grants - Specific Purpose – Department of Justice and Community Safety	112,200	-	-	-	410,000
Grants - Legal Services Board	2,019,537	2,937,410	2,338,234	2,040,375	1,893,049
Other Income	-	-	11,000	-	-
Total revenue	**2,837,637**	**3,699,410**	**3,069,434**	**2,818,975**	**3,119,249**
Total expenses	(3,461,889)	(2,868,209)	(2,376,941)	(2,391,129)	(3,025,387)
Net result from continuing operations	626,968	829,245	711,078	430,659	110,035
Net cash flow from operating activities	(362,257)	1,112,315	442,679	701,990	456,534
Total assets	**2,256,618**	**3,082,561**	**2,392,142**	**1,059,346**	**933,260**
Total liabilities	**740,650**	**956,057**	**1,094,883**	**473,166**	**790,579**

The difference between the annual appropriation and the actual grant from the Department of Justice and Community Safety is mainly as a result of the annual Government Efficiency Dividend, plus the annual adjustment for depreciation funded capital expenditure. The Appropriation amount for 2025 was incorrectly calculated and was subsequently adjusted.



A selection of report covers over the past 25 years.

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