

2019–20

Annual Report

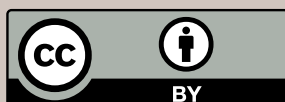
Published by the Victorian Equal Opportunity and Human Rights Commission, Level 3, 204 Lygon Street, Carlton, Victoria 3053.
December 2020.

Contact us

Enquiry Line	1300 292 153 or (03) 9032 3583
Fax	1300 891 858
NRS Voice Relay	1300 555 727 then quote 1300 292 153
Interpreters	1300 152 494
Live chat	livechat.humanrights.vic.gov.au
Email	enquiries@veohrc.vic.gov.au
Web	humanrights.vic.gov.au

The Victorian Equal Opportunity and Human Rights Commission acknowledges and celebrates the Traditional Owners of the lands throughout Victoria and we pay our respects to their Elders, past and present.

This work, *Annual Report 2019–20*, is licensed under a Creative Commons Attribution 4.0 licence. You are free to re-use the work under that licence, on the condition you credit the Victorian Equal Opportunity and Human Rights Commission as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any branding, including the Victorian Equal Opportunity and Human Rights Commission logo.



Please give attribution to:
© State of Victoria (Victorian Equal Opportunity and Human Rights Commission) 2020.

Accessible formats

This document is available for downloading from our website at humanrights.vic.gov.au/resources in PDF and RTF. Please contact the Commission if you require other accessible formats.

Privacy

The Commission complies with Victorian privacy laws and the confidentiality provisions of the Equal Opportunity Act 2010 (Vic). Our privacy policy is available online at humanrights.vic.gov.au/privacy or by contacting us.

Disclaimer

This information is intended as a guide only. It is not a substitute for legal advice.

Printed on Ecostar

ISSN 1836–1447 (print)

2019–20

Annual Report

Responsible body's declaration

In accordance with the ***Financial Management Act 1994***, I am pleased to present the Victorian Equal Opportunity and Human Rights Commission's Annual Report for the year ending 30 June 2020.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Moana Weir', with a stylized, flowing script.

Moana Weir – Chairperson

Victorian Equal Opportunity and Human Rights Commission

Contents

Foreword	4
Snapshot: Our impact in 2019–20	6
About us	8
Helping Victorians understand and exercise their rights	12
Responding to COVID-19: Human rights during a time of crisis	16
Embedding a human rights culture	18
Improving workplace equality	22
Protecting human rights in closed environments	24
Reducing racism	26
Strategic Priorities	30
Strategic Priority 1: Embedding a human rights culture	32
Strategic Priority 2: Improving workplace equality	36
Strategic Priority 3: Protecting human rights in a closed environment	46
Strategic Priority 3: Reducing racism	48
Our organisation: Being the best we can be	54
Compliance Reporting	60
Five-year financial performance	66
Financial notes and statements	80
1. About this report	88
2. Funding delivery of our services	90
3. The cost of delivering our services	93
4. Key assets available to support output delivery	98
5. Other assets and liabilities	105
6. How we financed our operations	107
7. Risks contingencies and valuation judgements	114
8. Other disclosures	130
Appendix	144

Foreword

Respect for human rights is vital at any time – but especially during a crisis. And this year, as the COVID-19 pandemic has progressed, we've seen time and again the central role human rights must play in protecting individuals from unfair treatment, in embedding a common sense of care and responsibility, and in shaping government's decisions as it seeks to balance serious risks to public health and the rights and liberties of all Victorians.

It will be remembered as a time characterised by acts of compassion and community cohesion alongside deep uncertainty and stress, and upheaval of work, study and many of the social, cultural and religious practices that anchor us.

One of the Commission's key roles this year was to ensure human rights have been at the centre of the Victorian Government's response to the pandemic. We have monitored the implementation of various emergency measures and engaged regularly with government and community stakeholders on the impact of COVID-19. As a foundation for this work, we identified six principles to guide the government's response, and they have proved an important framework for examining the emerging human rights issues during this period.

From the early days of the pandemic, the particular health risks posed by closed environments like prisons and aged care facilities was one area that required close attention. When 3000 public housing residents were placed in hard lockdown, there was widespread concern for the welfare, both mental

and physical, of residents, amid reports of trouble accessing food, medical care and other essential services. During the lockdown, we supported residents with translated information about their rights and worked closely with government, police and civil society to monitor and support human rights compliance.

For many years, the Commission has been an unflinching advocate for workplace equality, and this year we delivered significant projects both before and during the pandemic. The third report from our independent review into sex discrimination and sexual harassment within Victoria Police reflected on the significant progress the organisation has made in the last five years and mapped a path towards gender equality to guide Victoria Police for the decade ahead. We also released our new sexual harassment guideline and an innovative digital response tool to help employers fulfil their 'positive duty' under the Equal Opportunity Act. This is the first time that a guideline provides clear and practical standards against which compliance for all private and public sector employers can be measured.

Any reflection on this past year will be imprinted with scenes from across the globe of Black Lives Matter protests. Closer to home, the civil action from Aboriginal and Torres Strait Islander people recognises decades of individual and structural racism, but also the crucial role that Victoria's First Nations people have played in advancing human rights, from criminal justice changes to Treaty reform. Over the past year, the Commission has played a role in supporting these initiatives and,

after 12 months of deep consultation, we released our Aboriginal Community Engagement Strategy which will focus on supporting cultural rights, advancing self-determination and strengthening the way we can support Aboriginal people to connect with our services.

While in many ways Victoria is built on a foundation of multiculturalism, the social and economic fissures created by the pandemic have exposed and intensified racial discrimination and vilification in our community. We received a significant increase in reports of racism during this period, including verbal abuse and threats of physical violence directed towards people of Asian backgrounds. To help culturally and linguistically diverse communities understand their rights and the support options available, we developed translated information on Victoria's anti-discrimination laws and reached community members through public awareness campaigns on social media and community radio. Through our submission to the Victorian Parliament's inquiry into hate laws in Victoria, we continued our advocacy for stronger anti-vilification laws to protect more Victorians from hate speech, trolling and other hate conduct.

While the transition to remote working required some rethinking of how we deliver our enquiries, complaints and education services, all have continued to provide important support for Victorians in this time of sustained uncertainty. Our enquiries team heard about 7740 issues of discrimination, sexual harassment, vilification and human rights over the course of the year, and our dispute resolution team received 1633 complaints. We also delivered 267 education sessions, reaching 5324 people across both private and public sector organisations. I am very proud of how nimbly and creatively our organisation has responded to the emerging issues and embraced new technology that will continue to make us a flexible, adaptable and innovative workplace.

At the beginning of this financial year, few could have imagined how different the world would look by year's end – and it's clear that many Victorians have experienced significant change in how they live, work and study. But we are a resilient and hopeful state. As we turn towards recovery, an important generational opportunity lies before us – to not just rebuild the systems and structures we had before, but to reimagine a more equitable and inclusive society, shaped by every member of community, with human rights and our care and responsibility for each other at its heart.



A handwritten signature in black ink, appearing to read 'Kristen Hilton'.

Kristen Hilton
Victorian Equal Opportunity
and Human Rights Commissioner



A handwritten signature in black ink, appearing to read 'Moana Weir'.

Moana Weir
Chairperson

Snapshot: Our impact in 2019–20

Every Victorian should be able to live their life free from discrimination. At the Commission, we work to protect human rights and promote fair treatment for all Victorians. Through our Enquiry Line and complaints service, we help thousands of people each year to better understand their rights. We also help people to make a complaint or report if they have been discriminated against, sexually harassed, victimised or vilified.

In 2019–20 we:

received

1633

complaints of discrimination, harassment and vilification from 914 different people

65%

of these complaints were resolved through our dispute resolution process, with a 95% satisfaction rating from those who participated

85%

of complaints were resolved within 6 months

We also:

delivered

267

**education sessions,
attended by 5324 people**

Locations:

85.4% metro
11.2% regional
3.4% rural

Audiences:

18.2% State government
19.7% Statutory authorities
16.7% Local government
15.2% Community and health
services
13.6% Schools/TAFE/
Universities
1.5% Law firms
3% Unions
12.1% Peak and professional
associations

responded to

6650

**enquiries raising
7740 issues of
discrimination,
harassment and
vilification**

prepared

8

**policy submissions
and intervened in
one legal matter**

**increased our audience across all social media
channels by 41% on the previous year to**

19,094

followers who viewed our content 1,022,726 times

About us

The Commission is an independent statutory body with responsibilities under Victoria's key human rights laws:

- The *Equal Opportunity Act 2010* makes it against the law to discriminate against people on the basis of a number of personal characteristics and prohibits sexual harassment and victimisation. It also includes a positive duty, which requires all organisations covered by the law – including government, business, employers and service providers – to take reasonable and proportionate measures to eliminate discrimination, sexual harassment and victimisation as far as possible.
- The *Racial and Religious Tolerance Act 2001* makes it against the law to vilify people because of their race or religion.
- The *Charter of Human Rights and Responsibilities Act 2006* (the Charter) identifies 20 human rights applicable to all Victorians and requires government and public bodies to consider these rights when making laws and providing services.

Our vision is for a fair, safe and inclusive Victoria where every person is respected and treated with dignity.

Our mission is to engage and influence law and policy makers, institutions, communities and individuals to protect and promote human rights in Victoria.

Our principles

We will ensure that:

- we make human rights accessible and resonate for all Victorians
- we lead with evidence and research
- our work is designed to have a transformative impact
- we invest in our people to be the best human rights organisation we can be.



What we do

Our role is to protect and promote human rights and equality in Victoria, which we do through a range of functions under our laws:

Complaints resolution

We resolve complaints of discrimination, sexual harassment and victimisation under the Equal Opportunity Act and complaints of racial and religious vilification under the Racial and Religious Tolerance Act by providing a free and confidential dispute resolution service.

Research

We undertake research to understand and find solutions to systemic causes of discrimination and human rights breaches.

Education

We provide information to help people understand and assert their rights. We conduct reviews of programs and practices to help organisations comply with their equal opportunity and human rights obligations. We provide an education and consultancy service to government, business and the community to drive leading practice in equality, diversity and human rights, including a collaborative approach to developing equal opportunity action plans.

Advocacy

We raise awareness across all parts of the community about the importance of equality and human rights, encouraging meaningful debate, leading public discussion and challenging discriminatory views and behaviours.

Monitoring

We monitor the operation of the Charter of Human Rights and Responsibilities and track Victoria's progress in protecting fundamental rights.

Enforcement

We intervene in court proceedings to bring an expert independent perspective to cases raising equal opportunity and human rights issues. We conduct investigations to identify and eliminate systemic discrimination.

Strategic priorities

Embedding a human rights culture

Improving workplace equality

Protecting human rights in closed environments

Reducing racism

Our values

Creativity

We know that to solve difficult problems, we need to have the courage to imagine original and creative solutions. We do this through learning from others, seeking inspiration and trying new approaches.

Accountability

We work responsibly to achieve our objectives in an impartial and transparent way. We seek to achieve the best use of our resources and to continually improve. We accept responsibility for our actions and hold ourselves and others to account.

Rigour

We apply critical thinking and thorough analysis to our work, ensuring it is considered, accurate and well-reasoned.

Empathy

We understand that people experience the world in different ways and have different stories to tell. Listening intently and respectfully allows us to question our own assumptions about what is fair and see problems from different perspectives.

Helping Victorians understand and exercise their rights

Through our Enquiry Line and complaints service, we help thousands of people each year to better understand and exercise their rights. We also help people to make a complaint if they have been discriminated against, sexually harassed, victimised or vilified.

Information and enquiries

The Commission provides an information service that manages phone, email, webchat, written and in-person enquiries about the Equal Opportunity Act, the Racial and Religious Tolerance Act and the application of the Charter. We also provide individuals and organisations with a range of printed materials that provide information and guidance on the legislation.

Over the last 12 months we have continued to make progress in ensuring that our information and enquiry service is as accessible and responsive as possible. We provide a telephone interpreter and relay service for enquiries, provide our information in many different languages and have in place a diverse team adept at responding to the breadth of issues raised by the Victorian community.

In 2019–20, the Commission received 6650 enquiries from people, raising 7740 issues of discrimination. This is a slight decrease on the previous year, due to:

- COVID-19 related disruption to our ability to provide a telephone-based service during the first two months of the Commission's transition to remote working. During this time our enquiries service was available via webchat only, and we saw a significant increase in enquiries once we were able to restore telephone services.
- A significant fall from 1137 to 464 enquiries out of our jurisdiction, indicating that we are helping the community to better understand how we can and cannot assist.

Enquiries relating to racial vilification more than doubled from the previous year, from 47 to 144, and there was a 54 per cent increase in enquiries about Charter rights.

Five most common issues raised from enquiries





CASE STUDY

Alleged sexual harassment in the course of employment

The complainant commenced employment with the respondent in early March 2020 in a male-dominated environment. Initially the complainant enjoyed the atmosphere within the workplace, however she became increasingly uncomfortable during her interactions with her immediate supervisor and ultimately concerned for her personal safety.

Over time her supervisor:

- told her there was no staff discount policy at the business but she could 'pay him in other ways'
- texted her suggestive photos and messages
- withheld providing the complainant keys to a company vehicle, asking her 'what five things' she would do to get the keys.

The complainant raised her concerns with her employer, and was placed on paid leave, at which point she contacted the Commission.

Post-conciliation negotiations resulted in the complainant resigning and being provided with a payment of \$11,600 in general damages (roughly equivalent to 12 weeks net pay). The employer provided the complainant with a statement of service and committed to reviewing its policies and providing training on discrimination and sexual harassment to all its employees.

*Details have been changed for privacy reasons.
Images for illustration purposes only.*

Complaints

The Commission provides a free and confidential dispute resolution service under the Equal Opportunity Act and Racial and Religious Tolerance Act. This service is central to the Commission's role in protecting and promoting human rights and equal opportunity.

Each complaint that we receive from an individual will raise either a single complaint of discrimination or, in many cases, will raise multiple issues. For example, a complaint of sexual harassment may also raise related but separate issues of sex discrimination or discrimination on the basis of age. One of the strengths of our process and legislation is that we are able to take a comprehensive approach to these matters and deal with them in a way that recognises the intersectional nature of discrimination and inequality.

In 2019–20 we received 1633 complaints of discrimination, harassment and vilification from 914 different people. Compared to last year, this represented a slight increase in the number of people making complaints, and a small decrease in the number of different issues raised.

Five most common issues we received complaints about	Top three settings	Increases in issues we received complaints about
Disability (518) Sex (170) Race (160) Sexual Harassment (131) Career Status (84)	Employment (879) Provision of goods and services (437) Accommodation (102)	<ul style="list-style-type: none">• Parental status discrimination in employment increased by 2.5%• Carer status discrimination in employment increased by 2.8%• Sexual harassment in employment increased by 2%• Race discrimination in goods and services increased by 1.7%• Sex discrimination in employment increased by 1.5%



CASE STUDY

Alleged disability discrimination in the area of education

The complainant's daughter is profoundly deaf and currently attending Year 3 of primary school. She has been very successful so far, with the help of the education aid and teacher.

Since the start of remote learning, her funded supports have been reduced from nine hours per week to one hour at the most, and she has found it hard to engage with the online learning material. The classroom teacher told the complainant that she is not allowed to have occasional video meetings with the complainant's daughter to provide further support to her, and no acknowledgement was made by the school that the student was being excluded from the offered learning, in spite of the complainant raising concerns about the learning platform.

At a conciliation conference to try and resolve the complaint the respondent outlined a range of proposed supports for the complainant's daughter, including options for the complainant teacher to make contact on a regular basis, and the allocation of Education Support Staff to work with the complainant's daughter while she is learning remotely. The respondent also committed to closer consultation with staff, parents and students, and outlined plans for further staff training and equipment purchases to support ongoing remote learning.

The complainant said he was happy with this outcome and agreed the complaint could be closed as resolved based on the discussion at conciliation.

*Details have been changed for privacy reasons.
Images for illustration purposes only.*

Responding to COVID-19: Human rights during a time of crisis



In times of crisis, human rights are more important than ever.

The emergence of the COVID-19 pandemic profoundly affected the life of every single Victorian. Governments have been required to take urgent and dramatic action to protect human life, imposing unprecedented restrictions on our movement and contact with others. Changes to work and schooling arrangements have highlighted, and in some cases exacerbated, existing inequality. Fear and misinformation have stoked rising racism, particularly directed at people from Asian backgrounds.

As the COVID-19 crisis has evolved over time, so has the focus of our work. While our physical offices closed, we continued to deliver our complaints, enquiries and education services using online and telephone-based platforms and adapted the focus of work under each of our strategic priorities to respond to the emerging challenges.

Embedding a human rights culture

For the Victorian Government and other public authorities, responding to the threat to human life posed by COVID-19, while also upholding human rights requires a delicate balance. In a state of emergency, some limitation of human rights may be necessary, however Victoria's Charter of Human Rights and Responsibilities requires any restrictions to be time bound, justified, proportionate and necessary. There must be safeguards for vulnerable people whose rights are impacted and decisions must be open to scrutiny.

Monitoring the COVID-19 Omnibus (Emergency Measures) Act 2020

On 23 April 2020 the Victorian Parliament passed the *COVID-19 Omnibus (Emergency Measures) Act 2020*. The legislation included a large range of provisions designed to safeguard public health, give key institutions and essential services greater flexibility to continue operating during the pandemic, and effectively respond to the threat presented by COVID-19.

The government provided a Statement of Compatibility alongside the Act that demonstrated it had given careful consideration to balancing human rights with necessary limitations. This was a compelling example of the Charter in action, showing that it is possible to enact emergency measures while still ensuring human rights considerations are central to the law-making process.

To further assist community organisations and members understand the impact of this legislation, we published a register of rights, gathering all the new provisions and their effects into one place, and setting out which human rights were affected and the government's justification for any limitations on those rights. We have since continued to monitor additional measures implemented by government, updating the register to ensure the public remains informed and able to understand the implications of these measures.



Six key principles to guide government's response to COVID-19

The move to limit rights in response to the threat of COVID-19 also carries with it a range of responsibilities for public authorities – including the need to ensure additional safeguards are in place for transparency and accountability, and to provide support for people who have been affected/impacted.

We identified and promoted six important principles that should guide the government's response and ensure it fulfils its obligations under the Charter. These principles provide that responses should be 1) necessary and proportionate 2) time bound 3) lawful 4) transparent 5) scrutinised, and should 6) build in additional safeguards and supports for those most likely to be adversely affected.



Necessary and proportionate

Limiting people's rights is only permitted if there is an important and legitimate purpose, such as protecting people during the COVID-19 pandemic. Only government actions that are necessary and proportionate to achieve that purpose will be justified under the Charter.

Government decision-makers must have evidence to justify any action that limits a person's human rights under the Charter.



Time bound

Any measures that restrict human rights should only remain in place for as long as they are necessary. Actions that limit rights should be regularly reviewed to ensure they remain justified and should be removed once the need has passed.

Emergency laws for COVID-19 must provide clear time frames for when changes are no longer needed, and decision-makers should continue to assess whether a restrictive practice continues to be justified, necessary and proportionate.



Lawful

During this period, human rights under the Charter have not been suspended by the Victorian Parliament. This means all rights in the Charter continue to apply to decisions and actions of all public authorities in Victoria. Importantly, there is no extra allowance for discrimination during the pandemic, and all restrictions must uphold the Charter right to non-discrimination and the Equal Opportunity Act.

4

Transparent

The government should provide accessible, timely, clear and comprehensive information about any measures that limit human rights in a way that the public can understand, including people with disability and people from linguistically diverse backgrounds.

The information should include the medical evidence or public health modelling underpinning the decision and the justification given.

The reasons and justification should be recorded and publicly available.

5

Scrutinised

Supervision and scrutiny of the government's response to COVID-19, including legislative measures and the exercise of new powers, is key to upholding democracy and the rule of law during this public health crisis.

The Scrutiny of Acts and Regulations Committee should scrutinise any COVID-19 emergency legislation and regulations to ensure they are compatible with human rights.

Individuals should have information about their rights, how to report concerns or issues they have with any restrictions and how to access any appeal or review pathways.

6

Building in additional safeguards and supports

Wherever possible, preventative safeguards must be built into any action that limits people's rights to minimise the limitation on human rights, prevent abuse of any new powers and protect vulnerable people.

In particular, people who are detained will require additional psychological support and meaningful human contact while they are in protective isolation.

Improving workplace equality

Health crises can exacerbate existing gender inequalities.

Women have been overrepresented in frontline, essential work during the pandemic – including health and caring professions, and roles within the social support and retail sectors – placing them at greater risk of exposure to COVID-19. More women than men have lost their jobs or had their working hours drastically reduced, and they are shouldering a disproportionate burden of increased unpaid caring responsibilities. The combined impact of these factors risks leading to long-term disadvantage and economic insecurity.

Understanding and promoting flexible work practices

Recognising the emerging gendered impact of COVID-19, we developed and issued an awareness raising campaign on Facebook targeted at working women. The short and effective campaign reached over 55,000 women, leading them to information about their rights at work and how they could go about accessing support and assistance from the Commission.

Alongside this campaign we commissioned research to understand the impact the pandemic was having on flexible work arrangements for both men and women, with a particular focus on parents and carers of dependent children. Having surveyed over 1000 people from a broad cross-section of the community, the results of the research are currently being analysed and will be made available in late 2020.

The COVID-19 pandemic has also resulted in the largest ever 'experiment' with working from home and new forms of flexibility around how and when individuals work.

While many employers embraced these changes, we also heard from people who encountered resistance or inflexibility within their workplace. Through our enquiries service we provided information to these workers on their right to flexible working arrangements and reasonable adjustments and, where appropriate, took on complaints for further action through our dispute resolution service.

Case studies: Enquiries about flexible working arrangements

Michael* has a marketing role and asked his employer to work from home one day a week as he had no care for his two children under the age of 4 years due to the pandemic.

His employer refused this request as the company policy was that no staff can work from home. No consideration was given to his request and the complainant considered they had been discriminated against due to their parental and carer responsibilities.

Jane* works in an area deemed essential service. She has a 12-year-old child with a heart condition who is especially vulnerable to COVID-19. Concerned about the possibility of contracting the virus from work and risking her child's health, she requested to work from home.

The request was denied by the employer because Jane herself is not within the 'vulnerable category'. The employer advised Jane to use personal leave, of which she had very little due to her child's medical appointments.

Transforming the way we work

While the Commission has long championed flexible work as a key tool for inclusive workplaces, the arrival of COVID-19 prompted us to adopt an even more flexible approach to the way we work as an organisation, in particular to accommodate and support staff with parenting and other caring duties, and staff who require different arrangements to work effectively

While many of the IT and system improvements we've undertaken in the latter part of 2019–20 were already in train, we accelerated much of this work to ensure our team could work comfortably and efficiently from their own homes. Transitioning from the physical office to the digital workplace has allowed us to progress many of the projects we had scheduled, even with staff working remotely. Our dispute resolution and education teams quickly upskilled using video conferencing to continue delivering conciliations and training sessions. Conciliations have been conducted via phone or online, with participants continuing to report high levels of satisfaction with the service.

Ensuring staff felt supported and connected was also a key priority. We renewed our focus on internal communications, distributing weekly video updates from the leadership team, conducting monthly staff meetings online, and providing regular and comprehensive updates on the pandemic and how it affects our workplace. The launch of our new intranet, Equality Works, also provided an important hub for information, guidance and keeping us together while apart. New recruits joining the Commission during this period of remote working were also paired up with a buddy for fortnightly virtual catch-ups.

Protecting human rights in closed environments

The close confines and security demands of closed environments like prisons and other forms of detention present especially challenging environments for the prevention and management of COVID-19 outbreaks. Authorities are faced with the challenge of how to best protect the health of those living and working in a high-risk environment, while at the same time balancing the human rights of people living in already restrictive environments.

Human rights in prisons during the pandemic

Victorian prisons responded to the risks of COVID-19 through the introduction of a number of broad isolation and quarantine measures – including increased quarantine periods on arrival into the corrections system, new powers to lockdown or isolate parts of the prison, and restricting family and friends' visits and visits from lawyers dependent upon the prison's ability to facilitate the necessary social distancing. We have worked closely with Corrections Victoria and others to ensure human rights have remained at the centre of decision-making as these measures were implemented, particularly in order to mitigate the disproportionately negative effects that they were likely to have on specific groups within the prison population – including those with a mental illness or disability, young people, and Aboriginal and Torres Straight Islander peoples.

When community transmission began to accelerate and COVID-19 infections were confirmed in some of those living and working in Victoria's prisons, we wrote to the Victorian Government proposing a range of strategies to safely reduce the prison population and further reduce the risk a COVID-19 outbreak within the prison system.

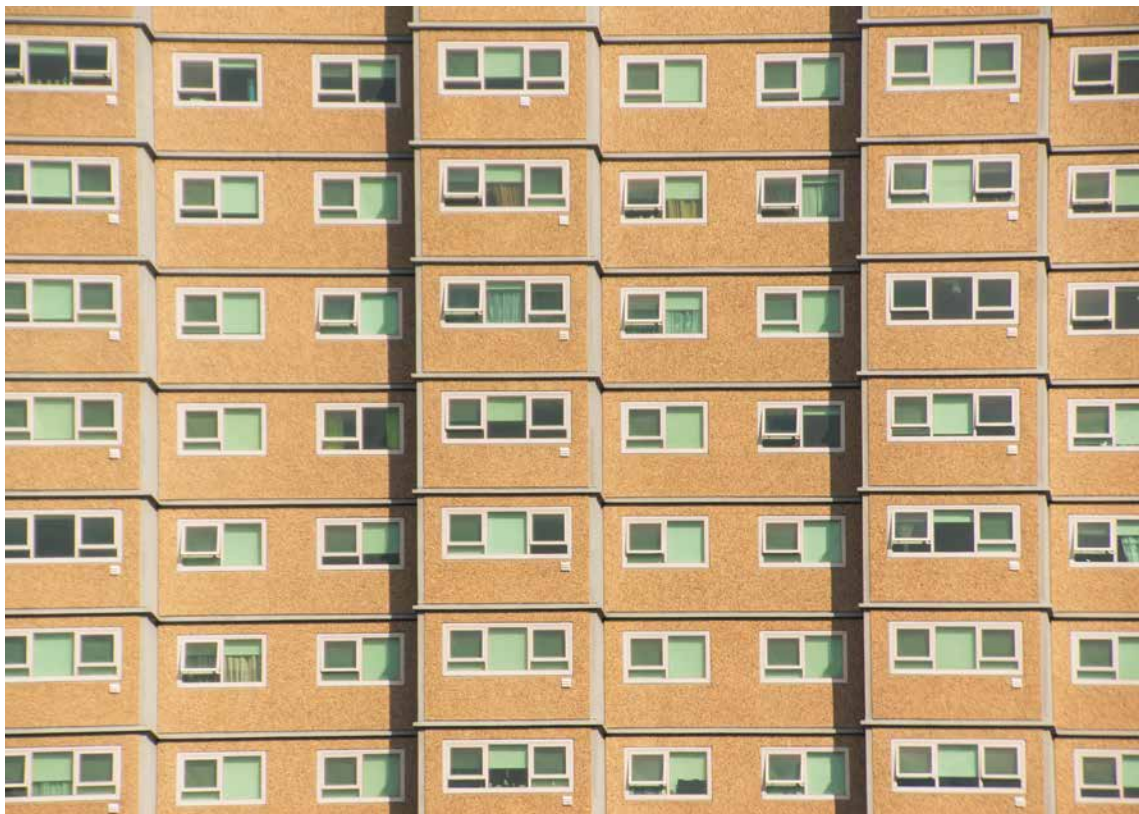
Upholding human rights in the public housing lockdown

A cluster of infections concentrated in nine inner Melbourne public housing towers led to the government taking drastic and swift action to enforce a hard lockdown of 3000 people living within the estates. With almost no warning, residents affected by the lockdown were provided with 'orders of detention' – severely restricting their right to movement and providing little opportunity to organise access to medical supplies, food and other essential services and items. Many residents do not speak English as a first language, making the provision of information in a confusing and rapidly changing situation all the more challenging.

In the days after the lockdown was announced we moved quickly to produce a fact sheet for residents explaining their rights and protections under full lockdown. The resource was translated into the seven written and three spoken languages most commonly used by those living on the estate and distributed to partner organisations and online via our website and social media.

We worked closely with the Victorian Multicultural Commission and a coalition of community legal centres to monitor the experience of residents and consult with community members. We used what we were hearing to inform our advocacy and support to the government agencies that were involved in implementing and managing the lockdown.

We remain deeply engaged with the particular needs of people living in public housing beyond the conclusion of the hard lockdown – supporting the Victorian Ombudsman to conduct an inquiry, and working closely with government to ensure that appropriate action is being taken to prevent the need for any further hard lockdowns in Victoria's public housing.



Reducing racism

Reports of racism and xenophobia have been a worrying trend throughout the COVID-19 pandemic. From the start of the pandemic, we heard about increasing incidents of public abuse, harassment and vilification against people from Asian backgrounds, ranging from offensive comments and verbal abuse, through to threats of physical violence.

Community Reporting Tool

Launched in June 2019, the Commission's Community Reporting Tool (CRT) has provided a quick, easy and secure way for people to report incidents of racism and other discrimination directly to the Commission. The tool has been built with the capability to be embedded into another organisation's website, thus reducing some of the potential barriers to reporting and reaching an audience beyond those who specifically seek out the Commission.

In response to the rising racism accompanying the COVID-19 pandemic we produced a promotional pack for use by partner organisations already hosting the CRT. We also reached out to other local government, community and business stakeholders encouraging them to host the CRT on their own website.

The data gathered through the CRT has been vital to helping us understand where and in what forms racism is being experienced, which in turns informs our advocacy work and approach to the promotion of our services.



Reports made through the Community Reporting Tool significantly increased, almost doubling in number since early March. Of note:

In April 2020 the number of enquiries we received pertaining to racial vilification was **8** times the number received in April 2019.

During COVID-19 approximately **50%** of all reports have pertained to racial or religious vilification and a further **20%** pertaining to race discrimination.

CRT reports during COVID indicate a shift away from racial discrimination at work or in employment towards racial abuse and other unfair treatment on the street, on public transport or online.

Asian Victorians have experienced increases in discrimination and vilification during the COVID-19 pandemic. Incidents have taken place in shopping centres, schools, public transport and online.

What we've heard about COVID-related racism

"My brother, who is Eurasian Australian, and his friend, who is Chinese Australian, had been fishing in Williamstown when a group of four white men decided to cough at and laugh at my brother and his friend as they walked past. It made my brother feel scared."

I'm feeling very unsafe about going to my work. There is graffiti nearby that says "shame on you China, go home yellow dog".

I was doing my grocery shopping when an older lady walked down the aisle and pointed at me and said "You. It's all your fault. All you f-cking Asians need to go back to where you came from. Every shelf is empty and it's all you f-cking Asians fault".

When I walked down the street with my family, we passed our neighbour who first covered their face, and then coughed at us and said "Get the f-ck out of my way you Asian dogs or else I'll smash ya".



Supporting multicultural and multifaith communities to exercise their rights

Recognising that English is not the first language for many of the individuals most at risk of experiencing racism during COVID-19, we developed and promoted an online resource hub, *There's no place for racism in Victoria*, which contains a suite of resources to assist community members to access information and support to combat racism. Information on how to get help was translated into 10 commonly spoken languages in Victoria, and we ran an awareness campaign in five different languages across ethnic radio, print and online.

We saw a very high level of engagement with this campaign, resulting in more than 4500 visits to the translated information pages on our website in just one month, and a significant jump in engagement from multicultural community members with our other online materials.

In 2020 we will continue working to deepen our engagement with multicultural and multifaith communities by expanding the translated materials available on our website, and working in partnership with the Victorian Multicultural Commission to deliver targeted information and education sessions for multicultural communities most at risk of experiencing racism.



At the Commission, much of our role requires us to be a responsive and dynamic organisation. We need to be equipped to deal quickly and fairly with individual complaints, provide expert advice in judicial proceedings and respond to relevant policy issues – such as those that emerged during the COVID-19 pandemic.

We also have a role in setting the agenda. Our Strategic Plan 2018–22 sets out four strategic priorities that we are focused on to drive our vision for a fair, safe and inclusive Victoria:

- Embedding a human rights culture**
- Improving workplace equality**
- Protecting human rights in closed environments**
- Reducing racism**

We set these priorities based on how we can best contribute to the change we want to see, taking into account our mandate, expertise and the current needs in the community.

Embedding a human rights culture

In 2006 Victoria became the first Australian state to introduce a Charter of Human Rights and Responsibilities. Since that time the Commission has played a key role ensuring the community and public authorities understand their legal rights and obligations. We have also seen that the law alone is not enough to protect human rights. A positive human rights culture plays a vital role in shaping the decisions, policies and operations of public authorities, to uphold the human rights of all Victorians. This year, we continued our work to embed human rights in the attitudes, values and behaviours of public authorities and developed new ways to monitor the strength of Victoria's human rights culture.

Supporting public sector workers to apply the Charter to their work

Embedding the Charter in the day-to-day life of public authorities relies on staff at all levels understanding its scope, their obligations and developing capability for it to be used as tool to shape decision-making and service delivery.

A key part of this process is our Charter Education Program – this year, we delivered 104 face-to-face and online education sessions, reaching 1532 people across the public sector. Training participants rated their satisfaction with the sessions at 87.6 per cent.

The program also equips public sector employees with practical resources to help them apply the Charter in their day-to-day work. In July 2019, we published a revised edition of our comprehensive Charter guide for public authorities, along with a quick guide to help employees access the information they need in a concise, accessible format.

This year, we also expanded the number of government departments hosting our Charter eLearning modules. They are now available to staff at the Department of Premier and Cabinet, the Department of Health and Human Services, the Department of Transport and the Department of Jobs, Precincts and Regions.

Since the Charter Education Program began in 2017, we have delivered Charter training to more than 10,350 public sector employees.



A new framework for monitoring Victoria's human rights culture

Each year, our annual report on the operation of the Charter surveys the role of human rights in the decisions, operations and policy-making of Victoria's public authorities, parliament and courts and tribunals. It provides valuable insights into the strength of Victoria's human rights culture.

In November 2019, we released our report on the operation of the Charter during 2018. It provides a roadmap for public authorities to embed human rights and a transparent framework for the Commission to monitor the growth of human rights culture within organisations.

For the first time, the 2018 Charter report included an indicator framework that pinpoints six key influences for a strong human rights culture. Designed to help us more accurately measure and understand Victoria's human rights culture, the framework was informed by our experience applying the Charter, expert advice on measuring organisational culture and extensive consultation.

Using the framework, we found that many public sector staff know about and value human rights, and there were strong signs the public sector is engaging the community in decisions that impact on their rights. The framework also points to some areas for improvement: public sector leaders can further model and promote human rights, and public authorities can better support staff to embed human rights and use tools like complaints policies to identify and implement improvements.

We are continuing to use the framework as a tool in our work to support authorities to improve their awareness and application of human rights. The framework enables us to track an organisation's progress over time and provide report cards which can be used to identify how they can better embed human rights within their organisation.

Human rights culture indicator framework

Our indicator framework identified six key influences for a strong human rights culture.



Improving workplace equality

Every worker deserves to feel respected and valued in their working life. But each year we hear from Victorians who face structural barriers and other inequalities that prevent them from feeling safe, included and equal in the workplace.

This year, we concluded our independent review into sex discrimination and sexual harassment, including predatory behaviour, in Victoria Police, helping it / the organisation chart a course towards gender equality for all employees. We also interrogated the barriers to pay equity in small and medium enterprises, supported the introduction of the Gender Equality Act, and prepared a new edition of our sexual harassment guideline for Victorian workplaces.

Charting a course towards gender equality for Victoria Police

Beginning in 2015, our independent review into sex discrimination and sexual harassment within Victoria Police examined the systemic and cultural issues that normalised everyday sexism and embedded gender inequality, leading to many women across the organisation being sidelined, denigrated and disrespected at work.

This year, we concluded our review with the publication of our third report on the organisation's progress towards gender equality.

The independent review has been a catalyst for transformative change. Today, women within Victoria Police are being paid more fairly, with a 1.9 per cent reduction in the gender pay gap. There are more women in senior leadership roles, and 92 per cent of the workforce has undergone training in workplace harm. The number of staff accessing flexible work arrangements has increased by 20 per cent overall, and a parental leave backfill scheme is helping manage leave and reduce stigma.

There is still a way to go. Rates of workplace harm within Victoria Police are still unacceptably high. In total, 80 per cent of our phase 1 recommendations have now been implemented to a moderate or higher extent. In this final phase of the review, we made 16 new recommendations to help embed gender equality across Victoria Police by 2030.

As part of our phase 3 report, we also developed an outcome monitoring framework to guide Victoria Police's ongoing work. The framework maps 10 domains that can help the organisation monitor its progress towards gender equality over the next decade.

The success of the independent review relied on a strong partnership between Victoria Police and the Commission. We provided Victoria Police with expert and frank advice about its approach to deep and enduring reform. We engaged in open discussion about the pace of change and the challenge of resistance, while retaining independent oversight.

Authoritative advice and clear standards to help employers tackle workplace sexual harassment

From high-profile media coverage to landmark research on prevalence and impact, sexual harassment has been a recurrent theme in the public conversation in recent years.

Sexual harassment in the workplace – as in other areas of public life – is unlawful; but it is also a preventable problem. To help employers and other duty holders deal with sexual harassment more effectively, we have prepared an updated edition of our guideline *Preventing and responding to workplace sexual harassment*.

For the first time the new edition describes six minimum standards to help employers create safe, respectful workplaces. Meeting the standards will also help employers comply with their ‘positive duty’ under the Equal Opportunity Act, which requires them to not just deal with complaints if they arise, but to proactively take steps to prevent sexual harassment from occurring.

To develop the guideline, we consulted a wide range of stakeholders, including unions, peak bodies, the Fair Work Commission and academics. We also drew upon the experiences of individual victim-survivors.

To support employers to use the guideline, we hosted an online panel discussion with leading thinkers in preventing and responding to workplace sexual harassment. Employees and employers can also access our sexual harassment chat-bot, *Raise It*, an online tool that helps users recognise sexual harassment and take action.



A framework to prevent and respond to sexual harassment

Minimum standards for employers



Standard 1: Knowledge

Employers understand their obligations under the Equal Opportunity Act 2010 and have up-to-date knowledge about workplace sexual harassment.

Employers understand the law relating to sexual harassment including their positive duty.

Employers understand the drivers and impacts of sexual harassment.

Leaders and supervisors know how to identify and respond to sexual harassment in their workplace.



Standard 2: Prevention plan

Sexual harassment is prevented through the development and implementation of an effective sexual harassment prevention plan.

Employers have assessed what steps they will take to prevent sexual harassment, including measures in compliance with these standards, and have documented the plan.

Workers and their representatives have an opportunity to contribute to the development or revision of the plan.

Workers understand the plan (including relevant policies and procedures) and know where to find it.

Leaders have implemented the plan and are accountable for the commitments within it.



Standard 3: Organisational capability

Leaders drive a culture of respect by building organisational capability.

Expectations of respectful workplace behaviour have been set and clearly communicated to workers.

Leaders model respectful workplace behaviour.

Employers have taken steps to ensure workers understand that sexual harassment and victimisation are against the law and will not be tolerated.

Employers encourage and support bystanders to act safely to respond to sexual harassment.



Standard 4: Risk management

Employers have built a culture of safety and address risk regularly.

Employers have regularly identified and assessed risk factors for sexual harassment, including by seeking feedback from workers.

Employers have recognised and treated sexual harassment as a work health and safety risk.

Employers have taken steps to minimise and control workplace risk factors.

Workers understand and are encouraged to use systems in place to address risk.



Standard 5: Reporting and response

Sexual harassment is addressed consistently and confidentially to hold harassers to account, and responses put the victim-survivor at the centre.

A fair and confidential reporting and complaints procedure is prepared in consultation with workers, with victims-survivors' wellbeing prioritised.

Workers know how and where to make a complaint or report, and are supported to do so.

Responses to complaints are timely and consistent, with proportionate disciplinary outcomes.

Workers are safe and supported throughout a complaints process, including through identifying and preventing victimisation.



Standard 6: Monitoring and evaluation

Outcomes and strategies are regularly reviewed, evaluated and improved.

Employers regularly collect and assess reporting and complaints (and other relevant) data for trends, patterns and lessons to drive continuous improvement.

Employers regularly review and update sexual harassment prevention plans (e.g. annually) to drive continuous improvement.

Employers are transparent about trends, patterns and lessons with workers, boards and key stakeholders.

Workers have confidence that sexual harassment is being eliminated in their workplace.

Investigating the barriers to pay equity in small and medium enterprises

While many Victorians make their living working in small and medium enterprises (SMEs), there is little data on gender pay equity in employers of this scale.

The onset of the COVID-19 pandemic put into stark relief the heightened risks for women in SMEs, particularly those in casual and low-paid industries where they may not have access to JobKeeper payments, as well as frontline workers or those in sectors where flexibility, working from home, bonus/commission schemes and other entitlements were affected. Increasing caring responsibilities while working from home is further contributing to the gender pay gap.

In December 2019, we commenced a research project looking at the barriers to gender pay equity in SMEs, funded by Industrial Relations Victoria. Focusing on the arts, healthcare and social assistance, and financial services sectors, this research will help us better understand the challenges facing SMEs in addressing gender pay inequity and will inform the development of sector-specific education and resources.

The project contributes to the Equal Workplaces Advisory Council's 2019–2022 strategy and action plan for SMEs. We are currently conducting interviews with staff, managers and business owners, as well as consulting with industry and peak body representatives. We will publish a final report on this research late in 2020.

Diversity and inclusion consulting transforms workplace equality

This year, our consultancy services helped a wide range of organisations establish diversity and inclusion as an important strategic priority. By understanding the goals of the organisation and its staff demographic, we support organisations through a process of sustainable change.

Our change process combines organisational reviews, assessment of relevant policies, processes and procedures, and the development of action plans. We also help organisations invest in tailored gender equality programs, and guide them on the development of effective, engaging change communications. To help organisations track their progress, we work with them to develop monitoring and evaluation frameworks.



CASE STUDY

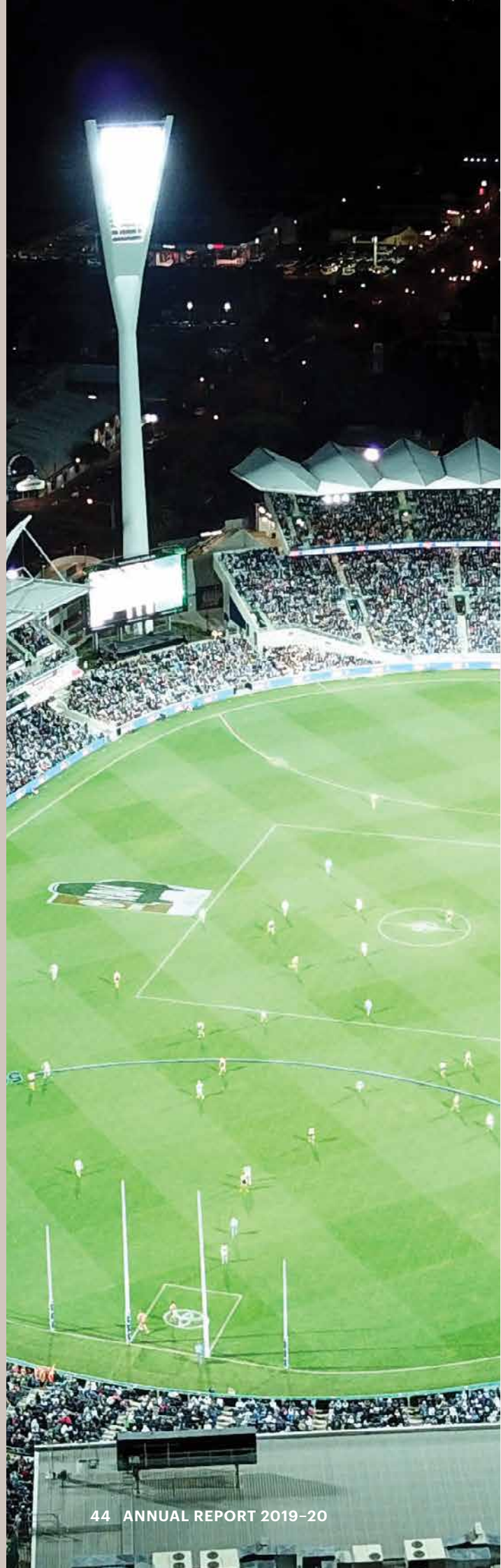
WorkSafe Victoria

As the state's health and safety regulator, WorkSafe plays a critical role in reducing workplace harm and supporting injured workers. The Commission works closely with WorkSafe in a range of areas to promote workplaces cultures that value diversity and normalise equal opportunity.

In 2019–20, we were engaged by WorkSafe to develop its first Diversity and Inclusion Strategy and Action Plan, for 2020 to 2023. We began by conducting a comprehensive diagnostic review, including a whole-of-organisation survey. We also ran focus groups with key staff cohorts and one-on-one interviews. This data shaped an action plan that focused on building and maintaining a diverse workforce and inclusive workplace culture.

Central to the action plan was an acknowledgement that strong partnerships with community play a critical role in addressing increasing rates of mental injury, bullying, occupational violence and post-traumatic stress disorder.

Images for illustration purposes only.



CASE STUDY

Geelong Football Club

Formed in 1859, Geelong Football Club is one of the AFL's oldest clubs. Today, it boasts a passionate membership, strong ties to the community and the ideal position to influence positive social change. The club's vision commits to ensuring players, members, employees and the broader Geelong community are respected, valued and included.

We were engaged by the club this year to improve its approach its diversity and inclusion. We undertook a comprehensive diagnostic review to understand the people who make up the club, and their perception and experiences of diversity and inclusion. In the year ahead, we will continue this work, developing a tailored diversity and inclusion action plan that will help Geelong Football Club cement its position as a leader in diversity and inclusion within the AFL.

Images for illustration purposes only.



Stakeholder engagement

Close collaboration with partner organisations and our key stakeholders in government, the legal sector and other commissions has underpinned many of our achievements this year.

Commissioner Kristen Hilton continued to lead the Fire and Emergency Services Male Champions of Change Group, as well as serving as a member of the Ministerial Council for Women. Commissioner Hilton also chairs a quarterly group of Victorian Commissioners to promote collaboration and coordination across key equality and human rights areas. In addition, the Commissioner chairs the Charter Champions group across government, comprised of senior departmental heads and designed to encourage human rights leadership across government.

Executive Director Catherine Dixon contributed to the important work of the Equal Workplaces Advisory Council, which advises the Minister for Industrial Relations on the gender pay gap and workforce participation.

Protecting human rights in closed environments

The close confines and security demands of closed environments like prisons and residential care facilities mean residents may be vulnerable to neglect or abuse, heightening the demand for close attention to human rights. We continue to advocate for the establishment of an independent body in Victoria to inspect places of detention against the standards of the United Nations OPCAT human rights treaty and, this year, used our intervention powers to highlight the important role of the Charter in the coronial inquest into the death in custody of Yorta Yorta woman Tanya Day.

A landmark case in tackling systemic racism

In 2017, Yorta Yorta woman Tanya Day was travelling on a V/Line train when she was arrested for public drunkenness. While in police custody, she hit her head multiple times in the holding cell, with the most significant fall resulting in a brain haemorrhage. Ms Day was died of the injuries in hospital shortly after.

We used our intervention powers under the Charter to intervene into the subsequent coronial inquest, initially to help the Coroner understand how the Charter could apply to the scope of the inquest; and during the inquest itself to clarify the obligations the Charter places on the public authorities – Vline and the police – that engaged with Tanya on the day of her arrest up until her death.

Importantly, this case represented the first time a coronial process in Australia has considered systemic racism as a potential causative factor.

Ultimately, the Coroner determined that unconscious bias and racism played a part in how Tanya was treated by the V/Line officer who called for police to remove her from the train, and that Victoria Police did not treat Tanya humanely [or with dignity in the cell, as they are required to under Victoria's Charter of Human Rights and Responsibilities.

Throughout the coronial process, Tanya's family were tireless and resilient advocates for justice in heartbreaking circumstances. Against the backdrop of significant over-representation of Aboriginal people in the criminal justice system and an alarming number of deaths in custody, considering systemic racism is a critically important way for the coronial process to engage with issues of racism and unconscious bias.

The inclusion of systemic racism in the scope of the inquest was also an important reminder for public authorities to interrogate their practices and ensure they are fulfilling their obligations under the Charter, upholding fairness and equality, and centring human rights in their operations.

We welcomed the important recommendations made by the Coroner to a number of bodies, including the Attorney-General, V/Line, Victoria Police and the Department of Justice and Community Safety. In particular, the Coroner recommended that V/Line and Victoria Police engage the Commission to review the compatibility of their training materials with the human rights set out in the Charter.

Reducing racism

While multiculturalism has played an important role in the history and culture of Victoria, we know that members of Victoria's multicultural and multifaith communities continue to experience racism in their day-to-day lives. This year, we worked closely with Victoria's African and Muslim communities to help them understand and exercise their rights, we advocated for stronger laws to protect more Victorians from hate, and we launched an action plan to guide our engagement with Victoria's Aboriginal community.

Helping African and Muslim communities understand and exercise their rights

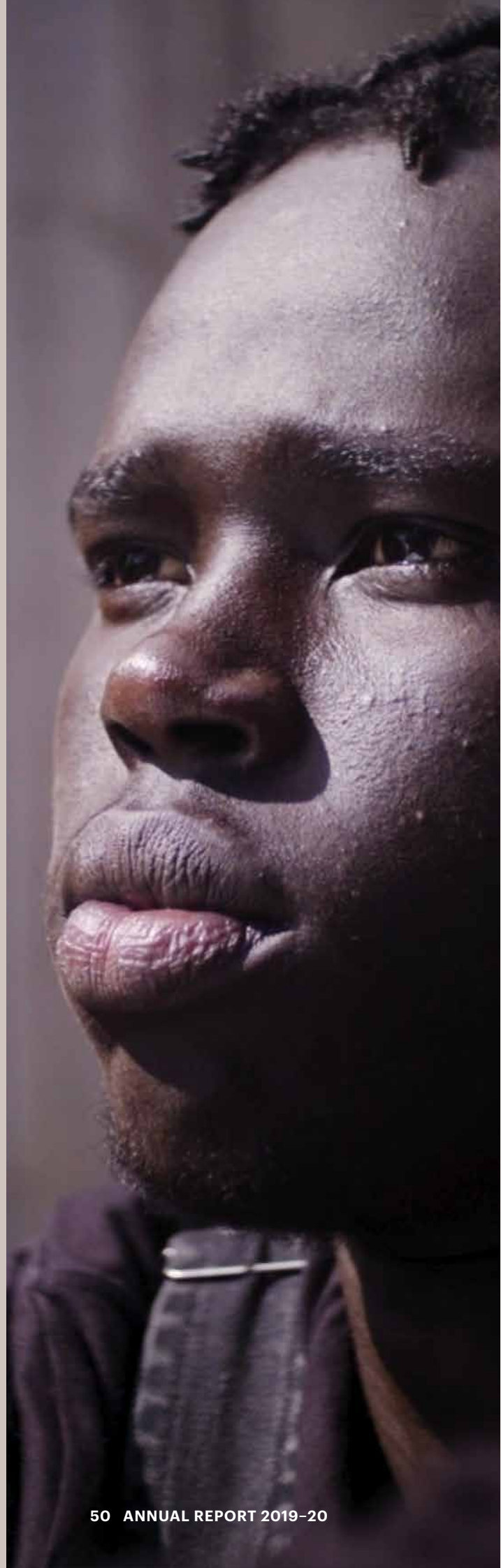
In recent years, members of Victoria's African and Muslim communities have often been the target of racist attacks, discrimination and vilification. These experiences have serious impacts, not just on the individuals affected, but on the vitality of entire communities. No Victorian should have to endure such treatment.

Funded by the Department of Premier and Cabinet's Multicultural Affairs and Social Cohesion Division, our Reducing Racism project focused on helping Victoria's African and Muslim communities to understand their rights and report racism when they experienced it.

Strong community partnerships were an important foundation for this project. They enabled us to produce co-designed education and engagement sessions and resources to help community members navigate Victoria's anti-discrimination laws and the complaints processes available.

Around 540 community members participated in tailored training sessions and a further 10 young leaders continued into our African Ambassadors program, becoming peer advocates, human rights storytellers and contributors to organisations advancing diversity and inclusion.

To encourage people to report racism, we developed a Community Reporting Tool, a digital module hosted on supporting organisations' websites, and Close Up, a series of short films in which young African Victorians describe the impact of racism and the need for bystander action.



CASE STUDY

Digital storytelling

Storytelling is one of the most effective tools we use to make human rights real, in line with the principles in our strategic plan. As part of the Reducing Racism project, we put this into action with Close Up, a video series sharing the experiences of three young African Victorians.

Produced by emerging African Victorian filmmaker Ntombi Moyo, the videos demonstrate resilience, motivation and inspiration in the face of racism and racial profiling.

In the series, Mawa, a young Muslim woman originally from Guinea, recalls her first encounter with racism on her first day in an Australian school. She speaks with passion about supporting the community to combat racism and the power of inclusive policy to effect change at a community level.

Barry, a peer support worker, shares his experience with disability, the challenges of navigating Victoria's legal system, and the importance of listening and learning from people's lived experience.

Titan, a music maker and poet from South Sudan describes being made to feel different and how bystander action can change the course of conversations. He has a vision for a more multicultural community – "I like this Australia, this Australia we're heading towards. It's more colourful."

Advertisements for the Close Up series advertisements reached 48,929 cinema patrons across Melbourne.



CASE STUDY

Streamlining reports about racism in the community

When people experience racism or another type of discrimination, sometimes they may not know what to do next. For many people, the prospect of making a formal complaint can be intimidating.

As part of the Reducing Racism project, we developed the Community Reporting Tool, a streamlined digital reporting module integrated into the websites of supporting organisations. It's intended as a quick and easy way for people to report something that has happened to them or seek further information about their rights.

To make a report, community members enter a simple description of the racism, discrimination or other human rights issues they've experienced or witnessed. Their report is sent securely and confidentially to the Commission. Users can choose whether they receive further contact from the Commission.

Currently hosted on the websites of 17 local councils around Victoria, the Community Reporting Tool received 133 reports in 2019–20. In just over half of the reports received people wanted to report an issue rather than seek an outcome. Racial discrimination and vilification accounted for 55 per cent of the reports received, and disability discrimination was also a common theme. Around two-thirds of reports came from metropolitan locations.

In 2020, we're working a range of community organisations to expand our network of hosts.

Images for illustration purposes only.

Strengthening protections from hate

While Victoria's anti-vilification law – the *Racial and Religious Tolerance Act 2001* – has been in operation for 18 years, what has become clear during this period is the inadequacy of the protection it provides and the need for stronger protections from hate speech, trolling and other hate crimes.

A parliamentary inquiry into Victoria's anti-vilification law commenced in 2020 and has been a valuable opportunity to advocate for strengthening these protections. We used our submission to the inquiry to call for significant reforms. As the COVID-19 pandemic progressed, we saw an alarming rise in reports of racial vilification, particularly directed towards people from Asian backgrounds, which further emphasised the need for robust and effective protections.

On 27 May 2020, Commissioner Kristen Hilton spoke directly to the Victorian Parliament's Legal and Social Issues Committee as part of the inquiry's public hearings. The Commissioner explained the need to expand the scope of Victoria's anti-vilification laws to protect other groups vulnerable to hate, such as women, the LGBTIQ community and people with disabilities.

The Commissioner also recommended a clearer threshold to determine when vilification has occurred. This means introducing a new test that looks at the harm a person experiences, in addition to a test that looks at whether someone has incited hatred. One of the challenges facing people who make a vilification complaint under the Act is its very high threshold for showing that vilification has occurred – it must be clear that the conduct incited others to ridicule or feel hatred, serious contempt or revulsion towards the victim.

We also proposed incorporating vilification provisions into the Equal Opportunity Act and imposing a positive duty on employers and others to take preventative action to stop vilification from occurring in the first place. Coupled with this, strengthening the Commission's enforcement powers would support better protection from hate for more Victorians.

Our submission to the inquiry was underpinned by significant stakeholder consultation, including focus groups and interviews with multicultural and faith-based organisations, the disability sector, LGBTIQ groups, as well as legal experts and academics. We also conducted an online survey, which was completed by more than 90 people.



Images for illustration purposes only.

CASE STUDY

A new strategy to guide our engagement with Victoria's Aboriginal community

Victoria's First Nations peoples have played a crucial role in advancing human rights in this state, from criminal justice reform to the nation's first Treaty process. But we know that many Aboriginal Victorians still continue to experience discrimination and human rights violations.

To guide our ongoing engagement with Victoria's Aboriginal community, we were pleased to launch our Aboriginal Community Engagement Strategy 2020–22, in June 2020. This strategic document will help ensure our services are tailored to the needs of Aboriginal people and that our advocacy supports and elevates Aboriginal voices.

Developed through extensive consultation with Aboriginal Victorians and organisations that deliver services to Aboriginal Victorians, the engagement strategy focuses our efforts in three areas. First, embedding understanding of and respect for cultural rights in the way public authorities engage with Aboriginal communities; second, demonstrating our commitment to advancing self-determination for Aboriginal people; and finally, ensuring we remain accountable to the Victorian Aboriginal community.

To achieve these objectives, we will be implementing a fast-track complaints pathway to help Aboriginal clients access our dispute resolution service. The engagement strategy will also guide the establishment of 'partnership principles' to strengthen our connections with Aboriginal organisations and ensure the community's experiences continue to shape our work.

Our organisation: Being the best we can be

A shared commitment to equality for all Victorians drives our team. Delivering our best work relies on a safe, healthy and productive workplace. This year, we launched a new website to help the public navigate Victoria's equal opportunity and human rights laws, we developed a new framework to assure the quality of our complaints process, and we harnessed new technology to enable truly flexible ways of working.

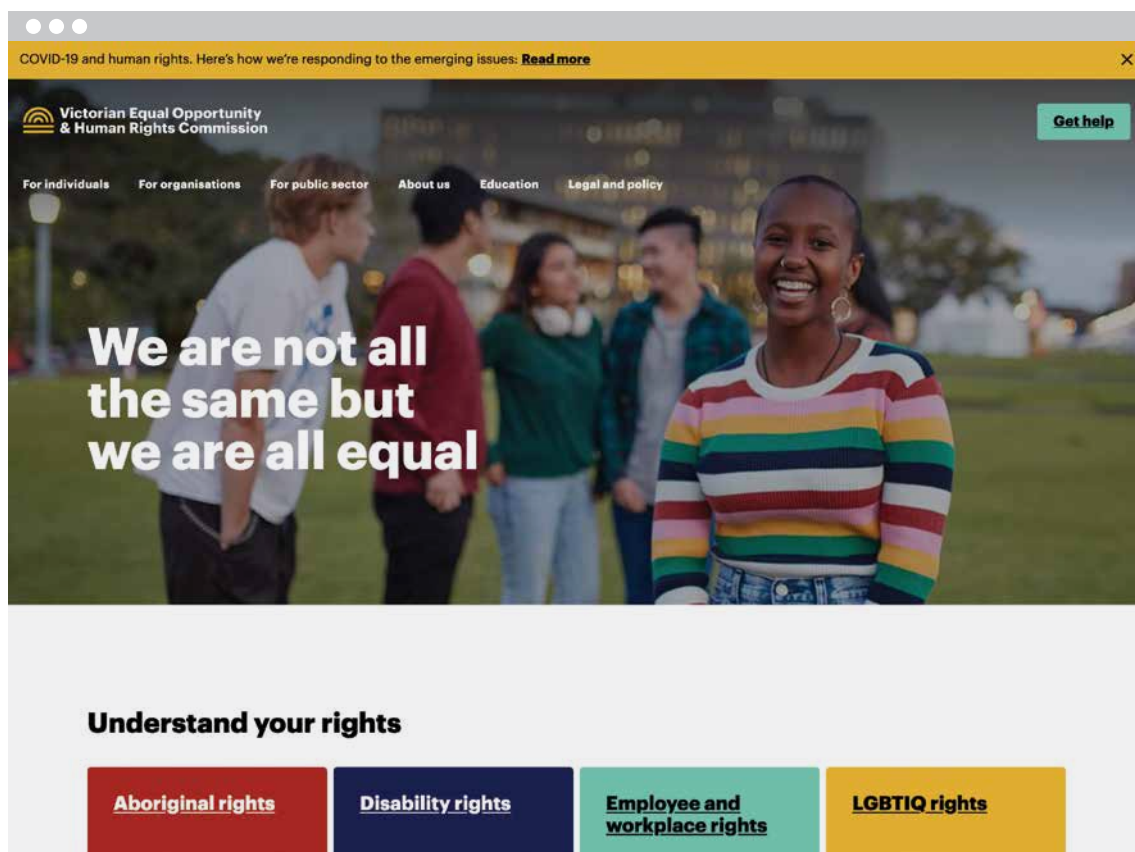


A new digital presence

Streamlined navigation, clear content and a renewed focus on personal stories were the foundations of our new website, launched in June 2020. With more than half a million visits each year, our website is an important information source for Victorians seeking information about their rights and the support available to them.

Extensive stakeholder engagement and user testing guided the development of the site and the approach to navigation. For individual users, content is centred on thematic 'hubs' that bring together information from the Equal Opportunity Act, the Racial and Religious Tolerance Act and the Charter, to provide a holistic understanding of how Victoria's anti-discrimination protections work. Each hub features personal stories that illustrate how the law applies to real-life scenarios.

For users from culturally and linguistically diverse backgrounds, translated landing pages in nine community languages provide easy-to-understand information about our Enquiry Line, Community Reporting Tool and complaints service.



Assuring the quality of our complaints service

Dispute resolution is one of the most important public services the Commission offers, helping those who have experienced discrimination, sexual harassment or vilification to resolve complaints under the Equal Opportunity Act and Racial and Religious Tolerance Act.

While we continually monitor the satisfaction of clients who have brought complaints to the Commission, this year we finalised a new Quality Assurance Framework as part of our commitment to continuous improvement.

The framework maps out our dispute-resolution goals and processes, measures of success, and reporting processes. The framework will help us understand what we need to do to deliver a quality service, from resourcing and staffing through to process improvements.

In the year ahead, we'll develop a dashboard to improve reporting and allow us to monitor the performance of our complaints function day to day.

Faster outcomes through early dispute resolution

Early dispute resolution (EDR) can offer real advantages in simple complaints where the complainant is seeking a straightforward outcome – it follows a less formal process and can deliver quicker resolution.

This year, we introduced an EDR scheme for eligible complaints, which typically account for around 10 per cent of all complaints received. Through the scheme, we aim to resolve the complaint within 28 days of it being allocated to a conciliator.

Complaints suited to EDR often involve the provision of goods and services, in situations where there is no ongoing relationship between the parties. They also typically involve discrimination on the basis of a single protected attribute.

To guide the scheme, we mapped out a start-to-finish workflow with time lines, to ensure complaints handled under this scheme are progressed quickly but can be transferred back to our standard procedure if it becomes clear they are unsuitable for EDR.

The dispute resolution process can play an important educative role in addition to resolving complaints. This new scheme is an opportunity to help duty holders such as employers to understand their legal responsibilities and explain ways in which they can meet their positive duty to eliminate discrimination and prevent future harm.

Ensuring our people are supported and engaged

Each year we participate in the Victorian Public Sector Commission's "People Matter" survey, providing opportunity for our staff to anonymously share their views about working at the Commission.

This year's results told us that our staff are highly engaged, find the Commission to be a workplace that supports innovation in how we approach our work. Close to 90 per cent of staff reported that the culture within the Commission demonstrates a commitment to diversity and inclusion, human rights and equal opportunity, and that their experience at work is one of collaboration and clear role definition and expectations.

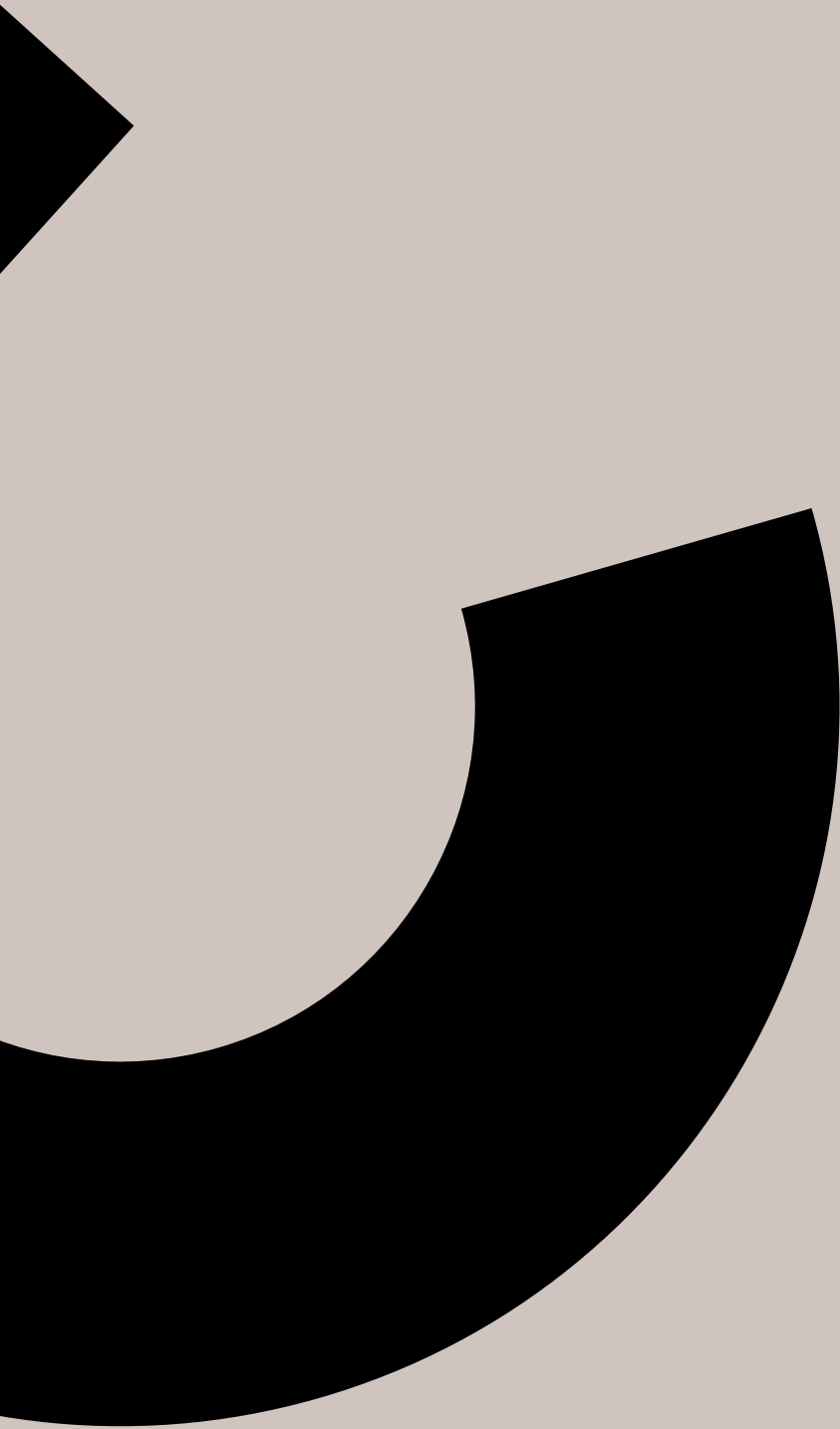
The results also told us that the greatest challenge faced by staff was experiencing a high degree of job-related stress, both as a result of high workload and the nature of the work that many of our staff undertake. Importantly staff reported that they felt the Commission could have better procedures in place to support staff experiencing stress, which led to the development of a Commission-wide working group to develop a Mental Health and Wellbeing plan, and a concerted focus on staff wellbeing over the last year.

This focus has shown benefit, with staff reporting that they have felt supported to manage their mental and physical wellbeing in the face of the considerable personal and professional challenges presented by the COVID-19 pandemic.

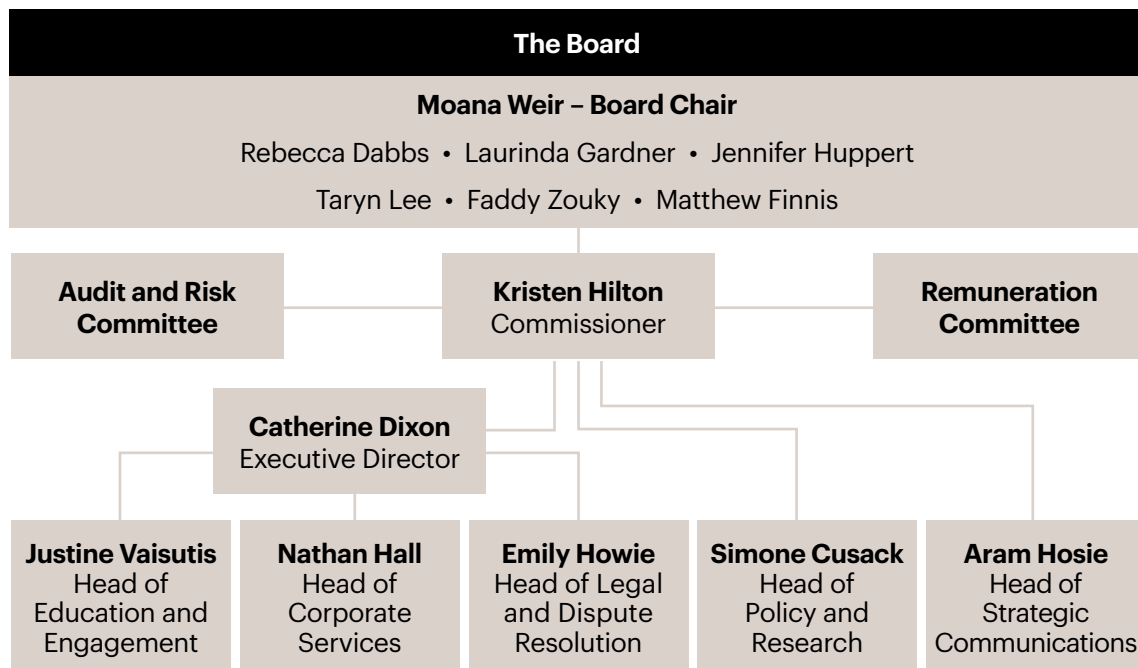




Compliance Reporting



Our organisational structure



The Board

The Commission has a Board of Governance comprising up to seven members appointed by the Governor-in-Council on the recommendation of the Attorney-General. The Board is responsible for helping to setting the organisation's strategic direction, good governance and ensure compliance. The board members also provide important links to the broader Victorian community.



Moana Weir (Chairperson)

Moana is an experienced lawyer and board member, with more than 15 years' experience as a company secretary and general counsel of ASX-listed entities, including SEEK and REA (realestate.com.au). She has also previously served on the Board for V/Line Corporation (2010 to 2013) and Melbourne Montessori School Ltd. She has a passion for driving real change and better outcomes in equal opportunity and human rights.



Tim Goodwin (term ended March 2020)

Tim is a barrister at the Victorian Bar and practises primarily in commercial and public law. Tim was one of the Junior Counsel Assisting the Royal Commission into the Protection and Detention of Children in the Northern Territory. Prior to joining the Bar, Tim worked at Allens as a solicitor for three years in commercial litigation, and in banking and finance.

Before joining Allens, Tim served as Associate to Justice North and Justice Bromberg of the Federal Court of Australia. He also served as Foreign Law Clerk to Justice Skweyiya of the Constitutional Court of South Africa. Tim has a Bachelor of Arts and Laws (with Honours) from the Australian National University and a Master of Laws from Harvard Law School.

Tim is a member of the Yuin people of the South East Coast of New South Wales. He serves on a number of boards, including as a board member of Museums Victoria and the Human Rights Law Centre.



Jennifer Huppert

Jennifer is a lawyer with more than 30 years' experience, practising mostly in commercial property.

She is currently a Special Counsel at Maddocks Lawyer. Jennifer has been involved with the community and not-for-profit sector over a number of years, including her role as president of the Jewish Community Council of Victoria.

She previously served on the boards of the B'nai B'rith Anti-Defamation Commission, Youth Connect and National Council of Jewish Women of Australia.



Laurinda Gardner

Laurinda is a board director, organisational reform and change management consultant and career coach. Laurinda has more than 25 years, senior executive experience and was formerly a Deputy Secretary with the Victorian Department of Treasury and Finance and a Director at the City of Melbourne.

Laurinda has led large operational teams in diverse areas including strategic and business planning, HR, IT, communications, town planning, stakeholder engagement, finance and risk.

Laurinda has performed the role of trusted adviser to several CEOs, undertaken a number of reviews for the Victorian Government, is currently on the Board of the Victorian Planning Authority and a member of several remuneration, and audit and risk committees. Laurinda is a Fellow of the Institute of Public Administration (Victoria) and a graduate member of the Australian Institute of Company Directors.



Faddy Zouky OAM

Faddy is the founding President of the Australia Lebanon Chamber of Commerce & Industry, a member of the Multicultural Commission of Victoria's Small Business Ministerial Council, and the current Managing Partner of Zouki Lawyers and the Executive Director of the Zouki Group of companies.

Faddy has a Master of Laws and has taught commercial law as an assistant lecturer at Monash University. He is a respected member of the Australian Lebanese community and has served as a United Nations Australian Ambassador for the UNDP Live Lebanon Project.

As a migration agent, Faddy has assisted hundreds of people seeking to settle in Australia and was awarded the Order of Australia Medal in 2012 for his services to business and Victoria's multicultural community.



Matthew Finnis

Matthew was appointed Chief Executive Officer of the St Kilda Football Club in 2014.

Prior to joining St Kilda, Matthew was CEO of the AFL Players' Association, representing the interests of current, future and former AFL players in a range of industrial, commercial and development matters.

Before his roles in the AFL Matthew worked as a commercial lawyer advising sporting organisations, businesses, athletes and government. Matthew also has extensive experience on boards supporting community causes and organisations including; Ladder, AFL SportsReady, Surfing Australia, Surf Life Saving Victoria and HeartKids Australia.

Matthew has been a founding member of the Sport Male Champions of Change Group since 2015, working with influential leaders to redefine men's role in taking action on gender inequality. In 2016 he was awarded the Straight Ally of the Year at the GLOBE Community Awards.



Rebecca Dabbs

Rebecca is currently the Oceania Leader for Climate Change and Sustainability Services at Ernst & Young, working on sustainability and health, safety and environment engagements. Previously, she worked as a sustainability consultant and a Chartered Accountant for Ernst & Young, and as a Chartered Accountant for BNP Paribas in London. Rebecca has been a board member for Cambodian Kids Can, supporting children's welfare, education and community projects, and the Norman Wettenhall Foundation, an environmental foundation.



Taryn Lee (appointed to Board May 2020)

Taryn is a proud Yawuru woman from Broome who has lived in Melbourne for the past 20 years. Taryn has recently joined PIC from the Victorian Government where she has held executive roles in the design, development and delivery of policy frameworks that have been central to positioning Aboriginal self-determination as the centrepiece to improve outcomes for Aboriginal communities.

In 2018, Taryn was acknowledged in the Top 50 Women in the Public Sector by Davidson.

Taryn completed her first MA in Human Rights Law (University of London).

Audit and Risk Management Committee report

The primary role of the Audit and Risk Management Committee is to provide independent oversight and governance of the Commission's business processes, risk management and financial management, performance and sustainability. The Committee considers reports from the Commission and auditors that provide assurance about the integrity of the financial controls, processes, systems and reporting of the Commission. It also monitors the Commission's compliance with the *Financial Management Act 1994* and the 2018 Standing Directions of the Minister for Finance. The Audit and Risk Management Committee advises the Board and the Commission on matters of compliance, accountability, risk management and internal controls affecting operations.

The 2019–20 Audit and Risk Management Committee consisted of Laurinda Gardner (Chair), Moana Weir and Rebecca Dabbs. External audits of the Commission are undertaken by the Victorian Auditor-General's Office.

Five-year financial performance

The following financial performance tables are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the Commission's financial statements.

Five-year financial performance summary

Five year financial summary	2020	2019	2018	2017	2016
Income from government	9,640,371	9,717,071	9,527,853	9,201,051	8,360,828
Total income from transactions	9,640,371	9,717,071	9,527,853	9,201,051	9,221,073
Total expenses from transactions	9,176,898	9,719,831	9,495,431	9,176,646	9,432,264
Net result from transactions	463,473	(2,760)	32,422	24,405	(211,191)
Net result for the period	432,382	(69,474)	46,792	13,380	(226,232)
Net cash flow from operating activities	587,721	64,268	119,167	(202,863)	(273,538)
Total assets	3,886,169	3,138,265	3,427,466	3,166,137	3,135,810
Total liabilities	1,998,113	1,682,591	1,902,318	1,687,782	1,670,835

Note: (a) Income from government includes both output appropriations from DJCS and revenue from contracts with other government departments

Current year financial review

A summary of the Victorian Equal Opportunity and Human Rights Commission's financial performance in 2019/20 is shown below. Full financial details for 2019/20 are outlined in the Financial Statements.

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the Commission.

In 2019/20 the Commission reported a net result from transactions of \$463,473 representing an increase of \$466,233 from 2018/19. Total income and total expenses have decreased from the previous year, with the decrease in expenses being significantly higher.

Total net assets continued to grow up until 2018/19 when there was a decline of (\$69,474) from the previous year. However net assets has increased from \$1,455,674 last year to \$1,888,056 in 2019/20. This reflects a growth in the Commission's asset base and a reduction in total liabilities.

Net cash inflows from operating activities has increased as compared to last year. This is due to receipts of \$525,488 in 2019/20 from the Department of Premier and Cabinet to continue work on the government's Anti-Racism Action Plan, gender equity and for the delivery of translation and/or interpreter services as part of government's COVID-19 Response Package for Multicultural Communities. The Commission also received \$590,000 from the Victorian Secretaries Board to continue an education program on building a culture of human rights in the Victorian Public Service.

Financial Performance

There was a reduction in output appropriation as compared to the previous year. Due to the COVID-19 pandemic and social distancing requirements, the Commission was unable to generate revenue from delivery of face to face education and training. However additional income was generated from special projects undertaken by the Commission. Expenses from transactions decreased mainly due to a reduction in employee costs. The net result from transactions therefore increased significantly from the previous year.

Financial position – balance sheet

Total assets increased by \$747,904 over the year mainly due to an increase of \$772,462 in financial assets and a decrease of \$24,557 in non-financial assets. The increase in financial assets is due to increases in cash and receivables. The increase in receivables are of a statutory nature and is due from the Department of Justice and Community Safety. They represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Total non-financial assets decreased due to the decrease in the net book value of plant and equipment.

Cash flows

The total cash surplus of \$876,557 for the 2019/20 financial year is the result of a net cash inflow of \$587,721 for operating activities driven by increased cash receipts from special projects. The net cash outflow from investing activities is \$70,550 due to enhancements to intangible assets.

Net cash outflows from financing activities was \$24,016 resulting from transactions in respect of the Commission's 4 leased motor vehicles.

Occupational health and safety

The goal of the Commission's occupational health and safety (OH&S) arrangements is to embed a safety and wellbeing culture into everything we do to ensure employees remain safe and healthy at work. The Commission has its own OH&S framework and uses the Department of Justice and Community Safety's Justice Incidents Management System (JIMS) to record, manage and monitor incidents that have OH&S implications.

The Commission also has its own local Incident Management Team (IMT) and Incident Management Plan aimed at enhancing workplace safety and security and ensuring safe systems of work.

The Commission has very few OH&S incidents each year. However, after any incident and in each debriefing, the IMT assesses whether there are or could be any OH&S implications and takes action accordingly.

There was one incident recorded in the JIMS for 2019–20.

Accident Information Reporting System (2017/18)/Justice Incident Management System statistics

	2017–18	2018–19	2019–20
Incidents*	2	0	1
Injuries requiring first aid or medical treatment	1	0	1
Injuries resulting in WorkCover claims	0	0	0
WorkCover claims resulting in lost work time	0	0	0

*As related to employees (therefore executing members of the public, contractors, etc). Incidents are defined as including hazards, near misses and injuries.

Employment and conduct principles

The Commission is committed to applying merit and equity principles when appointing employees. The selection processes ensure that applicants are assessed and evaluated equitably and fairly on the basis of the key selection criteria and other accountabilities without discrimination.

Public sector values and employment principles

In addition to the Victorian Public Sector Commission's (VPSC) role under the Public Administration Act 2004 to advocate for public sector professionalism and integrity and to strengthen overall Victorian public sector efficiency, effectiveness and capability, the Commission also has a broad role under its three governing Acts¹, to protect and promote human rights and equal opportunity in employment and related areas for all Victorian organisations.

The Commission's role also extends to other settings including education, provision of goods and services, transfer of land, accommodation, clubs and in sport. The Commission's external work in these areas in 2019–20 is reported elsewhere in this Annual Report.

Internally, in addition to promoting public sector values and employment principles, the Commission has its own set of values – Creativity, Accountability, Rigour and Empathy. These values describe what's important to us in how we act with our colleagues, our partners and the people and communities we work with. During 2019–20 the Commission worked to embed its values into its recruitment, induction and internal governance processes.

Workforce inclusion policy

The Commission has an inclusive working environment where equal opportunity and diversity are valued. In 2019–20, the Commission delivered on the second year of its internal Diversity and Inclusion Action Plan 2018–20. This year we have finalised and implemented a structured internship program to attract and develop diverse student populations and also redeveloped our position descriptions and sourcing methods to attract more diverse candidates. As well, we have reviewed and updated our application and interview processes to reduce barriers and make the process more inclusive for candidates with diverse needs and backgrounds. The Commission's internal Diversity and Inclusion Reference group monitors and oversees the plan.

The Commission values employees with non-binary gender identities and has introduced an opt-in scheme, which includes a policy and guideline, for employees to include pronouns in their email signatures. The scheme is intended as a step towards fostering a culture of diversity and inclusion for people of all genders and sexes.

¹ The three Acts governing the work of the Victorian Equal Opportunity and Human Rights Commission are the *Equal Opportunity Act 2010*; *Charter of Human Rights and Responsibilities Act 2006*; and the *Racial and Religious Tolerance Act 2001*.

Comparative workforce data

The following tables disclose the head count and full-time equivalent (FTE) of all active public service employees of the Commission, employed in the last full pay period in June of the current reporting period (2020), and in the last full pay period in June of the previous reporting period (2019).

Workforce data trends

	Ongoing		Fixed Term		Casual		Total	
	Number (Headcount)	FTE	Number (Headcount)	FTE	Number (Headcount)	FTE	Number (Headcount)	FTE
June 2019	40	37.1	16	14.6	0	0	56	51.7
June 2020	38	35.9	13	13.0	0	0	51	48.9

Details of employment levels in June 2020

		All employees		Ongoing		Fixed term and casual	
		Headcount	FTE	Headcount	FTE	Headcount	FTE
Demographic data	Gender						
	Male	12	12.0	10	10.0	2	2.0
	Female	38	35.9	27	24.90	11	11.0
	Self described	1	1.0	1	1.0	0	0
	Age						
	Under 25	2	2.0	1	1.0	1	1.0
	25–34	12	11.4	7	6.4	5	5.0
	35–44	18	17.2	13	12.2	5	5.0
	45–54	15	14.4	13	12.4	2	2.0
	55–64	3	3.0	3	3.0	0	0
	Over 64	1	0.9	1	0.9	0	0
Classification data	Classification						
	Executive Officers	1	1.0	1	1.0	0	0
	Principal Solicitor	0	0	0	0	0	0
	Senior Solicitor	0	0	0	0	0	0
	Solicitor 3	1	0.6	1	0.6	0	0
	VPS 2	1	1.0	1	1	0	0
	VPS 3	6	6.0	3	3.0	3	3.0
	VPS 4	15	14.1	8	7.1	7	7.0
	VPS 5	19	18.2	16	15.2	3	3.0
	VPS 6	8	8.0	8	8.0	0	0
	Total active* employees	51	48.9	38	35.9	13	13.0

Note: 'Active employees' has the same meaning as in Financial Reporting Direction 29C and includes employees on WorkCover leave receiving make up pay. Active employee numbers do not include:

- I. Separated employees that ceased employment with your organisation during the 12 months from the first pay period of July 2018 until the end of the last full pay period of June 2019.
- II. Casual employees who were not employed and paid for work in the final full pay period of June 2019.
- III. People who are added to the payroll in the last full pay period in June 2019 solely for the purpose of paying outstanding entitlements.
- IV. Volunteers, employment agency staff, contractors, consultants or board members.

Other Disclosures

Local Jobs First

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.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects respectively where contracts have been entered prior to 15 August 2018.

Government advertising expenditure

In 2019–20, there were no government advertising campaigns with total media spends of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2019–20 there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2019–20 in relation to these consultancies is \$113,469 (excl. GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2019–20 (excl. GST)	Future Expenditure (excl. GST)
Ernst and Young	Business development plan and support for the Raise It! program	17/03/2020	15/05/2020	65,021	65,021	
Newgate Communications Pty Limited	Gender equality (flexible work) survey	2/06/2020	23/07/2020	48,448	48,448	

Details of consultancies under \$10,000

In 2019–20 there were seven consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000.

The total expenditure incurred during 2019–20 in relation to these consultancies was \$40,938 (excl. GST).

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

For the 2019–20 reporting period, the Commission had a total ICT expenditure of \$398,010, with the details shown below.

All operational ICT expenditure Business As Usual (BAU) ICT expenditure (excl. GST)*	ICT expenditure related to projects to create or enhance ICT capabilities		
	Non-Business as Usual (non BAU) ICT expenditure (excl. GST)	Operational expenditure (excl. GST)	Capital expenditure (excl. GST)
\$398,010	-	\$398,010	-

Disclosure of major contracts

The Commission had no major contracts valued at over \$10 million during the financial year ended 30 June 2020.

Freedom of information

Victoria's *Freedom of Information Act 1982* (FOI Act) gives members of the public the right to apply for access to information we hold and is an important part of promoting transparency and accountability.

The Commission holds documents relating to procedures and policy, projects, litigation, dispute resolution, staff, operational and administrative responsibilities, and general correspondence.

The Commission also proactively publishes information about its activities and decision-making on its website, where it can be accessed without a FOI request

How to make a request

Section 17 of the FOI Act requires requests to be

- in writing
- clear enough to identify which documents are sought
- accompanied by the appropriate application fee, or a request to have the fee waived on hardship grounds

Request to the Commission can be made by:

- email to foi@veohrc.vic.gov.au
- post to: FOI Officer, Level 3, 204 Lygon Street, Carlton Vic 3053

The Commission will charge an access fee in some cases (for example, for photocopying and search and retrieval).

Applicants can contact the Commission's Legal Unit on 1300 292 153 for assistance making a FOI request.

FOI statistics

The Commission received no formal FOI requests during 2019–20.

Office of the Victorian Information Commissioner

The Requesters who are unhappy about the Commission's handling of a FOI request can complain, or seek review of our decision, to the Office of the Victorian Information Commissioner (OVIC).

The Commission is committed to accountability for its actions and cooperates fully with all OVIC reviews.

In 2018–2019, OVIC notified the Commission of one review of an FOI decision. In 2019–2020, OVIC notified the Commission of its decision to uphold the Commission's decision.

Further information

Further information on making a request to the Commission can be found on our website <https://www.humanrights.vic.gov.au/about-us/policies/freedom-of-information-policy/>

Compliance with the Building Act

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 Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure 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.

The Commission works to ensure it fulfils its requirements on competitive neutrality reporting as required under the **Competition Principles Agreement and Competition and Infrastructure Reform Agreement**.

Compliance with the Protected Disclosure Act

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of 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 system for the matters disclosed to be investigated and rectifying action to be taken.

The Commission does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. We are committed to ensuring transparency and accountability in administrative and management practices. We support the making of disclosures that reveal:

- corrupt conduct
- conduct involving a substantial mismanagement of public resources
- conduct involving a substantial risk to public
- health and safety or the environment.

We will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures about the Commission or any of its employees can be made to the Independent Broad-based Anti-corruption Commission.

See ibac.vic.gov.au

Address: Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000

Phone: 1300 735 135
Internet: www.ibac.vic.gov.au
Email: info@ibac.vic.gov.au

For the Commission's protected disclosure procedures, how we protect people from reprisals and more information about reporting improper conduct go to humanrightscommission.vic.gov.au

Compliance with the Carers Recognition Act

The Commission has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. Externally, these obligations include promoting the principles of the Act to people in care relationships who receive } our services, and to the wider community, by:

- distributing printed information about the Act on our website for the benefit of members of the public
- continuing to educate the community about the rights of carers under the *Equal Opportunity Act* through our social media campaigns, project initiatives and training workshops
- providing a publicly available Enquiry Line for members of the public to make complaints about discrimination, including on the basis of their status as carer, as well as the opportunity to participate in dispute resolution at the Commission.

Compliance with the Disability Act

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community. The Disability Act requires that public sector bodies prepare a disability action plan and report on its implementation in their annual report.

The Commission has a Disability Action Plan 2018-20, which is available to view on our website.

Examples of key activities undertaken in 2019–20 that fulfil our commitments under the DAP include:

- reducing barriers to accessing Commission services by
 - utilising Auslan interpreters, closed and live captioning during all online events and webinars;
 - working alongside the National Relay Service to deliver our enquiries and dispute resolution service; and
 - redeveloping our website so that it now meets the Victorian Government's minimum accessibility standard.

- reducing barriers to persons with a disability obtaining and maintain employment by
 - progressing actions under our Diversity and Inclusion plan that ensure employees with a disability can thrive in their employment; and
 - establishing an Auslan Connection (sign language) booking process to ensure that employees at the Commission with a hearing disability can access interpreter services to facilitate their full participation.
- promoting inclusion and participation in the community, and achieving tangible changes in attitudes and practices that discrimination against people with a disability by
 - delivering two programs of free education webinars on reasonable adjustments for people with disabilities in the workplace under the Equal Opportunity Act. The broad program covers what the law says about reasonable adjustments, and the obligations of employers to provide adjustments – considering both preventative measures as well as identifying best practices approaches to requests for adjustments. The second program provides guidance to people with disabilities on their right to reasonable adjustments, how to make an application, and what to expect from their employers. Over 200 people participated this year.

The Commission also maintains SCOPE accreditation which is reviewed annually.

Office based environmental impacts

The Commission is committed to minimising its environmental impact and undertook several initiatives in 2019–20.

The Commission occupies 1406 sq m of office floorspace which is managed by the Department of Justice and Community Safety, and any consumption reduction targets and infrastructure initiatives to achieve those targets are reported in the Department's Annual Report.

The facilities management system for the building occupied by the Commission cannot isolate the Commission's floorspace. Therefore, no separate electricity or water consumption performance can be reported here in the Commission's Report of Operations, although it is captured in the overall departmental statistics.

However locally, the Commission does assist in power consumption reduction by requiring staff to turn off lights when meetings are finished and turn off desktop computers and monitors at the end of the day. All Commission computer monitors also have timed screensavers.

To minimise waste and consumables, the Commission:

- requires all staff to use office landfill, and recycle bins (and the Commission also provides compost bins for biodegradable waste)
- collects mobile phones and corks for recycling, and batteries for safe disposal.

All staff are also encouraged to use the option of double-sided printing wherever possible. The Commission uses energy-efficient printers and uses only recycled paper.

To reduce fuel consumption and transport costs, the Commission's four vehicles all have hybrid electric/petrol motors, and staff are encouraged to use public transport for work travel where possible.

Additional Commission information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, 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.

1. declarations of pecuniary interests that have been duly completed by all relevant officers of the Commission
2. details of shares held by senior officers of the Commission as nominee or held beneficially in a statutory authority or subsidiary
3. 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 foi@veohrc.vic.gov.au

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I Moana Weir, on behalf of the Board, certify that the Victorian Equal Opportunity and Human Rights Commission has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Signed

A handwritten signature in black ink, appearing to read 'Moana Weir', with a stylized, flowing script.

Moana Weir
Board Chairperson

Financial notes and statements


Declaration in the financial statements

The attached financial statements for the Victorian Equal Opportunity and Human Rights Commission have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 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 2020 and financial position of the Commission at 30 June 2020.

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 26 November 2020.



Kristen Hilton

Commissioner

Victorian Equal Opportunity and Human Rights Commission

26 November 2020



Yamusa Alhassan

Chief Finance and Accounting Officer

Victorian Equal Opportunity and Human Rights Commission

26 November 2020



Moana Weir

Chairperson of the Board

Victorian Equal Opportunity and Human Rights Commission

26 November 2020

Independent Auditor's Report

To the Board of the Victorian Equal Opportunity and Human Rights Commission

Opinion	<p>I have audited the financial report of the Victorian Equal Opportunity and Human Rights Commission (the Commission) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • 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 significant accounting policies • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Commission as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Commissioners' APES 110 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>The Board is responsible for the Other Information, which comprises the information in the Commission's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>

Board's responsibilities for the financial report	<p>The Board of the Commission is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is 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.</p>
Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 Board.

**Auditor's
responsibilities
for the audit of
the financial
report
(continued)**

- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial 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 Board 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
1 December 2020



Janaka Kumara
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement for the Financial Year Ended 30 June 2020

	Notes	2020 \$	2019 \$
Continuing operations			
Income from transactions			
Output appropriations	2.2	9,114,883	9,617,071
Government grants	2.3	525,488	100,000
Total income from transactions		9,640,371	9,717,071
Expenses from transactions			
Employee expenses	3.1.1	(6,410,551)	(7,036,57)
Depreciation and amortisation	4.1.1	(95,107)	(95,448)
Interest expense	6.1	(2,326)	(2,732)
Other operating expenses	3.2	(2,668,915)	(2,585,078)
Total expenses from transactions		(9,176,898)	(9,719,831)
Net result from transactions (net operating balance)		463,473	(2,760)
Other economic flows included in net result			
Other gain/(loss) from other economic flows	8.1	(31,091)	(66,714)
Total other economic flows included in net result		(31,091)	(66,714)
Net result		432,382	(69,474)
Comprehensive result		432,382	(69,474)

The accompanying notes form part of these financial statements.

Balance Sheet as at 30 June 2020

	Notes	2020 \$	2019 \$
Assets			
Financial assets			
Cash and deposits	6.2	876,557	383,401
Receivables	5.1	2,655,247	2,375,941
Total financial assets		3,531,804	2,759,343
Non-financial assets			
Plant and equipment	4.1	62,229	87,204
Intangible assets	4.2	292,135	291,718
Total non-financial assets		354,365	378,922
Total assets		3,886,169	3,138,265
Liabilities			
Payables	5.2	557,671	290,181
Borrowings	6.1	58,884	82,900
Employee related provisions	3.1.2	1,381,557	1,309,509
Total liabilities		1,998,113	1,682,591
Net assets		1,888,056	1,455,673
Equity			
Accumulated surplus/(deficit)		(722,442)	(1,154,825)
Contributed capital		2,610,498	2,610,498
Net worth		1,888,056	1,455,673

The accompanying notes form part of these financial statements.

Cash flow statement for the financial year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts			
Receipts from government		9,361,065	10,008,168
Total receipts		9,361,065	10,008,168
Payments			
Payments to suppliers and employees		(8,771,017)	(9,940,879)
Interest and other costs of finance paid		(2,326)	(3,020)
Total payments		(8,773,343)	(9,943,899)
Net cash flows from/(used in) operating activities	6.2.1	587,721	64,268
Cash flows from investing activities			
Purchases of non-financial assets		(70,550)	(5,344)
Net cash flows from/(used in) investing activities		(70,550)	(5,344)
Cash flows from financing activities			
Repayment of borrowings and finance leases		(24,016)	
Proceeds from borrowings		-	709
Net cash flows from/(used in) financing activities		(24,016)	709
Net increase/(decrease) in cash and cash equivalents		493,156	59,633
Cash and cash equivalents at beginning of the financial year		383,401	323,768
Cash and cash equivalents at end of the financial year	6.2	876,557	383,401

The accompanying notes form part of these financial statements.

Statement of changes in equity for the financial year ended 30 June 2020

	Accumulated surplus \$	Contributions by owner \$	Total \$
Balance at 1 July 2018	(1,085,351)	2,610,498	1,525,147
Net result for the year	(69,474)	-	(69,474)
Balance at 30 June 2019	(1,154,825)	2,610,498	1,455,673
Net result for the year	432,382	-	432,382
Balance at 30 June 2020	(722,442)	2,610,498	1,888,056

The accompanying notes form part of these financial statements.

1. About this report

The Victorian Equal Opportunity and Human Rights Commission (the Commission) is an independent statutory authority created under the Equal Opportunity Act 2010 (and previous versions of this legislation). The Commission has functions under Parts 8-12 of the Equal Opportunity Act, ss 40-42 of the Charter of Human Rights & Responsibilities Act 2006, and Part 3 of the Racial and Religious Tolerance Act 2001. It operates as an independent statutory authority under the Department of Justice and Community Safety and reports to Parliament through the Attorney General.

Its principal address is:

Victorian Equal Opportunity and Human Rights Commission
Level 3, 204 Lygon Street
Carlton VIC 3053

A description of the nature of its operations and its principal activities is included in the **Report of Operations**, which does not form part of these financial statements.

Basis of preparation

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.

Additions to net assets 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 AAS 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 Equal Opportunity and Human Rights Commission as an individual reporting entity.

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 the 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.

COVID-19 Impact

A state of emergency was declared in the State on 16 March 2020 due to the coronavirus (COVID - 19) pandemic. As the virus spread, a state of disaster was subsequently declared on 2 August. To combat the spread of the virus and mitigate the risk to public health, the State Government announced that arrangements be put in place for people to work from home where they can. Various stages of restrictions were also put in place which affected business operations across the State including the Commission. For further details see Note 2.2 Appropriations, Note 2.3 Grants, Note 3.2 Operating Expenses and Note 8.6 Subsequent Events.

2. Funding delivery of our services

Introduction

Structure

2.1	Summary of income that funds the delivery of our services	91
2.2	Appropriations	91
2.3	Grants	91

The Commission works with others to eliminate discrimination and build a community that respects and promotes human rights and equal opportunity. We do this through:

- a free telephone enquiry line to provide information on the Commission's services and laws administered by the Commission;
- a free, fair and timely dispute resolution service for complaints under the Equal Opportunity Act, and the Racial and Religious Tolerance Act;
- information and education about equal opportunity, racial and religious vilification, and human rights;
- undertaking research on discrimination and equal opportunity issues and advising Government on discriminatory legislation;
- monitoring the operation of the Charter and presenting the Attorney-General with an annual Charter report;
- intervening in court or tribunal proceedings that involve interpretation or application of the Charter or raise equal opportunity issues;
- reviewing a public authority's programs and practices to determine their compatibility with human rights when requested;
- reviewing activities for compliance with the Equal Opportunity Act, on request;
- reviewing the effect of statutory provisions and the common law on human rights and providing a report to the Attorney-General when requested; and
- assisting the Attorney-General with the four- and eight-year reviews of the Charter.

To enable the Commission to fulfil its objective and provide outputs as described above, it receives income mainly in the form of parliamentary appropriations. The Commission also receives market-based fees providing education, training and consultancy services.

2.1 Summary of income that funds the delivery of our services

	Notes	2020 \$	2019 \$
Output appropriations	2.2	9,114,883	9,617,071
Grants	2.3	525,488	100,000
Total income from transactions		9,640,371	9,717,071

Revenue and income that fund the delivery of the Commission's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2 Appropriations

Once annual Parliamentary appropriations are applied by the Treasurer, they become controlled by the Commission and is recognised as income when applied to the purposes defined under the relevant Appropriations Act.

COVID - 19 impact

Due to the COVID-19 pandemic and social distancing requirements, the Commission was unable to generate revenue from delivery of face to face education and training.

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

	Notes	2020 \$	2019 \$
Income recognised as revenue from contract with customers			
Government grant - Department of Premier and Cabinet	2.3	525,488	100,000
Total grants		525,488	100,000

The Commission has determined that all grant income is recognised as revenue from contracts with customers in accordance with AASB 15.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers. These grants relate to projects on gender pay equity, reducing racism and for the delivery of translation and/or interpreter services as part of Government's COVID-19 Response Package for Multicultural Communities. Revenue is recognised when the Commission satisfies the performance obligation by providing the relevant services. This is recognised based on the consideration specified in the Memorandum of Understanding (MOU) and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received following the commencement date of the MOU or shortly after the relevant obligation is satisfied.

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) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- (c) a lease liability in accordance with AASB 16; "
- (d) a financial instrument, in accordance with AASB 9; or
- (e) a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Commission without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Commission recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the Commission recognises revenue when the grant is received.

3. The cost of delivering our services

Introduction

This section provides an account of the expenses incurred by the 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	93
3.2	Other operating expenses	97

3.1 Expenses incurred in delivery of services

	Notes	2020 \$	2019 \$
Employee benefit expenses	3.1.1	6,410,551	7,036,573
Other operating expenses	3.2	2,668,915	2,585,078
Total expenses incurred in delivery of services		9,079,465	9,621,651

3.1.1 Employee benefits in the comprehensive operating statement

	2020 \$	2019 \$
Defined contribution superannuation expense	468,909	524,101
Defined benefit superannuation expense	21,656	31,285
Salaries, wages, annual leave and long service leave	5,573,214	6,120,072
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	346,771	361,116
Total employee expenses	6,410,551	7,036,573

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 both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Commission does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Commission is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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.

	2020 \$	2019 \$
Current provisions:		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	283,547	288,042
Unconditional and expected to settle after 12 months	32,072	35,477
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	62,844	41,769
Unconditional and expected to settle after 12 months	637,743	505,835
Provisions for on-costs		
Unconditional and expected to settle within 12 months	83,923	85,837
Total current provisions for employee benefits	1,206,710	1,045,236
Non-current provisions:		
Employee benefits	155,834	228,869
On-costs	19,014	35,404
Total non-current provisions for employee benefits	174,847	264,273
Total provisions for employee benefits	1,381,557	1,309,509

Reconciliation of movement in on-cost provision

	2020 \$
Opening balance	209,517
Additional provisions recognised	0.42
Reductions arising from payments etc.	-
Closing balance	209,518
Current	190,504
Non-current	19,014

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 are 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; and
- 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 an unconditional 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 both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

As noted before, the defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Commission.

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2020 \$	2019 \$	2020 \$	2019 \$
Defined benefit plans^(a)				
State Superannuation Fund - revised and new	21,065	30,830	591	455
Defined contribution plans				
VicSuper	246,204	273,688	7,922	5,845
Other	209,142	239,088	5,640	5,479
Total	476,411	543,606	14,153	11,779

Note: (a) The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 Other operating expenses

	2020 \$	2019 \$
Supplies	752,085	660,655
Purchase of services (including remuneration of auditors)	1,910,933	1,897,237
Maintenance	5,897	27,186
Total other operating expenses	2,668,915	2,585,078

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Impact of COVID - 19 on expenses

Due to the requirement to work from home as a result of the pandemic, there were significant costs incurred to uplift the Commission's Information Technology capability. There was also increased expenditure on advertising and translation required to reach vulnerable and multi-cultural communities needing our services.

Travel restrictions led to cancelled leave and the inability to take leave thereby increasing leave provisions.

4. Key assets available to support output delivery

Introduction

The Commission controls infrastructure and other investments 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 plant and equipment	98
4.2 Intangible assets	103

4.1 Total plant and equipment ^(a)

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Building leasehold improvements at fair value	1,525,694	1,525,694	(1,525,694)	(1,525,694)	-	-
Plant and equipment at fair value	25,949	25,949	(23,003)	(21,530)	2,946	4,419
Motor vehicles under finance lease at fair value	118,339	118,339	(59,055)	(35,554)	59,284	82,785
Net carrying amount	1,669,981	1,669,982	(1,607,752)	(1,582,778)	62,229	87,204

Note: (a) AASB 16 Leases has been applied for the first time from 1 July 2019.

The following table is a subset of buildings, plant, equipment and motor vehicles by right-of-use assets.

4.1(a) Total right-of-use assets: Vehicles

	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2020 \$	2020 \$	2020 \$
Motor vehicles	118,339	(59,055)	59,284
Net carrying amount	118,339	(59,055)	59,284

	Motor Vehicles
Opening balance - 1 July 2019 ^(a)	118,339
Additions	
Disposals	
Depreciation	(59,055)
Closing Balance	59,284

Note: (a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

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. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of a leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under a finance lease (under AASB 117 until 30 June 2019) 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 (Under AASB 16 Leases from 1 July) - 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.

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases 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.

Right-of-use asset – Subsequent measurement

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 remeasurements of the lease liability.

Vehicles are valued using the depreciated replacement cost method. The Department of Justice and Community Safety 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 experienced fleet managers in the Department of Justice and Community Safety who set relevant depreciation rates during use to reflect the utilisation of the vehicle.

Impairment of plant and equipment

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 does not apply to such assets that are regularly revalued.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

4.1.1 Depreciation and amortisation

Charge for the period ^(a)		
	2020 \$	2019 \$
Plant and equipment	1,473	1,919
Motor vehicles under finance lease	23,501	23,397
Intangible produced assets (amortisation)	70,132	70,132
Total depreciation and amortisation	95,107	95,448

Note: (a) The table incorporates depreciation of right-of-use assets as AASB 16 Leases.

All infrastructure assets, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

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 below:

Asset	Useful life
Leasehold improvements	4 to 5 years
Plant and equipment	10 years
Vehicles (leased)	3 years
Capitalised software development costs	10 years

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 lives and 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. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives. In the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

Impairment: Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

4.1.2 Carrying value by “purpose” groups (a)

	Public safety and environment	
	2020 \$	2019 \$
Nature based classification		
Plant and equipment at fair value	2,946	4,419
Motor Vehicles at fair value	59,284	82,785
Net carrying amount	62,229	87,204

Note: (a) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon Government Purpose Classifications. All assets in a purpose group are further sub-categorised according to the asset's 'nature' (i.e. buildings, plant and equipment), with each sub-category being classified as a separate class of asset for financial reporting purposes.

4.1.3 Reconciliation of movements in carrying amount of plant and equipment

	Plant and equipment at fair value		Motor vehicles under finance lease at fair value		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Opening balance ^(a)	4,416	6,335	82,785	73,815	87,204	80,154
Additions	-	-	-	58,967	-	58,967
Disposals	-	-	-	(26,600)	-	(26,600)
Depreciation/ amortisation expense	(1,473)	(1,919)	(23,501)	(23,397)	(24,974)	(25,316)
Closing balance	2,943	4,416	59,284	82,785	62,229	87,204

Note: (a) The opening balance includes amounts transferred from finance lease assets (recognised under AASB 117 as at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019)

4.2 Intangible assets

	Capitalised computer software		Work-in-progress computer software		TOTAL	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Gross carrying amount						
Opening balance	701,324	701,324	5,344	-	706,668	701,324
Additions		-	70,550	5,344	70,550	5,344
Closing balance	701,324	701,324	75,894	5,344	777,218	706,668
Accumulated amortisation						
Opening balance	414,950	344,818	-	-	414,950	344,818
Amortisation of intangible produced assets	70,132	70,132	-	-	70,132	70,132
Closing balance	485,082	414,950	-	-	485,082	414,950
Net book value at end of financial year	216,242	286,374	75,894	5,344	292,135	291,718

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives, are depreciated as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of ten years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is ten years.

Impairment of intangible assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in section 4.1.1.

Significant intangible assets

The Commission has capitalised software development expenditure for the development of Resolve Software. The carrying amount of the capitalised software development expenditure is \$216,242 (2019: \$286,374). Its useful life is ten years and will be fully amortised by 2023.

5. Other assets and liabilities

Introduction

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

Structure

5.1	Receivables	105
5.2	Payables	106

5.1 Receivables

	2020 \$	2019 \$
Contractual		
Sale of goods and services	3,814	1,696
Statutory		
Amount owing from Department of Justice and Regulation	2,651,433	2,374,245
Total receivables	2,655,247	2,375,941

Represented by

Current receivables	2,499,413	2,147,073
Non-current receivables	155,834	228,869

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. Amounts recognised from the Department of Justice and Community Safety represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

5.2 Payables

	2020 \$	2019 \$
Contractual		
Supplies and services	266,339	115,257
Other payables	284,785	172,574
Statutory		
Fringe benefits tax payable	6,548	2,350
Total payables	557,671	290,181

Represented by

Current payables	557,671	290,181
------------------	---------	---------

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. No interest is charged on the 'other payables.

Maturity analysis of contractual payables ^(a)

	Carrying amount \$	Nominal amount \$	Maturity dates			
			Less than 1 month \$	1 to 3 months \$	3 months to 1 year \$	1 to 5 years \$
2020						
Supplies and services	551,124	551,124	551,124	-	-	-
Total	551,124	551,124	551,124	-	-	-
2019						
Supplies and services	287,831	287,831	287,831	-	-	-
Total	287,831	287,831	287,831	-	-	-

Note: (a) Maturity analysis is presented using the contractual undiscounted cash flows.

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	107
6.2	Cash flow information and balances	109
6.3	Commitments for expenditure	110
6.4	Leases	110

6.1 Borrowings

	2020 \$	2019 \$
Current borrowings		
Finance lease liabilities ^(a)	30,418	29,698
Total current borrowings	30,418	29,698
Non-current borrowings		
Finance lease liabilities	28,466	53,202
Total non-current borrowings	28,466	53,202
Total borrowings	58,884	82,900

Note: (a) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

'Borrowings' refer to finance leases. Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The Commission determines the classification of its interest-bearing liabilities at initial recognition.

Maturity analysis of borrowings

	Carrying amount \$	Nominal amount \$	Maturity dates			
			Less than 1 month \$	1 to 3 months \$	3 months to 1 year \$	1 to 5 years \$
2020						
Finance lease liabilities	58,884	60,338		22,105	9,441	28,793
Total	58,884	60,338	-	22,105	9,441	28,793
2019						
Finance lease liabilities	82,900	86,378			31,722	54,657
Total	82,900	86,378	-	-	31,722	54,657

Interest expense

	2020 \$	2019 \$
Interest on finance leases	2,326	2,732
Other interest expense	362	289
Total interest expense	2,688	3,020

Interest expense' is recognised in the period in which it is incurred.

6.2 Cash flow information and balances

Cash and deposits, comprise cash at bank.

	2020 \$	2019 \$
Total cash and deposits disclosed in the balance sheet	876,557	383,401
Balance as per cash flow statement	876,557	383,401

Due to the State of Victoria's investment policy and government funding arrangements, government departments and agencies do not hold a large cash reserve in their bank accounts. Cash received by a department and agencies from the generation of revenue is generally paid into the State's bank account, known as the Public Account. Similarly, any departmental or agency expenditure, including those in the form of cheques drawn by the Commission for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the Commission's suppliers or creditors.

6.2.1 Reconciliation of net results for the period to cash flow from operating activities

	2020 \$	2019 \$
Net result for the period	432,382	(69,474)
Non-cash movements		
Depreciation and amortisation of non-current assets	95,107	95,448
(Gain)/loss on sale or disposal of non-current assets	-	(24,410)
Long Service Leave Revaluation	31,091	66,714
Movements in assets and liabilities		
(Increase)/decrease in receivables	(279,306)	291,097
(Decrease)/increase in payables	267,490	(352,936)
(Decrease)/increase in provisions	40,957	57,829
Net cash flows from/(used in) operating activities	587,721	64,268

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Nominal amounts 2020	Less than 1 year \$	1 - 5 years \$	5+ years \$	Total
Other commitments payable	20,000	-	-	20,000
Total commitments (inclusive of GST)	20,000	-	-	20,000

Nominal amounts 2019	Less than 1 year \$	1 - 5 years \$	5+ years \$	Total
Other commitments payable	30,800	-	-	30,800
Total commitments (inclusive of GST)	30,800	-	-	30,800

Two-year occupancy agreements have been established between the Department of Justice and Community Safety (DJCS) and the Department of Finance Shared Services Provider (SSP) that ends on 31 October 2021. The arrangement is to provide office accommodation and other related services including management fee, electricity and maintenance. The Commission does not have a written agreement with DJCS, and therefore no commitments for future expenditure. The Commission is charged on a monthly basis for rental accommodation and other charges.

A significant judgement was made that the occupancy agreement is a service contract (rather than a 'lease' as defined in AASB 16 Leases). The cost for the accommodation and other related services are expensed (Note 3.2 Other operating expenses).

6.4 Leases

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

The Commission's leasing activities

The finance lease entered into by the Commission relates to motor vehicles with maximum lease terms of 3 years.

6.4 (a) Right-of-use assets

Right-of-use assets are presented in note 4.1 (a)

6.4 (b) Amounts recognised in the Statement of Comprehensive Statement

The following amounts are recognised in the Statement of Comprehensive Operating Statement relating to leases:

	2020 \$
Interest expense on lease liabilities	2,326
Total amount recognised in the statement of comprehensive statement	2,326

For any new contracts entered on or after 1 July 2019, the Commission considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration. To apply this definition the Commission assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Commission and for which the supplier does not have substantive substitution rights;
- Whether the Commission has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Commission has the right to direct the use of the identified asset throughout the period of use; and
- Whether the Commission has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

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 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' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

The Commission determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where the Commission as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Assets held under other leases were classified as operating leases and were not recognised in the Commission's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

7. Risks contingencies and valuation judgements

Introduction

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, which for the Commission related mainly to fair value determination.

Structure

7.1	Financial instruments specific disclosures	114
7.2	Contingent assets and liabilities	125
7.3	Fair value determination	125
7.4	Trust Accounts	129

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 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 interests.

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:

- cash and deposits; and
- receivables (excluding statutory receivables);

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 plus 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)

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Commission concerned has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the Commission does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Commission retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Commission has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset; or"
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Commission's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Commission's business model for managing its financial assets has changes such that its previous model would no longer apply.

However, the Commission is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian Government departments are required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

7.1.1 Financial instruments: Categorisation

	Contractual financial assets - loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
2020			
Contractual financial assets			
Cash and deposits	876,557	-	876,557
Receivables ^(a)			
Sale of goods and services	3,814	-	3,814
Total contractual financial assets	880,370	-	880,370
Contractual financial liabilities			
Payables ^(a)			
Supplies and services	-	551,124	551,124
Borrowings			
Finance lease liabilities	-	58,884	58,884
Total contractual financial liabilities	-	610,007	610,007

Note: (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).

	Contractual financial assets - loans and receivables and cash \$	Contractual financial liabilities at amortised cost \$	Total \$
2019			
Contractual financial assets			
Cash and deposits	383,401	-	383,401
Receivables ^(a)			
Sale of goods and services	1,696	-	1,696
Total contractual financial assets	385,097	-	385,097
Contractual financial liabilities			
Payables ^(a)			
Supplies and services	-	287,831	287,831
Borrowings			
Finance lease liabilities	-	82,900	82,900
Total contractual financial liabilities	-	370,731	370,731

Note: (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).

7.1.2 Financial instruments - Net holding gain/(loss) on financial instruments by category

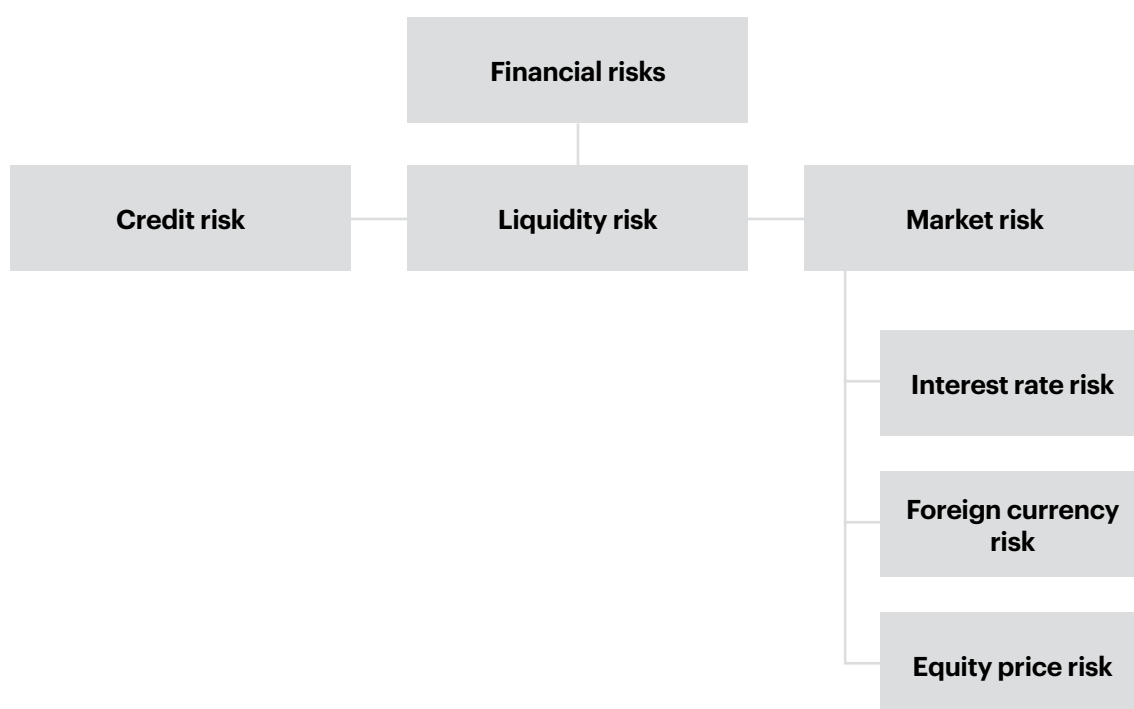
	Total interest expense \$
2020	
Contractual financial liabilities	
Financial liabilities at amortised cost	2,326
Total contractual financial liabilities	2,326

	Total interest expense \$
2019	
Contractual financial liabilities	
Financial liabilities at amortised cost	2,732
Total contractual financial liabilities	2,732

The net holding gains or losses disclosed above are determined as follows:

- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
- for financial asset and liabilities that are mandatorily measured at or designated at value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

7.1.3 Financial risk management objectives and policies



As a whole, the Commission's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Commission's financial risks within the government policy parameters.

The Commission's main financial risks include credit risk, liquidity risk and interest rate risk. The Commission manages these financial risks in accordance with its financial risk management policy. The Commission uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Executive and Audit and Risk Committee.

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Commission's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Commission. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Commission's financial assets is minimal because the main debtor is the Department of Justice and Community Safety.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Commission will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments and debts that are more than 60 days overdue.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

There has been no material change to the Commission's credit risk profile in 2019-20.

Credit quality of financial assets ^(a)

2020	Financial Institution (triple-A credit rating)	Government agencies (triple-A credit rating)	Government agencies (triple-B credit rating)	Other (min triple-B credit rating)	Total
	\$	\$	\$	\$	\$
Financial assets					
Financial assets with loss allowance measured at 12-month expected credit loss					
Cash and deposits	876,557				876,557
Contractual receivables applying the simplified approach for impairment	3,814				3,814
Total financial assets	880,371				880,371

Credit quality of contractual financial assets that are neither past due nor impaired ^(a)

2019	Financial Institution (triple-A credit rating)	Government agencies (triple-A credit rating)	Government agencies (triple-B credit rating)	Other (min triple-B credit rating)	Total
	\$	\$	\$	\$	\$
Financial assets					
Cash and deposits	383,401				383,401
Contractual receivables	1,696				1,696
Total financial assets	385,097				385,097

Note: (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and at amortised cost

The Commission's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Commission operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Financial instruments: Market risk

The Commission's exposure to market risk is deemed insignificant based on prior periods' data and current assessment of risk.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Commission does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Interest rate exposure of financial instruments

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the table that follows.

	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2020	%	\$	\$	\$	\$
Financial Assets					
Cash and deposits		876,557			876,557
Receivables: ^(a)		3,814			3,814
Sale of goods and services		-			-
Total financial assets		880,370			880,370
Financial Liabilities					
Payables: ^(a)					
Supplies and services		551,124	-	-	551,124
Lease liabilities	3.20%	58,884	-	-	58,884
Total financial liabilities		610,007	-	-	610,007
2019					
Financial Assets					
Cash and deposits		383,401			383,401
Receivables: ^(a)		1,696			1,696
Sale of goods and services		-			-
Total financial assets		385,097			385,097
Financial Liabilities					
Payables: ^(a)					
Supplies and services		287,831	-	-	287,831
Lease liabilities	3.22%	82,900	-	-	-
Total financial liabilities		370,731		-	287,831

Note:(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, and GST payables)

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission has minimal exposure to cash flow interest rate risk through cash and deposits.

7.2 Contingent assets and contingent liabilities

There were no contingent assets or liabilities at balance date not provided for in the Balance Sheet (2019: \$Nil).

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Commission.

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:

- 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.

Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Commission determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Commission, in conjunction with the Valuer General Victoria (VGV) and the Department of Justice and Community Safety monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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

- 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.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Commission currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019-20 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	• For supplies and services
• Other receivables	• Other payables

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using Level 3 ^(a)
	\$	\$

2020

Plant and equipment at fair value

Plant and equipment	2,946	2,946
Total of plant and equipment at fair value	2,946	2,946

Note: (a) Classified in accordance with the fair value hierarchy.

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using Level 3 ^(a)
	\$	\$

2019

Plant and equipment at fair value

Plant and equipment	4,419	4,419
Total of plant and equipment at fair value	4,419	4,419

Note: (a) Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2020. For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value movements

	Plant and equipment \$
2020	
Opening balance	4,416
Purchases (sales)	-
Transfers from the Department of Justice & Community Safety	-
Gains or losses recognised in net result	
Depreciation	(1,473)
Closing balance	2,943

	Plant and equipment \$
2019	
Opening balance	6,335
Purchases (sales)	-
Transfers from the Department of Justice & Community Safety	-
Gains or losses recognised in net result	
Depreciation	(1,919)
Closing balance	4,416

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs ^(a)
Plant and equipment	Current replacement cost	Cost per unit ^(a) Useful life of plant and equipment	\$5,000 - \$15,000 (\$10,000) 5 to 10 years	A significant increase or decrease in cost per unit would result in a significantly higher or lower valuation. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note: (a) The cost and type of plant and equipment is varied therefore a unit cost cannot be reliably calculated. An average unit cost does not provide a meaningful figure.

The significant unobservable inputs have remained unchanged from 2019.

7.4 Trust account balances

Trust account balances relating to trust accounts controlled by the Commission

	2020					2019		
	Open- ing bal- ance as at 1 July 2019	Total receipts	Total pay- ments	Closing balance as at 30 June 2020	Open- ing bal- ance as at 1 July 2018	Total receipts	Total pay- ments Closing balance as at 30 June 2019	Closing balance as at 30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Cash								
Controlled trusts								
Inter-departmental transfer trust	383,401	1,141,327	648,172	876,557	323,768	519,929	460,296	383,401
Established under section 19 of the Financial Management act 1994 to record inter-departmental transfers when no other trust arrangement exists								
Total controlled trusts	383,401	1,141,327	648,172	876,557	323,768	519,929	460,296	383,401

8. Other disclosures

Introduction

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

Structure

8.1 Other Economic flows included in net result	130
8.2 Responsible persons	131
8.3 Remuneration of executives	132
8.4 Related parties	133
8.5 Remuneration of auditors	134
8.6 Subsequent events	135
8.7 Change in accounting policies	135
8.8 Australian Accounting Standards issued that are not yet effective	137
8.9 Glossary of technical terms	138
8.10 Style conventions.	142

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

	2020 \$	2019 \$
Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability (revaluation gain/(loss) due to changes in bond rates).	(31,091)	(66,714)
Total other gain/(loss) from other economic flows	(31,091)	(66,714)

8.2 Responsible persons

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

Names

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

Attorney-General	The Hon. Jill Hennessy, MP	1 July 2019 – 30 June 2020
Acting Attorney-General	The Hon. Benjamin Carroll, MP	1 July 2019 – 5 July 2019
	The Hon. Gavin Jennings, MP	6 July 2019 – 13 July 2019
	The Hon. Benjamin Carroll, MP	14 July 2019 – 20 July 2019
	The Hon. Gavin Jennings, MP	1 August 2019 – 10 August 2019
	The Hon. Benjamin Carroll, MP	20 December 2019 – 12 January 2020
Secretary to the Department of Justice and Community Safety	Rebecca Falkingham	1 July 2019 – 30 June 2020
Acting Secretary to the Department of Justice and Community Safety	Simon Cohen	2 October 2019 – 4 October 2019
	Joshua Smith	10 October 2019 – 11 October 2019
	Ryan Phillips	10 February 2020 – 12 February 2020

The persons who held positions as Accountable Officer and Board Members of the Commission are as follows:

Commissioner	Ms Kristen Hilton	1 July 2019 – 30 June 2020
Chair of the Board	Ms Moana Weir	1 July 2019 – 30 June 2020
Board Member	Ms Jennifer Huppert	1 July 2019 – 30 June 2020
Board Member	Ms Laurinda Gardner	1 July 2019 – 30 June 2020
Board Member	Mr Faddy Zouky	1 July 2019 – 30 June 2020
Board Member	Mr Timothy Goodwin	1 July 2019 – 25 March 2020
Board Member	Mr Matthew Finnis	1 July 2019 – 30 June 2020
Board Member	Ms Rebecca Dabbs	1 July 2019 – 30 June 2020
Board Member	Ms Taryn Lee	12 May 2020 – 30 June 2020

Remuneration

Income Band of the Board and Commissioner	Total Remuneration	
	2020	2019
	No.	No.
\$0 – \$9,999	8	7
\$320,000 – \$329,999	0	1
\$400,000 – \$409,999	1	0
Total	9	8

8.3 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)

	2020 \$	2019 \$
Short-term employee benefits	214,742	210,761
Post-employment benefits	20,341	19,645
Other long-term benefits	53,198	9,016
Total remuneration ^(a)	288,281	239,421
Total number of executives	1	1
Total annualised employee equivalents ^(b)	1	1

Note: (a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are reported within the related parties note disclosure (Note 8.4). (b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.4 Related parties

The Commission is an independent statutory authority of the State of Victoria created under the Equal Opportunity Act 2010 (and previous versions of this legislation) and reports to Parliament through the Attorney-General.

Related parties of the Commission include;

- all cabinet ministers and their close family members;
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements; and
- 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 related party transactions have been entered into on an arm's length basis.

Key management personnel of the Commission include:

- the Commissioner
- the Executive Director
- Ms Moana Weir - Board Member (Chair)
- Ms Jennifer Huppert - Board Member
- Ms Laurinda Gardner - Board Member
- Mr Timothy Goodwin - Board Member
- Mr Faddy Zouky - Board Member
- Mr Matthew Finnis - Board Member
- Ms Rebecca Dabbs - Board Member
- Ms Taryn Lee - Board Member

Remuneration of key management personnel

	2020 \$	2019 \$
Short-term employee benefits	536,323	514,129
Post-employment benefits	42,193	40,360
Other long-term benefits	126,173	17,492
Total	704,689	571,980

Transactions and balances with key management personnel and other related parties

Outside of normal citizen type transactions, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. The Commission receives income from Government as shown in the Comprehensive Operating Statement. The Commission makes payments such as payroll tax, superannuation contributions and work cover to government related entities as shown in note 3.1.1 and audit fees to the Victorian Auditor-General's Office (VAGO) as shown in note 8.5.

Other transactions

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

8.5 Remuneration of auditors

	2020 \$	2019 \$
Victorian Auditor-General's Office		
Audit of the financial statements	24,400	23,300
Total remuneration of auditors	24,400	23,300

8.6 Subsequent events

The corona virus (COVID - 19) pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Commission at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate the potential impact of the pandemic on the Commission's operations, and financial position. Victoria has been in a state of disaster since 2 August until 13 September. The state of emergency is in place until 6 December 2020.

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 the operations or the state of affairs of the Commission in future financial years.

8.7 Change in accounting policies

8.7.1 Leases

This note explains the impact of the adoption of AASB 16 Leases on the Commission's financial statements.

The Commission has applied AASB 16 with a date of initial application of 1 July 2019.

The Commission has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Commission determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 Determining whether an arrangement contains a Lease. Under AASB 16, the Commission assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.4.

On transition to AASB 16, the Commission has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, the Commission previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Commission. Under AASB 16, the Commission recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low-value leases.

On adoption of AASB 16, the Commission recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the Commission's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The Commission has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease."

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impacts on financial statements

On transition to AASB 16, the Commission recognised \$59,284 of right-of-use assets and \$58,884 of lease liabilities. When measuring lease liabilities, the commission discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 3.2 per cent.

In October 2019, the Commission agreed to centralised accommodation management services with the Department of Treasury and Finance Shared Service Provider (SSP). Following this agreement, the right-of-use asset and lease liability recognised for the accommodation leases at that date were de-recognised and transferred to SSP as a transfer through equity, in accordance with the requirements of FRD 119A Transfers through contributed capital. From November 2019, accommodation has been recognised as an expense (Note 3.2 Other operating expenses) and the commitment for the service payments recognised in Note 6.3.

8.7.2 Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the Commission has applied the transitional provisions of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Commission applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

8.7.3 Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, the Commission has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Commission applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. The Commission has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

8.7.4 Transition impact on financial statements

There were no transition impacts on the financial statements.

8.8 Australian Accounting Standards issued that are not yet effective

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material.

This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Commission has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The Commission is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current.

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Department will not early adopt the Standard.

The Commission is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on the Commission's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

8.9 Glossary of technical terms

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

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

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 comprehensive operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of a department 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.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) 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; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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 asset that is:

- (a) 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; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprises:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;

- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

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 acquisition of non-financial assets (from transactions) are purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net financial liabilities is calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net lending/borrowing is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

Net operating balance or net result from transactions is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

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, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

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; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows - other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

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

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

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

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

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. Taxation is regarded as mutually agreed interactions between the government and taxpayers. 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.

8.10 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding.



Appendix

Disclosure index

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

Legislation	Requirement	Page reference
<i>Standing Directions and Financial Reporting Directions</i>		
<i>Report of operations</i>		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	88
FRD 22H	Purpose, functions, powers and duties	8, 10
FRD 8D	Departmental objectives, indicators and outputs	6, 7, 12, 14
FRD 22H	Key initiatives and projects	12–58
FRD 22H	Nature and range of services provided	6–11
Management and structure		
FRD 22H	Organisational structure	62–65
Financial and other information		
FRD 8D	Performance against output performance measures	6–7
FRD 10A	Disclosure index	144–145
FRD 12B	Disclosure of major contracts	72–73
FRD 15E	Executive officer disclosures	132–133
FRD 22H	Employment and conduct principles	69–71
FRD 22H	Occupational health and safety policy	68
FRD 22H	Summary of the financial results for the year	66–67
FRD 22H	Significant changes in financial position during the year	67
FRD 22H	Major changes or factors affecting performance	67
FRD 22H	Subsequent events	135
FRD 22H	Application and operation of Freedom of Information Act 1982	74
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	75
FRD 22H	Statement on National Competition Policy	75
FRD 22H	Application and operation of the Protected Disclosure Act 2012	75
FRD 22H	Application and operation of the Carers Recognition Act 2012	76

FRD 22H	Details of consultancies over \$10 000	72
FRD 22H	Details of consultancies under \$10 000	73
FRD 22H	Disclosure of government advertising expenditure	72
FRD 22H	Disclosure of ICT expenditure	73
FRD 22H	Statement of availability of other information	78
FRD 24D	Reporting of officebased environmental impacts	77
FRD 25D	Local Jobs First	72
FRD 29C	Workforce Data disclosures	70–71
SD 5.2	Specific requirements under Standing Direction 5.2	89
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	79
SD 5.2.3	Declaration in report of operations	2
<i>Financial statements</i>		
Declaration		
SD 5.2.2	Declaration in financial statements	80

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	89
SD 5.2.1(a)	Compliance with Standing Directions	80–142
SD 5.2.1(b)	Compliance with Model Financial Report	84–142
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 13	Disclosure of Parliamentary Appropriations	91
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	131–134
FRD 103H	NonFinancial Physical Assets	127
FRD 110A	Cash Flow Statements	86
FRD 112D	Defined Benefit Superannuation Obligations	96
FRD 114C	Financial Instruments	115
Note:		
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.		
Legislation		
Freedom of Information Act 1982		74
Building Act 1993		75
Protected Disclosure Act 2012		75
Carers Recognition Act 2012		76
Disability Act 2006		76–77
Local Jobs Act 2003		72
Financial Management Act 1994		89



Image credits

Cover

Photography by Gayatri Malhotra
www.unsplash.com

Page 9

Photography by VEOHRC

Page 13

Photography by Matilda Wormwood
www.pexels.com

Page 15

Photography by Daisy Anderson
www.pexels.com

Page 19

Photography by Kate Trifo
www.unsplash.com

Page 25

Photography by kokkai
www.istockphoto.com

Page 26

Photography by Leigh Henningham
www.istockphoto.com

Page 30

Photography by mentatdgt
www.pexels.com

Page 33

Photography by Headway
www.unsplash.com

Page 39

Photography by davidf
www.istockphoto.com

Page 43

Photography by fauxels
www.pexels.com

Page 44

Photography by Daniel Anthony
www.unsplash.com

Page 45

Photography by VEOHRC

Page 50

Photography by VEOHRC

Page 51

Photography by Christina @ wocintechchat.com
www.unsplash.com

Page 53

Photography by Johan Mouchet
www.unsplash.com

Page 59

Photography by Marcus Aurelius
www.pexels.com

Page 143

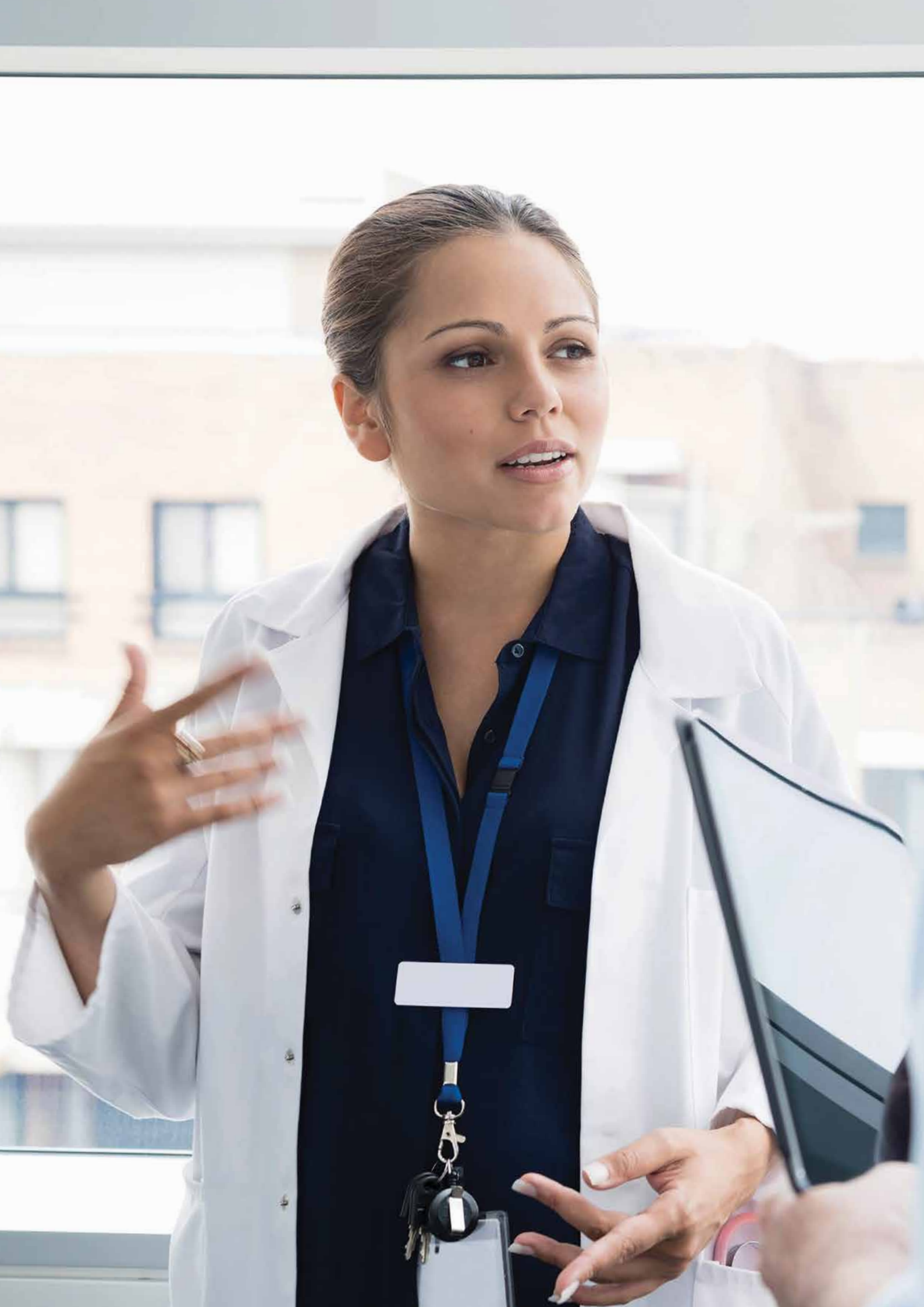
Photography by cottonbro
www.pexels.com

Page 147

Photography by Charles Deluvio
www.unsplash.com

Inside back cover

Photography by Johnny Greig
www.istockphoto.com



Contact us

Enquiry Line	1300 292 153 or (03) 9032 3583
Fax	1300 891 858
NRS Voice Relay	1300 555 727 then quote 1300 292 153
Interpreters	1300 152 494
Email	enquiries@veohrc.vic.gov.au
Live chat	livechat.humanrights.vic.gov.au
Twitter	twitter.com/VEOHRC
Facebook	facebook.com/VEOHRC

humanrights.vic.gov.au