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To the Chairperson Legal Services Commission of South Australia

Opinion

I have audited the financial report of the Legal Services Commission of South Australia for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Legal Services Commission of South Australia as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards – Simplified Disclosures, including:

- a. giving a true and fair view of the financial position of the Legal Services Commission as at 30 June 2024, its financial performance and its cash flows for the year then ended, and
- b. complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chairperson, Director and Manager, Finance.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Legal Services Commission of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Director and members of the Commission for the financial report

The Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Legal Services Commission are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 25 of the *Legal Services Commission Act 1977*, I have audited the financial report of the Legal Services Commission of South Australia for the financial year ended 30 June 2024.

My objectives 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 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.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Legal Services Commission of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- conclude on the appropriateness of the Director'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 entity'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 the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director about, 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 the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

30 September 2024



Legal Services Commission of South Australia

**Financial Statements
for the year ended
30 June 2024**

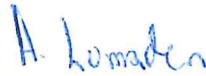
Certification of the Financial Statements

We certify that the:

- Financial statements of the Legal Services Commission of South Australia:
 - are in accordance with the accounts and records of the authority;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards;
 - comply with Division 60 of the Australian Charities and Not-for-profit Commission Regulations 2013; and
 - present a true and fair view of the financial position of the Commission at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Legal Services Commission of South Australia for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Chinh Dinh-Pham
Manager, Finance
30 September 2024



Annmarie Lumsden
Director
30 September 2024



Peter Slattery
Chairperson
30 September 2024

Legal Services Commission of South Australia

Statement of Comprehensive Income

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Commonwealth-sourced grants and funding	2.1	27 834	26 965
SA Government grant, subsidies and transfers	2.2	30 638	5 275
Legal Practitioners Act 1981 revenues	2.3	16 998	11 143
Statutory charges		2 075	2 598
Interest	2.4	1 001	518
Costs recovered and contributions	2.5	347	314
Other income	2.6	1 577	1 771
Total income		80 470	48 584
Expenses			
Employee related expenses	3.3	24 931	22 561
Private Practitioner services	4.4	28 267	27 126
Supplies and services	4.1	10 003	9 280
Depreciation and amortisation	4.2	1 648	1 538
Other expenses	4.3	120	146
Total expenses		64 969	60 651
Net result		15 501	(12 067)
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		-	(49)
Total comprehensive result		15 501	(12 116)

The accompanying notes form part of these financial statements.

Legal Services Commission of South Australia

Statement of Financial Position

as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	27 908	11 483
Receivables	6.2	6 259	6 554
Other financial assets	6.3	8 552	8 129
Total current assets		42 719	26 166
<u>Non-current assets</u>			
Property, plant and equipment	5.1	4 158	4 903
Intangible assets	5.4	457	824
Statutory charge debtors	6.4	11 464	11 136
Total non-current assets		16 079	16 863
Total assets		58 798	43 029
<u>Current liabilities</u>			
Legal payables		1 578	1 674
Payables	7.1	577	366
Financial liabilities	7.2	10	3
Employee related liabilities	3.4	1 680	1 672
Other current liabilities	7.3	233	233
Total current liabilities		4 078	3 948
<u>Non-current liabilities</u>			
Financial liabilities	7.2	16	1
Employee related liabilities	3.4	3 590	3 233
Other non-current liabilities	7.3	700	934
Total non-current liabilities		4 306	4 168
Total liabilities		8 384	8 116
Net assets		50 414	34 913
<u>Equity</u>			
Retained earnings		50 414	34 913
Total equity		50 414	34 913

The accompanying notes form part of these financial statements.

Legal Services Commission of South Australia

Statement of Changes in Equity

for the year ended 30 June 2024

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2022	49	46 980	47 029
Net result for 2022-23	-	(12 067)	(12 067)
Loss on revaluation of library during 2022-23	(49)	-	(49)
Total comprehensive result for 2022-23	(49)	(12 067)	(12 116)
Balance at 30 June 2023	-	34 913	34 913
Net result for 2023-24	-	15 501	15 501
Total comprehensive result for 2023-24	-	50 414	50 414
Balance at 30 June 2024	-	50 414	50 414

The accompanying notes form part of these financial statements.

Legal Services Commission of South Australia

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<u>Cash flows from operating activities</u>			
<i>Cash inflows</i>			
Receipts from State Government funding		30 638	5 275
Receipts from Commonwealth-sourced grants and funding		27 834	26 965
Legal Practitioners Act 1981 receipts		16 034	7 777
Costs recovered and contributions		302	342
Statutory charge receipts		1 839	1 298
Interest received		925	486
GST recovered from the ATO		3 751	3 362
Other receipts		2 449	405
Cash generated from operations		83 772	45 910
<i>Cash outflows</i>			
Employee related payments		(24 566)	(22 987)
Payments for supplies and services		(11 019)	(10 673)
Private Practitioner services		(31 197)	(29 606)
Cash used in operations		(66 782)	(63 266)
Net cash provided by/(used in) operating activities		16 990	(17 356)
<u>Cash flows from investing activities</u>			
<i>Cash outflows</i>			
Purchase of property, plant & equipment and intangibles		(565)	(969)
Net cash used in investing activities		(565)	(969)
Net increase in cash and cash equivalents		16 425	(18 325)
Cash and cash equivalents at the beginning of the period		11 483	29 808
Cash and cash equivalents at the end of the period	6.1	27 908	11 483

The accompanying notes form part of these financial statements.

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1. About the Legal Services Commission of South Australia

The Legal Services Commission of South Australia (the Commission) is a body corporate. It is capable of acquiring or incurring any rights or liabilities that may properly attach to a body corporate. It has the powers, functions and duties prescribed or imposed upon it by or under the *Legal Services Commission Act 1977* (the Act).

The Commission was established under the Act to provide or arrange for the provision of legal assistance in accordance with the Act. Under section 6(3) of the Act, the Commission is not an instrumentality of the Crown and is independent of the Government.

The financial statements and accompanying notes include all activities of the Commission.

The Commission does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Commission.

The Commission is endorsed by the Australian Taxation Office (ATO) as an income tax exempt charity and as a Public Benevolent Institution.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987* and the *Australian Charities and Not-for-Profit Commission Act 2012*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the Commission is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows include GST in the Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2. Objectives

The objective of the Commission is to provide or arrange for the provision of legal assistance in accordance with the Act. The functions and principles of the Commission are set out in section 10 and 11 of the Act.

2. Income

2.1. Commonwealth-sourced grants and funding

	2024 \$'000	2023 \$'000
National Legal Assistance Partnership Agreement	18 297	17 997
Federal Circuit & Family Court Case Management	1 827	1 770
Family Advocacy and Support Service	1 160	1 135
Property Mediation	1 019	671
Family Violence and Cross-Examination of Parties Scheme	928	974
Women's Domestic Violence Unit	880	865
Online Dispute Resolution System	820	1 090
Disability and Carer Support Program	679	635
Lighthouse funding	678	669
Women's Legal Assistance	473	461
Migration Legal Assistance	346	-
Mental Health	242	236
Protection Visa Subclass 866 Assistance	140	-
Defence Royal Commission	128	97
Child Sexual Abuse Prosecutions	119	118
Workplace Sexual Harassment	92	90
National Legal Advisory Service for the Disability Royal Commission	6	157
Total Commonwealth-sourced grants and funding	27 834	26 965

Commonwealth-sourced grants and funding are recognised as income on receipt.

A National Legal Assistance Partnership agreement on Legal Assistance Services between the Commonwealth of Australia and States and Territories is effective from 1 July 2020 to 30 June 2025.

Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia for \$25.13m (2023: \$23.34m) of the above grants. For accounting purposes, the obligations under the funding arrangements do not sit with the Commission. The Commonwealth has provided funding to the State for legal assistance services and were originally received by the State and then paid from Department of Treasury and Finance Administered Items. Amounts from the Commonwealth are received via the Attorney-General's Department.

In addition, the Commission received \$2.70m (2023: \$3.62m) of income recognised upon receipt directly from the Commonwealth for legal assistance services.

The Commission is separately funded by the Commonwealth Government for criminal law cases that exceed \$40 000. The Commonwealth Government did not provide any funding for the financial year (2023: \$nil).

2.2. SA Government grants, subsidies and transfers

	2024 \$'000	2023 \$'000
SA Government grant	25 451	640
Women's Domestic Violence Court Assistance Service funding	847	1 210
Expensive Cases - reimbursement	652	2 340
Drug Court funding	194	189
Disability Information and Legal Assistance	150	150
VSP reimbursement from the Department of Treasury and Finance	-	395
Operation Ironside	3 344	351
Total SA Government grants, subsidies and transfers	30 638	5 275

SA Government grants, subsidies and transfers are recognised as income on receipt.

The State Government contributed funding of \$25.45m for 2023-24 (2023: \$0.64m). Most of the State Government funding for 2022-23 was received in the preceding year.

The Commission is separately funded by the State Government for matters that exceed the Commission's prescribed funding cap. The matters are funded pursuant to the *Criminal Law (Legal Representation) Act 2001*. The Commission enters into an approved Case Management Agreement with the State Government for these matters.

The State Government provided \$0.65m (2023: \$2.34m) for approved cases that exceeded the Commission funding cap of \$50 000 in the case of one party being aided and \$100 000 in the case of more than one party.

2.3. Legal Practitioners Act 1981 revenues

In accordance with section 56 of the *Legal Practitioners Act 1981*, the Commission is entitled to revenue from funds administered by the Law Society of South Australia.

	2024 \$'000	2023 \$'000
Statutory Interest account	8 453	5 668
Interest on Legal Practitioners Trust Account	8 545	5 475
Total section 56 Legal Practitioners Act 1981 Revenue	16 998	11 143

2.4. Interest revenues

	2024 \$'000	2023 \$'000
Short-term deposits with SAFA	804	518
Operating account with ANZ	197	-
Total interest revenues	1 001	518

2.5. Costs recovered and contributions

	2024 \$'000	2023 \$'000
Costs recovered	59	85
Contributions	288	229
Total costs recovered and contributions	347	314

2.6. Other income

	2024 \$'000	2023 \$'000
Unrealised investment gain	423	328
Migrant protection visa to permanent residency support funding	366	448
Safe Families funding	285	285
Return to Work SA funding	136	127
Specialist Legal Services for Afghanistan Evacuees	-	103
Other	367	480
Total other income	1 577	1 771

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Commission in 2023-24 include the Director, Commissioners, Chief Operating Officer, Chief Legal Officer, Legal Information and Advice Manager, Communications & Engagement Directorate Manager and Human Resources Manager.

Total compensation for key management personnel was \$1.57m in 2023-24 and \$1.58m in 2022-23.

Transactions with key management personnel and other related parties

In the ordinary course of business the Commission enters into transactions with legal firms, some of which may be associated with members of the Commission. Payments made to these firms are in accordance with the Commission's scale of fees and are payments that apply to practitioners generally. These transactions amounted to \$0.04m in 2023-24 and \$0.09m in 2022-23. Accordingly, unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

3.2. Commission members

The members of the Commission are appointed by the Governor in accordance with the provisions of the Act and include sole practitioners.

Members of the Commission during the 2024 financial year were:

Peter Slattery	Chairperson
Gabrielle Canny *	Ex officio
Stephanie Halliday *	
Debra Contala	
Jane Abbey	

*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Remuneration of Commissioners

	2024 No.	2023 No.
The number of members whose remuneration received or receivable falls within the following bands:		
\$0 - \$19 999	4	5
\$20 000 - \$39 999	1	1
Total number of members	5	6

The total remuneration received or receivable by members was \$48 000 in 2024 (\$48 000 in 2023). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3.3. Employee related expenses

	2024 \$'000	2023 \$'000
Salaries and wages	19 568	17 737
Targeted voluntary separation packages	-	395
Long service leave	854	385
Annual leave	1 912	1 700
Skills and experience retention leave	93	99
Employment on-costs - superannuation	2 329	2 069
Commission members' fees	43	43
Workers' compensation	132	133
Total employee related expenses	24 931	22 561

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the Commission's contributions to superannuation plans in respect of current services of current employees.

Employee remuneration

	2024 No.	2023 No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$160 001 to \$166 000 *	4	2
\$166 001 to \$186 000	6	6
\$186 001 to \$206 000	3	3
\$206 001 to \$226 000	1	3
\$226 001 to \$246 000	1	-
\$246 001 to \$266 000	1	1
\$266 001 to \$286 000	1	-
\$286 001 to \$306 000	-	2
\$306 001 to \$326 000	1	-
\$346 001 to \$366 000	-	1
\$366 001 to \$386 000	1	-
Total	19	18

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

The total remuneration received by these employees for the year was \$3.99m (2023: \$3.80m).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Commission.

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the year was nil (2023: 4).

	2024 \$'000	2023 \$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	-	395
Leave paid to separated employees	-	154
Recovery from the Department of Treasury and Finance	-	(395)
Net cost to the Commission	-	154

3.4. Employee related liabilities

	2024 \$'000	2023 \$'000
Current		
Annual leave	1 192	1 162
Long service leave	236	233
Skills and experience retention leave	85	116
Employment on-costs	167	161
Total current employee related liabilities	1 680	1 672
Non-current		
Long service leave	3 409	3 078
Employment on-costs	181	155
Total non-current employee related liabilities	3 590	3 233
Total employee related liabilities	5 270	4 905

Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Long service leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of services. These assumptions are based on employee data over SA Government entities. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4%) to 2024 (4.25%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

The current portion of employee related liabilities reflects the amount for which the Commission does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on-costs

Employment on-costs include Return To WorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2023 rate (43%) to 44% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2023 rate (11.1%) to 11.5%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.02m and employee benefits expense of \$0.02m. The impact on future periods is impracticable to estimate.

4. Expenses

4.1. Supplies and services

	2024 \$'000	2023 \$'000
Information technology expenses	3 572	3 297
Accommodation	3 456	3 367
Telecommunications	366	356
Legal fees and disbursements	294	294
Periodicals and subscriptions	278	310
Interpreter fees	218	178
Travel	212	138
Office supplies and consumables	179	184
Practising certificates and membership	175	156
Internal audit and governance	130	105
Audit fees - Auditor-General's Department	83	81
Consultancy fees	65	52
Other	975	762
Total supplies and services	10 003	9 280

Accommodation

The Commission's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of lease set out in AASB16. Information about accommodation incentives relating this arrangement is shown at note 7.3.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants fell within the following bands:

	No.	2024 \$'000	No.	2023 \$'000
Below \$10 000	5	25	12	40
\$10 000 or above	1	40	1	12
Total	6	65	13	52

4.2. Depreciation and amortisation

	2024 \$'000	2023 \$'000
Plant and equipment	317	266
Accommodation and leasehold improvements	959	902
Right-of-use vehicles	5	4
Intangible assets	367	366
Total depreciation and amortisation	1 648	1 538

All non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Accommodation and leasehold improvements	5-15
Right-of-use vehicles	Lease term
Right-of-use accommodation	Lease term
Plant and equipment	
Computers	3-5
Office equipment	5-13
Furniture and fittings	5-13
Intangibles	3-8

The library collections are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised as their service potential has not, in any material sense, been consumed during the reporting period.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

4.3. Other expenses

	2024	2023
	\$'000	\$'000
Statutory charge bad debts and impairment loss on receivables	108	63
Bad debts	12	15
Loss on revaluation of assets	-	68
Total other expenses	120	146

4.4. Private Practitioners services

	2024	2023
	\$'000	\$'000
Private Practitioners services	28 267	27 126
Total Private Practitioners services	28 267	27 126

5. Non-financial assets

5.1. Property, plant and equipment

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	2024 \$'000	2023 \$'000
<u>Accommodation and leasehold improvements</u>		
Accommodation and leasehold improvements	7 220	7 075
Accumulated depreciation	(4 553)	(3 594)
Total accommodation and leasehold improvements	2 667	3 481
<u>Plant and equipment</u>		
Plant and equipment	4 358	3 793
Accumulated depreciation	(3 183)	(2 866)
Total plant and equipment	1 175	927
<u>Right-of-use vehicles</u>		
Right-of-use vehicles	31	11
Accumulated depreciation	(5)	(7)
Total right-of use vehicles	26	4
<u>Library</u>		
Library	144	144
Total library	144	144
<u>Work in progress</u>		
Work in progress	146	347
Total work in progress	146	347
Total property, plant and equipment	4 158	4 903

5.2. Property, plant and equipment owned by the Commission

Property, plant and equipment owned by the Commission with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Commission is recorded at fair value.

Impairment

Property, plant and equipment owned by the Commission have not been assessed for impairment as they are non-cash generating assets that are specialised in nature and held for continual use of their service capacity.

Reconciliation 2023-24

	Accommodation and Leasehold improvements	Plant and equipment	Right-of-use vehicles	Library	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3 481	927	4	144	347	4 903
Acquisitions	-	-	31	-	509	540
Depreciation	(959)	(317)	(5)	-	-	(1 281)
Transfer between asset classes	145	565	-	-	(710)	-
Disposals	-	-	(4)	-	-	(4)
Carrying amount at the end of the period	2 667	1 175	26	144	146	4 158

5.3. Property, plant and equipment leased by the Commission

Right-of-use assets for property, plant and equipment leased by the Commission as lessee are measured at cost.

Short-term leases of 12 months or less, and low-value leases where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Commission has a limited number of leases:

- Two motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no option exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.

Impairment

Property, plant and equipment leased by the Commission has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4. Intangible assets

	2024 \$'000	2023 \$'000
Computer software		
Computer software	4 079	4 079
Accumulated amortisation	(3 622)	(3 255)
Total computer software	457	824

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5 000.

Reconciliation 2023-24

	Computer software \$'000	Total \$'000
Carrying amount at the beginning of the period	824	1 190
Amortisation	(367)	(366)
Carrying amount at the end of the period	457	824

6. Financial assets

6.1. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Short-term deposits with SAFA	27 558	9 521
Cash on hand	350	1 962
Total cash and cash equivalents	27 908	11 483

6.2. Receivables

	2024 \$'000	2023 \$'000
<u>Current</u>		
<u>Trade receivables</u>		
From SA government entities	84	543
From non-SA government entities	6	12
Client debtors	230	170
Impairment loss on receivables	(20)	(20)
Total trade receivables	300	705
<u>Accrued revenue</u>		
Accrued interest receivable from SA government entities	100	37
Accrued bank interest receivable (Interest items split)	13	-
Legal Practitioners Act 1981 debtors	4 580	3 616
Grant revenue receivable from government entities	-	884
Total accrued revenue	4 693	4 537
<u>Statutory receivables</u>		
GST input tax recoverable	606	548
Total statutory receivables	606	548
<u>Prepayments</u>		
Trade prepayments	660	764
Total prepayments	660	764
Total current receivables	6 259	6 554

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

The net amount of GST recoverable from the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

6.3. Other financial assets

	2024 \$'000	2023 \$'000
Current		
Investment with Funds SA at fair value	8 552	8 129
Total current investment	8 552	8 129

6.4. Statutory charge debtors

	2024 \$'000	2023 \$'000
Statutory charge debtors	11 594	11 266
Impairment loss on Statutory charge receivables	(130)	(130)
Total statutory charge debtors	11 464	11 136

Statutory charge debtors are raised as a result of the Commission registering charges over property owned by some recipients of legal aid to secure legal costs owed on cases undertaken and are reported at amounts due. Debts are recovered when the property is refinanced or sold.

7. Liabilities

Employee related liabilities are disclosed in note 3.4.

7.1. Payables

	2024 \$'000	2023 \$'000
Current		
Trade payables	494	285
Accrued expenses	83	81
Total current payables	577	366
Total payables	577	366

Payables and accruals are raised for all amounts owing but unpaid. Trade payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

7.2. Financial liabilities

		2024 \$'000	2023 \$'000
Current			
Lease liabilities	5.3	10	3
Total current financial liabilities		10	3
Non-current			
Lease liabilities	5.3	16	1
Total non-current financial liabilities		16	1
Total financial liabilities		26	4

The Commission measures financial liabilities at amortised cost. In prior years, The Commission held leases for Regional Legal aid offices. These leases are no longer held by the Commission. All accommodation lease arrangements are held by the Department for Infrastructure and Transport. Lease liabilities relate only to motor vehicle leases. Expenditure related to these leases is recognised in Note 4.1.

7.3. Other liabilities

		2024 \$'000	2023 \$'000
Current			
Accommodation incentive		233	233
Total current other liabilities		233	233
Non-current			
Accommodation incentive		700	934
Total non-current other liabilities		700	934
Total other liabilities		933	1 167

Accommodation incentive liabilities relate to arrangements with the Department for Infrastructure and Transport (DIT) for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided a range of fit-out free of charge. The benefit of this incentive is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

8. Other disclosures

8.1. Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another. Relevant amounts are removed/transferred to retained earnings when an asset is derecognised.

9. Outlook

9.1. Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

Legal expense commitments

	2024 \$'000	2023 \$'000
Within one year	23 746	22 976
Total expenditure commitments	23 746	22 976

When a private practitioner is allocated a case, they are issued with a commitment certificate indicating the amount the private practitioner is able to claim in relation to the case. Once the private practitioner has provided the service, they sign and submit the commitment certificate, so they can be paid. 'Legal Expense Commitments' relate to commitment certificates that have been issued by the Commission but not yet returned.

Expenditure commitments

	2024 \$'000	2023 \$'000
Within one year	3 496	3 851
Later than one year but not longer than five years	9 826	13 238
Later than five years	133	262
Total expenditure commitments	13 455	17 351
Representing:		
Accommodation	12 720	16 222
Electronic Document and Record Management System (EDRMS)	708	1 124
ROU vehicles	27	5
Total expenditure commitments	13 455	17 351

The Commission's expenditure commitments are for agreements for:

- Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.
- the Electronic Document and Record Management System (EDRMS).

9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Commission is not aware of any contingent assets or contingent liabilities.

9.3. Events after the reporting period

At balance date and as at the date of financial statement certification, there were no known events after the reporting period.