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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 2025.

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 2025, 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 of South Australia as at 30 June 2025, 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 Regulations 2022*.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chairperson, CEO (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 CEO (Director) and members of the Commission for the financial report

The CEO (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 the 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO (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 CEO (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 of South Australia 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 Legal Services Commission of South Australia for the financial year ended 30 June 2025.

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 CEO (Director)
- conclude on the appropriateness of the CEO (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 CEO (Director) and members of the Commission 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.

A handwritten signature in black ink, appearing to read 'D. O'Donohue', with a long horizontal flourish extending to the right.

Daniel O'Donohue
Deputy Auditor-General

26 September 2025



Legal Services Commission of South Australia

**Financial Statements
for the year ended
30 June 2025**

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 Legal Services Commission of South Australia;
- 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 2022; and
- present a true and fair view of the financial position of Legal Services Commission of South Australia 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
25 September 2025



Annmarie Lumsden
CEO (Director)
24 September 2025



Peter Slattery
Chairperson
25 September 2025

Legal Services Commission of South Australia

Statement of Comprehensive Income

for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
Grants and subsidies	2.1	64 498	59 123
Legal Practitioners Act 1981 revenues	2.2	22 963	16 998
Statutory charges		1 731	2 075
Interest income	2.3	1 735	1 001
Costs recovered and contributions	2.4	590	347
Other income	2.5	1 382	926
Total income		92 899	80 470
Expenses			
Employee related expenses	3.3	27 880	24 931
Private Practitioners services	4.4	27 969	28 267
Supplies and services	4.1	9 862	10 003
Depreciation and amortisation	4.2	1 651	1 648
Other expenses	4.3	311	120
Total expenses		67 673	64 969
Net result		25 226	15 501
Total comprehensive result		25 226	15 501

The accompanying notes form part of these financial statements.

Legal Services Commission of South Australia

Statement of Financial Position

as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	6.2	41 890	27 908
Receivables	6.3	6 561	6 259
Other financial assets	6.4	20 461	8 552
Total current assets		68 912	42 719
Non-current assets			
Property, plant and equipment	5.1	3 162	4 158
Intangible assets	5.5	91	457
Statutory charge receivables	6.5	11 970	11 464
Total non-current assets		15 223	16 079
Total assets		84 135	58 798
Current liabilities			
Legal payables		1 714	1 578
Payables	7.2	537	577
Other financial liabilities	7.3	-	10
Other non-financial liabilities	7.4	233	233
Employee related liabilities	7.5	1 893	1 680
Total current liabilities		4 377	4 078
Non-current liabilities			
Other financial liabilities	7.3	-	16
Other non-financial liabilities	7.4	467	700
Employee related liabilities	7.5	3 651	3 590
Total non-current liabilities		4 118	4 306
Total liabilities		8 495	8 384
Net assets		75 640	50 414
Equity			
Retained earnings		75 640	50 414
Total equity		75 640	50 414

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 2025

	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2023	34 913	34 913
Net result for 2023-24	15 501	15 501
Total comprehensive result for 2023-24	15 501	15 501
Balance at 30 June 2024	50 414	50 414
Net result for 2024-25	25 226	25 226
Total comprehensive result for 2024-25	25 226	25 226
Balance at 30 June 2025	75 640	75 640

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 2025

	Note	2025 \$'000	2024 \$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
Receipts from grants and subsidies		64 118	59 123
Legal Practitioners Act 1981 receipts		23 195	16 034
Costs recovered and contributions		533	302
Statutory charge receipts		1 469	1 839
Interest received		1 721	925
GST recovered from the ATO		3 124	3 751
Other receipts		1 464	1 798
<u>Cash outflows</u>			
Employee related payments		(27 606)	(24 566)
Payments for supplies and services		(12 106)	(11 019)
Private Practitioner services		(30 574)	(31 197)
Net cash provided from operating activities		25 338	16 990
<u>Cash flows from investing activities</u>			
<u>Cash outflows</u>			
Purchase of financial assets		(11 000)	-
Purchase of property, plant & equipment and intangibles		(356)	(565)
Net cash used in investing activities		(11 356)	(565)
Net increase in cash and cash equivalents		13 982	16 425
Cash and cash equivalents at the beginning of the period		27 908	11 483
Cash and cash equivalents at the end of the period	6.2	41 890	27 908

The accompanying notes form part of these financial statements.

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1. About Legal Services Commission of South Australia

Legal Services Commission of South Australia (Legal Services) 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).

Legal Services 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, Legal Services is not an instrumentality of the Crown and is independent of the SA Government.

The financial statements and accompanying notes include all activities of Legal Services.

Legal Services 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 Legal Services.

Legal Services 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, Legal Services 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.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

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

2. Income

2.1. Grants and subsidies

	2025 \$'000	2024 \$'000
Commonwealth-sourced grants and subsidies		
National Legal Assistance Partnership Agreement	18 601	18 297
Family Advocacy and Support Service	1 186	1 160
Migration Legal Assistance	1 157	346
Property Mediation	1 041	1 019
Family Violence and Cross-Examination of Parties Scheme	1 027	928
Women's Domestic Violence Unit	897	880
Workforce indexation funding	830	-
Disability and Carer Support Program	692	679
Lighthouse funding	687	678
Women's Legal Assistance	485	473
Protection Visa Subclass 866 Assistance	409	140
Mental Health	248	242
Community Safety Order Program	163	-
Child Sexual Abuse Prosecutions	121	119
Workplace Sexual Harassment	95	92
Federal Circuit & Family Court Case Management	-	1 827
Online Dispute Resolution System	-	820
Defence Royal Commission	-	128
National Legal Advisory Service for the Disability Royal Commission	-	6
Total Commonwealth-sourced grants and funding	27 639	27 834
SA Government grants and subsidies		
SA Government grant	26 578	25 451
Expensive Cases - reimbursement	8 953	652
Women's Domestic Violence Court Assistance Service funding	844	847
Treatment Intervention Court funding	199	194
Operation Ironside	-	3 344
Disability Information and Legal Assistance	-	150
Total SA Government grants and subsidies	36 574	30 638
Other grants and subsidies		
Migrant Protection Visa to Permanent Residency Support funding	-	366
Safe Families funding	285	285
Total other grants and subsidies	285	651
Total grants and subsidies	64 498	59 123

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 \$25.35m (2024: \$25.13m) of the above grants. For accounting purposes, the obligations under the funding arrangements do not sit with Legal Services. The Commonwealth has provided funding to the State for legal assistance services which was 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, Legal Services received \$2.29m (2024: \$2.70m) of income directly from the Commonwealth for legal assistance services.

Legal Services 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 (2024: \$nil).

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

The State Government contributed funding of \$26.58m for 2024-25 (2024: \$25.45m).

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

The SA Government provided \$8.95m (2024: \$0.65m) for approved cases that exceeded Legal Services funding cap of \$50 000 in the case of one party being aided and \$100 000 in the case of more than one party.

In addition, Legal Services received \$1.04m (2024: \$1.19m) of income from the SA Government for legal assistance services.

2.2. Legal Practitioners Act 1981 revenues

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

	2025 \$'000	2024 \$'000
Statutory Interest Account	8 933	8 453
Interest on Legal Practitioners Trust Account	9 374	8 545
Legal Practitioners Fidelity Fund Account	4 656	-
Total section 56 Legal Practitioners Act 1981 Revenue	22 963	16 998

2.3. Interest income

	2025 \$'000	2024 \$'000
Short-term deposits with SAFA	1 367	804
Operating account with ANZ	368	197
Total interest income	1 735	1 001

2.4. Costs recovered and contributions

	2025 \$'000	2024 \$'000
Costs recovered	161	59
Contributions	429	288
Total costs recovered and contributions	590	347

2.5. Other income

	2025 \$'000	2024 \$'000
Unrealised investment gain	909	423
Return to Work SA funding	143	136
Other	330	367
Total other income	1 382	926

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of Legal Services in 2024-25 include the Director/CEO, Commissioners, Chief Operating Officer, Chief Legal Officer, Director - Legal Information and Advice Division, Director - Criminal Law, Director - Family Law, Director- Civil Law, Director - Human Resources and Director - Communications & Engagement.

Total compensation for key management personnel was \$2.51m in 2024-25 and \$1.57m in 2023-24.

Transactions with key management personnel and other related parties

In the ordinary course of business Legal Services enters into transactions with legal firms, some of which may be associated with members of Legal Services. Payments made to these firms are in accordance with Legal Services' scale of fees and are payments that apply to practitioners generally. These transactions amounted to \$0.07m in 2024-25 and \$0.04m in 2023-24. 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 Legal Services are appointed by the Governor in accordance with the provisions of the Act and include sole practitioners.

Members of Legal Services during the 2025 financial year were:

Peter Slattery	Chairperson
Gabrielle Canny * (retired September 2024)	Ex officio
Annmarie Lumsden * (commenced September 2024)	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

	2025 No.	2024 No.
\$0	3	2
\$1 - \$19 999	2	2
\$20 000 - \$39 999	1	1
Total number of members	6	5

The total remuneration received or receivable by members was \$48 000 in 2024-25 (\$48 000 in 2023-24). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3.3. Employee related expenses

	2025 \$'000	2024 \$'000
Salaries and wages	22 318	19 568
Long service leave	614	854
Annual leave	1 999	1 912
Skills and experience retention leave	100	93
Superannuation	2 676	2 329
Commission members' fees	43	43
Workers' compensation	130	132
Total employee related expenses	27 880	24 931

Employment on-costs - superannuation

The superannuation employment on-cost charge represents Legal Services' contributions to superannuation plans in respect of current services of current employees.

Employee remuneration

	2025 No.	2024 No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$166 001 to \$171 000 *	N/A	1
\$171 001 to \$191 000	4	3
\$191 001 to \$211 000	1	1
\$211 001 to \$231 000	2	1
\$231 001 to \$251 000	3	-
\$251 001 to \$271 000	3	1
\$271 001 to \$291 000	1	1
\$291 001 to \$311 000	1	-
\$311 001 to \$331 000	-	1
\$351 001 to \$371 000	1	-
\$371 001 to \$391 000	-	1
Total	16	10

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

The total remuneration received by these employees for the year was \$3.79m (2024: \$2.36m).

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 Legal Services.

4. Expenses

4.1. Supplies and services

	2025 \$'000	2024 \$'000
Accommodation	3 340	3 456
Information technology expenses	3 308	3 572
Telecommunications	394	366
Travel	277	212
Staff courses and training	260	147
Periodicals and subscriptions	258	278
Interpreter fees	252	218
Internal audit and governance	244	130
Office supplies and consumables	216	179
Practising certificates and memberships	190	175
Legal fees and disbursements	158	294
Staff recruitment, relocation and administration	127	207
Consultancy fees	106	65
Audit fees – Audit Office of SA	85	83
Other	647	621
Total supplies and services	9 862	10 003

Accommodation

Legal Services' 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 7.4.

4.2. Depreciation and amortisation

	2025 \$'000	2024 \$'000
Plant and equipment	352	317
Accommodation and leasehold improvements	924	959
Right-of-use vehicles	9	5
Intangible assets	366	367
Total depreciation and amortisation	1 651	1 648

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.

4.3. Other expenses

	2025 \$'000	2024 \$'000
Statutory charge bad debts and impairment loss on receivables	10	108
Bad debts	3	12
Return of unused funding received in prior year	298	-
Total other expenses	311	120

4.4. Private Practitioners services

	2025 \$'000	2024 \$'000
Private Practitioners services *	27 969	28 267
Total Private Practitioners services	27 969	28 267

* Payments to external providers in relation to case work.

5. Property, Plant and equipment

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.

	2025 \$'000	2024 \$'000
<u>Accommodation and leasehold improvements</u>		
Accommodation and leasehold improvements	7 484	7 220
Accumulated depreciation	(5 477)	(4 553)
Total accommodation and leasehold improvements	2 007	2 667
<u>Plant and equipment</u>		
Plant and equipment	4 536	4 358
Accumulated depreciation	(3 534)	(3 183)
Total plant and equipment	1 002	1 175
<u>Right-of-use vehicles</u>		
Right-of-use vehicles	-	31
Accumulated depreciation	-	(5)
Total right-of use vehicles	-	26
<u>Library</u>		
Library	144	144
Total library	144	144
<u>Work in progress</u>		
Work in progress	9	146
Total work in progress	9	146
Total property, plant and equipment	3 162	4 158

5.2. Useful life and depreciation

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
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.

5.3. Property, plant and equipment owned by Legal Services

Property, plant and equipment owned by Legal Services with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by Legal Services is recorded at fair value. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Revaluation of property, plant and equipment is undertaken on a regular cycle as is revalued at least every six years. However, if at any time management considers that the carrying amount of an assets materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place.

Reconciliation 2024-25

	Accommodation and Leasehold improvements \$'000	Plant and equipment \$'000	Right-of-use vehicles \$'000	Library \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at the beginning of the period	2 667	1 175	26	144	146	4 158
Acquisitions	-	-	15	-	309	324
Depreciation	(924)	(352)	(9)	-	-	(1 285)
Transfer between asset classes	264	179	-	-	(446)	(3)
Disposals	-	-	(32)	-	-	(32)
Carrying amount at the end of the period	2 007	1 002	-	144	9	3 162

5.4. Property, plant and equipment leased by Legal Services

Right-of-use assets for property, plant and equipment leased by Legal Services 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.

Right-of-use vehicles leases are no longer required to be recognised per AASB 16 - Leases, as changes in contractual arrangements of the lease facilitator now avail the facilitator substantive lease substitution rights.

5.5. Intangible assets

	2025 \$'000	2024 \$'000
<u>Computer software</u>		
Computer software	4 079	4 079
Accumulated amortisation	(3 988)	(3 622)
Total computer software	91	457

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 2024-25

	Computer software \$'000	Total \$'000
Carrying amount at the beginning of the period	457	457
Amortisation	(366)	(366)
Carrying amount at the end of the period	91	91

6. Assets

6.1. Financial assets

Category of financial assets	Note	2025 Carrying amount (\$'000)	2024 Carrying amount (\$'000)
Cash and cash equivalents	6.2	41 890	27 908
Total trade receivables	6.3	824	300
Total accrued revenue	6.3	4 474	4 693
Investment with Funds SA at fair value	6.4	20 461	8 552
Total statutory charge debtors	6.5	11 970	11 464
Total financial assets		79 619	52 917

6.2. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Short-term deposits with SAFA	34 491	27 558
Cash on hand	7 399	350
Total cash and cash equivalents	41 890	27 908

6.3. Receivables

	2025 \$'000	2024 \$'000
Current		
Trade receivables		
From SA government entities	464	84
From non-SA government entities	-	6
Client debtors	390	230
Impairment loss on receivables	(30)	(20)
Total trade receivables	824	300
Accrued revenue		
Accrued interest receivable from SA government entities	112	100
Accrued bank interest receivable (Interest items split)	15	13
Legal Practitioners Act 1981 debtors	4 347	4 580
Total accrued revenue	4 474	4 693

Statutory receivables

GST input tax recoverable	487	606
Total statutory receivables	487	606
<u>Prepayments</u>		
Trade prepayments	776	660
Total prepayments	776	660
Total current receivables	6 561	6 259

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 assets 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.

6.4. Other financial assets

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Investment with Funds SA at fair value	20 461	8 552
Total other financial assets	20 461	8 552

6.5. Statutory charge receivables

	2025	2024
	\$'000	\$'000
Statutory charge receivables	12 070	11 594
Impairment loss on Statutory charge receivables	(100)	(130)
Total statutory charge receivables	11 970	11 464

Statutory charge receivables are raised as a result of Legal Services 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**7.1. Financial liabilities**

Category of financial liabilities	Note	2025	2024
		Carrying amount	Carrying amount
		(\$'000)	(\$'000)
Trade payables	7.2	452	494
Accrued expenses	7.2	85	83
Lease liabilities	7.3	-	26
Legal payables		1 714	1 578
Total financial liabilities		2 251	2 181

7.2. Payables

	2025 \$'000	2024 \$'000
<u>Current</u>		
Trade payables	452	494
Accrued expenses	85	83
Total current payables	537	577
Total payables	537	577

Payables and accruals are raised for all amounts owing but unpaid. Trade payables are normally settled within 15 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.

7.3. Other financial liabilities

		2025 \$'000	2024 \$'000
<u>Current</u>			
Lease liabilities	5.4	-	10
Total current other financial liabilities		-	10
<u>Non-current</u>			
Lease liabilities	5.4	-	16
Total non-current other financial liabilities		-	16
Total other financial liabilities		-	26

7.4. Other non-financial liabilities

		2025 \$'000	2024 \$'000
<u>Current</u>			
Accommodation incentive		233	233
Total current other non-financial liabilities		233	233
<u>Non-current</u>			
Accommodation incentive		467	700
Total non-current other non-financial liabilities		467	700
Total other non-financial liabilities		700	933

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.

7.5. Employee related liabilities

	2025 \$'000	2024 \$'000
<u>Current</u>		
Accrued salaries and on-costs	107	-
Annual leave	1 228	1 192
Long service leave	289	236
Skills and experience retention leave	88	85
Employment on-costs	181	167
Total current employee related liabilities	1 893	1 680
<u>Non-current</u>		
Long service leave	3 460	3 409
Employment on-costs	191	181
Total non-current employee related liabilities	3 651	3 590
Total employee related liabilities	5 544	5 270

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 remain unchanged from the 2024 rate of 4.25%.

The current portion of employee related liabilities reflects the amount for which Legal Services 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 Work SA 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 remain unchanged from the 2024 rate of 44%. The average factor for the calculation of employer superannuation cost on-costs has changed from the 2024 rate of 11.5% to 12%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial. The impact on future periods is impracticable to estimate.

8. Outlook

8.1. Unrecognised commitments

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

Legal expense commitments

	2025 \$'000	2024 \$'000
Within one year	22 402	23 746
Total expenditure commitments	22 402	23 746

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 Legal Services but not yet returned.

Expenditure commitments

	2025 \$'000	2024 \$'000
Within one year	3 757	3 496
Later than one year but not longer than five years	6 856	9 826
Later than five years	-	133
Total expenditure commitments	10 613	13 455
Representing:		
Accommodation	9 344	12 720
Electronic Document and Record Management System (EDRMS)	1 243	708
Vehicles	26	27
Total expenditure commitments	10 613	13 455

Legal Services' 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).

8.2. 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.

Legal Services is not aware of any contingent assets or contingent liabilities.

8.3. 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.