

# Legal Aid Commission (ACT)



## Annual Report 2014-2015

*Promoting a just society in the Australian Capital Territory*

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# TRANSMITTAL CERTIFICATE

Transmittal Certificate

**Legal Aid Commission (ACT)**

15 September 2015

Mr Simon Corbell MLA  
Attorney General for the ACT  
ACT Legislative Assembly  
London Circuit  
CANBERRA ACT 2601

Dear Mr Corbell

This Report has been prepared under Section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements referred to in the Chief Minister's Annual Report Directions.

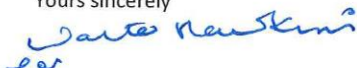
It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Legal Aid Commission (ACT).

We certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Legal Aid Commission (ACT) during the period 1 July 2014 to 30 June 2015 has been included and that it complies with the Chief Minister's Annual Report Directions.

We also certify that fraud prevention has been managed in accordance with the Public Sector Management Standard 2, Part 2.4.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the Report to be laid before the Legislative Assembly within 3 months of the end of the financial year.

Yours sincerely

  
Jon Stanhope  
President  
15 September 2015

  
John Boersig  
Chief executive Officer  
15 September 2015

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## PRESIDENT'S REPORT

The past year has proven a watershed period for the Commission. The National Partnership Agreement with the Commonwealth, which had been extended for one year, finished and a new Agreement was negotiated with the Territory for the next five years, to commence July 2015. The negotiation of the new agreement was a time of considerable uncertainty particularly because there were new conditions, reporting environments and data arrangements. In the result, the ACT has not fared as badly as had been anticipated, and in the next year we would expect that the Commission will capitalise on the strong performance evidenced in the results for the 2014-2015 year.

These results are the productive of some effective management strategies behind the scenes – saving measures and internal work efficiencies within the Commission's in-house legal practice and the external grants program have ensured grants of assistance are maintained and allowed the redirections of resources to other areas of need. It is important to remember that behind this work is a collegiate approach by all staff to lifting the profile of the Commission, and a recommitment by them to best practice and high professional standards. People coming to Legal Aid know they are receiving good advice and professional services. This is at the heart of the access to justice debate and underlies the importance of the quality of service provided through legal aid.

The Commission's commitment to the front-line services is to be acknowledged and supported. At its heart legal aid should be about ensuring that the most vulnerable and disadvantaged of the community are able to receive assistance. Whilst the question of how to meet 'unmet' legal need is a perennial problem, this should not stop every effort being made to ensure that the maximum number of people can be assisted. In this context the work being done in the family violence and with the culturally and linguistically diverse communities in the ACT is of particular importance. As a community we need to recognise that the particular disadvantage of these groups mean that they have not received the services which would assist them in being active members of civil society. The Commission, as a mainstream organisation, must ensure its doors are open.

The Commission has responded well to increasing demand with limited resources. Of particular significance has been the move to improve services to vulnerable people within the ACT – mainly through a new outreach program. The outreach program is seeking to develop stronger connections to the culturally and linguistically diverse communities. This has been achieved with a variety of strategies, such running clinics in Belconnen and Tuggeranong and entering partnerships with the *Migrant and Refugee Resettlement Services and Communities at Work*.

In addition, it has been pleasing to see that the Helpline Advice Services continues to grow – at just over 14,000 calls taken this year, this was up from an expected target of 9,000. This tremendous growth in demand reflects the needs of the community for access legal information and advice. While

this has put pressure on the Commission's resources, it must be recognised as an important area of service to the community.

I am also pleased to see that the long term downward trend for approval of grants has been stemmed. For the first time in seven years, grant approvals have not slipped below the previous year. This is all the more impressive because the strain on the Commission's budget has been significant, in particular the loss of Law Society funds and increasing external costs, yet the Commission has been able to maintain grants of legal assistance.

Over the past year the Commission has been building on its core work – family and criminal representation – to develop a broad general practice. What has been important about this redirection of resources is that it is actively acknowledging that frontline services include advice, assistance, information, community legal education as well as civil law. This type of assistance puts people in a better position to make decisions, and to effectively address all the other issues (like tenancy, housing and debt) which go hand in hand with criminal and family problems. The Commission's renewed role in guardianship and mental health is another example of a new endeavour to reach out to vulnerable people within the community. The Commission's holistic approach to legal assistance is supported by contemporary research.

Finally, I would like to pay tribute to Mr Michael Peedom the immediate past President of the Commission. He served in this role for five years, throughout which he provided important direction, guidance and support to the Commission. I would also like to thank the other Commissioners for their continuing work on the Board.

Jon Stanhope  
President

## **THE COMMISSIONERS DURING 2014-2015 WERE:**

### **Jon Stanhope**

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Jon Stanhope was appointed as President of the Commission on 14 December 2014. Mr Stanhope was appointed as Deputy Administrator of Norfolk Island, Secretary of a major Parliamentary Committee and as President of a number of community organisations prior to his political career. Mr Stanhope is the former Chief Minister of the ACT. He was elected as an Australian Labour Party candidate to the ACT Legislative Assembly in 1998 and was appointed Leader of the Opposition after the election. He remained as leader for over 13 years. Mr Stanhope was elected Chief Minister in 2001, a position he held for nearly a decade. While he was Chief Minister, and concurrent Minister for various portfolios, he sought to change and reform in the finances and administration of the Australian Capital Territory. He introduced a number important reforms, including the introduction of a Human Rights Act, reducing budget expenditure and streamlining the bureaucracy. Mr Stanhope has been Professorial Fellow in Public Sector Engagement in the Australian and New Zealand School of Government at the University of Canberra.

### **John Boersig**

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John Boersig was appointed a Chief Executive Officer of the Commission on 1 December 2013, and holds a position on the Board in that capacity. Dr Boersig commenced as CEO at that time. He brings to the Commission extensive experience in legal aid, legal education and public administration. He was engaged in legal aid practice from 1983, initially with the Aboriginal Legal Service and later as a senior lecturer and director of the Newcastle Legal Centre where he ran the clinical and professional program at the University of Newcastle's Faculty of Law. He was a presiding member of the Guardianship Tribunal for many years. In 2004 Dr Boersig joined the Commonwealth Attorney-General's Department as Assistant Secretary of the Indigenous Law & Justice Branch and later as Assistance Secretary of the Human Rights Branch. He moved to the Ministerial & Cabinet Unit and then the Security Coordination Branch immediately prior to joining the Commission. He has a PhD from the University of Sydney.

### **Meredith Whitten**

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Meredith Whitten was originally appointed to the Commission on 9 April 2010. She has been an ACT Government Executive since 2000 in the ACT Chief Minister's Department and an Executive of the Community Services Directorate since November 2004. She has a Graduate Diploma in Government and Commercial Law (Australian National University) and Bachelor of Arts in Social Sciences (The Flinders University of South Australia).

### **Gail Kinsella**

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Gail Kinsella was originally appointed to the Commission on 10 May 2010. She is a Chartered Accountant and a director of Kinsella Partners – Chartered Accountants. She is a member of a number of professional advisory boards and committees at the local and national level. Her community activities include holding the position as a board member of Communities@Work.

## Walter Hawkins

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Walter Hawkins was appointed to the Commission on 10 August 2012. He is the Principal and the Practice Leader of the Canberra office of Maurice Blackburn Lawyers (previously Pamela Coward Higgins Lawyers) specialising in personal injury litigation with over 25 years' experience. Walter is a member of the ACT Law Society Civil Litigation Committee, Chairs the ACT Law Society Access to Justice Committee and is a member of the Law Council of Australia Access to Justice Committee and a member of the Australian Lawyers Alliance. Walter originally worked with the Public Interest Advocacy Centre (PIAC) in Sydney conducting large scale product liability litigation, and then spent six years with a national personal injury firm. For many years Walter was a contributing author to the Lawyers Practice Manual of New South Wales. Walter's previous appointments include President of ACT Labor Lawyers. Walter graduated from Macquarie University in 1985 with a Bachelor of Arts and Bachelor of Laws. In 2007 Walter obtained a Master of Business Administration from the University of Canberra.

## Carol Benda (to 10 October 2014)

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Carol Benda was appointed to the Commission on 23 October 2013. Carol worked in the ACT community sector for approximately 20 years. This work involved 2 years working for Community Aid Abroad (now Oxfam), 2 years at the Domestic Violence Crisis Service and the remainder working at the Women's Legal Centre ACT & Region. Carol currently works at the Australian Government Solicitor. Carol has a Master's Level Law Degree (Juris Doctor) and a Business Administration Degree. Carol is the chair of the Ministerial Advisory Council of Women and a Commissioner on the ACT Legal Aid Commission.

## Alison Playford

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Alison Playford was appointed to the Commission on 30 June 2014. Ms Playford is currently Acting Director-General in the ACT Justice and Community Safety Directorate. She has previously held the roles of both Deputy Director-General, Justice and Deputy Director-General, Community Safety in that Directorate. Before joining the ACT Government in November 2010 she had over 20 years' experience in the Commonwealth public sector in a range of positions in the Department of Finance, the Department of Prime Minister and Cabinet and the Attorney-General's Department including in the areas of native title, indigenous litigation, family law, administrative law, federal courts and tribunals. Ms Playford was the First Assistant Secretary of the Commonwealth Attorney-General's Department from August 2009 until November 2010. She was also an alternate member of the Council of the National Judicial College of Australia in 2010 (nominated by the Commonwealth Attorney-General).

## Amanda Tonkin

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Amanda Tonkin was appointed to the Commission on 18 July 2014. Ms Tonkin was called to the Bar as a Barrister in 1994 and has been with Blackburn Chambers continuously for more than 20 years. Prior to that, she was a Prosecutor and an Assistant Parliamentary Counsel for drafting legislation. Ms Tonkin's area of practice is extensive and include family law, civil law, medical negligence and



mental health law and mediations. She is an elected member of the ACT Bar Council, the Women Lawyers Association and is a Court Appointed Mediator for the ACT Magistrates Court. She has been a member of the Family Law Section of Law Council of Australia and was also a Director of Chambers from 1998 to 2006.

**Michael Peedom** (to 13 December 2014)

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Michael Peedom was appointed as President of the Commission on 14 December 2009. He is a law graduate of the Australian National University and is admitted to practise as a barrister and solicitor. He has held the positions of Director of Legal Services of the ACT Office of the Australian Government Solicitor and inaugural Chief Solicitor of the ACT Government Solicitor. He has acted as the ACT Director of Public Prosecutions and served as a member of the Barristers and Solicitors Admission Board. Mr Peedom has been on a number of committees of the Law Society and the executive committees of the Australian Institute of Administrative Law and the Council of Australasian Tribunals. He was the President of the ACT Administrative Appeals Tribunal, Deputy President of a number of other ACT tribunals including the Discrimination Tribunal and an Acting Chair of the Sentence Administration Board before he retired in 2009.

# ORGANISATIONAL OVERVIEW AND PERFORMANCE

## ORGANISATIONAL OVERVIEW

The Legal Aid Commission (ACT) (the Commission) is established by the *Legal Aid Act 1977* (the Act). The primary purpose of the Commission is to provide vulnerable and disadvantaged Australians with access to justice through a range of legal aid services provided in accordance with the Act.

### VISION

Our vision is to be a leader in the delivery of legal services that are recognised for their excellence and for the caring, responsive and professional manner in which they are provided.

### PURPOSE

The purpose of the Commission is to promote a just society in the Australian Capital Territory by:

- ensuring that vulnerable and disadvantaged people receive the legal services they need to protect their rights and interests;
- developing an improved community understanding of the law; and
- seeking reform of laws that adversely affect those we assist.

We achieve this purpose by delivering a range of high quality legal services through our staff and professional partners in a manner that respects diversity and promotes confidence in the legal system.

### VALUES

The Commission espouses the following values in its relationships, service delivery, business processes and decision making.

- We are committed to helping disadvantaged people achieve justice.
- We respect people and their diversity.
- We value integrity and ethical conduct.
- We are accountable and committed to using learning and innovation to improve the quality of our services and the efficient use of resources.
- We work collaboratively with others to meet people's needs.
- We value and protect our statutory independence.

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## Role and Services

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The Commission is an independent statutory authority established under the *Legal Aid Act 1977* charged with providing legal assistance in the Australian Capital Territory in accordance with the Act. While the Commission is accountable to the Commonwealth Government, and specifically to the ACT Attorney-General for the exercise of its statutory functions, it operates a legal practice with a high degree of autonomy. This is necessary because of the Commission's duty to protect the legal rights and interests of individuals many of whom are parties to actions by, or against, the executive branch of government. While the work of the Commission must be undertaken in the broad context of government justice policy, as set out in the Act and in the National Partnership Agreement for legal assistance, the Commission's lawyers are required to observe the same rules and standards of professional conduct as private lawyers, and are subject to the same professional duties. This means that their professional duties are owed to the law, the court and clients, rather than to executive government.

The Commission helps people living in the ACT, or involved in proceedings in ACT courts and tribunals, who are in need of legal advice or assistance but who are unable to access private legal services. Our clients are therefore people who are disadvantaged relative to the general population. Disadvantage can take many forms including a lack of financial resources, disability, illness, youth or old age, homelessness, language or cultural barriers.

Legal assistance includes legal information and advice, duty lawyer services, minor legal assistance, advocacy, grants of financial assistance for more substantial legal representation, and dispute resolution services.

Legal assistance services are free of charge, except for grants of financial assistance and Dispute Resolution conferences that are means-tested and may be subject to payment of a contribution.

The Commission also has a responsibility under the Act to make recommendations to the Attorney-General concerning the reform of laws.

### *Information and Referral*

The Commission provides information about the law and the legal system to individuals and community groups. It is information of general application about legal rights and responsibilities, court and tribunal processes, alternative ways of resolving disputes, and the availability of financial assistance and other legal assistance services. It includes referral to other community services appropriate to people's needs.

Information and referral is provided through the Legal Aid Helpdesk and by other Commission staff in person at the Commission's office and at courts, outreach services and by telephone through the Legal Aid Helpline.

If the Commission cannot help a person because their problem is not a legal problem, or because another legal service is better placed to assist them, a referral of the person to the appropriate service is facilitated.

#### *Legal Advice and Minor Legal Assistance*

Legal advice is specific advice of a legal nature concerning a person's individual circumstances. It includes analysis of the options available to a person to resolve a legal matter.

Legal advice is provided free of charge in face-to-face interviews arranged through the Commission's Legal Aid Helpdesk, the Legal Aid Clinic, the Youth Law Centre and at outreach services such as the Prisoners Legal Service.

Minor legal assistance is the provision of self-help assistance greater than information and legal advice but short of direct representation that is designed to enable people to progress resolution of identified legal problems. Minor legal assistance includes drafting a simple letter for a person to send to a third party, completing forms, and drafting simple applications or other court or tribunal documents.

#### *Duty Lawyer Services*

Duty lawyer services are provided free of charge at courts to people who would otherwise be unrepresented in relation to an event or proceeding on that day. The Commission provides duty lawyer services in:

- criminal cases at the ACT Magistrates Court;
- criminal cases at the ACT Children's Court;
- domestic violence and personal protection matters at the ACT Magistrates Court; and
- family law matters at the Canberra Registry of the Family Court of Australia and the Federal Circuit Court of Australia.

Duty lawyer services consist of advising the person, and in appropriate circumstances appearing on their behalf, in relation to the proceeding or event. These services can include assistance with bail applications, guilty pleas and representation of applicants for urgent interim protection and restraining orders.

#### *Front Line Advocacy*

Advocacy services are provided for people who are unable to adequately advocate their own case. They involve communication with a third party on behalf of the client and may extend to limited representation at hearings before a court or tribunal, including guardianship and mental health proceedings in the ACT Administrative and Civil Tribunal.

Advocacy services are provided free of charge.

### *Dispute Resolution*

The Commission provides a lawyer-assisted model of alternative dispute resolution in family law and child protection matters with the objective of settling disputes at an early stage without the need for recourse to the courts.

### *Community Legal Education*

Community legal education (CLE) is the provision of information and education to members of the community (especially vulnerable and disadvantaged members) on an individual or group basis, concerning the law and legal processes and the place of these in the structure of society. The CLE programs include instructing the staff of organisations that assist vulnerable and disadvantaged members of the community in how to recognise when their clients have legal problems and where to refer them for help, as well as targeted information sessions on a range of specific legal issues. As well as sessions held on our premises, CLE sessions are also provided at schools, community centres and community organisations.

### *Grants of Legal Assistance*

Grants of legal assistance enable people who would not otherwise be able to afford legal services to obtain legal representation in legal proceedings, dispute resolution, or other legal matters of a substantial and ongoing nature. Grants of legal assistance are provided in criminal, family and general civil law matters.<sup>1</sup>

Grants of legal assistance are means tested and are also subject to a test of reasonableness or legal merit. Eligibility for a grant of assistance is also subject to guidelines determined by the Commission and priorities established by the Commonwealth Government in relation to Commonwealth law matters.<sup>2</sup> Commonwealth funds may only be used for grants of legal assistance in matters arising under Commonwealth law, or for grants that involve a mixture of Commonwealth family law issues and Territory law family violence or child protection issues.

### *Law Reform*

The Commission has a statutory obligation to advise the Attorney-General in relation to existing legislation or proposals for new legislation that may adversely impact on disadvantaged groups in the community that make up the Commission's principal client base. Access to justice can be enhanced by focusing on the impact of legislative change on disadvantaged members of the community and legal aid programs.

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1 In some cases people who qualify for legal assistance may ask that a particular lawyer be appointed to act for them. It may be a lawyer in private practice, or a lawyer employed by the Commission. In some matters, where Commission lawyers have special expertise or to ensure the most efficient use of legal aid funds, the Commission may appoint an in-house lawyer to act.

2 Grants of legal assistance are usually made on condition that the assisted person pays a contribution towards the cost to the Commission of providing the assistance. The contribution may be up to 100% of the cost of providing assistance. Where an assisted person has equity in land, the Commission may take a charge over the property to secure payment of a contribution.

## Stakeholders and Partnerships

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Apart from its clients, the Commission's principal stakeholders are its funders; members of the private legal profession who provide legal aid services on the Commission's behalf; community legal centres; and courts, tribunals and other justice agencies in the ACT.

Under the NPA a jurisdiction based forum must be established in the ACT. The **ACT Legal Assistance Forum** (ACTLAF) was established in May 2008 to improve coordination between legal assistance services in the ACT and to encourage collaborative service delivery. ACTLAF comprises representatives of all legal assistance providers in the ACT, namely the five community legal centres, the Aboriginal Legal Service, Legal Aid ACT and the ACT Law Society. The Aboriginal Justice Centre and the Justice and Community Safety Directorate are also represented on ACTLAF. ACTLAF meets quarterly in February, May, August and November.

There are five **Community legal centres** in the ACT (Tenants' Union, Consumer Law Centre, Environmental Defender's Office, Welfare Rights and Legal Centre and Women's Legal Centre). These centres have an important role in the provision of legal assistance services and specialise in particular areas of the law, or in working with particular client groups. In this way their services are complementary to those of other legal aid providers, including the Commission. There is a high degree of cooperation between all legal assistance services aimed at avoiding unnecessary duplication of services and to ensure that clients are referred to the legal service most suited to their needs. The **Environmental Defenders Office ACT** operates from Commission premises. In addition there is a long-standing partnership between the Commission and the **Aboriginal Legal Service (NSW/ACT)** Limited based on its collaboration between agencies to improve the provision of legal advice and assistance to Indigenous Australians in the Canberra region.

The partnership between Legal Aid ACT and the **private legal profession** is fundamentally important to the provision of legal assistance services in the ACT. Many law firms play a vital role in the provision of legal assistance services by handling legally assisted cases, or by providing advice, duty lawyer and other legal assistance services. The Commission publically acknowledges and thanks the many members of private legal profession who contribute to the provision of legal assistance in one or more of these ways.

Private lawyers also participate in the provision of legal assistance in a number of other important ways. These other forms of participation, some of which are remunerated by the Commission and some of which are voluntary and provided *pro bono publico* (for the public good) include:

- providing duty lawyer and advice services when Commission lawyers cannot act due to a conflict of interest
- convening family dispute resolution (FDR) conferences
- reviewing decisions of the Commission relating to the provision of legal assistance as members of the review panels established under the *Legal Aid Act 1977*

- providing *pro bono* advice or other assistance through the **Youth Law Centre** or to individual Commission lawyers in relation to the handling of legal cases that raise complex or unusual legal issues [3], and
- providing other *pro bono* assistance such as participation in the preparation of publications and other community legal education activities.

The **Canberra and ACT Regional Family Law Pathways Network** (FLPN) is auspiced by the Commission and covers the Australian Capital Territory and nearby NSW regions serviced from the Canberra Registry of the Family Court of Australia and the Federal Circuit Court of Australia. The Network's membership continued to increase during the year and numerous seminars and conferences were facilitated. The Network's growth is strongly attributable to the joint participation of the new ACT FLPN Advisory Panel and the Steering Committee members who continue to facilitate planning.

#### *Law Students and Volunteers*

Law students can play an important role in the provision of legal aid services, including research, assisting in client services and supporting lawyers and paralegal staff in the provision of minor assistance, information and case work. The Commission accepts students from a number of universities, including the ANU Legal Workshop and UC Law Internship course, as part of a placement, internship or as volunteers.

The Commission also works collaboratively with the ANU's clinical law course to deliver services in the Youth Law Centre and is a major placement site for the College of Law's Graduate Development Legal Program. In addition, in collaboration with UC and the private legal profession, a Small Business Legal advice clinic is operated each week.

#### *Relationships with Justice Agencies and the Law Society ACT*

To help ensure the efficient operation of the legal system in the ACT and to achieve just outcomes for its clients the Commission works cooperatively with ACT courts and tribunals, and other agencies within the ACT Attorney-General's portfolio. The CEO liaises regularly with senior staff of the **Justice and Community Safety Directorate** and staff participate in meetings of committees and working groups established to review and improve aspects of the Territory justice system.

The Commission also maintains close working relationships with the **Commonwealth Attorney-General's Department**, and Commonwealth courts and tribunals in the ACT and staff participate in a number of Commonwealth justice system advisory groups including the Family Law Consultative Committee and Family Pathways Network.

The Commission also maintains a close working relationship with **ACT Law Society**. Staff members are represented in a number of committees, including Access to Justice, Pro Bono and the Ethics and Complaints. In addition we receive funding annually from the Statutory Interest Account which is administered by the Law Society.

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3 Particular support for the YLC is provided by King Wood Mallesons, Minter Ellison, Blumers and by Clayton Utz and Ashursts.

At a national level, the Commission is tied into a range of networks – mainly built into the National Legal Aid structure – and participates in regular workgroups linked to key service areas such as grants and data, family and child support, and criminal law.

## Structure

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### *Governance*

The Commission is governed by a board of eight commissioners, seven of whom are part-time and appointed by the Attorney-General upon nomination by the community, the ACT Government and the legal profession. The eighth commissioner is the Chief Executive Officer who is appointed by the Commission.

The functions of the board under section 15 of the Act are:

- to determine the broad policies, priorities and strategies of the Commission for the provision of legal assistance under the Act; and
- to ensure that the Commission's affairs are managed in accordance with the Act.

The board meets bi-monthly and additional meetings are held when required.

### *Management and Structure*

The Chief Executive Officer (CEO) manages the operations and affairs of the Commission, assisted by the Deputy Chief Executive Officer (DCEO). Both the CEO and DCEO are appointed statutory office holders. Under the Act the CEO and DCEO are deemed to be a firm of solicitors practising in partnership and the Commission's Legal Practice operates in a similar way to a private law firm.

The Commission has four functional divisions, each headed by senior managers. As the Commission holds confidential information relating to people's legal cases, there is a strictly enforced information barrier between Client Services and the Legal Practices, and between the Litigation and General Practices.

## Responsibilities of the Board and CEO

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The Commission is a body corporate established under the *Legal Aid Act 1977*. The Commission's function is to provide legal assistance in the Australian Capital Territory in accordance with the Act. The Commission carries out this function under the name Legal Aid ACT.

The board of the Commission comprises seven part-time commissioners and the CEO. The functions of the board are to determine broad policies, priorities and strategies for the provision of legal assistance, and to ensure the Commission's affairs are managed in accordance with the Act. The CEO is responsible for the management of the operations and affairs of the Commission. Qualifications for appointment to the board are set out in section 16 of the Legal Aid Act.



For details of board members during the year are set out at earlier in this Report. The board met six times during the year and attendances were as follows:

| <b>Commissioner</b> | <b>No. of meetings attended</b> |
|---------------------|---------------------------------|
| Michael Peedom      | 2                               |
| Walter Hawkins      | 6                               |
| Amanda Tonkin       | 4                               |
| Meredith Whitten    | 5                               |
| Gail Kinsella       | 6                               |
| Carol Benda         | 2                               |
| Allison Playford    | 5                               |
| Jon Stanhope        | 3                               |
| John Boersig        | 6                               |

## Management Structure

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The Commission's four divisions and the divisional heads during the year were:

|                     |  |
|---------------------|--|
| Litigation Practice | Deputy CEO – Louise Taylor<br>(Litigation Manager –Anthony Williamson March- May 2015) |
| General Practice    | Heidi Yates  |
| Client Services     | Client Services Manager - Derek Schild   |
| Corporate Services  | Sharyn Giles/Hamish Palfreyman   |

The CEO, DCEO, CSM and CFO comprise the Commission's Executive Committee. The Legal Practice management committee includes the executive and the Division heads.

## Executive Remuneration

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Remuneration for senior executives (CEO and DCEO) is determined by the ACT Remuneration Tribunal.

## Significant Committees

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A number of internal committees inform the work of the Commission:

- The Executive Committee is responsible for the oversight of Commission's overall operations. It provides advice and guidance to the CEO on the strategic direction and management of activities.
- The **Legal Practice Management Committee** provides advice, oversight and direction about the daily and strategic operation of the legal practices to the CEO and DCEO.
- The **Finance Committee** improves financial management by broadening input to the budget process and increasing levels of understanding and scrutiny of financial processes and reporting. The Finance Committee comprises members of the Executive Committee, the Chief Financial Officer and the Financial Accountant.
- The **Community Legal Education (CLE) Program Committee** assists in the planning and delivery of CLE programs. The CLE comprises a cross-section of staff.
- The **Law Reform Committee** provides focus for the Commission's law reform activities. The committee comprises the DCEO (convenor) and the three practice heads. Law reform issues are referred to specifically convened sub-committees comprising staff interested in the reform topic.

## Reconsideration and Review of Decisions

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Applicants dissatisfied with an initial decision concerning the provision of legal assistance can ask for the decision to be reconsidered. The request for reconsideration must be made in writing within 28 days of receiving notice of the decision. Further information may be provided in support of a request for reconsideration. A different decision maker undertakes the reconsideration of an initial decision.

If, following reconsideration the applicant remains dissatisfied with a decision, they may request the matter be referred to an independent review committee. A request for review must be made in writing within 28 days of receipt of notice of the reconsidered decision and may be accompanied by further information. A review committee is constituted by three members selected from panels appointed by the ACT Attorney-General. The panels include community members and lawyers nominated by the ACT Law Society and ACT Bar Association

### *Reconsideration requests*

| <b>Reconsideration</b> | <b>Varied</b> | <b>Confirmed</b> | <b>Total</b> | <b>% varied of total by Law Type</b> |
|------------------------|---------------|------------------|--------------|--------------------------------------|
| Criminal               | 19            | 49               | 68           | 27.94%                               |
| Family                 | 46            | 68               | 114          | 40.35%                               |
| Civil                  | 14            | 38               | 52           | 26.92%                               |
| <b>Total</b>           | <b>79</b>     | <b>155</b>       | <b>234</b>   | <b>33.76%</b>                        |

#### Review requests

| <b>Review</b> | <b>Varied</b> | <b>Confirmed</b> | <b>Total</b> | <b>% varied of total by Law Type</b> |
|---------------|---------------|------------------|--------------|--------------------------------------|
| Criminal      | 3             | 12               | 15           | 20.00%                               |
| Family        | 9             | 17               | 26           | 34.62%                               |
| Civil         | 4             | 9                | 13           | 30.77%                               |
| <b>Total</b>  | <b>16</b>     | <b>38</b>        | <b>54</b>    | <b>29.63%</b>                        |

#### Strategic and Operational Plans

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The Commission's Strategic Plan for 2013-2017: 'Excellence through Innovation and Collaboration' sets out the goals for the period and the strategies for achieving them. A copy of the Strategic Plan can be located on the Commission's website at [www.legalaidact.org.au/pdf/strategicplan\\_13\\_17.pdf](http://www.legalaidact.org.au/pdf/strategicplan_13_17.pdf)

The Strategic Plan is carried into effect by means of annual operational plans developed by the Executive Committee.

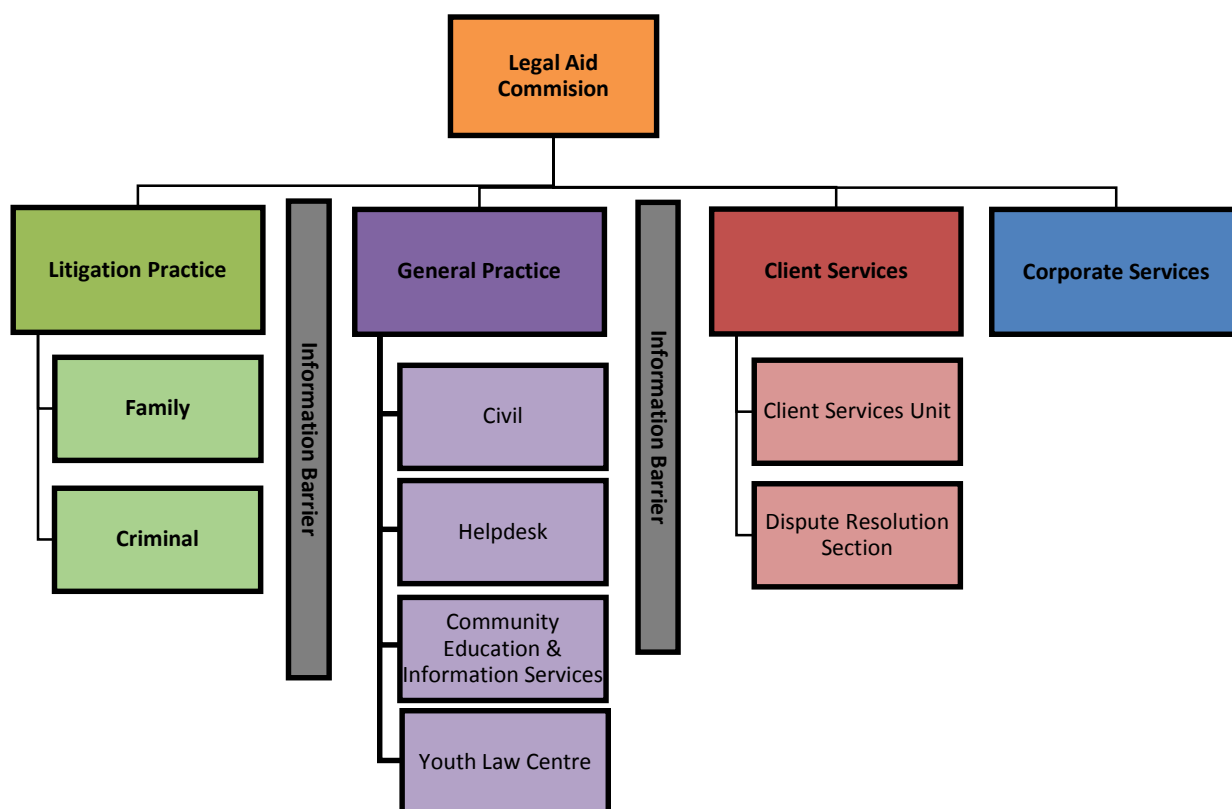
*Contact – CEO – (02) 6243 3466*

#### Legislative Assembly Inquiries and Reports

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The Commission had NIL inquiries by Legislative Assembly Committees during the reporting year.

*Contact – Chief Finance Officer – (02) 6243 3445*



#### *Litigation Practice*

The Litigation Practice provides representation in criminal and family law matters.

#### *General Practice*

The General Practice, which combines the civil law section, the Helpdesk, community legal education and the Youth Law Centre, provides advice and representation.

#### *Client Services*

Client Services is responsible for:

- granting legal assistance and managing the assignment of legally assisted cases to the Commission's Legal Practices and private lawyers, and
- managing the Dispute Resolution Program and contractual arrangements under which private lawyers provide legal assistance services on the Commission's behalf.

#### *Corporate Services*

Corporate Services provides financial, human resource, Information and Communication Technology (ICT), record and facility management services to the organisation and arranges payments to private lawyers for handling legal aid work.

## Planning Framework

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The Commission is operating under its second 5 year strategic plan: *Excellence through Innovation and Collaboration* 2013-2017.<sup>[4]</sup> The Plan provides a 'map' for the organisation and allows the Commission to proactively shape and prioritise activities; and its focus is on improving the effectiveness and efficiency of services through improvements in business processes and work practices.

An Operational Plan has also been developed based on these strategic aims. The essential purpose of this is to ensure the Commission's work is fundamentally directed to front line legal services.

### *Management Changes*

Louise Taylor, DCEO, was on maternity leave from November 2015. Anthony Williamson, who took leave from his position in the Director of Public Prosecutions Office, undertook a leadership role in overseeing the Criminal and Family practices during March-May.

*Contact – CEO – (02) 6243 3466*

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<sup>4</sup> The Strategic Plan is available on the Commission's website; [www.legalaidact.org.au/pdf/strategicplan\\_13\\_17.pdf](http://www.legalaidact.org.au/pdf/strategicplan_13_17.pdf).

## Legal Services

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Service levels have either been maintained or exceeded, and the downward in the number of grants of legal assistance has been slowed. This is notwithstanding that the Commission's revenue has not keeping pace with increases in the cost of legally-assisted cases, and the dramatic diminution of funds from the Statutory Interest Account. In this context it is worthwhile highlighting the trends in key service areas:

- Information and Referrals have increased by 4% compared to the same period in 2013-2014; we exceeded last year's measure by recording 75,127;
- Calls received by the Helpdesk have increased by an average of 6% per quarter since 2010-11. Expected to receive 15,000 calls by the end of next financial year with an average of 60 calls per day;
- Advice, Minor Assistance and Advocacy services have increased by 10.83% compared to the same period last year. Number of services are expected to stay steady for the next financial year;
- Duty Lawyer services have increased by 3.51% compared to the same period last year. Number of Duty services are expected to stay roughly steady for the next financial year;
- Applications received have remained relatively steady over the last 5 financial years (between 3,000 and 3,400 pa);
- At 2,167 at year end the total grant numbers are up 2% from same period in 2013-2014.

For full details of legal aid services and an analysis of trends see section describing analysis of Commission Performance: **Performance Analysis**.

## Funding and Financial Performance

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The Commission receives funding from the ACT Government, as well as from the Commonwealth Government under the National Partnership Agreement on Legal Assistance Services (NPALAS). Commonwealth funding under the NPALAS is initially paid to the ACT Government who then provides this amount to the Commission as Government Payment for Outputs (GPO). The ACT Government's portion of GPO funding to the Commission included funding for expensive criminal cases and for the Eastman Inquiry and Litigation. The ACT Government pays Territory GPO appropriation on a fortnightly basis and the Commonwealth funding component quarterly in advance.

In addition to the Commonwealth funding under the NPALAS, the Commission also receives direct grant funding from the Commonwealth for specific front line services, as well as direct grant funding from the ACT Law Society's Statutory Interest Account.

Funding received from each of these sources in 2014-15 was:

|   |          |
|---|----------|
| Commonwealth Government NPA Funding                         | \$4.553m |
| Direct Commonwealth Government Funding                      | \$0.075m |
| ACT Government Funding [1]                                  | \$5.286m |
| ACT Government Funding - Expensive Criminal Cases           | \$0.200m |
| ACT Government Funding - Eastman Inquiry and Litigation [2] | \$0.693m |
| Grant from the Statutory Interest Account [3]               | \$0.997m |

The Commission's operating result and cash position has greatly improved in 2014-15. The operating surplus for 2014-15 is \$0.612m compared to an operating deficit of \$0.090m in 2013-14. The cash surplus for 2014-15 was \$0.950m increasing the year-end cash position from \$4.023m reported at 30 June 2014 to \$4.973m at 30 June 2015. The Commission's improved financial position is due to:

- ▶ an increase in the legal work undertaken in-house;
- ▶ a reduction in other expenses; and
- ▶ saving/efficiency measures.

The improved operating result and cash position in 2014-15 means that the Commission is better placed to meet the challenges it faces, particularly in light of the forecast budget deficit of \$0.394m in 2015-16 resulting from things like the cut in revenue from the ACT Law Society of \$0.167m.

For a full analysis of the financial position of the Commission see the **Financial Statements** and the **Management Discussion and Analysis**.

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[1] This ACT Government GPO funding figure excludes \$200,000 for expensive criminal cases and \$693,000 for the Eastman Inquiry and Litigation.

[2] This ACT Government GPO funding figure is for additional appropriation for the Eastman Inquiry and Litigation with \$824,000 approved under a Treasurer's Advance but only \$693,000 being drawn down.

[3] The Statutory Interest Account is established under the *Legal Profession Act 2006* and administered by the Law Society of the ACT. It consists primarily of interest earned on amounts from solicitors' trust accounts deposited with the Law Society. Grants are made from the account to support the Commission and other legal aid services.

[4] The new NPA funds legal assistance primarily on financial need, but also preferences priority client groups: young people (under 24); people over 65; Aboriginal and Torres Strait Islanders; family violence matters; people from culturally and linguistically diverse communities; people with disability or mental illness; people residing in rural and remote areas.

### *Outlook*

While challenging, the outlook for the Commission, 2015-16 is also likely to be a time of opportunity and change. The new national partnership agreement has been signed, and is in place for 5 years. The investment by government in the Commission has been maintained. The NPA [4] has a key performance benchmark where the Commission must ensure that 95% of clients who are assisted with grants of legal assistance come with the definition of 'financially I disadvantaged'. In addition, there have been changes to the data required by government – specially the service categories of 'minor assistance' and 'advocacy' has been replace by categories now described under 'discrete Assistance' and 'Representation'.

The Commission continues to economise and trim administrative costs, and has not had to cut services. Balancing the fiscal pressure remains a daily task, particularly in regard to the approval of external grants. Forward planning is indicating that grant service levels will be able to be maintain, notwithstanding the overall reduction in funds available to the Commission. Continuing investment in staff is expected, and we have increased FTE in alignment with higher levels of service delivery form Commission staff. Of particular note is the expanding work in early intervention and prevention, such as outreach advice clinics, which is an endeavour to address unmet community needs and the specific needs of disadvantaged section of the community. In addition, the Commission will continue to make a greater investment in addressing family violence, including through the Domestic Violence Unit but also through targeted community legal education sessions.

There are 3 key strategic objectives for 2015-2016 which will be used to guide our services:

### *Strategic Objective 1*

#### Provide services to promote the earlier resolution of legal problems

The Commission provides a range of legal services that promote the identification and early resolution of legal problems. Evidence shows that the most vulnerable and disadvantaged in our community, such as victims of family violence, children, Aboriginal and Torres Strait Islander people, and members of culturally and linguistically diverse communities would particularly benefit from early intervention services.

Investing in the provision of these types of services so that more people have an opportunity to receive assistance before litigation is commenced is a key indicator of improvement in access to justice for those persons most at disadvantage in the community.

### *Strategic Objective 2*

#### Provide legal information and referral services

The Commission provides a range of legal services that promote the identification and early resolution of legal problems. Evidence shows that the most vulnerable and disadvantaged in our community, such as victims of family violence, children, Aboriginal and Torres Strait Islander people, and members



of culturally and linguistically diverse communities would particularly benefit from early intervention services.

Investing in the provision of these types of services so that more people have an opportunity to receive assistance before litigation is commenced is a key indicator of improvement in access to justice for those persons most at disadvantage in the community.

### *Strategic Objective 3*

#### Provide efficient and cost-effective legal aid services

The Commission has well developed systems to determine applications for grants of legal assistance and to reduce the administrative costs of providing legal assistance.

Increasing the number of people assisted by improving the efficiency and timeliness of service provision is an indicator that services are reaching those people most in need of legal aid services and that community understanding of the law and the legal system operating in the Territory is improving.

To achieve the outcomes sought in the three key objectives the Commission will focus its major efforts on the provision of front line service. The priorities for 2015-16 are:

- Support for victims of family and domestic violence through the provision of legal assistance services.
- Develop and implement legal education programs tailored to the needs of people experiencing a high incidence of adverse legal events, and those working in community organisations that assist them.
- Promote the prevention of legal problems by providing timely information about the law and legal processes and referring people to other legal or non-legal services where necessary to meet their needs.
- Promote the early resolution of legal problems through providing legal advice, advocacy, minor legal assistance and dispute resolution services.
- Improve the provision of legal assistance services to the Aboriginal and Torres Strait Islander communities and other culturally and linguistically diverse communities.
- Advise and assist people appearing unrepresented before courts and tribunals, particularly those persons experiencing family violence.
- Provide legal representation to people in need to enable them to assert or defend their legal rights.

During 2015-16, and beyond, the Commission will pursue a range of activities to deliver on these priorities. We will utilise our core service functions as the primary way in which will achieve our goals, and in this context we will embark on or consolidate front line services by:

- Promoting the Helpdesk (telephone and 'walk in') advice service, and providing 'unbundled' services through information, duty advice, task assistance and other representation services
- Improving outreach services, particularly to the Aboriginal and Torres Strait Islanders and culturally and linguistically diverse communities
- Developing positive relationships with community legal centres (CLCs) through ACTLAF and by collaboration on joint projects and support services
- Consolidate services in family violence related matters, particularly through the Domestic Violence Unit but also with community legal educations
- Improving ICT support by developing the functionality of the intake forms, reporting in accordance with the NPA data manual, and progressing towards a new grants management system
- Improve the efficiency of work practices with a comprehensive skills training program.

#### *Challenges and Risks*

The Commission faces a range of challenges in ensuring the delivery of services to the most vulnerable and disadvantaged members of the community. The overall cost of providing services continues to increase while the demand for services continues to grow. The Commission is faced with having to also meet emerging needs in the civil law area, including family and domestic violence and those of the Culturally and Linguistically Diverse Communities. In this context the Commission intends to reallocate its resources to new priority client groups.

The Commission's primary risk is meeting the emerging needs in the civil law area without reducing services in the core family and criminal areas. The two main drivers of the Commission's litigation work are children in family law disputes and people at risk of incarceration. In this context the Commission's capacity to respond will be limited by the necessity to meet the cost of legally assisted cases, and is compounded by further reductions in Commission revenue from the Statutory Interest Account.

The Commission must also ensure it manages funding prudently, and will continue to make savings in administrative overheads and in the cost of legally assisted cases were achieved. These measures off-set the high cost of criminal cases, and the increases in family law case costs (particularly for Independent Children's matters). The additional costs associated with the Eastman Board of inquiry will also need to be managed in consultation with the Territory Government.

## PERFORMANCE ANALYSIS

The performance analysis addresses the indicators (strategic objectives/indicators, output classes and accountability indicators) found in Budget Paper 4. In the first section we specifically respond to the statement of intent, and this is followed by a set of tables setting out and quantifying the data. In the last section an assessment of performance of the Commission's outputs for 2013-2014 is undertaken.

### STATEMENT OF INTENT

The Commission is required by section 61 of the Financial Management Act 1996 to provide a statement of intent to the ACT Treasurer each year. In relation to the specific objectives and priorities set out in its 2013-14 Statement of Intent the Commission is able to advise as follows:

1. Promote the prevention of legal problems by providing timely information about the law and legal processes and referring people to other legal or non-legal services when necessary to meet their need

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The Commission maintains a strong focus on the provision of preventative services. Preventative services totalled 18,017 and web site page views totalled 57,110 during the course of year.

2. Develop and implement a legal education program tailored to the needs of members of the community who experience a high incidence of adverse legal events

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The Commission operates an active community legal education program in such areas as family law (divorce, property and parenting), minor criminal offences such as DUIs, PCA's and in covering a range of civil areas, including a 'law for non-lawyers' series. There were 114 Sessions attended by 2,282 people.

3. Promote the early resolution of legal problems though providing legal advice, advocacy, minor legal assistance and dispute resolution services

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The Commission is strongly committed to promoting the early resolution of legal problems. In the past year 3,902 legal advices, 780 advocacy, 1,273 minor legal assistance and 225 dispute resolution services were provided.

4. Improve the provision of dispute resolution and other legal assistance services to Aboriginal and Torres Strait Islander communities

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The Commission has a strong commitment to ensuring Aboriginal and Torres Strait Islander people have access to a broad range of legal services. In the past year **1,185** Aboriginal and Torres Strait Islander people accessed the services from the Commission.

- Advise and assist people appearing unrepresented before the Courts in criminal and family law cases

The Commission maintains a strong and active duty service in the ACT Magistrates' Court, Children's Court and in the Family Court of Australia, the Federal Circuit Court of Australia and Federal Court. In the past year, **2,685** duty services were provided.

- Provide legal representation to people in need to enable them to assert or defend their legal rights

The Commission made 2,167 grants of legal assistance throughout the course of this year.

## SERVICE AND STATISTICAL DATA

The Commission keeps a comprehensive set of service and statistical data. This information is essential to fulfilling reporting obligations and to demonstrate proper accountability for the expenditure of public funds. And of equal importance is the use of the Commission can make of this information for identifying services needs and gaps, and in particular to ensure service delivery is consistent with the strategic objectives.

### Preventative Services

#### Community legal education

|                                      | 2014-2015 | 2013-2014 |
|--------------------------------------|-----------|-----------|
| <b>No. of CLE sessions</b>           | 114       | 122       |
| <b>People attending CLE sessions</b> | 2,282     | 1,507     |

### Publications

|              | 2014-2015 | 2013-2014 |
|--------------|-----------|-----------|
| Publications | 4,225     | 7,363     |

### Information and Referral services

|           | INFORMATION        |       | REFERRAL |           |      | Law Type |        |       |           |
|-----------|--------------------|-------|----------|-----------|------|----------|--------|-------|-----------|
|           | Legal aid services | Other | Legal    | Non-Legal | Warm | Criminal | Family | Civil | Non-Legal |
| 2014-2015 | 64,088             | 6,273 | 1,078    | 3,291     | 397  | 4,255    | 5,680  | 5,123 | 60,069    |
| 2013-2014 | 61,144             | 6,158 | 1,998    | 2,526     | 715  | 3,260    | 5,202  | 5,308 | 58,771    |

Notes to above table:

- Information figures for 2014-2015 include 57,110 website visits.
- Information and referral figures include information and referrals provided through the Legal Aid Helpline.

- A warm referral is a referral where the Commission staff contact the other service to facilitate the referral in some way.
- Law type data includes both information and referrals.
- The total number of information and referral services recorded in 2014-2015 (including website visits) was 75,127, which is 4% higher than the equivalent figure in 2013-2014. Website visits increased 2% from 2013-2014. Information services provided face to face or by telephone increased 8% and referral services decreased by 9% compared to 2013-2014.

## Legal Aid Helpline Calls

| 2014-2015 | 2013-2014 |
|-----------|-----------|
| 14,512    | 13,356    |

## Legal Aid Helpline by law type

|              | 2014-2015     |
|--------------|---------------|
| Criminal     | 1,730         |
| Family       | 3,189         |
| Civil        | 4,740         |
| Not Stated   | 4,853         |
| <b>Total</b> | <b>14,512</b> |

## Helpline calls from interstate

| NSW | QLD | VIC | SA | NT | WA | TAS | Total |
|-----|-----|-----|----|----|----|-----|-------|
| 504 | 62  | 53  | 15 | 5  | 25 | 7   | 671   |

## Helpline calls by gender

| Female | Male   | Other |
|--------|--------|-------|
| 7,596  | 5,484  | 1,432 |
| 52.34% | 37.79% | 9.87% |

## The most common types of inquiries handled by the helpline during the year

| Matter  | No. | % of Total Calls |
|---|-----|------------------|
| Contact   | 887 | 6.11%            |
| Domestic Violence Order and Personal Protection Order | 719 | 4.95%            |
| Landlord / Tenant                                     | 611 | 4.21%            |
| Other Family Issues                                   | 595 | 4.10%            |
| Other - Civil matter not listed                       | 583 | 4.02%            |
| Residence   | 562 | 3.87%            |
| Property - Marriage                                   | 505 | 3.48%            |
| Drink Driving   | 450 | 3.10%            |
| Other criminal offence                                | 425 | 2.93%            |
| Employment  | 415 | 2.86%            |
| Traffic / Driving offence                             | 293 | 2.02%            |
| Dissolution   | 244 | 1.68%            |
| Assault   | 226 | 1.56%            |
| Motor vehicle accident                                | 191 | 1.32%            |
| Care & Protection proceedings - Children's Court      | 190 | 1.31%            |

## Advice, Advocacy and Minor Assistance

|                    |                 | 2014-2015    |               | 2013-2014    |               |
|--------------------|-----------------|--------------|---------------|--------------|---------------|
|                    |                 | No.          | %             | No.          | %             |
| In-house           | Criminal        | 899          | 15.10%        | 1,012        | 18.83%        |
|                    | Family          | 1,500        | 25.19%        | 889          | 16.55%        |
|                    | Civil           | 3,505        | 58.86%        | 3,048        | 56.73%        |
| <b>Total</b>       | <b>In-house</b> | <b>5,904</b> | <b>99.14%</b> | <b>4,949</b> | <b>92.11%</b> |
| Referred           | Criminal        | 2            | 0.03%         | 27           | 0.50%         |
|                    | Family          | 30           | 0.50%         | 251          | 4.67%         |
|                    | Civil           | 19           | 0.32%         | 146          | 2.72%         |
| <b>Total</b>       | <b>Referred</b> | <b>51</b>    | <b>0.86%</b>  | <b>424</b>   | <b>7.89%</b>  |
| <b>Grand Total</b> |                 | <b>5,955</b> | <b>100%</b>   | <b>5,373</b> | <b>100%</b>   |

The 10 most common types of legal matters in which legal advice, minor assistance and advocacy services were provided during the year.

|   | <b>No.</b>   | <b>% of Advice</b> |
|---|--------------|--------------------|
| Domestic Violence Order and Personal Protection Order | 1,375        | 23.09%             |
| Mental health   | 681          | 11.44%             |
| Employment  | 275          | 4.62%              |
| Traffic / Driving offence                             | 236          | 3.96%              |
| Motor vehicle accident                                | 206          | 3.46%              |
| Landlord / Tenant                                     | 205          | 3.44%              |
| Enforcement of debts                                  | 175          | 2.94%              |
| Contact   | 145          | 2.43%              |
| MVA - Property Damage                                 | 141          | 2.37%              |
| Dismissal   | 131          | 2.20%              |
| <b>Total Advice</b>                                   | <b>5,955</b> |                    |

### Minor Assistance type

| <b>Minor Assistance type</b> | <b>No.</b>   |
|------------------------------|--------------|
| Assistance with forms        | 91           |
| Court documents              | 17           |
| Draft Letter                 | 73           |
| Email                        | 107          |
| Further Advice               | 13           |
| Other                        | 640          |
| Peruse Letter                | 10           |
| Phone Attendance             | 133          |
| Photocopying                 | 51           |
| Research                     | 138          |
| <b>Total</b>                 | <b>1,273</b> |

### Advocacy type

| <b>Advocacy type</b>       | <b>No.</b> |
|----------------------------|------------|
| Advocacy                   | 499        |
| Appearance (Amicus curiae) | 64         |
| Appearance (Instructed)    | 213        |
| Other Advocacy             | 3          |
| Advocacy no Grant of Aid   | 1          |
| <b>Total</b>               | <b>780</b> |

## Duty Lawyer Services

|                    |                 | 2014-2015    |               | 2013-2014    |               |
|--------------------|-----------------|--------------|---------------|--------------|---------------|
|                    |                 | No.          | %             | No.          | %             |
| In-house           | Criminal        | 1,489        | 55.46%        | 1,610        | 62.07%        |
|                    | Family          | 1,133        | 42.20%        | 760          | 29.30%        |
|                    | Civil           | 5            | 0.19%         | 0            | 0.00%         |
| <b>Total</b>       | <b>In-house</b> | <b>2,627</b> | <b>97.84%</b> | <b>2,370</b> | <b>91.36%</b> |
| Referred           | Criminal        | 51           | 1.90%         | 138          | 5.32%         |
|                    | Family          | 6            | 0.22%         | 86           | 3.32%         |
|                    | Civil           | 1            | 0.04%         | 0            | 0.00%         |
| <b>Total</b>       | <b>Referred</b> | <b>58</b>    | <b>2.16%</b>  | <b>224</b>   | <b>8.64%</b>  |
| <b>Grand Total</b> |                 | <b>2,685</b> | <b>100%</b>   | <b>2,594</b> | <b>100%</b>   |

## Dispute Resolution

|   | 2014-2015 | 2013-2014 |
|---|-----------|-----------|
| DR Conferences held                     | 225       | 179       |
| Matters fully settled at conference     | 64%       | 59%       |
| Matters partially settled at conference | 19%       | 18%       |
| Matters with a successful outcome       | 83%       | 77%       |

| Certificates issued                                | No.        |
|--|------------|
| Certificate A - person did not attend FDR          | 4          |
| Certificate B - not appropriate to conduct FDR     | 1          |
| Certificate C - person attended FDR                | 93         |
| Certificate D - person did not make genuine effort | 1          |
| None Issued  | 124        |
| Other Certificate                                  | 2          |
| <b>Total</b>                                       | <b>225</b> |

| Parties attending Dispute Resolution conferences | 2014-2015 |
|--|-----------|
| Total number of parties                          | 561       |
| Parties on Grants of assistance                  | 327       |



## Grants of Legal Assistance

### Applications received

|              | 2014-2015    |             | 2013-2014    |             |
|--------------|--------------|-------------|--------------|-------------|
|              | No.          | %           | No.          | %           |
| Criminal     | 1,190        | 38.41%      | 1,420        | 44.09%      |
| Family       | 1,699        | 54.84%      | 1,569        | 48.71%      |
| Civil        | 209          | 6.75%       | 232          | 7.20%       |
| <b>Total</b> | <b>3,098</b> | <b>100%</b> | <b>3,221</b> | <b>100%</b> |

### Applications approved

|              | 2014-2015    |             | 2013-2014    |             |
|--------------|--------------|-------------|--------------|-------------|
|              | No.          | %           | No.          | %           |
| Criminal     | 851          | 39.27%      | 1,051        | 49.41%      |
| Family       | 1,227        | 56.62%      | 1,000        | 47.01%      |
| Civil        | 89           | 4.11%       | 76           | 3.57%       |
| <b>Total</b> | <b>2,167</b> | <b>100%</b> | <b>2,127</b> | <b>100%</b> |

### Grants of legal assistance by gender by law type

|              | Female     | Female %      | Male         | Male %        | Other     | Other %      |
|--------------|------------|---------------|--------------|---------------|-----------|--------------|
| Criminal     | 170        | 7.84%         | 678          | 31.29%        | 3         | 0.14%        |
| Family       | 725        | 33.46%        | 430          | 19.84%        | 72        | 3.32%        |
| Civil        | 47         | 2.17%         | 42           | 1.94%         | 0         | 0.00%        |
| <b>Total</b> | <b>942</b> | <b>43.47%</b> | <b>1,150</b> | <b>53.07%</b> | <b>75</b> | <b>3.46%</b> |

### Grants of legal assistance assigned to in-house and private lawyers by law type

|                    |                 | 2014-2015    |               | 2013-2014    |               |
|--------------------|-----------------|--------------|---------------|--------------|---------------|
|                    |                 | No.          | %             | No.          | %             |
| In-house           | Criminal        | 636          | 29.35%        | 602          | 28.30%        |
|                    | Family          | 657          | 30.32%        | 490          | 23.04%        |
|                    | Civil           | 57           | 2.63%         | 43           | 2.02%         |
| <b>Total</b>       | <b>In-house</b> | <b>1,350</b> | <b>62.30%</b> | <b>1,135</b> | <b>53.36%</b> |
| Referred           | Criminal        | 215          | 9.92%         | 449          | 21.11%        |
|                    | Family          | 570          | 26.30%        | 510          | 23.98%        |
|                    | Civil           | 32           | 1.48%         | 33           | 1.55%         |
| <b>Total</b>       | <b>Referred</b> | <b>817</b>   | <b>37.70%</b> | <b>992</b>   | <b>46.64%</b> |
| <b>Grand Total</b> |                 | <b>2,167</b> | <b>100%</b>   | <b>2,127</b> | <b>100%</b>   |

## Applicant profile

|                           | 2014-2015 | % Total Applicants | 2013-2014 | % Total Applicants |
|---------------------------|-----------|--------------------|-----------|--------------------|
| Not Employed              | 2,901     | 93.64%             | 3,040     | 94.38%             |
| Employed                  | 193       | 6.23%              | 176       | 5.46%              |
| Receiving Social Security | 1,741     | 56.20%             | 1,461     | 45.36%             |
| Females                   | 1,370     | 44.22%             | 1,368     | 42.47%             |
| Aged under 18 years       | 429       | 13.85%             | 425       | 13.19%             |
| Aged over 65 years        | 46        | 1.48%              | 65        | 2.02%              |
| Born overseas             | 453       | 14.62%             | 470       | 14.59%             |
| Required Interpreter      | 42        | 1.36%              | 94        | 2.92%              |
| ATSI                      | 262       | 8.46%              | 230       | 7.14%              |

## People receiving services as a percentage of population

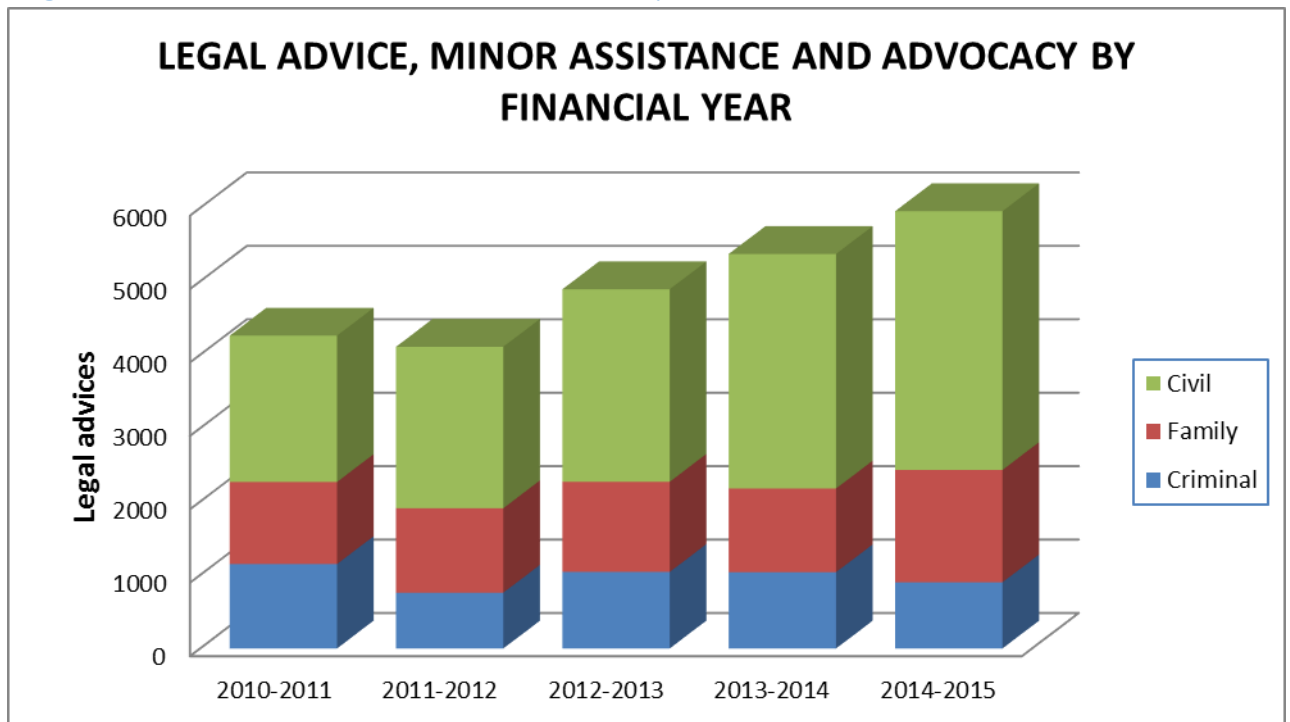
|              | 2014-2015     | 2014-2015*   | 2013-2014     | 2013-2014**  |
|--------------|---------------|--------------|---------------|--------------|
| Grants       | 1,804         | 0.47%        | 1,777         | 0.47%        |
| Legal Advice | 3,401         | 0.88%        | 3,083         | 0.82%        |
| Duty Lawyer  | 1,844         | 0.48%        | 1,699         | 0.45%        |
| Helpline     | 14,512        | 3.76%        | 13,356        | 3.56%        |
| <b>Total</b> | <b>21,561</b> | <b>5.59%</b> | <b>19,915</b> | <b>5.31%</b> |

\* Estimate population of Canberra = 386000. Source: Australian Bureau of Statistics 3218.0 - Regional Population Growth, Australia, 2013-14

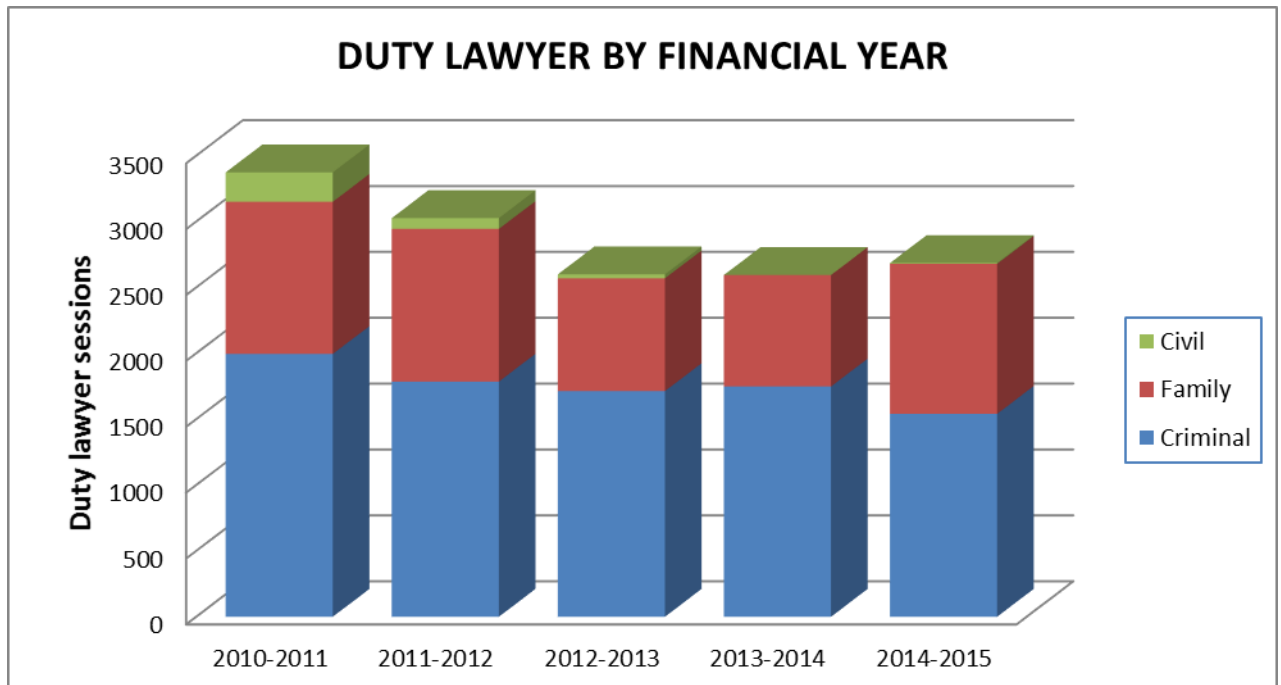
\*\* Estimate population of Canberra = 374912. Source: Australian Bureau of Statistics National Regional Profiles by ASGS, 2008-2012, Annual (2007-08 to 2011-12) Australian Capital Territory 81379.0.55.0012014-06-24

## 5 year trends

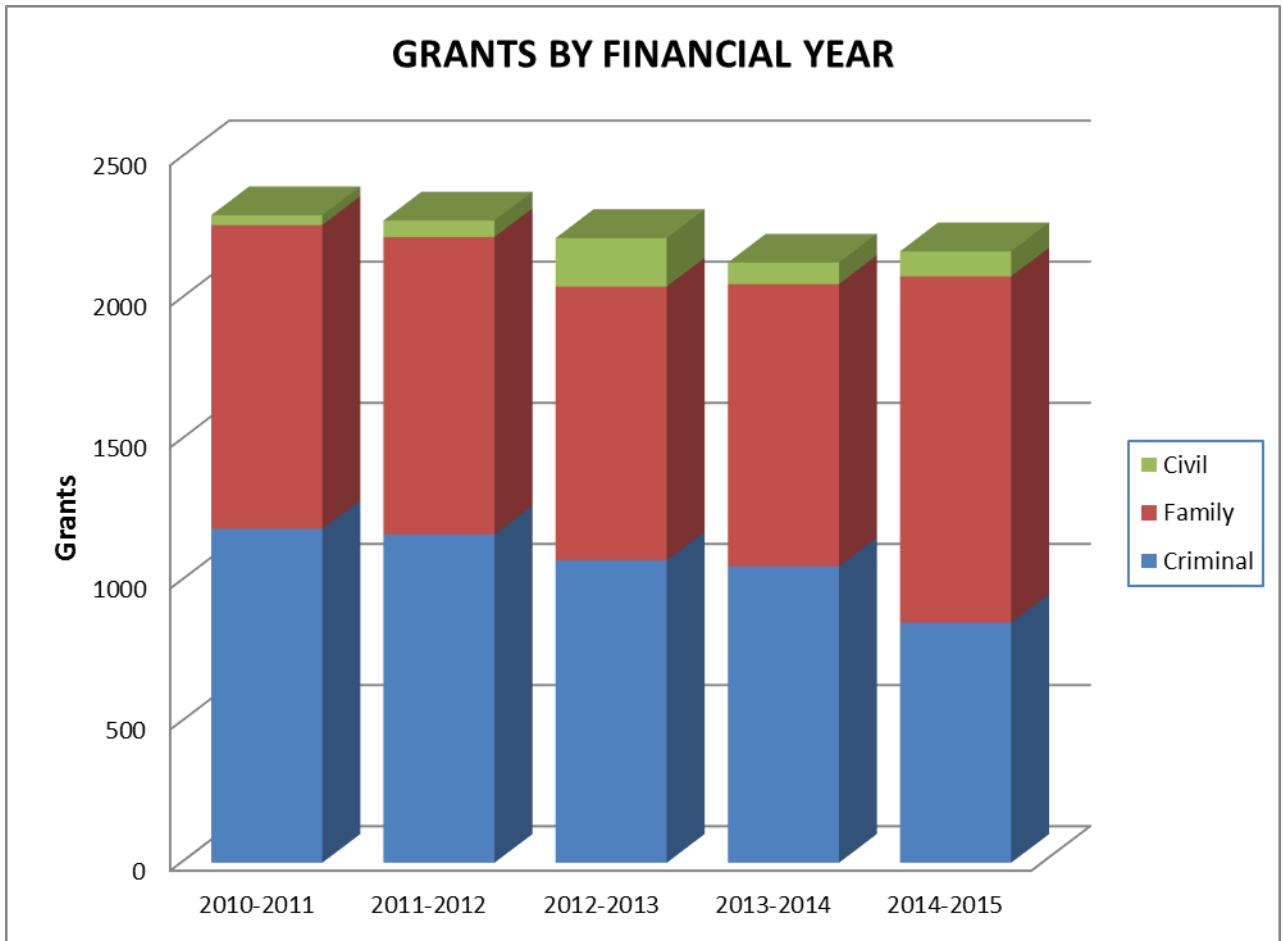
### Legal advice, minor assistance and advocacy



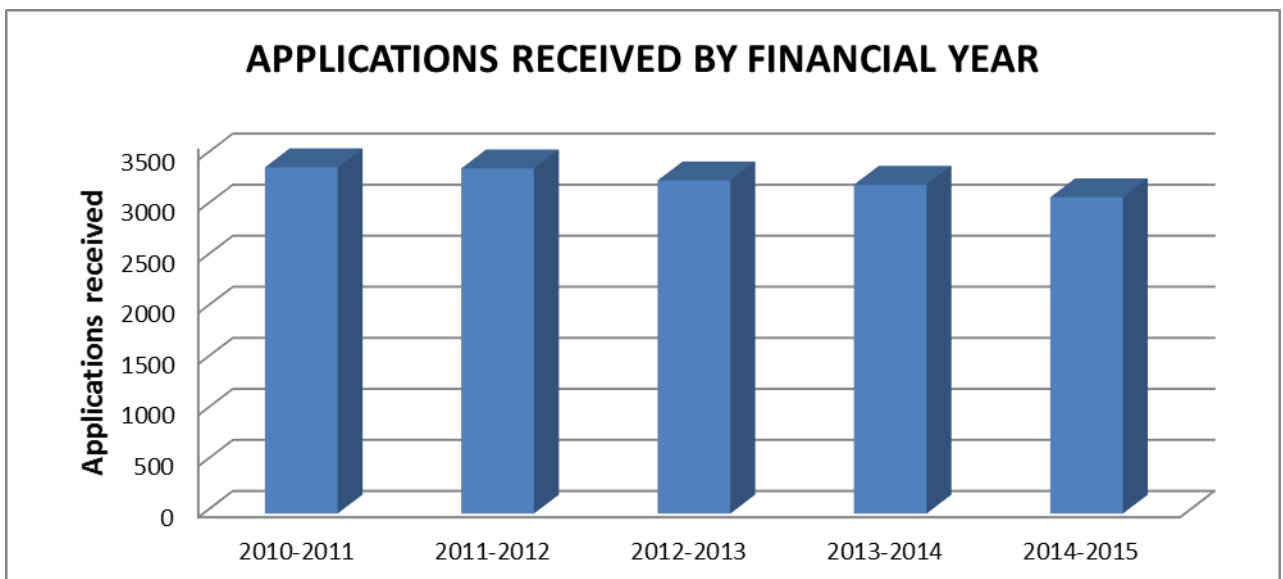
## Duty lawyer



## Grants



## Applications received



## Aboriginal and Torres Strait Islanders clients

|   | 2014-2015 | 2013-2014 |
|---|-----------|-----------|
| Number of Aboriginal and Torres Strait Islanders receiving services | 1,185     | 1,106     |

## Number of services provided to Aboriginal and Torres Strait Islanders

|                           | 2014-2015    | 2013-2014    |
|---------------------------|--------------|--------------|
| Grants of Assistance      | 209          | 173          |
| Duty Lawyer services      | 160          | 159          |
| Information/Referral      | 923          | 850          |
| Legal Advice              | 185          | 209          |
| Community Legal Education | 9            | 19           |
| <b>Total</b>              | <b>1,486</b> | <b>1,410</b> |

## In-house Practice

| <b>Criminal Practice</b> | 2014-2015 | 2013-2014 |
|--------------------------|-----------|-----------|
| New grants of assistance | 636       | 598       |
| Legal Advice             | 324       | 611       |
| Duty Lawyer              | 1,204     | 1,456     |

| <b>Family Practice</b>   | 2014-2015 | 2013-2014 |
|--------------------------|-----------|-----------|
| New grants of assistance | 529       | 412       |
| Legal Advice             | 228       | 299       |
| Duty Lawyer              | 238       | 589       |

| <b>General Practice</b>  | 2014-2015 | 2013-2014 |
|--------------------------|-----------|-----------|
| New grants of assistance | 185       | 125       |
| Legal Advice             | 4,792     | 4,039     |
| Duty Lawyer              | 1,162     | 325       |

| <b>Domestic Violence</b> | 2014-2015 | 2013-2014 |
|--------------------------|-----------|-----------|
| New grants of assistance | 132       | 83        |
| Legal Advice             | 920       | 467       |
| Duty Lawyer              | 30        | 10        |

| <b>Personal Protection Orders</b> | 2014-2015 | 2013-2014 |
|-----------------------------------|-----------|-----------|
| New grants of assistance          | 27        | 22        |
| Legal Advice                      | 420       | 265       |
| Duty Lawyer                       | 3         | 1         |

| <b>Domestic Violence and Personal Protection Orders</b> | <b>2014-2015</b> | <b>2013-2014</b> |
|---|------------------|------------------|
| New grants of assistance                                | 159              | 105              |
| Legal Advice  | 1,340            | 732              |
| Duty Lawyer   | 33               | 11               |

| <b>Youth Law Centre</b>                          | <b>2014-2015</b> | <b>2013-2014</b> |
|--|------------------|------------------|
| Clients  | 446              | 440              |
| Contacts with Clients for Advice and Information | 1,820            | 1,895            |

| <b>Top 5 YLC matters</b>  | <b>2014-2015</b> |
|---------------------------|------------------|
| Traffic / Driving offence | 162              |
| Motor vehicle accident    | 145              |
| Landlord / Tenant         | 133              |
| Dismissal                 | 118              |
| MVA - Property Damage     | 111              |

### Reconsideration and Review requests

| <b>Reconsideration</b> | <b>Varied</b> | <b>Confirmed</b> | <b>Total</b> | <b>% varied of total by Law Type</b> |
|------------------------|---------------|------------------|--------------|--------------------------------------|
| Criminal               | 19            | 49               | 68           | 27.94%                               |
| Family                 | 46            | 68               | 114          | 40.35%                               |
| Civil                  | 14            | 38               | 52           | 26.92%                               |
| <b>Total</b>           | <b>79</b>     | <b>155</b>       | <b>234</b>   | <b>33.76%</b>                        |

| <b>Review</b> | <b>Varied</b> | <b>Confirmed</b> | <b>Total</b> | <b>% varied of total by Law Type</b> |
|---------------|---------------|------------------|--------------|--------------------------------------|
| Criminal      | 3             | 12               | 15           | 20.00%                               |
| Family        | 9             | 17               | 26           | 34.62%                               |
| Civil         | 4             | 9                | 13           | 30.77%                               |
| <b>Total</b>  | <b>16</b>     | <b>38</b>        | <b>54</b>    | <b>29.63%</b>                        |

## Assessment of Performance for 2014-2015

- Calls to the helpline increased by 8.66% in 2014-2015 compared to 2013-2014.
- 52.34% of women called the Helpline as compared to 43.07% in 2013-2014. Number of women ringing the helpline, increased by 32.06% from 2013-2014.
- Calls about Domestic Violence and Personal Protection order matters were 4.95% of all calls received. Calls about these matters increased by 39.88% from 2013-2014.
- Interstate calls were 4.62% of all calls received.
- Face to Face advices, Minor Assistance and Advocacy were up by 10.83% from 2013-2014 period.
- In-house practice did 99.14% of all Face to Face advices, Minor Assistance and Advocacy, as compared to 2013-2014 where in-house practice did 92.11% of all Face to Face advices, Minor Assistance and Advocacy.
- Domestic Violence and Personal Protection order matters comprised of 23.09% of all Face to Face advices, Minor Assistance and Advocacy. An increase of 42.93% from 2013-2014.
- Duty Lawyer services increased by 3.51% from 2013-2014.
- Applications for grants of legal assistance down by 3.82%
- Grants of legal assistance up by 1.88%
- 43.47% of grants of legal assistance went to women as compared to 38.39% in 2013-2014
- 62.3% of the grants of legal assistance were provided by the in-house practice as compared to 53.36% in 2013-2014
- Dispute resolution conferences in 2014-2015 were up by 25.69% from 2013-2014.
- Dispute Resolution conference settlement rate has increased from 77% to 83% in 2014-2015.

## ASSESSMENT OF PERFORMANCE FOR 2014-15

The strategic objectives promote the early resolution of legal problems, the timely provision of legal information (and referral), and the delivery of efficient and cost-effective legal aid services. The performance and financial results suggest that the Commission has been successful in front-line service delivery. This has been achieved through a range of savings measures, the strategic reallocation of resources and enhancement of service delivery by Commission staff, and the regearing of external legal expenses. A restructure of the Commission's work profile, and changes to staffing structures, have also facilitated improved service delivery.

The Commission continues to provide high levels of information and referral services. The figure of 72,000 well exceeded the target and confirms that demand remains very high for these types of services.

The early provision of assistance is shown to be very effective in addressing need, and the Commission's 'open door' policy has seen increasing numbers of people come to our office for assistance. This is reflected in the estimated actual number of legal advice and minor legal assistance services provided (at 4,700).

The advocacy results this year (780) show the importance of this type of work in effectively meeting the needs of a client group that do not require representation in court.

The provision of Helpline services continue to grow exponentially. The target of 9,000 has been dramatically exceeded (14,000), and accordingly the forward year projections have been revised. The redirection of additional resources during this year to this service was aimed at ensuring timely response to calls and to mitigate against backlogs of calls.

At 2,600, the provision of duty lawyer services continues to be a key role for the Commission. Importantly the figures show an increase in numbers. Duty lawyer services are likely to remain a key activity.

Grants of legal assistance have, until this year, been on a steady decline. The higher numbers for this year at 2,150 as against the target of 1,960 evidences efficiencies in service delivery strategies. The fresh targets for out years reflects the Territory Governments' additional investment over the next two years, but takes into account the continuing trend in the increase in external legal expenses (particularly expensive criminal cases) and a reduction in receipts from the Statutory Interest Account.

At 210, dispute resolution conference numbers continue to improve – the figures have increased notwithstanding the funding cut by the Commonwealth which was brought in at the start of the financial year. Investment in early resolution has been shown to provide immediate benefits to the parties in dispute and long-term financial benefits where litigation is avoided.

The Commission has redirected significant resources into Community Legal Education (CLE). The figure of 1,800 reflect this effort, although it is marginally under target the result exceeds the number of people assisted in the previous year. The upward trend is indicative of future work in this area. CLE forms the fundamental strategy of our outreach program.

The growth in the number of services provided to Aboriginal and Torres Strait Islander people indicates that the Commission is adopting strategies that result in more assistance being provided to this significant client group. The results for this year (1,300) indicate the success in attracting people from this group; there has been a 142 per cent increase in these services over the past 5 years.

*Contact – CEO – (02) 6243 3466*



## SCRUTINY

The ACT Auditor-General undertakes an annual end-of-year audit of the Commission in accordance with the Australian Auditing Standards. The Auditor-General provided an unqualified audit report for the Commission's 2013-14 audited financial statements.

In the 2013-14 Audit Management Report there were no new audit findings raised in respect of the 2013-14 audit. Further the report indicated that the one previously raised audit issue from the 2012-13 Audit Management Report had been resolved by the Commission.

The ACT Audit Office conducted a whole-of-government performance audit regarding the management of debtors, which included the Commission. Information about the Commission's debtors was provided to the Audit Office early in the 2014-15 financial year via a survey. The final report was tabled in the ACT Legislative Assembly in February 2015.

The Commission also appeared before the Standing Committee which scrutinised the Commission's Annual Report and the 2015-16 Budget Statements.

No inquiries or reports were undertaken by the ACT Ombudsman in relation to the Commission.

*Contact – Chief Finance Officer – (02) 6243 3445*

## RISK MANAGEMENT

### **RISK MANAGEMENT PLAN/REGISTER**

The Commission has a Risk Management Plan/Register that documents the risk management practices and strategies of the Commission as well as outlining key risks, their sources, impacts and current mitigation strategies. In addition, the Commission has a Fraud Control Register which aims to prevent fraud and corruption across the organisation. Both documents were updated by management and reviewed by the Audit, Performance and Risk Committee in 2014-15. The Commission also has a Business Continuity Plan and a Disaster Recovery Plan which assist in reducing major risks faced by the Commission.

*Contact – Chief Finance Officer – (02) 6243 3445*

## INTERNAL AUDIT

### INTERNAL AUDIT COMMITTEE

The Commission has an Audit, Performance and Risk Committee which provides independent assurance and assistance to the Commission on the Commission's risk, control and compliance framework, and its external accountability responsibilities. The Committee met four times during the reporting period, in July, November, January and April.

Audit, Performance and Risk Committee Members and Observers are outlined in the table below:

| Name of Member / Observer                                     | Position          | Duration  | Meetings Attended |
|---|-------------------|-----------|-------------------|
| David Fox   | Independent Chair | Full Year | 1, 2, 3, 4        |
| Gail Kinsella, Commissioner                                   | Member            | Full Year | -, 2, 3, 4        |
| Louise Taylor, Deputy Chief Executive Officer                 | Member            | Full Year | 1, -, -, -        |
| Paul Ogden  | Member            | Full Year | 1, 2, 3, 4        |
| Kym Duggan  | Member            | Full Year | 1, 2, 3, -        |
| John Boersig, Chief Executive Officer                         | Observer          | Full Year | 1, 2, 3, 4        |
| Hamish Palfreyman, Chief Finance Officer                      | Observer          | Full Year | 1, 2, 3, 4        |
| Chinthaka Leelarathna, Financial Accountant                   | Observer          | Full Year | 1, -, 3, -        |
| Katie Stuart, Finance Administrator and Committee Secretariat | Observer          | Full Year | 1, 2, 3, 4        |
| Ashish Madan, ICT Manager                                     | Observer          | Full Year | -, -, 3, 4        |
| Derek Schild, Client Services Manager                         | Observer          | Full Year | -, -, -, 4        |
| David O'Toole, ACT Auditor-General's Office                   | Observer          | Full Year | 1, -, -, 4        |

During the year, the Audit, Performance and Risk Committee undertook the following activities:

Monitored the:

- ▶ ACT Audit-Office Updates;
- ▶ Progress on the Legal Aid Management Information Solution (LAMIS) Replacement;
- ▶ Client Services Unit review of Grants Management; and
- ▶ The external audit of the Financial Statements for the year ended 30 June 2014.

Reviewed the:

- ▶ Risk Register;
- ▶ Fraud Control Register;
- ▶ Audit, Performance and Risk Committee Charter and Internal Audit Charter;
- ▶ Delegations;
- ▶ 2013-14 Financial Statements and Management Discussion & Analysis;
- ▶ 2014-15 Shell Financial Statements;
- ▶ Business Continuity Plan; and
- ▶ New Trust Account Banking Arrangements.

In reviewing the Risk and Fraud Control Registers, the Committee satisfied itself that the Commission has appropriate processes and systems in place to manage its financial and business risks, including fraud.

## INTERNAL CONTROLS AND INTERNAL AUDITS

The Commission held monthly Finance Committee meetings where year-end and monthly financial data, full year forecasts, outstanding debtor reports, and financial policies and procedures were reviewed. The Committee also monitored Commonwealth grants, legal payments, and the external budget process.

The Commission continued regular communications between senior management and the ACT Auditor-General's Office and the ACT Chief Minister, Treasury and Economic Development Directorate. This has resulted in greater assurance that the Commission is complying with relevant legislation, directives and guidelines.

The ACT Audit Office conducted a performance audit regarding the Commission's management of debtors. This audit was part of a broader whole of government audit regarding debtor management. The audit was performed at the beginning of the 2014-15 financial year and information about the Commission's debtors was provided to the Audit Office via a survey.

*Contact – Chief Finance Officer – (02) 6243 3445*

## FRAUD PREVENTION

The Commission reviewed the Fraud Control Plan during the year. This is linked to the Chief Executive Financial Instructions and complements the Commission's policies and procedures already in place.

Due to the small size of the Commission, senior management work closely with staff and are often directly involved in office activities. This potentially provides an additional means for safeguarding against fraud and corruption.

No fraudulent activity or unethical behaviour was reported or identified during 2014-15.

*Contact – Chief Finance Officer - (02) 6243 3445.*

## WORK HEALTH AND SAFETY

The Commission is committed to promoting, achieving and maintaining the highest level of safety, health and wellbeing for staff, family and visitors by supporting a healthy work life balance with flexible working conditions and entitlements.

During the reporting period, the Commission renewed the contract with Davidson and Trahaire Corpsych, as the employee assistance provider. The Commission encourages staff to take advantage of these services through appropriate awareness campaigns and induction.

The Commission has a low injury occurrence rate with no serious workplace injuries in the reporting period. No incidents required reporting to ACT Workcover in accordance with section 38 of the *Work Health and Safety Act 2011*.

The Commission has one Health and Safety Representative.

## HUMAN RESOURCES MANAGEMENT

Commission staff are employed under the *Legal Aid ACT 1977* (the Act). Terms of employment are determined by the Commission under the Act and are set out in the *Legal Aid Commission (ACT) Enterprise Agreement 2013 - 2017*.

As at 30 June 2015 the Commission employed 72 staff of which there are 32 practising lawyers, including two Executive.

The HR priorities for the reporting period included:

- the finalisation and implementation of a new enterprise agreement, including
  - clarity of manager and employee responsibilities, and
  - changes to the Legal classification structure.
- procurement, configuration and implementation of a new payroll system for the Commission and two Community Legal Centres to commence in the new financial year.

## STAFFING PROFILE

### FTE & headcount by gender

|                                   | Female | Male  | Total |
|-----------------------------------|--------|-------|-------|
| <b>Full Time Equivalent</b>       | 38.11  | 28.91 | 67.02 |
| <b>Headcount</b>                  | 41     | 31    | 72    |
| <b>% of Workforce (headcount)</b> | 57%    | 43%   | 100%  |

## Headcount by classifications and gender

| Classification group            | Female    | Male      | Total     |
|---------------------------------|-----------|-----------|-----------|
| Executive                       | 1         | 1         | 2         |
| Senior Officers                 | 1         | 3         | 4         |
| Legal Officers                  | 16        | 14        | 30        |
| Administrative Service Officers | 23        | 13        | 36        |
| <b>TOTAL</b>                    | <b>41</b> | <b>31</b> | <b>72</b> |

## Headcount by employment category and gender

| Employment Category | Female    | Male      | Total     |
|---------------------|-----------|-----------|-----------|
| Casual              | 1         | 2         | 3         |
| Permanent Full-time | 22        | 15        | 37        |
| Permanent Part-time | 4         | 0         | 4         |
| Temporary Full-time | 10        | 12        | 22        |
| Temporary Part-time | 4         | 2         | 6         |
| <b>TOTAL</b>        | <b>41</b> | <b>31</b> | <b>72</b> |

## FTE and headcount by division/branch

| Branch/Division     | FTE          | Headcount |
|---------------------|--------------|-----------|
| General Practice    | 14.5         | 16        |
| Client Services     | 14.71        | 16        |
| Corporate Services  | 5.87         | 7         |
| Criminal Practice   | 16           | 16        |
| Executive           | 3            | 3         |
| Family Law Pathways | 0.54         | 1         |
| Family Practice     | 12.4         | 13        |
| <b>Total</b>        | <b>67.02</b> | <b>72</b> |

### Headcount by division/branch and employment type

| Branch/Division     | Permanent | Temporary | Casual   |
|---------------------|-----------|-----------|----------|
| General Practice    | 12        | 3         | 1        |
| Client Services     | 8         | 7         | 1        |
| Corporate Services  | 4         | 3         | 0        |
| Criminal Practice   | 8         | 8         | 0        |
| Executive           | 1         | 2         | 0        |
| Family Law Pathways | 0         | 0         | 1        |
| Family Practice     | 8         | 5         | 0        |
| <b>Total</b>        | <b>41</b> | <b>28</b> | <b>3</b> |

### Headcount by age group and gender

| Age Group | Female | Male | Total |
|-----------|--------|------|-------|
| <20       | 0      | 1    | 1     |
| 20-24     | 4      | 4    | 8     |
| 25-29     | 12     | 10   | 22    |
| 30-34     | 7      | 5    | 12    |
| 35-39     | 5      | 1    | 6     |
| 40-44     | 0      | 3    | 3     |
| 45-49     | 2      | 3    | 5     |
| 50-54     | 2      | 1    | 3     |
| 55-59     | 5      | 2    | 7     |
| 60-64     | 3      | 0    | 3     |
| 65-69     | 0      | 1    | 1     |
| 70+       | 1      | 0    | 1     |

## Headcount by length of service, generation and gender

| Length of Service (years) | Pre-Baby Boomers |   | Baby Boomers |   | Generation X |   | Generation Y |    | Generation Z |   | Total |    |
|---------------------------|------------------|---|--------------|---|--------------|---|--------------|----|--------------|---|-------|----|
|                           | F                | M | F            | M | F            | M | F            | M  | F            | M | F     | M  |
| 0-2                       |                  |   | 2            |   | 1            | 2 | 16           | 14 |              | 1 | 19    | 17 |
| 2-4                       |                  |   | 1            |   | 2            | 3 | 2            | 3  |              |   | 5     | 6  |
| 4-6                       |                  |   | 1            |   | 1            | 1 | 2            | 1  |              |   | 4     | 2  |
| 6-8                       | 1                |   | 3            | 1 |              |   |              |    |              |   | 4     | 1  |
| 8-10                      |                  |   |              |   | 1            | 2 |              |    |              |   | 1     | 2  |
| 10-12                     |                  |   |              |   |              |   |              | 1  |              |   |       | 1  |
| 12-14                     |                  |   |              | 1 | 1            |   | 2            |    |              |   | 3     | 1  |
| 14 plus                   |                  |   | 3            | 1 | 1            |   | 1            |    |              |   | 5     | 2  |

| Generation       | Birth years covered    | Generation   | Birth years covered    |
|------------------|------------------------|--------------|------------------------|
| Pre-Baby Boomers | prior to 1946          | Generation X | 1965 to 1979 inclusive |
| Baby Boomers     | 1946 to 1964 inclusive | Generation Y | 1980 to 1993 inclusive |
|                  |                        | Generation Z | From 1994 and onwards  |

## Average length of service by gender (headcount)

|  | Female | Male | Total |
|--|--------|------|-------|
| Average years of service               | 6.55   | 3.89 | 5.40  |
| Average Legal Aid ACT years of service | 5.77   | 2.89 | 4.53  |

## Headcount by diversity group

|  | Headcount | % of Total Staff |
|--|-----------|------------------|
| Aboriginal and Torres Strait Islander      | 2         | 2%               |
| Culturally & Linguistically Diverse (CALD) | 3         | 4%               |
| People with a disability                   | 1         | 1%               |

The statistics exclude board members; staff not paid by the Commission and people on leave without pay. Staff members who had separated from the Commission, but received a payment have been included.

## LEARNING AND DEVELOPMENT

### Specific Initiative Reporting

The Commission is an independent statutory agency and not part of the ACT Public Service. Commission staff participate in whole of government learning and development initiatives when these programs match developmental needs.

All legal staff continued to meet their mandatory continuing professional development in order to remain eligible for practising certificates. These mandatory core areas are:

- Legal Ethics (Practical)
- Professional Skills
- Practice Management and Business Skills

The Commission is committed to ensuring that staff have access to and undertake appropriate professional development to meet their needs and to ensure that staff are skilled in their roles. The Performance Management and Development Program supports this approach.

Three staff (4%) of staff were approved students under the Studies Assistance Program.

## WORKPLACE RELATIONS

| DESCRIPTION   | No. of Individual SEAs | No. of Group SEAs* | Total employees covered by Group SEAs** | TOTAL |
|---|------------------------|--------------------|---|-------|
|   | A                      | B                  | C                                       | (A+C) |
| <b>SEAs</b>   |                        |                    |   |       |
| Number of SEAs as at 30 June 2015   | 1                      | 0                  | 0                                       | 1     |
| Number of SEAs entered into during period                                     | 0                      | 0                  | 0                                       | 0     |
| Number of SEAs terminated during period                                       | 0                      | 0                  | 0                                       | 0     |
| The number of SEAs providing for privately plated vehicles as at 30 June 2015 | 0                      | 0                  | 0                                       | 0     |
| Number of SEAs for employees who have transferred from AWAs during period     | 0                      | 0                  | 0                                       | 0     |

|  | Classification Range | Remuneration as at 30 June 2014 |
|--|----------------------|---------------------------------|
| <b>Individual SEAs</b>                           | Legal 3              | \$132,615                       |
| <b>AWAs (includes AWAs ceased during period)</b> | N/A                  | N/A                             |

Contact – Human Resources Manager – (02) 6243 3426



## ECOLOGICALLY SUSTAINABLE DEVELOPMENT

The Commission has maintained its commitment to using available resources in the most efficient manner. The premises occupied are rated with a 4.5 star National Australian Built Environment Rating, featuring movement activated lights and double insulated window blinds.

The Commission manages a recycling program and the continued use of paper, secure paper, cardboard and printer cartridge recycling.

The Commission uses 100% recycled paper and continues to re-use file covers discarded by another agency in the previous year. All staff, except legal support staff, are required to utilise the duplex printing function.

### RESOURCE USE AT THE COMMISSION'S PREMISES

| Indicator as at 30 June                 | Unit                   | 2013-14  | 2014-15  | % Change |
|---|------------------------|----------|----------|----------|
| Agency staff and area                   |                        |          |          |          |
| Agency staff                            | FTE                    | 59.07    | 67.02    | 13.46%   |
| Workplace floor plan                    | Area (m <sup>2</sup> ) | 2,018.50 | 2,018.50 | 0.00%    |
| Stationary energy usage                 |                        |          |          |          |
| Electricity use                         | Kilowatt hours         | 113,066  | 115,649  | 2.28%    |
| Renewable electricity use               | Kilowatt hours         | 0        | 0        | 0.00%    |
| Natural gas use                         | Megajoules             | 0        | 0        | 0.00%    |
| Transport                               |                        |          |          |          |
| Total number of vehicles                | Numeric                | 1        | 3        | 200.00%  |
| Total vehicle kilometers travelled      | Kilometres (km)        | 15,637   | 13,555   | -13.31%  |
| Transport fuel – Petrol                 | Kilolitres             | 0.0      | 0.09     | 100.00%  |
| Transport fuel - Diesel                 | Kilolitres             | 1.13     | 0.74     | -34.51%  |
| Transport fuel – Liquid Petroleum Gas   | Kilolitres             | 0        | 0        | 0.00%    |
| Transport fuel – Compressed Natural Gas | Kilolitres             | 0        | 0        | 0.00%    |
| Water                                   |                        |          |          |          |
| Water use                               | Kilolitres             | n/a      | n/a      | n/a      |
| Resource Efficiency and Waste           |                        |          |          |          |
| Reams of paper used                     | Reams                  | 1,800    | 2,700    | 50%      |
| Recycled content of paper purchased     | Percentage             | 100      | 100      | 0.00%    |

| Indicator as at 30 June                           | Unit         | 2013-14 | 2014-15 | % Change |
|---|--------------|---------|---------|----------|
| Waste to landfill                                 | Litres       | 8,190   | 9,099   | 11.10%   |
| Co-mingled material recycled                      | Litres       | 31,980  | 32,421  | 1.38%    |
| Paper and Cardboard recycled (incl. secure paper) | Litres       | 48,660  | 41,592  | -14.53%  |
| Organic material recycled                         | Litres       | 2,773   | 3,525   | 27.12%   |
| <b>Greenhouse Gas Emissions</b>                   |              |         |         |          |
| Emissions from stationary use                     | Tonnes CO2-e | 107.4   | 109.9   | 2.30%    |
| Emissions from transport                          | Tonnes CO2-e | 3.0     | 1.8     | -38.67%  |
| Total emissions                                   | Tonnes CO2-e | 110.4   | 111.7   | 1.18%    |

Contact – Chief Finance Officer – (02) 6243 3445

### Management Discussion and Analysis for the Legal Aid Commission (ACT) For the Year Ended 30 June 2015

#### Objectives

The Legal Aid Commission (ACT) (the Commission), established by the *Legal Aid Act 1977* (the Act), provides a range of legal assistance services in accordance with the Act.

Legal assistance services include legal information and referral, legal advice, minor assistance and advocacy, duty lawyer services, grants of legal assistance (legally assisted cases), a dispute resolution program and community legal education.

The objective of the Commission is to maximise access to justice in the ACT by providing legal assistance services through its staff, and through private legal practitioners paid by the Commission. The Commission's services are available to residents of the ACT and others who are involved in legal transactions or proceedings in the ACT.

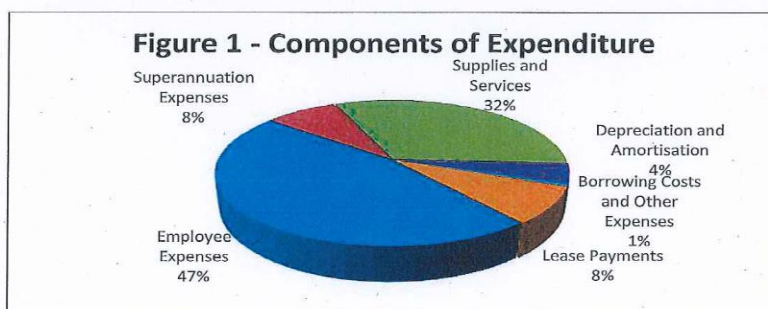
#### Financial Performance

The following financial information is based on audited Financial Statements for 2013-14 and 2014-15, and the budget estimates contained in the 2015-16 Statement of Intent.

#### Total Expenditure

##### 1. Components of Expenditure

**Figure 1** below shows the components of the Commission's expenditure for 2014-15 with the largest components of expenditure being Employee Expenses, which represents **47 percent** of total expenditure or **\$5.482 million** and Supplies and Services at **32 percent** of total expenditure or **\$3.796 million**.



## Management Discussion and Analysis for the Legal Aid Commission (ACT) For the Year Ended 30 June 2015

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### 2. Comparison to Budget

#### Expenditure

Total expenditure of **\$11.740 million** was lower than the 2014-15 Budget by **\$0.320 million**, or **2.65 percent** principally due to the following factors:

- Supplies and Services was **\$0.475 million** below budget mainly due to savings the Commission achieved through improved efficiencies in service delivery. Specifically, lower than budgeted expenditure on briefing counsel on in-house matters, and on external grants of legal aid for work undertaken by private legal practitioners (**\$0.996 million**). These savings were partially offset by Eastman Inquiry and Litigation expenses exceeding the budget by **\$0.484 million**.
- Employee Expenses exceeding the budget by **\$0.204 million** mainly due to a higher number of Full Time Equivalent (FTE) staff resulting from additional staff for the Eastman Inquiry and Litigation, staff profile changes arising from the Enterprise Bargaining Agreement (EBA), and as a result of backfilling a number of positions for staff on long term paid leave. The staff profiling change arising from the EBA involved the Commission reducing the number of Legal 2 positions and increasing the number of less expensive Legal 1 positions.

### 3. Comparison with 2013-14 Actual Expenditure

Total expenditure was **\$2.970 million**, or **20.19 percent** lower than the 2013-14 actual result principally due to the following factors:

- A decrease in Supplies and Services of **\$2.870 million** mainly due to lower legal disbursements of **\$1.775 million** and lower expenditure in external grants of legal assistance of **\$0.904 million**. Legal disbursements were lower due to a reduction in costs incurred for senior and junior counsel in relation to the Eastman Inquiry and Litigation in 2014-15 when compared to senior and junior counsel costs incurred for the Eastman Inquiry Hearing which occurred in 2013-14. Senior and junior counsel costs were lower in 2014-15 due to a lower work level resulting from the Inquiry only going for part of the 2014-15 financial year however it went for the entire 2013-14 financial year. Private Legal Practitioner expenses were lower mainly due to savings the Commission has achieved through improved efficiencies in service delivery, in particular, the Commission has undertaken more work in-house.
- A decrease in Other Expenses of **\$0.279 million** mainly due to the derecognition of the Legal Aid Management Information Solution (LAMIS) project of **\$0.218 million** in 2013-14. The Commission decided to write-off LAMIS as it considered that no future economic benefits were expected from its use or disposal, resulting from the lack of tangible outputs the vendor had provided from Stage 1 of the project. A similar derecognition did not occur in 2014-15.
- An increase in employee expenses of **\$0.150 million** due to higher wages and salaries of **\$0.328 million** resulting from an increase in FTEs due to the Commission providing additional services to the community as well as

## Management Discussion and Analysis for the Legal Aid Commission (ACT) For the Year Ended 30 June 2015

backfilling staff on long term leave. This increase was partially offset by a lower long service leave expense of **\$0.106 million** due to the transfer of a large long service leave balance in 2013-14 (from the commencement of a senior staff member) which did not occur in 2014-15. The increase was also partially offset by lower annual leave expense of **\$0.096 million** mainly due to a number of employees taking a significant amount of annual leave in 2014-15.

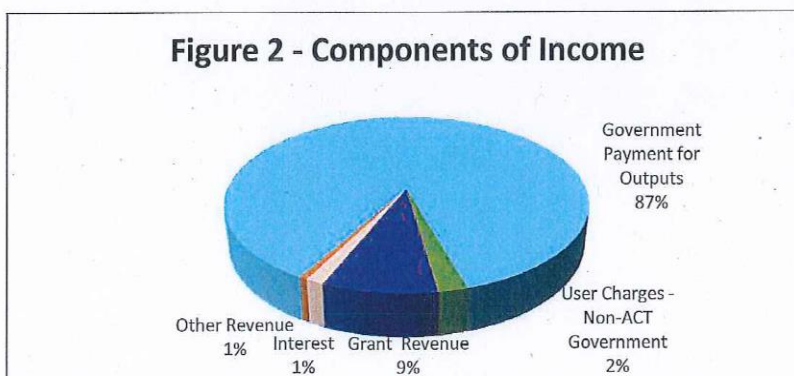
### 4. Future Trends

Total expenditure for 2015-16 is budgeted to increase by **\$0.640 million** from the actual amount of **\$11.740 million** in 2014-15 to **\$12.380 million** in 2015-16, mainly due to an 'Improving Access to Justice' initiative commencing in 2015-16 (**\$0.429 million**) which will enable the Commission to provide more grants of legal assistance resulting in higher legal expenses. The increase in budgeted total expenditure is also due to higher estimated employee expenses (**\$0.135 million**).

### Total Income

#### 1. Components of Income

**Figure 2** below shows that for the financial year ended 30 June 2015, the Commission received **87 percent** of its total income of **\$12.352 million** from Government Payment for Outputs (this Territory appropriation includes Commonwealth funding for legal assistance services) and **9 percent** from Grant Revenue. The balance comprises User Charges – Non-ACT Government (contributions made by assisted persons), Interest, and Other Revenue and Gains.



## Management Discussion and Analysis for the Legal Aid Commission (ACT) For the Year Ended 30 June 2015

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### 2. Comparison to Budget

#### Income

Income for the financial year ended 30 June 2015 was **\$12.352 million**, which exceeded the 2014-15 Budget by **\$0.779 million** due principally to the following factors:

- Government Payment for Outputs (GPO) exceeding the budget by **\$0.787 million** mainly due to **\$0.693 million** for a Treasurer's Advance (TA) for the Eastman Inquiry and Litigation. There was also additional GPO of **\$0.094 million** to cover the increase in wages resulting from the Commission's new Enterprise Agreement.

### 3. Comparison to 2013-14 Actual Income

Total income was **\$2.268 million** or **15.51 percent** lower than the 2013-14 actual result due principally to the following factors:

- A decrease in Government Payment for Outputs of **\$1.426 million** mainly due to a lower amount of appropriation funding for the Eastman Inquiry and Litigation (**\$0.693 million**) in 2014-15 than was received in 2013-14 for the Eastman Inquiry (**\$2.442 million**).
- A decrease in Grant Revenue of **\$0.831 million** mainly due to a reduction in funding from the ACT Law Society of **\$0.414 million** resulting from lower interest from the Statutory Interest Account and a reduction in funding from the Commonwealth Government of **\$0.400 million** due to the cessation of the Collaborative Funding Program at the end of 2013-14.
- A decrease in User Charges-Non-ACT Government of **\$0.087 million** reflecting a reduction in the value of reassessed assisted person contributions. The Commission made a number of one-off large reassessed contributions in 2013-14 in family law cases. No similar large reassessed contributions were able to be made in 2014-15.

### 4. Future Trends

Total income for 2015-16 is budgeted to reduce by **\$0.366 million** from the actual amount of **\$12.352 million** in 2014-15 to **\$11.986 million** in 2015-16 reflecting decreases in Government Payment for Outputs of **\$0.286 million**, the Grant from the ACT Law Society of **\$0.167 million**, offset by an increase in User Charges – Non-ACT Government of **\$0.065 million**.

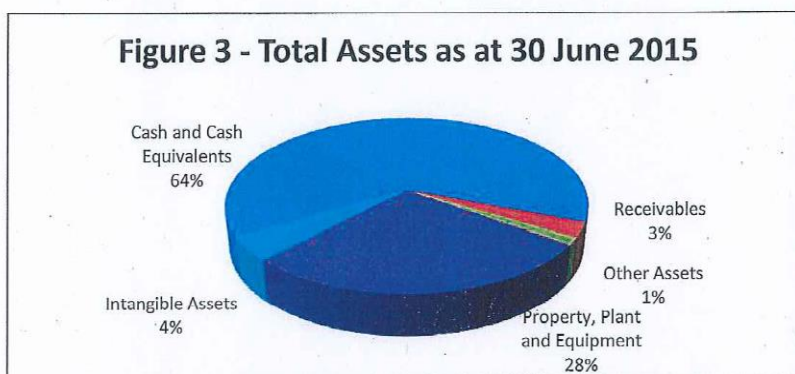
## Management Discussion and Analysis for the Legal Aid Commission (ACT) For the Year Ended 30 June 2015

### Financial Position

#### Total Assets

##### 1. Components of Total Assets

Figure 3 below shows that for the financial year ended 30 June 2015, the Commission held **64 percent** of its assets in Cash and Cash Equivalents and **28 percent** in Property, Plant and Equipment.



##### 2. Comparison to Budget

The total asset position as at 30 June 2015 is **\$7.748 million** which exceeded the 2014-15 Budget of **\$6.502 million** by **\$1.246 million** or **19.16 percent**. Cash and Cash Equivalents exceeded the budget by **\$1.216 million** due to savings the Commission has achieved through improved administrative efficiencies in service delivery with lower than budgeted cash outflows on briefing counsel on in-house matters and on external grants of legal aid for work undertaken by private legal practitioners. In addition, the opening budgeted cash balance was lower than the opening actual cash balance due to employee and legal payments being lower than budget.

##### 3. Comparison to 2013-14 Actuals

The Commission's total asset position is **\$0.474 million** or **6.52 percent** higher than the 2013-14 actual result of **\$7.274 million** largely due to an increase in Cash and Cash Equivalents (**\$0.950 million**) resulting from higher operating cash inflows in 2014-15 due to savings the Commission has achieved through improved efficiencies in service delivery as well as holding cash at the end of 2014-15 for an additional 27th pay period that will occur in 2015-16. This increase was offset by a decrease in Property, Plant and Equipment of **\$0.307 million** and Intangible Assets of **\$0.151 million** reflecting a lower written down value of these assets mainly due to higher accumulated depreciation/amortisation from their use throughout the 2014-15 financial year.

## Management Discussion and Analysis for the Legal Aid Commission (ACT) For the Year Ended 30 June 2015

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### 4. Liquidity

Liquidity is the ability of the Commission to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund current liabilities from current assets. A ratio of less than 1:1 may indicate a reliance on the next financial year's funding to meet short-term debts. **Table 1** indicates the liquidity position of the Commission.

**Table 1 – Current Ratio**

| Description         | Prior Year Actual \$'000s 2013-14 | Current Year Budget \$'000s 2014-15 | Current Year Actual \$'000s 2014-15 | Forward Year Budget \$'000s 2015-16 | Forward Year Budget \$'000s 2016-17 | Forward Year Budget \$'000s 2017-18 |
|---------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Current Assets      | 4,347                             | 3,984                               | 5,279                               | 4,769                               | 4,925                               | 5,088                               |
| Current Liabilities | 2,531                             | 2,429                               | 2,200                               | 2,358                               | 2,413                               | 2,490                               |
| Current Ratio       | 1.72:1                            | 1.64:1                              | 2.40:1                              | 2.02:1                              | 2.04:1                              | 2.04:1                              |

The current ratio for the financial year is **2.40:1** which compares with the budgeted current ratio of **1.64:1** and the Commission expects the current ratio to improve from the current budget level over the forward estimates. The actual and forecast current ratio suggest that the Commission will be able to pay its debts as and when they fall due.

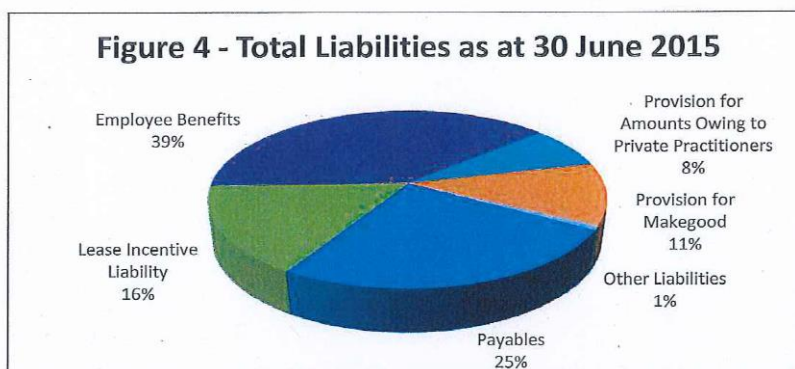
### Total Liabilities

#### 1. Components of Total Liabilities

**Figure 4** below shows that for the financial year ended 30 June 2015, **39 percent** of the liabilities of the Commission were represented by Employee Benefits and **25 percent** by Payables with the balance comprising, **16 percent** by Lease Incentive Liabilities, **11 percent** by the Provision for Make Good, **8 percent** by the Provision for Amounts Owing to Private Legal Practitioners, and **1 percent** by Other Liabilities.



**Management Discussion and Analysis for the  
Legal Aid Commission (ACT)  
For the Year Ended 30 June 2015**



**2. Comparison to Budget**

The Commission's liabilities for the financial year ended 30 June 2015 of **\$4.087 million** was below the 2014-15 Budget of **\$4.335 million** by **\$0.248 million** mainly due to:

- Provision for Amounts Owing to Private Legal Practitioners being below the budget by **\$0.130 million** due to a lower value of work performed by private legal practitioners throughout 2014-15 than originally estimated in the Budget.
- Employee Benefits being below the budget by **\$0.098 million** reflecting a lower annual leave and long service leave liability due to more people taking leave than estimated, partially offset by higher accrued salaries.

**3. Comparison to 2013-14 Actuals**

Total liabilities are **\$0.372 million** lower than the 2013-14 actual result of **\$4.459 million** mainly due to:

- A decrease in Employee Benefits of **\$0.123 million**, reflecting lower accrued salaries in 2014-15. Accrued salaries were higher in 2013-14 due to the accrual of a back payment of salaries resulting from the Commission's new Enterprise Bargaining Agreement (EBA).
- A decrease in the Provision for Amounts Owing to Private Legal Practitioners of **\$0.123 million** due to a lower value of work performed by private legal practitioners in 2014-15 when compared to 2013-14 resulting from a higher value of work performed by Commission staff.

Total liabilities are also lower in 2014-15 due to a decrease in the Lease Incentive Liability of **\$0.090 million** resulting from the transfer of this amount each financial year to reduce the lease expense, and the decrease in Finance Leases of **\$0.056 million** resulting from the Commission having two motor vehicles under a finance lease at the end of 2013-14 and none at the end of 2014-15.



AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY 

### INDEPENDENT AUDIT REPORT LEGAL AID COMMISSION (ACT)

#### To the Members of the ACT Legislative Assembly

##### Report on the financial statements

The financial statements of the Legal Aid Commission (ACT) (the Commission) for the year ended 30 June 2015 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

##### Responsibility for the financial statements

The Chief Executive Officer of the Commission is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996* and *Legal Aid Act 1977*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

##### The auditor's responsibility

Under the *Financial Management Act 1996* and *Legal Aid Act 1977*, I am responsible for expressing an independent audit opinion on the financial statements of the Commission.

The audit was conducted in accordance with Australian Auditing Standards to obtain reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

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T 02 6207 0833 F 02 6207 0826 E [actauditorgeneral@act.gov.au](mailto:actauditorgeneral@act.gov.au) W [www.audit.act.gov.au](http://www.audit.act.gov.au)

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Commission.

### **Electronic presentation of the audited financial statements**

Those viewing an electronic presentation of these financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of these statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

### **Independence**

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

### **Audit opinion**

In my opinion, the financial statements of the Commission for the year ended 30 June 2015:

- (i) are presented in accordance with the *Financial Management Act 1996* and *Legal Aid Act 1977*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Commission as at 30 June 2015 and the results of its operations and cash flows for the year then ended.

The audit opinion should be read in conjunction with other information disclosed in this report.



Malcolm Prentice  
Acting Director, Financial Audits  
19 August 2015

**Legal Aid Commission (ACT)  
Financial Statements  
For the Year Ended 30 June 2015**

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**Statement of Responsibility**

In my opinion, the financial statements are in agreement with the Commission's accounts and records and fairly reflect the financial operations of the Commission for the year ended 30 June 2015 and the financial position of the Commission on that date.



John Boersig  
Chief Executive Officer  
Legal Aid Commission (ACT)  
14 August 2015

**Legal Aid Commission (ACT)  
Financial Statements  
For the Year Ended 30 June 2015**

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**Statement by the Chief Finance Officer**

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Commission's accounts and records and fairly reflect the financial operations of the Commission for the year ended 30 June 2015 and the financial position of the Commission on that date.



Hamish Palfreyman  
Chief Finance Officer  
Legal Aid Commission (ACT)  
14 August 2015

**Legal Aid Commission (ACT)  
Operating Statement  
For the Year Ended 30 June 2015**

|   | Note<br>No. | Actual<br>2015<br>\$ | Original<br>Budget<br>2015<br>\$ | Actual<br>2014<br>\$ |
|---|-------------|----------------------|----------------------------------|----------------------|
| <b>Income</b>                               |             |                      |                                  |                      |
| <i>Revenue</i>                              |             |                      |                                  |                      |
| Government Payment for Outputs              | 4           | 10,731,698           | 9,945,000                        | 12,158,000           |
| User Charges - Non-ACT Government           | 5           | 270,089              | 506,000                          | 356,720              |
| Grant Revenue <sup>1</sup>                  | 6           | 1,071,700            | 996,000                          | 1,902,976            |
| Interest                                    | 7           | 173,490              | 126,000                          | 130,132              |
| Other Revenue <sup>1</sup>                  | 8           | 79,449               | -                                | 67,781               |
| <b>Total Revenue</b>                        |             | <b>12,326,426</b>    | <b>11,573,000</b>                | <b>14,615,609</b>    |
| <i>Gains</i>                                |             |                      |                                  |                      |
| Other Gains                                 | 9           | 25,652               | -                                | 4,203                |
| <b>Total Gains</b>                          |             | <b>25,652</b>        | <b>-</b>                         | <b>4,203</b>         |
| <b>Total Income</b>                         |             | <b>12,352,078</b>    | <b>11,573,000</b>                | <b>14,619,812</b>    |
| <b>Expenses</b>                             |             |                      |                                  |                      |
| Employee Expenses                           | 10          | 5,482,246            | 5,278,000                        | 5,332,308            |
| Superannuation Expenses                     | 11          | 930,247              | 896,000                          | 891,250              |
| Supplies and Services                       | 12          | 3,795,527            | 4,271,000                        | 6,665,532            |
| Depreciation and Amortisation               | 13          | 517,868              | 521,000                          | 532,694              |
| Borrowing Costs                             | 14          | 24,009               | -                                | 24,556               |
| Lease Expenses                              | 15          | 955,497              | 1,067,000                        | 949,459              |
| Other Expenses                              | 16          | 34,467               | 27,000                           | 313,791              |
| <b>Total Expenses</b>                       |             | <b>11,739,861</b>    | <b>12,060,000</b>                | <b>14,709,590</b>    |
| <b>Operating Surplus/(Deficit)</b>          |             | <b>612,217</b>       | <b>(487,000)</b>                 | <b>(89,778)</b>      |
| <b>Total Comprehensive Income/(Deficit)</b> |             | <b>612,217</b>       | <b>(487,000)</b>                 | <b>(89,778)</b>      |

The above Operating Statement should be read in conjunction with the accompanying notes.

The Legal Aid Commission (ACT) (the Commission) only has one output class and as such the above Operating Statement is also the Commission's Operating Statement for the Legal Aid Services Output Class. The Legal Aid Services Output Class includes the provision of a full range of legal assistance services to the community provided by the Commission's staff and by private legal practitioners on behalf of the Commission. As a result, a separate output class Operating Statement and Summary of Agency Output Classes have not been included in these financial statements.

<sup>1</sup> See Note 2(y)(vii) *Budget Figures* for more information in relation to the Budget figure.

**Legal Aid Commission (ACT)**  
**Balance Sheet**  
**As at 30 June 2015**

|  | Note<br>No. | Actual<br>2015<br>\$ | Original<br>Budget<br>2015<br>\$ | Actual<br>2014<br>\$ |
|--|-------------|----------------------|----------------------------------|----------------------|
| <b>Current Assets</b>                                      |             |                      |                                  |                      |
| Cash and Cash Equivalents                                  | 19          | 4,973,423            | 3,757,000                        | 4,023,128            |
| Receivables  | 20          | 211,465              | 131,000                          | 216,419              |
| Other Assets   | 21          | 94,327               | 96,000                           | 107,793              |
| <b>Total Current Assets</b>                                |             | <b>5,279,215</b>     | <b>3,984,000</b>                 | <b>4,347,340</b>     |
| <b>Non-Current Assets</b>                                  |             |                      |                                  |                      |
| Property, Plant and Equipment                              | 22          | 2,135,627            | 2,103,000                        | 2,442,600            |
| Intangible Assets  | 23          | 333,193              | 415,000                          | 483,778              |
| <b>Total Non-Current Assets</b>                            |             | <b>2,468,820</b>     | <b>2,518,000</b>                 | <b>2,926,378</b>     |
| <b>Total Assets</b>  |             | <b>7,748,035</b>     | <b>6,502,000</b>                 | <b>7,273,718</b>     |
| <b>Current Liabilities</b>                                 |             |                      |                                  |                      |
| Payables   | 25          | 336,146              | 226,000                          | 348,458              |
| Finance Leases   | 26          | -                    | 17,000                           | 55,668               |
| Lease Incentive Liability                                  | 27          | 89,615               | 90,000                           | 89,615               |
| Employee Benefits  | 28          | 1,433,029            | 1,577,000                        | 1,574,037            |
| Provision for Amounts Owing to Private Legal Practitioners | 29          | 309,507              | 440,000                          | 432,601              |
| Other Liabilities  | 31          | 31,334               | 79,000                           | 30,760               |
| <b>Total Current Liabilities</b>                           |             | <b>2,199,631</b>     | <b>2,429,000</b>                 | <b>2,531,139</b>     |
| <b>Non-Current Liabilities</b>                             |             |                      |                                  |                      |
| Payables <sup>1</sup>                                      | 25          | 698,033              | 695,000                          | 635,251              |
| Finance Leases   | 26          | -                    | 56,000                           | -                    |
| Lease Incentive Liability <sup>1</sup>                     | 27          | 560,092              | 569,000                          | 649,706              |
| Employee Benefits  | 28          | 170,966              | 125,000                          | 152,503              |
| Provision for Make Good <sup>1</sup>                       | 30          | 458,056              | 461,000                          | 490,079              |
| <b>Total Non-Current Liabilities</b>                       |             | <b>1,887,147</b>     | <b>1,906,000</b>                 | <b>1,927,539</b>     |
| <b>Total Liabilities</b>                                   |             | <b>4,086,778</b>     | <b>4,335,000</b>                 | <b>4,458,678</b>     |
| <b>Net Assets</b>  |             | <b>3,661,257</b>     | <b>2,167,000</b>                 | <b>2,815,040</b>     |
| <b>Equity</b>  |             |                      |                                  |                      |
| Accumulated Funds  |             | 3,661,257            | 2,167,000                        | 2,815,040            |
| <b>Total Equity</b>  |             | <b>3,661,257</b>     | <b>2,167,000</b>                 | <b>2,815,040</b>     |

The above Balance Sheet should be read in conjunction with the accompanying notes.

<sup>1</sup> See Note 2(y)(vii) *Budget Figures* for more information in relation to the Budget figure.

**Legal Aid Commission (ACT)  
Statement of Changes in Equity  
For the Year Ended 30 June 2015**

|  | Accumulated<br>Funds<br>Actual<br>2015<br>\$ | Original<br>Budget<br>2015<br>\$ | Accumulated<br>Funds<br>Actual<br>2014<br>\$ |
|--|--|----------------------------------|--|
| <b>Balance at the Beginning of the Reporting Period</b>                | <b>2,815,040</b>                             | <b>2,420,000</b>                 | <b>2,753,559</b>                             |
| <b>Comprehensive Income/(Deficit)</b>                                  |  |                                  |  |
| Operating Surplus/(Deficit)  | 612,217                                      | (487,000)                        | (89,778)                                     |
| <b>Total Comprehensive Income/(Deficit)</b>                            | <b>612,217</b>                               | <b>(487,000)</b>                 | <b>(89,778)</b>                              |
| <b>Transactions Involving Owners Affecting Accumulated Funds</b>       |  |                                  |  |
| Capital Injections   | 234,000                                      | 234,000                          | 151,259                                      |
| <b>Total Transactions Involving Owners Affecting Accumulated Funds</b> | <b>234,000</b>                               | <b>234,000</b>                   | <b>151,259</b>                               |
| <b>Balance at the End of the Reporting Period</b>                      | <b>3,661,257</b>                             | <b>2,167,000</b>                 | <b>2,815,040</b>                             |

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



**Legal Aid Commission (ACT)**  
**Cash Flow Statement**  
**For the Year Ended 30 June 2015**

|   | Note<br>No. | Actual<br>2015<br>\$ | Original<br>Budget<br>2015<br>\$ | Actual<br>2014<br>\$ |
|---|-------------|----------------------|----------------------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>   |             |                      |                                  |                      |
| <b>Receipts</b>   |             |                      |                                  |                      |
| Government Payment for Outputs  |             | 10,731,698           | 9,945,000                        | 12,158,000           |
| User Charges - Non-ACT Government   |             | 275,212              | 381,000                          | 428,746              |
| Grants Received <sup>1</sup>  |             | 1,072,274            | 846,000                          | 1,854,236            |
| Interest Received   |             | 173,490              | 124,000                          | 130,132              |
| Goods and Services Tax Input Tax Credits from the Australian Taxation Office <sup>1</sup> |             | 366,921              | 150,000                          | 651,045              |
| Goods and Services Tax Collected from Customers   |             | 113,144              | -                                | 109,503              |
| Other <sup>1</sup>  |             | 88,110               | -                                | 67,781               |
| <b>Total Receipts from Operating Activities</b>   |             | <b>12,820,849</b>    | <b>11,446,000</b>                | <b>15,399,443</b>    |
| <b>Payments</b>   |             |                      |                                  |                      |
| Employees   |             | (5,604,791)          | (5,187,000)                      | (5,067,361)          |
| Superannuation  |             | (930,247)            | (895,000)                        | (891,250)            |
| Supplies and Services   |             | (4,899,806)          | (5,250,000)                      | (7,782,136)          |
| Goods and Services Tax Paid to Suppliers  |             | (502,761)            | -                                | (760,548)            |
| Borrowing Costs   |             | (1,826)              | -                                | (24,556)             |
| <b>Total Payments from Operating Activities</b>   |             | <b>(11,939,431)</b>  | <b>(11,332,000)</b>              | <b>(14,525,851)</b>  |
| <b>Net Cash Inflows from Operating Activities</b>   | 36          | <b>881,418</b>       | <b>114,000</b>                   | <b>873,592</b>       |
| <b>Cash Flows from Investing Activities</b>   |             |                      |                                  |                      |
| <b>Receipts</b>   |             |                      |                                  |                      |
| Proceeds from Sale of Property, Plant and Equipment                                       |             | 5,051                | -                                | 4,611                |
| <b>Total Receipts from Investing Activities</b>   |             | <b>5,051</b>         | <b>-</b>                         | <b>4,611</b>         |
| <b>Payments</b>   |             |                      |                                  |                      |
| Purchase of Property, Plant and Equipment   |             | (158,299)            | (100,000)                        | (146,981)            |
| <b>Total Payments from Investing Activities</b>   |             | <b>(158,299)</b>     | <b>(100,000)</b>                 | <b>(146,981)</b>     |
| <b>Net Cash (Outflows) from Investing Activities</b>                                      |             | <b>(153,248)</b>     | <b>(100,000)</b>                 | <b>(142,370)</b>     |
| <b>Cash Flows from Financing Activities</b>   |             |                      |                                  |                      |
| <b>Receipts</b>   |             |                      |                                  |                      |
| Capital Injections  |             | 234,000              | 234,000                          | 151,259              |
| <b>Total Receipts from Financing Activities</b>   |             | <b>234,000</b>       | <b>234,000</b>                   | <b>151,259</b>       |
| <b>Payments</b>   |             |                      |                                  |                      |
| Repayment of Finance Lease Liabilities  |             | (11,875)             | -                                | -                    |
| <b>Total Payments from Financing Activities</b>   |             | <b>(11,875)</b>      | <b>-</b>                         | <b>-</b>             |
| <b>Net Cash Inflows from Financing Activities</b>   |             | <b>222,125</b>       | <b>234,000</b>                   | <b>151,259</b>       |
| <b>Net Increase in Cash and Cash Equivalents</b>  |             | <b>950,295</b>       | <b>248,000</b>                   | <b>882,481</b>       |
| Cash and Cash Equivalents at the Beginning of the Reporting Period                        |             | 4,023,128            | 3,509,000                        | 3,140,647            |
| <b>Cash and Cash Equivalents at the End of the Reporting Period</b>                       | 36          | <b>4,973,423</b>     | <b>3,757,000</b>                 | <b>4,023,128</b>     |

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

<sup>1</sup> See Note 2(y)(vii) *Budget Figures* for more information in relation to the Budget figure.

**Legal Aid Commission (ACT)  
Statement of Appropriation  
For the Year Ended 30 June 2015**

|                                | Original<br>Budget<br>2015<br>\$ | Total<br>Appropriated<br>2015<br>\$ | Appropriation<br>Drawn<br>2015<br>\$ | Appropriation<br>Drawn<br>2014<br>\$ |
|--------------------------------|----------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| Government Payment for Outputs | 9,945,000                        | 10,863,000                          | 10,731,698                           | 12,158,000                           |
| Capital Injections             | 234,000                          | 234,000                             | 234,000                              | 151,259                              |
| <b>Total Appropriation</b>     | <b>10,179,000</b>                | <b>11,097,000</b>                   | <b>10,965,698</b>                    | <b>12,309,259</b>                    |

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

**Column Heading Explanations**

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the Statement of Intent. This amount also appears in the Cash Flow Statement of the Commission.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* column is the total amount of appropriations received by the Commission during the year. These amounts appear in the Cash Flow Statement of the Commission.

**Variances between 'Original Budget' and 'Total Appropriated'**

**Government Payment for Outputs**

The difference between the Original Budget and the Total Appropriated is \$918,000. This is due to a Treasurer's Advance (TA) of \$824,000 for the Eastman Litigation and Inquiry. There was also an additional appropriation of \$94,000 for wage increases to be paid to staff under the Commission's new Enterprise Agreement.

**Variances between 'Total Appropriated' and 'Appropriation Drawn'**

**Government Payment for Outputs**

The difference between the Total Appropriated and the Appropriation Drawn is \$131,302. This resulted from the appropriation for the Eastman Litigation not being fully drawn down mainly due to not being required to pay Senior Counsel the total amount estimated in the TA request.

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**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 1. OBJECTIVES OF THE LEGAL AID COMMISSION (ACT)**

**Operations and Principal Activities**

The Legal Aid Commission (ACT) (the Commission), established by the *Legal Aid Act 1977* (the Act), provides a range of legal assistance services in accordance with the Act.

Legal assistance services include legal information and referral, legal advice, minor assistance and advocacy, duty lawyer services, grants of legal assistance (legally assisted cases), the dispute resolution program and community legal education.

The objective of the Commission is to maximise access to justice in the ACT by providing legal assistance services through its staff and through private legal practitioners paid by the Commission. Commission services are available to residents of the ACT and others who are involved in legal transactions or proceedings in the ACT.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies.

The FMA and the *Financial Management Guidelines* issued under the FMA, requires an agency's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) a Statement of Appropriation for the year;
- (vi) an Operating Statement for each class of output for the year;
- (vii) a summary of the significant accounting policies adopted for the year; and
- (viii) such other statements as are necessary to fairly reflect the financial operations of the Commission during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention.

These financial statements are presented in Australian dollars, which is the Commission's functional currency.

The Commission is an individual reporting entity.

**(b) The Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the Commission for the year ending 30 June 2015 together with the financial position of the Commission as at 30 June 2015.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(c) Comparative Figures**

*Budget Figures*

Budget information provided for 2014-15 matches the budget information contained in the Commission's Statement of Intent. The *Financial Management Act 1996* requires the financial statements to facilitate a comparison with the Statement of Intent.

*Prior Year Comparatives*

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements are amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

**(d) Rounding**

All amounts in the financial statements have been rounded to the nearest dollar (\$). Use of "-" represents zero amounts or amounts rounded down to zero.

**(e) Revenue Recognition**

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognised:

*Government Payment for Outputs*

Government Payment for Outputs are recognised as revenues when the Commission gains control over the funding. Control over appropriated funds is normally obtained upon the receipt of cash.

*Assisted Person Contributions*

Assisted person contributions are recognised at the time of granting legal assistance. These contributions can be reassessed at any stage during the grant including upon finalisation.

*Interest*

Interest revenue is recognised using the effective interest method.

*Grant Revenue*

Grant revenue is recognised as revenue when the Commission gains control over the funding. Control over grant revenue is normally obtained on receipt of the funds, or where relevant, when grant milestones have been met.

*Revenue Received in Advance*

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all are recorded as revenue.

**(f) Borrowing Costs**

Borrowing costs are expensed in the period in which they are incurred.

**(g) Waivers of Debt**

Debts that are waived are expensed during the year in which the right to payment was waived.

Further details are disclosed in Note 17: *Waivers, Impairment Losses and Write-offs*.

**(h) Current and Non-Current Items**

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current when they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Commission does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(i) Impairment of Assets**

The Commission assesses at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Impairment losses for property, plant and equipment and intangible assets are recognised in the Operating Statement, as these asset classes are carried at cost and the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's 'fair value less cost of disposal' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the Commission were deprived of it. Non-financial assets, which have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

**(j) Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include short-term investments held in demand deposits.

**(k) Receivables**

Accounts receivable (including trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount recorded in the Operating Statement. Assisted person contributions are levied at the time of granting legal assistance. These contributions can be reassessed at any stage during the grant including upon finalisation. If assisted persons are unable to pay immediately they are given the opportunity to pay by instalments. No interest is charged on outstanding debts.

The allowance for impairment losses represents the amount of assisted person contributions that the Commission estimates will not be repaid. The allowance for impairment losses is based on objective evidence of impairment. The Commission considers the following is objective evidence of impairment:

- becoming aware of financial difficulties of debtors;
- default payments; or
- debts more than 90 days overdue.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses is written-off against the allowance account when the Commission ceases action to collect the debt when it is considered that it will cost more to recover the debt than the debt is worth. This is generally when the debts are greater than one year old from when they were initially recognised and attempts to recover the debts have been unsuccessful.

**(l) Caveats**

The Commission, where appropriate, can secure a debt against an assisted person's real property (land holding), under Section 31A of the *Legal Aid Act 1977*, in circumstances where immediate repayment of the debt would cause severe hardship. See Note 20: *Receivables*.

**(m) Acquisition and Recognition of Property, Plant and Equipment**

Property, plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item).

Where property, plant and equipment is acquired at no or minimal cost, cost is its fair value at the date of acquisition.

Property, plant and equipment with a minimum value of \$2,000 is capitalised.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(n) Measurement of Property, Plant and Equipment after Initial Recognition**

The Commission measures its property, plant and equipment assets subsequent to initial recognition at cost in accordance with Australian Accounting Standard AASB 116: *Property Plant and Equipment*. Cost comprises the purchase price, any directly attributable costs, and the initial estimate of the costs of dismantling and removing the asset and restoring the site in which it is located.

**(o) Intangible Assets**

The Commission's intangible assets are comprised of internally generated and externally acquired software for internal use. Externally acquired software is recognised and capitalised when:

- (a) it is probable that the expected future economic benefits attributable to the software will flow to the Commission;
- (b) the cost of the software can be measured reliably; and
- (c) the acquisition cost is equal to or exceeds \$50,000.

Internally generated software is recognised when it meets the general recognition criteria outlined above and where it also meets the specific recognition criteria relating to intangible assets arising from the development phase of an internal project.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

Intangible assets are measured at cost.

**(p) Depreciation and Amortisation of Non-Current Assets**

Non-current assets with a limited useful life are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as property, plant and equipment.

Leasehold improvements and motor vehicles under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Depreciation and amortisation for non-current assets is determined as follows:

| Class of Asset                      | Depreciation /<br>Amortisation Method | Useful Life<br>(Years) |
|-------------------------------------|---------------------------------------|------------------------|
| Furniture and Fittings <sup>1</sup> | Straight Line                         | 10 to 20               |
| Office and Computer Equipment       | Straight Line                         | 2 to 5                 |
| Software                            | Straight Line                         | 5                      |
| Leasehold Improvements              | Straight Line                         | 12.5                   |
| Motor Vehicles <sup>2</sup>         | Straight Line                         | 2 to 3                 |

The useful lives of all major assets are assessed on an annual basis.

<sup>1</sup>In 2014-15 the Commission purchased an asset with a useful life of 20 years which was included within the furniture and fittings asset class. As such, the useful life of this asset class has been changed from 10 years to a range of 10 to 20 years. This change has not had a financial impact on the Commission.

<sup>2</sup>In the Commission's 2013-14 financial statements this asset class was called 'Motor Vehicles under a Finance Lease'. In the 2014-15 financial statements it is now called 'Motor Vehicles' given the Commission now has Motor Vehicles which are not under a finance lease. For further details see Note 22 *Property, Plant and Equipment*.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(q) Payables**

Payables are a financial liability and are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 15 days after an invoice is received.

Payables include trade payables, other payables, accrued expenses and amounts owing to private legal practitioners.

Trade Payables represent the amounts owing for goods and services received prior to the end of the reporting period, unpaid at the end of the reporting period and relating to the normal operations of the Commission, excluding the amount owing to private legal practitioners. The amount owing to private legal practitioners is disclosed separately.

For a description of Private Legal Practitioner Payables see Note 2(r): *Grants of Legal Assistance*.

Accrued Expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by the end of the reporting period.

Other Payables are those unpaid invoices that do not directly relate to the normal operations of the Commission.

**(r) Grants of Legal Assistance**

In accordance with the *Legal Aid Act 1997* and guidelines made under the Act, the Commission provides Grants of Legal Assistance to eligible applicants. The Grant sets out the types of legal costs and maximum amounts which the Commission may fund in relation to the case. In many cases the amounts included in the Grant are not fully expended due to changes during the course of running the case. Should further costs be required, these must be applied for and approved by the Commission through an Extension to the Grant. Depending on the course of a particular case and circumstances of the assisted person, the Commission may withdraw or modify the Grant, for example, if an improvement in the assisted person's financial positions means that they no longer satisfy the means test.

Under Australian Accounting Standard AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*, the Commission does not recognise a liability or a contingent liability when a client is informed that their legal assistance application has been approved. A liability is only recognised when approved legal services have been provided by private practitioners.

A provision for work performed by private practitioners but not invoiced as at the balance sheet date is recorded by the Commission in a Provision for Amounts Owing to Private Legal Practitioners shown in Note 29. Also see Note 2(y): *Significant Accounting Judgements and Estimates*.

A payable for private legal practitioners is recognised when an invoice is received from a solicitor for performing a legal service for approved clients. Invoices received by the Commission after year end and up to and including 8 July 2015 for legal services provided under these approvals up to 30 June 2015 are reclassified from the Provision for Amounts Owing to Private Legal Practitioners to accrued expenses.

**(s) Leases**

The Commission has entered into finance leases and operating leases.

*Finance Leases*

Finance leases effectively transfer to the Commission substantially all the risks and rewards incidental to ownership of the assets under a finance lease. The title may or may not eventually be transferred. Finance leases are initially recognised as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments each being determined at the inception of the lease. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Assets under a finance lease are depreciated over the shorter of the asset's useful life and the lease term. Assets under a finance lease are depreciated on a straight-line basis. The depreciation is calculated after first deducting any residual values which remain for each leased asset. Each lease payment is allocated between interest expense and reduction of the lease liability. Lease liabilities are classified as current.

*Operating Leases*

Operating leases do not effectively transfer to the Commission substantially all of the risks and rewards incidental to ownership of the asset under an operating lease. Operating lease payments are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease.



**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(s) Leases - Continued**

*Motor Vehicle Leasing Arrangements 2014-15*

Changes were made to the whole-of-government motor vehicle leasing arrangements with SG Fleet as a result of which all such leases were classified as operating leases rather than finance leases from 23 April 2015. The leased vehicles held as Property, Plant and Equipment (under the previous finance lease arrangement with SG Fleet) were derecognised and the associated loss on the derecognition of the leased vehicle assets reflected under Other Expenses (refer to Note 16: *Other Expenses*). The corresponding finance lease liability was also derecognised and the associated gain from the derecognition of the liability reflected under Other Gains (refer to Note 9: *Other Gains*). Accordingly, gross amounts for the loss on the derecognition of the leased vehicles and the gain on the derecognition of the finance lease liability have been reported separately rather than on a net basis, in these financial statements.

**(t) Employee Benefits**

Employee benefits include:

- short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services; and
- other long-term benefits, such as long service leave and annual leave.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

*Wages and Salaries*

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

*Annual and Long Service Leave*

Annual and long service leave, including applicable on-costs, that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments are estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2014-15, the rate used to estimate the present value of future payments is 101.0% (100.9% in 2013-14).

In 2014-15, the rate used to estimate the present value of future payments for long service leave is 104.2% (103.5% in 2013-14).

The long service leave liability is estimated with reference to the minimum period of qualifying service of 7 years. For employees with less than the required minimum period, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities includes an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019. Further information about this estimate is provided in Note 2(y) *Significant Accounting Judgements and Estimates*.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(u) Superannuation**

The Commission receives funding for superannuation payments as part of the Government Payment for Outputs. The Commission then makes payments on a fortnightly basis to the Territory Banking Account to cover the Commission's liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution but does not include the productivity component. The productivity component is paid directly to ComSuper by the Commission. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees of the Commission are based on employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSap) and schemes of employee choice.

Superannuation employer contribution payments, for CSS and PSS, are calculated, by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed nominal CSS or PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date and multiplying it by the employer contribution rate (approximately 3%) for each employee of the Commission. Superannuation payments for the PSSap are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the appropriate employer contribution rate. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

The total Territory superannuation liability for the CSS and PSS, and ComSuper is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account and the external schemes recognise the superannuation liability for the PSSap and other schemes respectively. This superannuation liability is not recognised at individual agency level.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of their ACT Government Service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

**(v) Insurance**

The Commission insures all of its major risks through Allianz Australia Insurance Ltd, Latitude Underwriting Australia and Accident and Health International Underwriting Pty Ltd. The excess payable, under this arrangement, varies depending on each class of insurance held by the Commission. The Territory is ultimately responsible for the payment of any money owing by the Commission for any negligent act or omission by any officer of the Commission during the course of their duties (Section 91 of the *Legal Aid Act 1977*).

**(w) Taxation**

The Commission is exempt from Income Taxation and receives dispensations for Goods and Services Tax and Fringe Benefits Tax under rulings by the Australian Taxation Office granting the Commission Public Benevolent Institution status.

**(x) Budgetary Reporting**

Explanations of major variances between the 2014-15 original budget and the 30 June 2015 actual results are discussed in Note 37 *Budgetary Reporting*. The definition of 'major variances' is provided in Note 2(y) *Significant Accounting Judgements and Estimates – Budgetary Reporting*.

Original budget refers to the original budgeted financial statements presented to the Legislative Assembly in a form that is consistent with the Commission's annual financial statements. The 2014-15 budget numbers have not been audited.

Budgetary reporting is disclosed for the financial statements with the exception of the Statement of Changes in Equity as relevant line items are included in other financial statements.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(y) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Commission has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

(i) *Employee Benefits*: The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2(t) *Employee Benefits*.

(ii) *Allowance for Impairment Losses for Receivables*: The Commission has made a significant estimate in the calculation of the allowance for impairment losses for receivables from assisted person contributions. This significant estimate is based on the Commission's view that receivables are impaired when the debtor is in financial difficulty or default or when the debt is more than 90 days overdue. For further details see Note 2(k): *Receivables*.

(iii) *Provision for Make Good*: The Commission has made a significant estimate in the calculation of the cost of returning the premises occupied by the Commission to a similar condition to that which existed prior to occupancy. For further details see Note 30: *Provision for Make Good*.

(iv) *Provision for Amounts Owing to Private Legal Practitioners*: The Commission has made a significant estimate to calculate the value of work performed by private legal practitioners but not invoiced to the Commission as at the balance sheet date. For all legal expenses in the year, the Commission has recorded the length of time between the practitioner providing the service and receipt of the invoice. The provision is calculated by applying the average length of time to the total value of work performed by private legal practitioners in the financial year. For further details see Note 29: *Provision for Amounts Owing to Private Legal Practitioners*.

(v) *Estimation of the Useful Lives of Property Plant and Equipment (PPE)*: The Commission has made a significant estimate in determining the useful lives of its PPE. The estimation of useful lives of PPE has been based on the historical experience of similar assets. The useful lives are assessed on an annual basis and any adjustments are made when considered necessary.

Further disclosure concerning an asset's useful life can be found at Note 2(p): *Depreciation and Amortisation of Non-Current Assets*.

(vi) *Budgetary Reporting*: Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 37 *Budgetary Reporting*. Variances are considered to be major variances if both of the following criteria are met:

- The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% for the budget for the financial statement line item.

Further information on this is provided in Note 2(x) *Budgetary Reporting*.

(vii) *Budget Figures*: There are some budget figures disclosed on the face of the Operating Statement, Balance Sheet and Cashflow Statement that have been re-presented to enable a comparison between actual figures and budget figures given the more detailed presentation in the financial statements when compared to the Budget Papers. Specifically, on the Operating Statement, 'Other Revenue' of \$996,000 in the Budget Papers has been disclosed as 'Grant Revenue' in the Financial Statements. On the Balance Sheet, 'Other Non-Current Provisions' of \$1,725,000 in the Budget Papers has been split between 'Non-Current Payables, 'Non-Current Lease Incentive Liability' and 'Provision for Make Good' in the Financial Statements. On the Cashflow Statement, 'Other Receipts' of \$996,000 in the Budget Papers has been split between 'Grants Received' and 'GST Input Tax Credits from the ATO' in the Financial Statements.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(z) Impact of Accounting Standards Issued but yet to be Applied**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Commission does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.

- AASB 9 Financial Instruments (December 2014) (application date 1 January 2018);  
This standard supersedes AASB 139 Financial Instruments: Recognition and Measurement. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of the Commission's financial assets. No material financial impact on the Commission is expected.
- AASB 15 Revenue from Contracts with Customers (application date 1 January 2017);  
AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 Construction Contracts and AASB 118 Revenue. The Commission is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue for user charges. At this stage the Commission is not able to estimate the impact of this new standard on its financial statements. The Commission will make a more detailed assessment of the impact over the next 12 months.
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 January 2018);  
This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. No material financial impact on the Commission is expected.
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part C Financial Instruments [AASB 9 (December 2009), 2009-11, AASB 9 (December 2010) & 2010-7] (application date 1 January 2015);  
Part C of this Omnibus standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. No material financial impact on the Commission is expected.
- AASB 2014-1 Amendments to Australian Accounting Standards – Part E Financial Instruments [AASB 1, 3, 4, 5, 7, 9 (December 2009), 9 (December 2010), 101, 102, 108, 112, 118, 120, 121, 132, 136, 137, 139, Interpretation 2, 5, 10, 12, 16, 19, and 107] (application date 1 January 2018);  
Part E of this standard defers the application of AASB 9 to 1 January 2018. No material financial impact on the Commission is expected.
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (application date 1 January 2017);  
This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 15. The Commission is assessing the potential impact of AASB 15.
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) [AASB 1, 2, 3, 4, 5, 7, 13, 101, 102, 108, 110, 112, 120, 121, 123, 128, 132, 133, 136, 137, 139, 1023, 1038, 1049, Interpretation 2, 5, 10, 12, 16, 19 & 127] (application date 1 January 2018);  
This standard makes consequential amendments to a number of standards and interpretations as a result the issuing of AASB 9 (December 2014). No material financial impact on the Commission is expected.
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049] (application date 1 January 2016);  
These amendments relate to disclosure only and while there is a potential decrease in disclosure there is no material financial impact on the Commission.
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality [AASB 6, 10, 11, 12, 107, 108, 110, 111, 117, 123, 127, 128, 129, 133, 141, 1004, 1039, 1053, and 1054] (application date 1 January 2015);  
This standard gives effect to the withdrawal of AASB 1031 Materiality and deletes references to AASB 1031 in the Australian Accounting Standards. There is no material financial impact on the Commission.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(z) Impact of Accounting Standards Issued but yet to be Applied - Continued**

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (application 1 July 2016);

This standard extends the scope of AASB 124 Related Party Transactions to the not-for-profit sector and updates AASB 124 to include implementation guidance (including illustrative examples) to assist not-for-profit entities to apply the new requirements. While there is no material financial impact in implementing this standard there will be increased disclosure required by the Commission.

**NOTE 3. CHANGE IN ACCOUNTING POLICY, ACCOUNTING ESTIMATES, AND CORRECTION OF A PRIOR YEAR ERROR**

**Change in Accounting Estimates**

*Provision for Make Good*

The Provision for Make Good is measured at the present value of the estimated cost of removing the Commission's office fitout (ie the leasehold improvement) at the reporting date. The future value of the payment is estimated using the Consumer Price Index (CPI) and the present value of the future payment is estimated using the government bond rate. The CPI used in the calculation was 1.3% and the bond rate was 2.66% which is an average of the 5 and 10 year bond rates given the Commission will have to make good the leased premises in 7 years. Using these rates has resulted in a decrease to the estimate of the Provision for Make Good and the corresponding leasehold improvement asset in the current reporting period of \$54,206.

**Change in Accounting Policy**

The Commission had no change in Accounting Policy during the reporting period.

**Correction of Prior Period Errors**

The Commission had no correction of prior period errors during the reporting period.

**Legal Aid Commission (ACT)  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2015**

2015      2014  
\$            \$

**NOTE 4. GOVERNMENT PAYMENT FOR OUTPUTS**

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. A component of the GPO is Commonwealth Government funding. Commonwealth funding for the National Partnership Agreement for Legal Assistance Services is paid to the ACT Government who then provide this amount to the Commission as GPO. The ACT Government pays GPO appropriation on a fortnightly basis.

Commonwealth funding is provided for legal assistance services with Commonwealth matters. Part of this funding is for specific purposes including Family Duty Lawyer and Family Dispute Resolution services.

**Revenue from the ACT Government**

|   |                   |                   |
|---|-------------------|-------------------|
| Government Payment for Outputs <sup>1</sup> | 10,731,698        | 12,158,000        |
| <b>Total Government Payment for Outputs</b> | <b>10,731,698</b> | <b>12,158,000</b> |

<sup>1</sup>The decrease in 'Government Payment for Outputs' of \$1,426,302 is mainly due to a lower amount of GPO appropriation being received in 2014-15 than in 2013-14 to cover the additional costs of the Eastman Inquiry and Litigation. Specifically, the Eastman Inquiry and Litigation in 2014-15 did not require as much additional funding as the Eastman Board of Inquiry in 2013-14 due to less junior and senior counsel costs and less Commission staff costs.

**NOTE 5. USER CHARGES - NON-ACT GOVERNMENT**

User charge revenue is derived by providing legal assistance services to the public. User charge revenue is not part of ACT Government appropriation and is paid by users of the legal assistance services. This revenue is driven by consumer demand and is commercial in nature.

Assisted persons who can afford to do so are required to pay a contribution towards the services that they receive. When a service is provided by Commission staff, the initial contribution is payable directly to the Commission. When a service is provided by a Private Legal Practitioner, the initial contribution is payable directly to that practitioner and the same amount is withheld from the first payment made by the Commission to that Practitioner. Recovered Costs arise when the Commission is successful in a matter and the Court orders that the losing party pay costs.

**User Charges - Non-ACT Government**

|  |                |                |
|--|----------------|----------------|
| Assisted Person Contributions and Recovered Costs <sup>1</sup> | 270,089        | 356,720        |
| <b>Total User Charges - Non-ACT Government</b>                 | <b>270,089</b> | <b>356,720</b> |

<sup>1</sup>The decrease in 'Assisted Person Contributions and Recovered Costs' of \$86,631 is mainly due to a reduction in the value of reassessed assisted person contributions. The Commission made a number of one-off large reassessed contributions in 2013-14 in family law cases. No similar large reassessed contributions were able to be made in 2014-15.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

|   | 2015             | 2014             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>NOTE 6. GRANT REVENUE</b>  |                  |                  |
| The Commission receives the majority of its grant revenue from the ACT Law Society. The amount of the grant received from the ACT Law Society is based on interest generated on trust funds which are held in the ACT Law Society Statutory Interest Account. |                  |                  |
| <b>Revenue from ACT Government Entities</b>   |                  |                  |
| Grant from the Community Services Directorate   | -                | 5,000            |
| Grant from the Justice and Community Safety Directorate   | -                | 10,000           |
| <b>Total Grant Revenue from ACT Government Entities</b>   | <u>-</u>         | <u>15,000</u>    |
| <b>Revenue from Non-ACT Government Entities</b>   |                  |                  |
| Grant from the ACT Law Society <sup>1</sup>   | 997,200          | 1,411,543        |
| Grant from the Domestic Violence Crisis Service   | -                | 12,353           |
| Commonwealth Grants   |                  |                  |
| - Family Law Pathways Network in the ACT  | 49,500           | 64,080           |
| - Legal Aid Collaborative Funding Program <sup>2</sup>  | -                | 400,000          |
| - National Disability Insurance Scheme  | 25,000           | -                |
| <b>Total Grant Revenue from Non-ACT Government Entities</b>   | <u>1,071,700</u> | <u>1,887,976</u> |
| <b>Total Grant Revenue</b>  | <u>1,071,700</u> | <u>1,902,976</u> |

<sup>1</sup>The decrease in the 'Grant from the ACT Law Society' of \$414,343 is due to a reduction in the amount of interest earned by the ACT Law Society on their Statutory Interest Account. This resulted in a lower amount of grant funding the Law Society was able to provide to the Commission.

<sup>2</sup>The decrease in the 'Legal Aid Collaborative Funding Program' of \$400,000 is due to the Commonwealth Government ceasing the program at the end of 2013-14 resulting in no funding being provided to the Commission in 2014-15.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

|  | 2015           | 2014           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>NOTE 7. INTEREST</b>  |                |                |
| <b>Revenue from Non-ACT Government Entities</b>                |                |                |
| General Fund Account Interest <sup>1</sup>                     | 173,490        | 88,049         |
| Interest on Demand Deposits <sup>1</sup>                       | -              | 42,083         |
| <b>Total Interest Revenue from Non-ACT Government Entities</b> | <b>173,490</b> | <b>130,132</b> |
| <b>Total Interest Revenue</b>                                  | <b>173,490</b> | <b>130,132</b> |

<sup>1</sup>The increase in 'General Fund Account Interest' of \$85,441 is due to the Commission transferring monies held in demand deposits with the Commonwealth Bank to an operating account with Westpac commencing from October 2013. This transfer coupled with a higher balance in the operating account when compared to 2013-14 resulted in more interest being earned in 2014-15 (albeit at a lower rate of interest) than in 2013-14. Also, there were no amounts held in demand deposits in 2014-15 and as such no interest on demand deposits was earned in that year.

**NOTE 8. OTHER REVENUE**

Other Revenue arises from the core activities of the Commission. Other Revenue is distinct from Other Gains, as Other Gains are items that are not part of the core activities of the Commission.

|   |               |               |
|---|---------------|---------------|
| <b>Revenue from Non-ACT Government Entities</b>             |               |               |
| Contribution to Youth Law Centre                            | 62,094        | 60,860        |
| Rent - Environmental Defender's Office                      | 6,631         | 5,497         |
| Other   | 10,724        | 1,424         |
| <b>Total Other Revenue from Non-ACT Government Entities</b> | <b>79,449</b> | <b>67,781</b> |
| <b>Total Other Revenue</b>                                  | <b>79,449</b> | <b>67,781</b> |

In the 2013-14 financial statements, the Commission recorded the 'Rent - Environmental Defender's Office' line item as 'Other Gains'. In this year's financial statements the Commission has reclassified this amount and the comparative as 'Other Revenue' to better reflect the nature of the revenue.



**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 9. OTHER GAINS**

Other gains are transactions that are not part of the Commission's core activities. Other gains are distinct from other revenue, as other revenue arises from the core activities of the Commission.

|  |               |              |
|--|---------------|--------------|
| Refund of Stamp Duty                               | 8,651         | -            |
| Gain on disposal of Computer Equipment             | -             | 4,203        |
| Gain on disposal of Motor Vehicle                  | 5,051         | -            |
| Gain from Derecognition of Finance Lease Liability | 11,950        | -            |
| <b>Total Other Gains</b>                           | <b>25,652</b> | <b>4,203</b> |

In the 2013-14 financial statements, the Commission recorded the 'Rent - Environmental Defender's Office' line item as 'Other Gains'. In this year's financial statements the Commission has reclassified this amount and the comparative as 'Other Revenue' to better reflect the nature of the revenue.

**NOTE 10. EMPLOYEE EXPENSES**

|   |                  |                  |
|---|------------------|------------------|
| Wages and Salaries <sup>1</sup>         | 5,323,172        | 4,995,009        |
| Annual Leave Expense <sup>2</sup>       | 20,661           | 116,496          |
| Long Service Leave Expense <sup>3</sup> | 43,594           | 149,340          |
| Commissioners' Remuneration             | 23,570           | 23,768           |
| Workers' Compensation Insurance Premium | 71,249           | 47,695           |
| <b>Total Employee Expenses</b>          | <b>5,482,246</b> | <b>5,332,308</b> |

<sup>1</sup>The increase in 'Wages and Salaries' of \$328,163 is mainly due to an increase in Full Time Equivalent (FTE) staff from 59.07 in 2013-14 to 67.02 in 2014-15. The increase in FTE is to provide additional services to the community and to backfill staff on long term leave. In addition, there were two pay increases in 2014-15 which also increased wages and salaries expense.

<sup>2</sup>The decrease in 'Annual Leave Expense' of \$95,835 is mainly due to a number of employees taking a significant amount of annual leave in 2014-15. In addition, a senior staff member commenced with the Commission in 2013-14 resulting in the recognition of a large annual leave balance which transferred with this staff member. A similar transfer did not occur in 2014-15.

<sup>3</sup>The decrease in 'Long Service Leave Expense' of \$105,746 is mainly due to a senior staff member commencing with the Commission in 2013-14 resulting in the recognition of a large long service leave balance which transferred with this staff member. A similar transfer did not occur in 2014-15.

**NOTE 11. SUPERANNUATION EXPENSES**

|   |                |                |
|---|----------------|----------------|
| Superannuation Contributions to the Territory Banking Account | 388,634        | 382,152        |
| Productivity Benefit  | 46,151         | 47,327         |
| Superannuation Payment to ComSuper (for the PSSap)            | 326,786        | 305,411        |
| Superannuation to External Providers                          | 168,676        | 156,360        |
| <b>Total Superannuation Expenses</b>                          | <b>930,247</b> | <b>891,250</b> |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

|   | 2015             | 2014             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>NOTE 12. SUPPLIES AND SERVICES</b>                 |                  |                  |
| Financial and Other Audit Fees                        | 44,664           | 69,824           |
| Referrals to Private Legal Practitioners <sup>1</sup> | 1,951,403        | 2,855,645        |
| Legal Disbursements <sup>2</sup>                      | 862,140          | 2,637,561        |
| Community Legal Education Expenses                    | 362              | 19,558           |
| Transportation  | 17,605           | 24,137           |
| Office Requisitions                                   | 115,661          | 188,175          |
| Postage and Telephone Services                        | 80,807           | 63,693           |
| Office Services                                       | 113,805          | 105,665          |
| Library   | 37,653           | 38,946           |
| Computer Services                                     | 426,954          | 417,319          |
| Contractors and Consultants <sup>3</sup>              | 12,631           | 101,798          |
| Other Services  | 131,842          | 143,211          |
| <b>Total Supplies and Services</b>                    | <b>3,795,527</b> | <b>6,665,532</b> |

<sup>1</sup>The decrease in 'Referrals to Private Legal Practitioners' of \$904,242 is mainly due to savings the Commission has achieved through improved efficiencies in service delivery, in particular, the Commission has undertaken more work in-house. In addition, the variance is also due to a reduction in the 'Provision for Amounts Owing to Private Legal Practitioners' resulting from a lower average value of work performed by Private Legal Practitioners over the preceding 12 months.

<sup>2</sup>The decrease in 'Legal Disbursements' of \$1,775,421 is mainly due to a reduction in costs incurred for senior and junior counsel for the Eastman Inquiry and Litigation in 2014-15 when compared to Senior and Junior Counsel costs incurred in the Eastman Board of Inquiry Hearing which occurred in 2013-14. Senior and junior counsel costs were lower in 2014-15 due to a lower work level resulting from the Inquiry only going for part of the 2014-15 financial year however it went for the entire 2013-14 financial year.

<sup>3</sup>The decrease in 'Contractors and Consultants' of \$89,167 is mainly due to a reduction in financial and accounting consulting services provided to the Commission in 2014-15 with the appointment of a Chief Finance Officer in late 2013-14.

**NOTE 13. DEPRECIATION AND AMORTISATION**

**Depreciation**

|                               |                |                |
|-------------------------------|----------------|----------------|
| Office and Computer Equipment | 76,930         | 82,807         |
| Leasehold Improvements        | 226,234        | 222,237        |
| Motor Vehicles                | 12,674         | 17,291         |
| Furniture and Fittings        | 51,445         | 51,403         |
| <b>Total Depreciation</b>     | <b>367,283</b> | <b>373,738</b> |

**Amortisation**

|  |                |                |
|--|----------------|----------------|
| Intangible Assets                          | 150,585        | 158,956        |
| <b>Total Amortisation</b>                  | <b>150,585</b> | <b>158,956</b> |
| <b>Total Depreciation and Amortisation</b> | <b>517,868</b> | <b>532,694</b> |

In the 2013-14 financial statements the Commission disclosed a 'Motor Vehicles under a Finance Lease' asset class and depreciation was shown in this note for that class. In this year's financial statements, the Commission has changed the name of this asset class to 'Motor Vehicles' as the Commission now also has purchased motor vehicles which are not under a finance lease.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

|                                   | 2015          | 2014          |
|-----------------------------------|---------------|---------------|
|                                   | \$            | \$            |
| <b>NOTE 14. BORROWING COSTS</b>   |               |               |
| Finance Charges on Finance Leases | 1,826         | 3,449         |
| Finance Cost on Make Good         | 22,183        | 21,107        |
| <b>Total Borrowing Costs</b>      | <b>24,009</b> | <b>24,556</b> |

**NOTE 15. LEASE EXPENSES**

In 2009-10, the Commission entered into an agreement to lease office space at 2 Allsop Street, Canberra City ACT. The lease has been calculated on the basis of Australian Accounting Standard AASB 117 *Leases* and Interpretation 115 *Operating Leases - Incentives* and is therefore separately reported in these financial statements. The Lease expense is calculated on a straight-line basis over the lease term including annual increases of 3.7% as provided in the lease agreement. See Note 25: *Payables*.

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Lease Expense - office accommodation | 955,497        | 949,459        |
| <b>Total Lease Expenses</b>          | <b>955,497</b> | <b>949,459</b> |

**NOTE 16. OTHER EXPENSES**

|  |               |                |
|--|---------------|----------------|
| Waivers, Impairment Losses and Write-offs <sup>1</sup> (see Note 17) | 34,467        | 313,791        |
| <b>Total Other Expenses</b>  | <b>34,467</b> | <b>313,791</b> |

<sup>1</sup>See Note 17: *Waivers, Impairment Losses and Write-offs* for the variance explanation.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 17. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS**

A waiver is the relinquishment of a legal claim to a debt. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Commission to recover the amount. The write-off of debts may occur for reasons other than waivers.

The impairment losses and write-offs listed below have occurred during the reporting period for the Commission.

|  | 2015<br>No. | 2014<br>No. |        |         |
|--|-------------|-------------|--------|---------|
| <b>Impairment Losses</b>                                     |             |             |        |         |
| <i>Impairment Loss from Receivables</i>                      |             |             |        |         |
| Assisted Person Contributions and Recovered Costs Receivable | 407         | 300         | 22,527 | 95,951  |
| <i>Total Impairment Loss from Receivables</i>                |             |             | 22,527 | 95,951  |
| <b>Total Impairment Losses</b>                               |             |             | 22,527 | 95,951  |
| <b>Write-offs</b>  |             |             |        |         |
| Derecognition of Capital Works in Progress <sup>1</sup>      | -           | 1           | -      | 217,840 |
| Derecognition of Motor Vehicle under a Finance Lease         | 1           | -           | 11,940 | -       |
| <b>Total Write-offs</b>                                      |             |             | 11,940 | 217,840 |
| <b>Total Impairment Losses and Write-Offs</b>                |             |             | 34,467 | 313,791 |

There were no waivers during the reporting period.

<sup>1</sup>The decrease in the 'Derecognition of Capital Works in Progress' of \$217,840 is due to the write-off of the Legal Aid Management Information Solution (LAMIS). The Commission decided to write-off LAMIS in 2013-14 as it considered that no future economic benefits were expected from its use or disposal, resulting from the lack of tangible outputs the vendor had provided from Stage 1 of the project. No capital works in progress write-offs occurred in 2014-15.

**NOTE 18. AUDITOR'S REMUNERATION**

Auditor's remuneration consists of financial audit services provided to the Commission by the ACT Audit Office.

**Audit Services**

|  |  |        |        |
|--|--|--------|--------|
| Audit Fees Paid or Payable to the ACT Audit Office |  | 44,664 | 43,574 |
| <b>Total Audit Fees</b>                            |  | 44,664 | 43,574 |

No other services were provided by the ACT Audit Office.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 19. CASH AND CASH EQUIVALENTS**

The Commission held one bank account with Westpac throughout the 2014-15 financial year after moving monies held at the Commonwealth Bank to Westpac throughout 2013-14. The operating bank account with Westpac earned a weighted average interest rate of 3.22% in 2014-15 (3.35% in 2013-14).

Funds from the Westpac operating account can be withdrawn upon request.

|  |                  |                  |
|--|------------------|------------------|
| Cash at Bank <sup>1</sup>              | 4,973,083        | 4,022,788        |
| Cash on Hand                           | 340              | 340              |
| <b>Total Cash and Cash Equivalents</b> | <b>4,973,423</b> | <b>4,023,128</b> |

<sup>1</sup>The increase in 'Cash at Bank' of \$950,295 is mainly due to savings the Commission has achieved through improved efficiencies in service delivery including a reduction in overhead costs (for example office requisition costs), disbursements and external legal expenses. In addition, the Commission received cash in 2014-15 for additional salaries for a 27th pay period that will occur in 2015-16.

**NOTE 20. RECEIVABLES**

**Current Receivables**

|   |                |                |
|---|----------------|----------------|
| Assisted Person Contributions and Recovered Costs Receivable <sup>1</sup> | 161,686        | 226,578        |
| Less: Allowance for Impairment Losses <sup>1</sup>                        | (116,723)      | (154,220)      |
|   | 44,963         | 72,358         |
| Net GST Receivable  | 166,247        | 143,551        |
| Other Trade Receivables   | 255            | 510            |
| <b>Total Current Receivables</b>  | <b>211,465</b> | <b>216,419</b> |
| <b>Total Receivables</b>  | <b>211,465</b> | <b>216,419</b> |

All the receivables above are receivables with Non-ACT Government entities.

<sup>1</sup>The decrease in 'Assisted Person Contributions and Recovered Costs Receivable' of \$64,892 is mainly due to a number of large reassessed contributions owing to the Commission at 30 June 2014. There were no similar large reassessed contributions owing at 30 June 2015. The 'Allowance for Impairment Losses' decreased in line with the reduction in 'Assisted Person Contributions and Recovered Costs Receivable'.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 20. RECEIVABLES - CONTINUED**

**Ageing of Receivables**

|  | Past Due             |                               |                        |                                  | Total<br>\$ |
|--|----------------------|-------------------------------|------------------------|----------------------------------|-------------|
|  | Not<br>Overdue<br>\$ | Less<br>than<br>30 Days<br>\$ | 30 to 60<br>Days<br>\$ | Greater<br>than<br>60 Days<br>\$ |             |
| <b>2015</b>                              |                      |                               |                        |                                  |             |
| Not Impaired <sup>1</sup><br>Receivables | 166,502              | 10,160                        | 6,090                  | 28,713                           | 211,465     |
| Impaired <sup>2</sup><br>Receivables     | -                    | -                             | -                      | 116,723                          | 116,723     |
| <b>2014</b>                              |                      |                               |                        |                                  |             |
| Not Impaired <sup>1</sup><br>Receivables | 144,061              | 28,000                        | 24,742                 | 19,616                           | 216,419     |
| Impaired <sup>2</sup><br>Receivables     | -                    | -                             | -                      | 154,220                          | 154,220     |

<sup>1</sup> 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

<sup>2</sup> 'Impaired' refers to all debts impaired in accordance with Note 2(k): *Receivables*.

|   | 2015<br>\$     | 2014<br>\$     |
|---|----------------|----------------|
| <b>Reconciliation of the Allowance for Impairment Losses</b>                |                |                |
| Allowance for Impairment Losses at the Beginning of the Reporting Period    | 154,220        | 88,801         |
| Additional Allowance Recognised During the Reporting Period                 | 21,717         | 95,381         |
| Reduction in Allowance from Amounts Written-off During the Reporting Period | (59,214)       | (29,962)       |
| <b>Allowance for Impairment Losses at the End of the Reporting Period</b>   | <b>116,723</b> | <b>154,220</b> |

**NOTE 21. OTHER ASSETS**

**Current Other Assets**

|                                   |               |                |
|-----------------------------------|---------------|----------------|
| Prepayments                       | 94,327        | 107,793        |
| <b>Total Current Other Assets</b> | <b>94,327</b> | <b>107,793</b> |
| <b>Total Other Assets</b>         | <b>94,327</b> | <b>107,793</b> |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 22. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment includes the following classes of assets - motor vehicles, office and computer equipment, leasehold improvements and furniture and fittings.

*Motor Vehicles* refers to the motor vehicles available to Commission staff for business use. This asset class includes motor vehicles under a finance lease and purchased motor vehicles.

*Office and Computer Equipment* includes desktop personal computers, servers and network equipment, photocopiers, telephones, facsimile machines, printers and portable computing equipment.

*Leasehold Improvements* represents capital expenditure incurred in relation to leased assets. The Commission has an office fit out.

*Furniture and Fittings* includes desks, chairs, workstations and other furniture.

**Motor Vehicles**

|   |               |               |
|---|---------------|---------------|
| Motor Vehicles at Cost                            | 38,204        | 79,046        |
| Less: Accumulated Depreciation                    | (1,144)       | (23,732)      |
| <b>Total Written Down Value of Motor Vehicles</b> | <b>37,060</b> | <b>55,314</b> |

**Office and Computer Equipment**

|  |                |                |
|--|----------------|----------------|
| Office and Computer Equipment at Cost <sup>1</sup>               | 413,924        | 297,137        |
| Less: Accumulated Depreciation                                   | (254,002)      | (177,072)      |
| <b>Total Written Down Value of Office and Computer Equipment</b> | <b>159,922</b> | <b>120,065</b> |

**Leasehold Improvements**

|   |                  |                  |
|---|------------------|------------------|
| Leasehold Improvements at Cost                            | 2,421,478        | 2,421,478        |
| Add: Make Good Provision                                  | 356,698          | 410,904          |
|   | 2,778,176        | 2,832,382        |
| Less: Accumulated Depreciation                            | (1,127,744)      | (901,510)        |
| <b>Total Written Down Value of Leasehold Improvements</b> | <b>1,650,432</b> | <b>1,930,872</b> |

**Furniture and Fittings**

|   |                |                |
|---|----------------|----------------|
| Furniture and Fittings at Cost                            | 517,341        | 514,032        |
| Less: Accumulated Depreciation                            | (229,128)      | (177,683)      |
| <b>Total Written Down Value of Furniture and Fittings</b> | <b>288,213</b> | <b>336,349</b> |

**Total Written Down Value of Property, Plant and Equipment**

**2,135,627      2,442,600**

In the 2013-14 financial statements, the Commission disclosed a 'Motor Vehicles under a Finance Lease' asset class. In this year's financial statements, the Commission has renamed this asset class as 'Motor Vehicles' as it incorporates both motor vehicles under a finance lease and motor vehicles not under a finance lease. Further, as a result of a change in the Whole-of-Government motor vehicle arrangements on 23 April 2015, the motor vehicle finance lease held by the Commission has been reclassified as an operating lease. As such, there are only purchased vehicles included in the 'Motor Vehicle' asset class at the end of 2014-15 and only motor vehicles held under a finance lease included in this asset class at the end of 2013-14.

<sup>1</sup>The increase in 'Office and Computer Equipment at Cost' of \$116,787 is due to purchasing new ICT Hardware (Multi-Functional Devices, Servers and Desktop Computers) in 2014-15.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015  
\$                      2014  
\$

**NOTE 22. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Leasehold Improvement**

The Commission has capitalised the cost of returning the premises to a similar condition to that which existed prior to occupancy. Further information is at Note 30: *Provision for Make Good*.

**Assets under a Finance Lease**

Assets under a finance lease are included in the asset class to which they relate in the disclosure on the previous page. Assets under a finance lease are also required to be separately disclosed as outlined below.

**Carrying Amount of Assets under a Finance Lease**

|   |          |               |
|---|----------|---------------|
| Motor Vehicles under a Finance Lease <sup>1</sup>                                   | -        | 79,046        |
| Less: Accumulated Depreciation of Motor Vehicles under a Finance Lease <sup>1</sup> | -        | (23,732)      |
| <b>Total Written Down Value of Motor Vehicles under a Finance Lease</b>             | <b>-</b> | <b>55,314</b> |
| <b>Total Written Down Value of Assets under a Finance Lease</b>                     | <b>-</b> | <b>55,314</b> |

<sup>1</sup>The decrease in 'Motor Vehicles under a Finance Lease' of \$79,046 and 'Accumulated Depreciation of Motor Vehicles under a Finance Lease' of \$23,732 is due to the Commission having two motor vehicles under a finance lease in 2013-14 and only one in 2014-15. This finance lease was reclassified to an operating lease on 23 April 2015 due to a change in the Whole-of-Government Motor Vehicle leasing arrangements. This resulted in the Commission no longer holding any motor vehicles under a finance lease at the end of 2014-15.

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2014-15.

|   | Leasehold<br>Improvements<br>\$ | Motor<br>Vehicles<br>\$ | Office and<br>Computer<br>Equipment<br>\$ | Furniture and<br>Fittings<br>\$ | Total<br>\$      |
|---|---------------------------------|-------------------------|---|---------------------------------|------------------|
| <b>Carrying Amount at the Beginning of the Reporting Period</b> | 1,930,872                       | 55,314                  | 120,065                                   | 336,348                         | 2,442,600        |
| Additions   | -                               | 50,823                  | 116,787                                   | 3,309                           | 170,919          |
| Disposals   | -                               | (44,463)                | -   | -                               | (44,463)         |
| Depreciation  | (226,234)                       | (12,674)                | (76,930)                                  | (51,445)                        | (367,283)        |
| Other Movements   | (54,206)                        | (11,940)                | -   | -                               | (66,146)         |
| <b>Carrying Amount at the End of the Reporting Period</b>       | <b>1,650,432</b>                | <b>37,060</b>           | <b>159,922</b>                            | <b>288,212</b>                  | <b>2,135,627</b> |

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2013-14.

|   | Leasehold<br>Improvements<br>\$ | Motor<br>Vehicles<br>\$ | Office and<br>Computer<br>Equipment<br>\$ | Furniture and<br>Fittings<br>\$ | Total<br>\$      |
|---|---------------------------------|-------------------------|---|---------------------------------|------------------|
| <b>Carrying Amount at the Beginning of the Reporting Period</b> | 2,098,694                       | 72,605                  | 150,440                                   | 387,751                         | 2,709,490        |
| Additions   | -                               | -                       | 52,840                                    | -                               | 52,840           |
| Disposals   | -                               | -                       | (408)                                     | -                               | (408)            |
| Depreciation  | (222,237)                       | (17,291)                | (82,807)                                  | (51,403)                        | (373,738)        |
| Other Movements <sup>1</sup>                                    | 54,415                          | -                       | -   | -                               | 54,415           |
| <b>Carrying Amount at the End of the Reporting Period</b>       | <b>1,930,872</b>                | <b>55,314</b>           | <b>120,065</b>                            | <b>336,348</b>                  | <b>2,442,600</b> |

<sup>1</sup>In the 2013-14 financial statements the Commission disclosed \$54,415 in the 'Additions' line item in this reconciliation. In this year's financial statements the Commission has disclosed this amount in the 'Other Movements' line item to better reflect the nature of this item, being the increase in the estimated cost of removing the leasehold improvement and restoring the leased building to its original condition.



**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
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2015      2014  
 \$            \$

**NOTE 23. INTANGIBLE ASSETS**

The Commission has internally generated software and externally purchased software. The internally generated software is represented by the software providing online grants management processing (eGrants) and externally purchased software is represented by the financial reporting system, Finance One.

**Computer Software**

*Internally Generated Software*

|  |                |                |
|--|----------------|----------------|
| Computer Software at Cost                  | 673,129        | 673,129        |
| Less: Accumulated Amortisation             | (372,557)      | (238,728)      |
| <b>Total Internally Generated Software</b> | <b>300,572</b> | <b>434,401</b> |

*Externally Purchased Software*

|  |               |               |
|--|---------------|---------------|
| Computer Software at Cost                  | 160,906       | 160,906       |
| Less: Accumulated Amortisation             | (128,285)     | (111,529)     |
| <b>Total Externally Purchased Software</b> | <b>32,621</b> | <b>49,377</b> |

**Total Computer Software**

**333,193      483,778**

**Total Intangible Assets**

**333,193      483,778**

**Reconciliation of Intangible Assets**

The following table shows the movement of each class of Intangible Assets distinguishing between internally generated and externally purchased intangibles during 2014-15.

|   | Internally<br>Generated<br>Software<br>\$ | Externally<br>Purchased<br>Software<br>\$ | Total<br>\$    |
|---|---|---|----------------|
| Carrying Amount at the Beginning of the Reporting Period  | 434,401                                   | 49,377                                    | 483,778        |
| Amortisation  | (133,829)                                 | (16,756)                                  | (150,585)      |
| <b>Carrying Amount at the End of the Reporting Period</b> | <b>300,572</b>                            | <b>32,621</b>                             | <b>333,193</b> |

**Reconciliation of Intangible Assets**

The following table shows the movement of each class of Intangible Assets distinguishing between internally generated and externally purchased intangibles during 2013-14.

|   | Internally<br>Generated<br>Software<br>\$ | Externally<br>Purchased<br>Software<br>\$ | Total<br>\$    |
|---|---|---|----------------|
| Carrying Amount at the Beginning of the Reporting Period  | 430,652                                   | 54,165                                    | 484,817        |
| Additions   | 138,310                                   | 19,607                                    | 157,917        |
| Amortisation  | (134,561)                                 | (24,395)                                  | (158,956)      |
| <b>Carrying Amount at the End of the Reporting Period</b> | <b>434,401</b>                            | <b>49,377</b>                             | <b>483,778</b> |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 24. CAPITAL WORKS IN PROGRESS**

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work or integration with other assets, and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital works in progress are not depreciated as the Commission is not currently deriving any economic benefits from them.

Assets, which are under construction, include software.

|  |          |          |
|--|----------|----------|
| Software Works in Progress             | -        | -        |
| <b>Total Capital Works in Progress</b> | <u>-</u> | <u>-</u> |

**Reconciliation of Capital Works in Progress**

The following table shows the movement of Software Works in Progress during 2013-14 and 2014-15.

|  |          |           |
|--|----------|-----------|
| Carrying Amount at the Beginning of the Reporting Period                 | -        | 281,616   |
| Additions  | -        | 74,534    |
| Capital Works in Progress Completed and Transferred to Intangible Assets | -        | (138,310) |
| Derecognition of Capital Works in Progress                               | -        | (217,840) |
| <b>Carrying Amount at the End of the Reporting Period</b>                | <u>-</u> | <u>-</u>  |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 25. PAYABLES**

Private Legal Practitioner Payables include invoices received from private legal practitioners that were unpaid at 30 June 2015.

The Commission holds an operating lease for its tenancy at 2 Allsop Street, Canberra City. The Deferred Rent Payable represents the difference between the lease expense and the amount due, for the period from the commencement of the lease to the end of the reporting period. See Note 15: *Lease Expenses*.

**Current Payables**

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Trade Payables                      | 19,404         | 17,248         |
| Other Payables                      | 95,290         | 75,070         |
| Private Legal Practitioner Payables | 12,721         | 24,922         |
| Accrued Expenses                    | 208,731        | 231,218        |
| <b>Total Current Payables</b>       | <b>336,146</b> | <b>348,458</b> |

**Non-Current Payables**

|   |                |                |
|---|----------------|----------------|
| Deferred Rent Payable - 2 Allsop Street | 698,033        | 635,251        |
| <b>Total Non-Current Payables</b>       | <b>698,033</b> | <b>635,251</b> |

**Total Payables**

|  |                  |                |
|--|------------------|----------------|
|  | <b>1,034,179</b> | <b>983,709</b> |
|--|------------------|----------------|

In relation to the aging of payables, all payables included above are not overdue.

**Classification of ACT Government/Non-ACT Government Payables**

**Payables with ACT Government Entities**

|  |               |               |
|--|---------------|---------------|
| Accrued Expenses                                   | 44,842        | 43,574        |
| <b>Total Payables with ACT Government Entities</b> | <b>44,842</b> | <b>43,574</b> |

**Payables with Non-ACT Government Entities**

|  |                |                |
|--|----------------|----------------|
| Trade Payables   | 19,404         | 17,248         |
| Other Payables   | 95,290         | 75,070         |
| Private Legal Practitioner Payables                    | 12,721         | 24,922         |
| Accrued Expenses                                       | 163,889        | 187,644        |
| Deferred Rent Payable - 2 Allsop Street                | 698,033        | 635,251        |
| <b>Total Payables with Non-ACT Government Entities</b> | <b>989,337</b> | <b>940,135</b> |

**Total Payables**

|  |                  |                |
|--|------------------|----------------|
|  | <b>1,034,179</b> | <b>983,709</b> |
|--|------------------|----------------|

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 26. FINANCE LEASES**

In 2013-14 the Commission held two finance leases, which had been taken up as a finance lease liability and an asset under a finance lease. These leases were for motor vehicles. The interest rate implicit in these leases varied from 5.29% to 5.32% and the term was for 2 years. At the end of 2014-15 the Commission did not hold any finance leases due to a change in the Whole-of-Government motor vehicle leasing arrangements. This change occurred on 23 April 2015 and resulted in the Commission's finance lease being reclassified as an operating lease and has resulted in the Commission no longer having a finance lease liability.

**Current Finance Leases - Secured Liability**

|  |   |                      |
|--|---|----------------------|
| Motor Vehicle Finance Lease Liability <sup>1</sup> | - | 55,668               |
| <b>Total Current Finance Leases</b>                | - | <u>55,668</u>        |
| <b>Total Finance Leases</b>                        | - | <u><u>55,668</u></u> |

<sup>1</sup>The decrease in 'Motor Vehicle Finance Lease Liability' of \$55,668 is due to the Commission having two motor vehicles under a finance lease in 2013-14 and one in 2014-15. This finance lease was reclassified to an operating lease on 23 April 2015 resulting in the derecognition of the Commission's finance lease liability.

**Secured Liability**

In 2013-14, the Commission's finance lease liability was effectively secured because if the Commission defaulted, the leased assets would have reverted to the lessor.

**Finance Leases**

Finance lease commitments are payable as follows:

|  |   |                      |
|--|---|----------------------|
| Within one year                                      | - | 57,355               |
| Later than one year but not later than five years    | - | -                    |
| Later than five years                                | - | -                    |
| <b>Minimum Lease Payments</b>                        | - | <u>57,355</u>        |
| Less: Future Finance Lease Charges                   | - | (1,687)              |
| <b>Amount Recognised as a Liability</b>              | - | <u>55,668</u>        |
| <b>Total Present Value of Minimum Lease Payments</b> | - | <u><u>55,668</u></u> |

The present value of the minimum lease payments are as follows:

|  |   |                      |
|--|---|----------------------|
| Within one year                                      | - | 55,668               |
| Later than one year but not later than five years    | - | -                    |
| Later than five years                                | - | -                    |
| <b>Total Present Value of Minimum Lease Payments</b> | - | <u><u>55,668</u></u> |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

|   | 2015           | 2014           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>NOTE 27. LEASE INCENTIVE LIABILITY</b>   |                |                |
| The Commission has an agreement to lease the tenancy of 2 Allsop Street, Canberra City which commenced on 1 April 2010. When the Commission entered into this lease, it took advantage of a cash payment in lieu of a rent free period from the landlord. The Commission has recognised the lease incentive based on a proportionate basis of the rent. |                |                |
| Lease Incentive Liability - Current   | 89,615         | 89,615         |
| Lease Incentive Liability - Non Current   | 560,092        | 649,706        |
| <b>Total Lease Incentive Liability</b>  | <b>649,707</b> | <b>739,321</b> |
| <b>The present value of the lease incentive liability is as follows:</b>  |                |                |
| Within one year   | 89,615         | 89,615         |
| Later than one year but not later than five years   | 358,459        | 358,459        |
| Later than five years   | 201,633        | 291,247        |
| <b>Total Present Value of Lease Incentive Liability</b>   | <b>649,707</b> | <b>739,321</b> |

**NOTE 28. EMPLOYEE BENEFITS**

**Current Employee Benefits**

|  |                  |                  |
|--|------------------|------------------|
| Annual Leave   | 541,431          | 562,107          |
| Long Service Leave   | 629,123          | 674,703          |
| Accrued Salaries   | 262,475          | 188,227          |
| Back Payment of Salaries under new Enterprise Agreement <sup>1</sup> | -                | 149,000          |
| <b>Total Current Employee Benefits</b>                               | <b>1,433,029</b> | <b>1,574,037</b> |

**Non-Current Employee Benefits**

|  |                  |                  |
|--|------------------|------------------|
| Long Service Leave                         | 170,966          | 152,503          |
| <b>Total Non-Current Employee Benefits</b> | <b>170,966</b>   | <b>152,503</b>   |
| <b>Total Employee Benefits</b>             | <b>1,603,995</b> | <b>1,726,540</b> |

<sup>1</sup>The decrease in 'Back Payment of Salaries under New Enterprise Agreement' of \$149,000 is due to the Commission accruing staff salaries in 2013-14 which were paid in 2014-15 after the new Enterprise Bargaining Agreement (EBA) was finalised. At the end of 2014-15 there were no backpay amounts owing to Commission staff as part of EBA negotiations.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

|   | 2015             | 2014             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>NOTE 28. EMPLOYEE BENEFITS - CONTINUED</b>           |                  |                  |
| <b>Estimate of When Leave is Payable</b>                |                  |                  |
| <b>Estimated Amount Payable within 12 Months</b>        |                  |                  |
| Annual Leave  | 186,172          | 185,845          |
| Long Service Leave                                      | 53,280           | 38,736           |
| Accrued Salaries  | 262,475          | 188,227          |
| Back Payment of Salaries under new Enterprise Agreement | -                | 149,000          |
| <b>Total Employee Benefits Payable within 12 months</b> | <b>501,927</b>   | <b>561,808</b>   |
| <b>Estimated Amount Payable after 12 Months</b>         |                  |                  |
| Annual Leave  | 355,259          | 376,262          |
| Long Service Leave                                      | 746,809          | 788,470          |
| <b>Total Employee Benefits Payable after 12 Months</b>  | <b>1,102,068</b> | <b>1,164,732</b> |
| <b>Total Employee Benefits</b>                          | <b>1,603,995</b> | <b>1,726,540</b> |

As at 30 June 2015, the Commission employed 67.02 full time equivalent (FTE) staff. There were 59.07 FTE staff as at 30 June 2014.

**NOTE 29. PROVISION FOR AMOUNTS OWING TO PRIVATE LEGAL PRACTITIONERS**

The Provision for Amounts Owing to Private Legal Practitioners is an estimate of the cost of services provided by private legal practitioners, prior to the end of the reporting period, for which the Commission has not been invoiced. The Commission has made a commitment to the private legal practitioners that this work will be paid for on completion. Invoices from private legal practitioners received in the period up to and including 8 July 2015 and relating to work done up to 30 June 2015 are included in accrued expenses in Note 25: *Payables*.

|   |                |                |
|---|----------------|----------------|
| <b>Provision for Amounts Owing to Private Legal Practitioners<sup>1</sup></b> | <b>309,507</b> | <b>432,601</b> |
|---|----------------|----------------|

<sup>1</sup>The decrease in the 'Provision for Amounts Owing to Private Legal Practitioners' of \$123,094 is mainly due to a lower value of work referred to private legal practitioners throughout 2014-15 when compared to 2013-14 resulting from improved efficiencies in service delivery by utilizing Commission staff.

**Reconciliation of the Provision for Amounts Owing to Private Legal Practitioners**

|  |                |                |
|--|----------------|----------------|
| Provision for Amounts Owing to Private Legal Practitioners at the Beginning of the Reporting Period  | 432,601        | 273,617        |
| Add: Amount Transferred to Accrued Expenses in Prior Year  | 48,352         | 167,458        |
| Movement in Provision for the Period   | (143,739)      | 39,878         |
| Reduction in Provision due to Transfer to Accrued Expenses   | (27,707)       | (48,352)       |
| <b>Provision for Amounts Owing to Private Legal Practitioners at the End of the Reporting Period</b> | <b>309,507</b> | <b>432,601</b> |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 30. PROVISION FOR MAKE GOOD**

The Commission has recorded a liability and corresponding asset for the estimated cost of restoring the Commission's leased office space - 2 Allsop Street, Canberra City. Under the terms of the lease, the Commission may be required to restore the premises to a similar condition which existed prior to the occupancy, unless an option to extend the initial term of the lease is exercised. This cost will be borne on exiting the premises. The estimate is based on an independent valuation performed in 2010 by Mark Mikolajczak, Commercial Manager - ISIS Group Australia Pty Ltd.

|   |                       |                       |
|---|-----------------------|-----------------------|
| <b>Provision for Make Good</b>  | <u>458,056</u>        | <u>490,079</u>        |
| <br><b>Reconciliation of the Provision for Make Good</b>                              |                       |                       |
| Provision for Make Good at the Beginning of the Reporting Period                      | 490,079               | 414,556               |
| Increase in Provision due to unwinding of discount                                    | 22,183                | 21,107                |
| (Decrease)/Increase in Provision due to a Change in Accounting Estimates <sup>1</sup> | (54,206)              | 54,416                |
| <b>Provision for Make Good at the End of the Reporting Period</b>                     | <u><b>458,056</b></u> | <u><b>490,079</b></u> |

<sup>1</sup>In the 2013-14 financial statements, the Commission recorded \$54,416 in the reconciliation against the 'Addition in provision recognised' line item. In this year's financial statements the Commission has reclassified this amount against the '(Decrease)/Increase in Provision due to a Change in Accounting Estimates' line item to better reflect the nature of the item.

**NOTE 31. OTHER LIABILITIES**

Revenue Received in Advance for the 2014-15 financial year relates to monies received from the Australian National University for the Youth Law Centre.

|  |                          |                          |
|--|--------------------------|--------------------------|
| <b>Current Other Liabilities</b>       |                          |                          |
| Revenue Received in Advance            | 31,334                   | 30,760                   |
| <b>Total Current Other Liabilities</b> | <u><b>31,334</b></u>     | <u><b>30,760</b></u>     |
| <br><b>Total Other Liabilities</b>     | <br><u><b>31,334</b></u> | <br><u><b>30,760</b></u> |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

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**NOTE 32. FINANCIAL INSTRUMENTS**

Details of significant 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 and financial liability are disclosed in Note 2: *Summary of Significant Accounting Policies*.

**Interest Rate Risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significant portion of financial assets but no financial liabilities are held in floating interest rate arrangements. This means that the Commission is not exposed to movements in interest payable, however, it is exposed to movements in interest receivable. There are no unrecognised financial assets or liabilities.

Interest rate risk for financial assets is managed by the Commission by only holding cash in bank accounts with Australian banks which have been assessed as low risk. Interest rates decreased during the year ended 30 June 2015, however there has been an increase in the amount of interest received due to a higher cash balance in the bank account throughout 2014-15 when compared to 2013-14.

The maximum exposure of the Commission to interest rate risk is the interest received on its Cash and Cash Equivalent holdings. The details of Cash and Cash Equivalents at the end of the reporting period together with the weighted average interest rate paid during the reporting period are given in the tables provided later in this note. There have been no changes in risk exposure or processes for managing risk since last financial reporting period.

*Sensitivity Analysis*

A sensitivity analysis has not been undertaken for the interest rate risk of the Commission as it has been determined that the possible impact on income and expense or total equity from fluctuations in interest rates is immaterial.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's credit risk is limited to the amount of financial assets it holds net of any allowance for impairment. The Commission expects to collect all financial assets that are not past due or impaired.

The Commission minimises concentrations of credit risk in relation to accounts receivable by calculating contributions in accordance with a set means test which takes into account assisted persons' income, assets and liabilities. In matters where the assisted person's financial position changes and the Commission reassesses the contribution to substantial amounts, the Commission may impose a caveat as a security over the assisted person's land holding. The Commission's exposure to credit risk for receivables is disclosed in the tables provided later in this note.

The Commission holds a bank account with Westpac. The Commission considers the risk that this institution will fail to discharge its obligations and cause the Commission to incur a financial loss is negligible.

There have been no changes in credit risk exposure or processes for managing risks since last year.



**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

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**NOTE 32. FINANCIAL INSTRUMENTS - CONTINUED**

**Liquidity Risk**

Liquidity Risk is the risk that the Commission will encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Commission's financial obligations relate to the purchases of supplies and services.

The main sources of cash to pay these obligations are quarterly grant payments received from the ACT Government under the agreement with the Commonwealth; fortnightly payments of appropriation from the ACT Government and two payments from the ACT Law Society from the Statutory Interest Account (generally in the second half of the financial year). The Commission regularly monitors its financial position to determine whether there are any significant variances from the budget which may affect the Commission's ability to meet its emerging financial liabilities. Liquidity risk is managed by forecasting appropriation drawdown requirements to enable payment of anticipated obligations. As such, the Commission ensures it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Commission's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 32. FINANCIAL INSTRUMENTS - CONTINUED**

**Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

|                                    | Carrying<br>Amount<br>2015<br>\$ | Fair Value<br>2015<br>\$ | Carrying<br>Amount<br>2014<br>\$ | Fair Value<br>2014<br>\$ |
|------------------------------------|----------------------------------|--------------------------|----------------------------------|--------------------------|
| <b>Financial Assets</b>            |                                  |                          |                                  |                          |
| Cash and Cash Equivalents          | 4,973,423                        | 4,973,423                | 4,023,128                        | 4,023,128                |
| Receivables <sup>1</sup>           | 45,218                           | 45,218                   | 72,868                           | 72,868                   |
| <b>Total Financial Assets</b>      | <b>5,018,641</b>                 | <b>5,018,641</b>         | <b>4,095,996</b>                 | <b>4,095,996</b>         |
| <b>Financial Liabilities</b>       |                                  |                          |                                  |                          |
| Payables <sup>1</sup>              | 1,034,179                        | 1,034,179                | 983,709                          | 983,709                  |
| Finance Leases                     | -                                | -                        | 55,668                           | 55,668                   |
| <b>Total Financial Liabilities</b> | <b>1,034,179</b>                 | <b>1,034,179</b>         | <b>1,039,377</b>                 | <b>1,039,377</b>         |

<sup>1</sup>In the table above Receivables and Payables exclude Net GST Receivables/Payables.

**Fair Value Hierarchy**

All financial assets and liabilities are measured at amortised cost subsequent to initial recognition and as such no fair value hierarchy disclosures have been made.

**Legal Aid Commission (ACT)  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2015**

**NOTE 32. FINANCIAL INSTRUMENTS - CONTINUED**

The following table sets out the Commission's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2015. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

|   | Note No. | Weighted Average Interest Rate | Fixed Interest Maturing In: |                        |              | Non-Interest Bearing | Total            |
|---|----------|--------------------------------|-----------------------------|------------------------|--------------|----------------------|------------------|
|   |          |                                | 1 Year or Less              | Over 1 Year to 5 Years | Over 5 Years |                      |                  |
|   |          | \$                             | \$                          | \$                     | \$           | \$                   |                  |
| <b>Financial Instruments</b>              |          |                                |                             |                        |              |                      |                  |
| <b>Financial Assets</b>                   |          |                                |                             |                        |              |                      |                  |
| Cash and Cash Equivalents                 | 19       | 3.22%                          | -                           | -                      | -            | 340                  | 4,973,423        |
| Receivables <sup>1</sup>                  | 20       | -                              | -                           | -                      | -            | 45,218               | 45,218           |
| <b>Total Financial Assets</b>             |          |                                | <b>4,973,083</b>            | <b>-</b>               | <b>-</b>     | <b>45,558</b>        | <b>5,018,641</b> |
| <b>Financial Liabilities</b>              |          |                                |                             |                        |              |                      |                  |
| Payables <sup>1</sup>                     | 25       | -                              | -                           | -                      | -            | 1,034,179            | 1,034,179        |
| <b>Total Financial Liabilities</b>        |          |                                | <b>-</b>                    | <b>-</b>               | <b>-</b>     | <b>1,034,179</b>     | <b>1,034,179</b> |
| <b>Net Financial Assets/(Liabilities)</b> |          |                                | <b>4,973,083</b>            | <b>-</b>               | <b>-</b>     | <b>(988,621)</b>     | <b>3,984,462</b> |

<sup>1</sup>In the table above Receivables and Payables exclude Net GST Receivables/Payables.

**Legal Aid Commission (ACT)  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2015**

**NOTE 32. FINANCIAL INSTRUMENTS - CONTINUED**

The following table sets out the Commission's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2014. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

|   | Note No. | Weighted Average Interest Rate | Fixed Interest Maturing In: |                        |              |                      | Total            |
|---|----------|--------------------------------|-----------------------------|------------------------|--------------|----------------------|------------------|
|   |          |                                | 1 Year or Less              | Over 1 Year to 5 Years | Over 5 Years | Non-Interest Bearing |                  |
|   |          | \$                             | \$                          | \$                     | \$           | \$                   |                  |
| <b>Financial Instruments</b>              |          |                                |                             |                        |              |                      |                  |
| <b>Financial Assets</b>                   |          |                                |                             |                        |              |                      |                  |
| Cash and Cash Equivalents                 | 19       | 3.43%                          | 4,022,788                   | -                      | -            | 340                  | 4,023,128        |
| Receivables <sup>1</sup>                  | 20       | -                              | -                           | -                      | -            | 72,868               | 72,868           |
| <b>Total Financial Assets</b>             |          |                                | <b>4,022,788</b>            | <b>-</b>               | <b>-</b>     | <b>73,208</b>        | <b>4,095,996</b> |
| <b>Financial Liabilities</b>              |          |                                |                             |                        |              |                      |                  |
| Payables <sup>1</sup>                     | 25       | -                              | -                           | -                      | -            | 983,709              | 983,709          |
| Finance Leases                            | 26       | 5.31%                          | 57,355                      | -                      | -            | -                    | 57,355           |
| <b>Total Financial Liabilities</b>        |          |                                | <b>57,355</b>               | <b>-</b>               | <b>-</b>     | <b>983,709</b>       | <b>1,041,064</b> |
| <b>Net Financial Assets/(Liabilities)</b> |          |                                | <b>4,022,788</b>            | <b>(57,355)</b>        | <b>-</b>     | <b>(910,501)</b>     | <b>3,054,932</b> |

<sup>1</sup>In the table above Receivables and Payables exclude Net GST Receivables/Payables.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

|  | 2015      | 2014      |
|--|-----------|-----------|
|  | \$        | \$        |
| <b>NOTE 32. FINANCIAL INSTRUMENTS - CONTINUED</b>                                  |           |           |
| <b>Carrying Amount of Each Category of Financial Asset and Financial Liability</b> |           |           |
| <b>Financial Assets</b>  |           |           |
| Loans and Receivables measured at Amortised Cost                                   | 45,218    | 72,868    |
| <b>Financial Liabilities</b>   |           |           |
| Financial Liabilities measured at Amortised Cost                                   | 1,034,179 | 1,039,377 |

The Commission does not have any financial assets in the 'Available for Sale' category or the 'Held to Maturity' category and as such these categories are not included above. Also, the Commission does not have any financial assets or liabilities in the 'Financial Assets/Liabilities at Fair Value through the Profit and Loss' categories and, as such, these categories are not included above.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 33. COMMITMENTS**

**Operating Leases**

The Commission has an operating lease for office accommodation. The lease has defined terms, escalation clauses and renewal rights. There are conditions in the lease that may require the Commission to make-good the site. The Commission negotiated a 12.5 year lease which terminates in September 2022, with an option for a further term of 5 years, which if exercised would enable the Commission to avoid the make-good obligation. See also Note 30: *Provision for Make Good*.

At the end of 2014-15 the Commission held a non-cancellable operating lease for a motor vehicle. The lease was reclassified from a finance lease to an operating lease on 23 April 2015 due to a change in the Whole-of-Government motor vehicle leasing arrangements. The term of the new operating lease is 34 months.

Contingent rental payments have not been included in the commitments below.

Non-cancellable operating lease commitments are payable as follows:

|   |                  |                  |
|---|------------------|------------------|
| Within one year                                   | 1,056,293        | 1,051,046        |
| Later than one year but not later than five years | 4,212,930        | 4,204,185        |
| Later than five years                             | 2,364,854        | 3,415,900        |
| <b>Total Operating Lease Commitments</b>          | <b>7,634,077</b> | <b>8,671,131</b> |

All amounts shown in the Commitments note are inclusive of GST.

**NOTE 34. COMMISSIONERS**

The Commissioners of the Legal Aid Commission (ACT) who held office during the financial year, and their period since appointment were:

|                  |                                       |
|------------------|---------------------------------------|
| Michael Peedom   | 5 years (finished 13 December 2014)   |
| Meredith Whitten | 5 years, 3 months                     |
| Gail Kinsella    | 5 years, 2 months                     |
| Fergus Thomson   | 3 years (finished 17 July 2014)       |
| Walter Hawkins   | 2 years, 11 months                    |
| John Boersig     | 1 year, 7 months                      |
| Amanda Tonkin    | 1 year                                |
| Alison Playford  | 1 year                                |
| Carol Benda      | 11 months (finished 10 October 2014)  |
| Jon Stanhope     | 7 months (commenced 14 December 2014) |

During the year Commissioners were paid amounts totalling \$23,570 (2013-14: \$23,768). The Chief Executive Officer's (CEO) salary is not included in this figure, as the CEO is an executive member of the Board and is not remunerated for involvement on the Board, but instead is remunerated for the day to day running of the Commission.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

2015      2014  
 \$            \$

**NOTE 35. THIRD PARTY MONIES**

The Commission holds money in trust on behalf of clients, whilst awaiting instructions for disbursement of those funds. Section 9(5) of the *Legal Aid Act 1977* states that the provisions of the *Legal Profession Act 2006* concerning keeping and auditing of accounts do not apply in relation to money held by the Commission on trust. Nevertheless, the Commission follows as closely as possible the trust account rules as better practice for the administration of its trust account.

**Third Party Monies held by the Commission**

|   |                |                |
|---|----------------|----------------|
| <b>Balance at the Beginning of the Reporting Period</b> | 135,002        | 290,480        |
| Cash Receipts   | 941,965        | 1,569,638      |
| Cash Payments   | (917,245)      | (1,725,116)    |
| <b>Balance at the End of the Reporting Period</b>       | <b>159,722</b> | <b>135,002</b> |

**NOTE 36. CASH FLOW RECONCILIATION**

**(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet.**

|  |                  |                  |
|--|------------------|------------------|
| Total Cash and Cash Equivalents Recorded in the Balance Sheet  | 4,973,423        | 4,023,128        |
| <b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b> | <b>4,973,423</b> | <b>4,023,128</b> |

**(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Surplus/(Deficit)**

|   |                  |                |
|---|------------------|----------------|
| Operating Surplus / (Deficit)   | 612,217          | (89,778)       |
| <b>Add/(Less) Non-Cash Items</b>  |                  |                |
| Depreciation of Property, Plant and Equipment                                     | 367,283          | 373,738        |
| Amortisation of Intangibles   | 150,585          | 158,956        |
| Derecognition of Capital Works in Progress  | -                | 217,840        |
| Derecognition of Motor Vehicles under a Finance Lease                             | 11,940           | -              |
| Gain from Derecognition of Finance Lease Liability                                | (11,950)         | -              |
| <b>Add/(Less) Items Classified as Investing or Financing</b>                      |                  |                |
| Net (Gain) on Disposal of Non-Current Assets                                      | (5,051)          | (4,202)        |
| <b>Cash Before Changes in Operating Assets and Liabilities</b>                    | <b>1,125,024</b> | <b>656,554</b> |
| <b>Changes in Operating Assets and Liabilities</b>                                |                  |                |
| Decrease in Receivables   | 4,954            | 72,026         |
| Decrease/(Increase) in Other Assets   | 13,466           | (11,795)       |
| Increase/(Decrease) in Payables   | 50,470           | (132,704)      |
| (Decrease) in Finance Leases  | -                | (17,171)       |
| (Decrease)/Increase in Employee Benefits  | (122,545)        | 264,947        |
| Increase in Provision for Make Good   | 22,183           | 21,107         |
| (Decrease) in Lease Incentive   | (89,614)         | (89,615)       |
| (Decrease)/Increase in Provision for Amounts Owing to Private Legal Practitioners | (123,094)        | 158,984        |
| Increase/(Decrease) in Other Liabilities  | 574              | (48,740)       |
| <b>Net Changes in Operating Assets and Liabilities</b>                            | <b>(243,606)</b> | <b>217,039</b> |
| <b>Net Cash Inflows from Operating Activities</b>                                 | <b>881,418</b>   | <b>873,593</b> |

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 37. BUDGETARY REPORTING**

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

- (a) The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

|                                       | Actual<br>2014-15<br>\$ | Original<br>Budget <sup>1</sup><br>2014-15<br>\$ | Variance<br>\$ | Variance<br>% | Variance Explanation   |
|---------------------------------------|-------------------------|--|----------------|---------------|--|
| <b>Operating Statement Line Items</b> |                         |  |                |               |  |
| Supplies and Services                 | 3,795,527               | 4,271,000  | (475,473)      | -11.13%       | Supplies and Services was below the budget amount mainly due to savings the Commission has achieved through improved efficiencies in service delivery. Specifically, lower than budgeted expenditure on briefing counsel on in-house matters, and on external grants of aid for work undertaken by private legal practitioners. These savings were partially offset by Eastman Inquiry and Litigation expenses exceeding the budget.   |
| <b>Balance Sheet Line Items</b>       |                         |  |                |               |  |
| Cash and Cash Equivalents             | 4,973,423               | 3,757,000  | 1,216,423      | 32.38%        | Cash and Cash Equivalents exceeded the budget amount due to savings the Commission has achieved through improved efficiencies in service delivery with lower than budgeted cash outflows on briefing counsel on in-house matters, and on external grants of aid for work undertaken by private legal practitioners. In addition, the opening budgeted cash balance was lower than the actual opening balance (see explanation below for 'Cash and Cash Equivalents at the Beginning of the Reporting Period' in the Cash Flow Line Items). |

<sup>1</sup>Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.



**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 37. BUDGETARY REPORTING - CONTINUED**

|  | Actual<br>2014-15<br>\$ | Original<br>Budget <sup>1</sup><br>2014-15<br>\$ | Variance<br>\$ | Variance<br>% | Variance Explanation  |
|--|-------------------------|--|----------------|---------------|---|
| <b>Balance Sheet Line Items - Continued</b>                |                         |  |                |               |   |
| Intangible Assets  | 333,193                 | 415,000  | (81,807)       | -19.71%       | Intangible Assets were below the budget amount mainly due to the Legal Aid Management Information Solution (LAMIS) being derecognised in June 2014 which was subsequent to the release of the 2014-15 Budget. As such, LAMIS was included in the budget but is not included in the 2014-15 actual figures. The Commission decided to derecognise LAMIS as it considered that no future economic benefits were expected from its use or disposal, resulting from the lack of tangible outputs the vendor had provided from Stage 1 of the project. |
| Current Payables   | 336,146                 | 226,000  | 110,146        | 48.74%        | Payables exceeded the budget amount mainly due to accrued expenses being higher than what was originally estimated in the budget. Specifically, there were a number of large unexpected accrued trade expenses which were not known about at the time of the budget as well as a higher amount of accrued legal expenses at the end of 2014-15 than was estimated in the Budget.  |
| Provision for Amounts Owing to Private Legal Practitioners | 309,507                 | 440,000  | (130,493)      | -29.66%       | The Provision for Amounts Owing to Private Legal Practitioners was below the budget amount due to a lower value of work performed by private legal practitioners throughout 2014-15 than originally estimated in the Budget.  |

**Statement of Changes in Equity Line Items**

These line items are covered in other financial statements.

<sup>1</sup>Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

**Legal Aid Commission (ACT)**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2015**

**NOTE 37. BUDGETARY REPORTING - CONTINUED**

|  | Actual<br>2014-15<br>\$ | Original<br>Budget <sup>1</sup><br>2014-15<br>\$ | Variance<br>\$ | Variance<br>% | Variance Explanation   |
|--|-------------------------|--|----------------|---------------|--|
| <b>Cash Flow Statement Line Items</b>                              |                         |  |                |               |  |
| Cash and Cash Equivalents at the Beginning of the Reporting Period | 4,023,128               | 3,509,000  | 514,128        | 14.65%        | The Cash and Cash Equivalents at the Beginning of the Reporting Period exceeded the budget amount mainly due to administrative efficiencies the Commission was able to make, resulting in employee and legal payments being lower than budget. In addition, the Commission received a capital injection in June 2014 for abnormally high payments of long service leave in 2013-14 due to a number of long term staff leaving the Commission, which was not anticipated as part of the Budget process. |
| Purchase of Property, Plant and Equipment                          | 158,299                 | 100,000  | 58,299         | 58.30%        | The Purchase of Property, Plant and Equipment exceeded the budget amount due to the purchase of a Motor Vehicle and more ICT hardware than was estimated in the Budget.  |
| Proceeds from Sale of Property, Plant and Equipment                | 5,051                   | -  | 5,051          | #             | The Proceeds from Sale of Property, Plant and Equipment exceeded the budget amount due to the fact that the Commission does not budget for the sale of fixed assets given the uncertainty around the timing and amount of these sales.   |
| Repayment of Finance Lease Liabilities                             | 11,875                  | -  | 11,875         | #             | The Repayment of Finance Lease Liabilities exceeded the budget amount due to the fact that the Commission classified the budget amount as an operating activity rather than a financing activity.  |

<sup>1</sup>Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

**Note:** # in the Line Item Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent.

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Contact – Chief Finance Officer – (02) 6243 3445

## CAPITAL WORKS

There were no capital works projects undertaken in the 2014-15 financial year.

*Contact – Chief Finance Officer – (02) 6243 3445*

## ASSET MANAGEMENT

### ASSETS MANAGED

The Commission's property, plant and equipment assets are mainly comprised of an office fit-out at 2 Allsop Street, and furniture and equipment normally associated with a professional office such as computer equipment, desks and chairs. As shown in the Commission's financial statements the value of these assets at 30 June 2015 was \$2,135,627. The Commission also has intangible assets which consist of internally generated software providing online grants management processing (eGrants) valued at \$300,572 and externally purchased software in relation to the financial reporting system, Finance One valued at \$32,621.

The assets added to the Commission's asset register in 2014-15 mainly consisted of office and computer equipment valued at \$116,787.

There was \$23,927 spent on repairs and maintenance, \$22,374 relating to leasehold improvements and \$1,553 relating to office equipment.

### OFFICE ACCOMMODATION

The Commission had up to 95 persons in leased accommodation at 2 Allsop Street, Canberra during 2014-15. These consisted of employees of the Commission, Youth Law Centre ACT, Environmental Defender's Office, university students, student supervisors and volunteers. The total space occupied by these persons is approximately 1,294 m<sup>2</sup>. The average space per person is approximately 13.62 m<sup>2</sup>. This figure includes all areas where administrative functions are performed and excludes interview rooms, family dispute resolution conferencing facilities and circulation areas.

*Contact – Chief Finance Officer – (02) 6243 3445.*

## GOVERNMENT CONTRACTING

The Commission utilises the services of contractors to carry out its business operations. The Commission executed three contracts throughout 2014-15 with non-ACT Government entities with an estimated value of \$25,000 or more per contract. There were NIL Construction contracts entered into during the year, and due to the Commission being a smaller size, there were NIL Social Procurement outcomes.

The table below shows the details of contracts the Commission has executed in 2014-15 with an estimated value of \$25,000 or more.

| Contract # | Contract Title                                      | Procurement Methodology | Procurement Type           | Exemption from Quotation and Tender Threshold requirements | Contractor Name            | Contract Amount   | Execution Date   | Expiry Date | Small to Medium Enterprise (SME) |
|------------|---|-------------------------|----------------------------|--|----------------------------|---|--|-------------|----------------------------------|
| 3010       | Finance Management Software Support and Maintenance | Single Select           | Services (non-consultancy) | Yes  | Technology One Ltd         | \$30,385.94 (Total value of this particular contract only). | 19/01/2015 (Contract Execution date may differ from contract commencement date). | 18/01/2016  | No                               |
| 3011       | Visualfiles Annual Maintenance                      | Single Select           | Services (non-consultancy) | Yes  | Lexis Nexis                | \$37,322.60 (Total value of this particular contract only). | 01/01/2015 (Contract Execution date may differ from contract commencement date). | 31/12/2015  | No                               |
| 3012       | Managed Payroll                                     | Select                  | Services (non-consultancy) | Yes  | Aurion Corporation Pty Ltd | \$345,000 (Total value of this particular contract only).   | 23/01/2015 (Contract Execution date may differ from contract commencement date). | 22/01/2018  | No                               |

Contact – Chief Financial Officer – (02) 62433445



AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY 

## REPORT OF FACTUAL FINDINGS

### LEGAL AID COMMISSION (ACT)

**To the Members of the ACT Legislative Assembly**

#### **Report on the statement of performance**

The statement of performance of the Legal Aid Commission (ACT) (the Commission) for the year ended 30 June 2015 has been reviewed.

#### **Responsibility for the statement of performance**

The Chief Executive Officer is responsible for the preparation and fair presentation of the statement of performance of the Commission in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures used to measure the results of the accountability indicators reported in the statement of performance.

#### **The auditor's responsibility**

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Commission, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets.

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No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

As disclosed in the statement of performance, in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, the Government Payment for Outputs and Total Cost information included in the statement of performance has not been reviewed.

### **Electronic presentation of the statement of performance**

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the statement of performance. If users of the statement of performance are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

### **Independence**

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

### **Review opinion**

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Commission for the year ended 30 June 2015, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



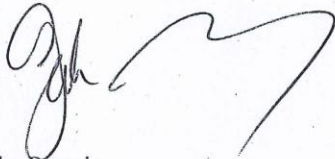
Malcolm Prentice  
Acting Director, Financial Audits  
14 September 2015

**Legal Aid Commission (ACT)  
Statement of Performance  
For the Year Ended 30 June 2015**

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**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the Commission's records and fairly reflects the service performance of the Commission for the year ended 30 June 2015 and also fairly reflects the judgements exercised in preparing it.



John Boersig  
Chief Executive Officer  
Legal Aid Commission (ACT)  
/ s/ August 2015

**Legal Aid Commission (ACT)  
Statement of Performance  
For the Year Ended 30 June 2015**

| Output Class 1 - Legal Aid Services   |                               | Output 1.1 - Legal Aid Services Provided to the Community |           | Actual Result<br>2014-15 | % Variance<br>from Original<br>Target | Explanation of Material Variances  |
|---|-------------------------------|---|-----------|--------------------------|---------------------------------------|--|
| Description   | Original<br>Target<br>2014-15 | Actual<br>Result<br>2014-15                               |           |                          |                                       |  |
| <p>The Commission provides a full range of legal assistance services to the community through Commission staff and private practitioners. This output includes salaries and related costs of Commission staff as well as payments to private practitioners and the cost to the Commission of administering these arrangements. Private practitioners are paid professional fees and disbursements on the basis of agreed scales, up to a commitment level determined by the Commission on an individual case basis.</p> |                               |   |           |                          |                                       |  |
| Total Cost (\$'000)   | 12,060                        | 11,740  | (3%)      |                          |                                       |  |
| Government Payment for Outputs (\$'000)   | 9,945                         | 10,732  | 8%        |                          |                                       | Government Payment for Output exceeded the budget amount due to the Commission receiving additional appropriation of \$693,000 for the Eastman Inquiry and Litigation and \$94,000 for wage increases to be paid to staff under the Commission's new Enterprise Agreement.   |
| <b>Accountability Indicators</b>  |                               |   |           |                          |                                       |  |
| Number of information and referral services provided.   | 60,000                        | 75,127  | 25%       |                          |                                       | The higher than targeted number of information and referral services provided reflects an improved awareness in the community of the availability of legal assistance. This increase can also be attributed to the growth in the number of visits to information pages of the Commission website.  |
| Number of legal advice and minor legal assistance services provided in person.  | 4,700                         | 5,175   | 10%       |                          |                                       | The higher than targeted number of legal advice and minor legal assistance services provided in person is due to an increase for advice required in a number of areas including domestic violence orders and personal protection orders.   |
| Number of advocacy services provided.   | 650                           | 780   | 20%       |                          |                                       | The higher than targeted number of advocacy services provided is attributable to higher demand for these services in civil matters involving mental health and domestic violence orders.   |
| Number of legal information and advice services provided by the Legal Aid Helpline.   | 9,000                         | 14,512  | 61%       |                          |                                       | The higher than targeted number of legal information and advice services provided by the Legal Aid Helpline reflects an increasing demand for this service and additional Helpline resourcing provided by the Commission.  |
| Number of duty lawyer services provided,<br>Number of legally assisted cases.   | 2,580<br>1,960                | 2,685<br>2,167  | 4%<br>11% |                          |                                       | The higher than targeted number of legally assisted cases provided reflects efficiencies in service delivery the Commission has been able to achieve by increasing matters being undertaken by Commission staff in all areas of the practice. This has been achieved by better allocating the case load to lawyers, using paralegal staff for managing more tasks in client work, and by improving listing and case management practices (for example one lawyer per duty list).           |
| Number of dispute resolution conferences held.  | 200                           | 225   | 13%       |                          |                                       | The higher than targeted number of dispute resolution conferences held reflects greater uptake of this service during family law litigation, resulting in faster resolution and lower costs in family law matters.   |
| Number of people attending community legal education sessions.  | 2,000                         | 2,282   | 14%       |                          |                                       | The higher than targeted number of people attending community legal sessions can be attributed to the fact that there was a full time community legal education officer in the 3rd and 4th Quarters of 2014-15. The community education officer's role is to coordinate the delivery of information sessions and outreach events. This includes liaising with stakeholders and attending community events to promote Legal Aid ACT's community legal education program and other services. |
| Number of services provided to Aboriginal and Torres Strait Islander people.  | 1,275                         | 1,486   | 17%       |                          |                                       | The higher than targeted number of Aboriginal and Torres Strait Islander (ATSI) people using Commission services is due to promoting services to the community through clear communication and media strategies, particularly by the ATSI Dispute Resolution officer.  |

The above Statement of Performance should be read in conjunction with the accompanying notes.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Outputs measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*.



Legal Aid Commission (ACT)  
Statement of Performance  
For the Year Ended 30 June 2015

Output Class 1 - Legal Aid Services

Output 1.1- Legal Aid Services Provided to the Community (Continued)

Explanation of Accountability Indicators

*Number of information and referral services provided:* The Commission provides general information to individuals and groups about the law, legal system and availability of legal assistance. Where a person requires specialist legal assistance or help with a non-legal issue, they are referred to an appropriate legal or non-legal service provider. This indicator is measured by counting the number of occasions on which information has been provided, and referrals made to other providers.

*Number of legal advice and minor legal assistance services provided in person:* Free advice and minor assistance about most legal issues that affect people's everyday lives is available by appointment at the Commission's office and outreach services. This indicator is measured by counting the number of occasions on which face to face advice and minor assistance has been provided to clients.

*Number of advocacy services provided:* Advocacy without a grant of assistance is a service classification introduced by the National Partnership Agreement on Legal Assistance Services. These services are provided in cases where people are unable to adequately advocate their own case to a third party and may extend to representation at a court or tribunal.

*Number of legal information and advice services provided by the Legal Aid Helpline:* Free legal information, referral and limited advice is available through the Legal Aid Helpline. This indicator is measured by counting the number of calls handled by the Helpline.

*Number of duty lawyer services provided:* The Commission provides duty lawyer services at courts in the Territory for the purpose of advising and assisting people who are unrepresented. This indicator is measured by counting the number of occasions on which a person has been represented by a duty lawyer.

*Number of legally assisted cases:* Subject to clients satisfying the requirements of the *Legal Aid Act 1977* and the Commission's Guidelines, grants of assistance may be given for legal representation. This indicator is measured by counting the total number of grants approved.

*Number of dispute resolution conferences held:* The Commission provides a lawyer-assisted model of alternative dispute resolution in family law and child protection matters with the objective of settling disputes at an early stage without the need for recourse to the courts.

*Number of people attending community legal education sessions:* The Commission provides community programs of education about the law and legal processes, and the place of these in the structure of society.

*Number of services provided to Aboriginal and Torres Strait Islander people:* This indicator measures progress in encouraging Aboriginal and Torres Strait Islander people to access Commission services.

## LEGISLATION BASED REPORTING

### COMMUNITY ENGAGEMENT AND SUPPORT

In 2014-2015, the Commission's community engagement occurred through the activities of our Community Education and Information Services section, including community legal education.

Following upon consultations undertaken during the previous year the Commission commenced a reinvigorated Outreach program and also combined the use of community legal education and advice services. This new approach, as evidenced in the improvement in the statistical, is showing signs of success. Additionally, at least in part a result of community engagement we have seen increasing numbers of people coming to the office for advice – often as 'walk-in' clients. We also employed a new strategy of entering Memorandums of understanding with partnering with non-legal service providers- in particular we signed agreements with the Migrant and Refugee Settlement Service and Communities@work.

Of particular note is the reestablishment of the community legal education sub-group of the Legal Assistance Forum of the ACT. This group is comprised of Commission and Community Legal Centre staff, who aim to coordinate and cooperate in the provision of education across the ACT.

*Contact - Coordinator of Community Education and Information Services - 6243 3475.*

| Legislation  | Relevant application to the Commission   |
|--|--|
| <p><b><i>Emergencies Act 2004 (Section 85)</i></b></p>                               | <p><b>BUSHFIRE RISK MANAGEMENT</b></p> <p>The Commission is not required to report against this section has no notifications were received from Act Emergency Services Agency nor from the Minister.</p>   |
| <p><b><i>Freedom of Information Act 1989 (FOI Act), sections 7, 8 and 79</i></b></p> | <p><b>FREEDOM OF INFORMATION</b></p> <p><b>Section 7 Statement</b></p> <p>The functions and operations of the Commission are set out earlier in this report in the Organisational Overview. The Commission’s main decision making power is whether to provide legal assistance under Part 5 of the <i>Legal Aid Act 1977</i> (the Act). Rights of reconsideration and review of decisions are set out in Part 6 of the Act.</p> <p>Members of the public may make submissions to the Commission on policy matters in relation to particular services. Submissions should be made in writing to the Chief Executive Officer.</p> <p>Part 11 of the Act enables the Minister to establish a consultative committee to assist the Commission in the exercise of its functions. None were established during the year.</p> <p>Categories of documents that the Commission makes available on request by an applicant, or under the FOI Act, are records and information concerning the affairs of that person (but not information relating to persons other than the applicant). The privacy of information held by the Commission concerning the affairs of people is protected by section 92 of the Act.</p> <p>Documents may be inspected at the Commission’s office which is close to public transport and has wheelchair access.</p> |

| Legislation                                      | Relevant application to the Commission  |
|--|---|
| <p><b><i>Human Rights Act 2004 (HRA)</i></b></p> | <p><b>HUMAN RIGHTS ACT</b></p> <p>One formal education and training session was provided for staff and informal information was disseminated to agency staff on a range of human rights issues. The Commission is in regular contact with the Human Rights advisor on human rights principles.</p> <p>No formal reviews or preparations for reviews of existing legislation for compatibility with the HRA have been undertaken.</p> <p>Several litigation cases involved notification to the Human Rights advisor.</p> |
| <p><b><i>Law Officers Act 2011</i></b></p>       | <p><b>LEGAL SERVICES DIRECTIONS</b></p> <p>The Commission does not perform any Territory legal work, therefore no further disclosures is required.</p>  |

## PUBLIC SECTOR STANDARDS AND WORKFORCE PROFILE

| Legislation  | Relevant application to the Commission  |
|--|---|
| <p><b><i>Public Interest Disclosure Act 2012 (PID Act)</i></b></p> | <p><b>PUBLIC INTEREST DISCLOSURE</b></p> <p>No disclosures were made to the Commission during the reporting period.</p> <p>A pamphlet outlining the Commission's procedures can be accessed at:<br/> <a href="http://www.legalaidact.org.au/pdf/publications_publicdisclosurepamphlet.pdf">http://www.legalaidact.org.au/pdf/publications_publicdisclosurepamphlet.pdf</a>.</p> |

## OTHERS

| Legislation   | Relevant application to the Commission  |
|---|---|
| <p><b><i>Dangerous Substances Act 2004, section 200</i></b></p> <p><b><i>Medicines, Poisons and Therapeutic Goods Act 2008, section 177</i></b></p> | <p><b>NOTICES OF NON COMPLIANCE</b></p> <p>There were NIL notices of noncompliance serviced to the Commission.</p>  |
| <p><b><i>Territory Records Act 2002 (TRA)</i></b></p>   | <p><b>TERRITORY RECORDS ACT</b></p> <p>The administrative records of the Commission are managed by a current Records Management Program approved by the CEO. This program also contains procedures that have been implemented throughout the Commission and where necessary training has been arranged for staff. A copy of the Records Management Program can be made available by contacting our office.</p> <p>The legal services records of the Commission are managed in accordance with section 69B of the <i>Legal Aid Act (1979)</i> (the Act).</p> <p>A list of the approved Records Disposal Schedules is included in the table following.</p> <p>The Commission does not hold any records that would allow people to</p> <p>Access to records in accordance with Part 3 and under section 28 of the <i>Territory Records Act 2002</i> are provided on request where appropriate.</p> |

*The approved Records Disposal Schedules by name and Notifiable Instrument Number*

| <b>Record Disposal Schedule Name</b>  | <b>Effective</b> | <b>Year &amp; No.</b> |
|---|------------------|-----------------------|
| Compensation Records  | 11/04/2012       | NI2012-183            |
| Corporate Governance Records  | 09/01/2009       | NI2009-10             |
| Financial Management Records  | 02/09/2011       | NI2011-482            |
| Government Insurance Services Records   | 11/12/2009       | NI2009-630            |
| Industrial Relations Records  | 08/03/2011       | NI2011-90             |
| Information Management Records  | 08/03/2011       | NI2011-92             |
| Occupational Health & Safety (OH&S) Records   | 11/09/2009       | NI2009-444            |
| Personnel Records   | 7/7/2015         | NI2015-358            |
| Procurement Records   | 09/10/2007       | NI2007-312            |
| Protection of records relevant to the Royal Commission into Institutional Responses to Child Sexual Abuse | 01/02/2013       | NI2013-42             |
| Workplace and Safety Policy Records   | 08/03/2011       | NI2011-96             |

Contact – CEO– (02) 6243 3496

## LIST OF ABBREVIATIONS AND ACRONYMS

All of these are required – RHB to put in

|        |   |
|--------|---|
| ACAT   | ACT Civil and Administrative Tribunal                       |
| ACTELH | ACT Emergency Legal Help                                    |
| ACTLAF | ACT Legal Assistance Forum                                  |
| CEO    | Chief Executive Officer                                     |
| CLE    | Community Legal Education                                   |
| DR     | Dispute Resolution  |
| DCEO   | Deputy Chief Executive Officer                              |
| FDR    | Family Dispute Resolution                                   |
| FLPN   | Family Law Pathways Network                                 |
| FTE    | Full-Time Equivalent  |
| ICT    | Information and Communication Technology                    |
| LAMIS  | Legal Aid Management Information Solution                   |
| NLA    | National Legal Aid  |
| NPA    | National Partnership Agreement                              |
| NPALAS | National Partnership Agreement on Legal Assistance Services |
| PAWG   | Payment Assurance Working Group                             |

## GLOSSARY OF TECHNICAL TERMS

|               |   |
|---------------|---|
| Amicus Curiae | Friend of the Court. Someone who is not a party to a proceeding who, with the approval of a court or tribunal, provides information that bears on the case to assist the court or tribunal. |
|---------------|---|

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