



ANNUAL REPORT 2017-2018

Legal Aid ACT

Promoting a just society in the Australian Capital Territory

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Transmittal Certificate

September 18, 2018

Mr Gordon Ramsay MLA
Attorney General for the ACT
ACT Legislative Assembly
London Circuit
Canberra ACT 2601

Dear Mr Ramsay

This report has been prepared in accordance with section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the 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 information in the attached annual report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the Legal Aid Commission (ACT) has been included for the period 1 July 2017 to 30 June 2018.

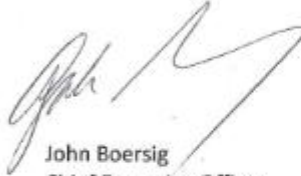
We hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006*, Part 2.3.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely



Jon Stanhope
President
September 18, 2018



John Boersig
Chief Executive Officer
September 18, 2018

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Over the past year I have seen the Commission meet and overcome a range of challenges as it seeks to provide high levels of service to the ACT community. Financial pressure upon the Commission remains a concern and is exacerbated by the growing demand for services – not just in the traditional areas of criminal and family law, but more so in trying to meet civil law needs – these needs are faced by everyone and arise as a necessary part of living in a community.

The statistics set out in the Annual Report are testament to the work of the Commission's staff, and a reflection of the needs of the community for legal assistance. The enormous growth in Helpline calls over the past few years underlines the desire for legal information and advice, as does the increasing demand for duty lawyer services at the courts and tribunals. People would like to know their rights and responsibilities when they make decisions about their life, and the Commission is playing a vital role as a constructive agent of civil society.

Most importantly, the statistics are a manifestation of the everyday problems faced by people as they seek help to find solutions to their problems and to negotiate the complexities of our legal system. Perhaps this is one of the things that the Commission is doing best – identifying and meeting people's needs whilst recognizing that the social and economic reality of the clients often dictates the choices that may be available to them in particular circumstances. Understanding the relationship between law and society is all the more important when providing services to the Aboriginal and Torres Strait Islander and the culturally and linguistically diverse communities, and it heartens me that this has become a key driver of legal aid services.

The Commission is the well-recognized 'heavy lifter' within the justice system as it attempts to meet an exponential demand for services. But it is also adding value to this assistance by better addressing the legal needs of clients in a holistic way. More times than not a legal problem is just one aspect of a person's difficulties.

The Commission is not alone in this responsibility. Of particular note is that the Commission continues to develop referral mechanisms, and form partnerships with the community, service organizations and government agencies. Strengthening these referral pathways is crucial to providing the best services for clients wherever they are caught up in the legal system. Of particularly note in that regard is the wonderful work being done by the Commission's Cultural Liaison Unit and the Family Violence Advocacy Support officer – the linkages they make to non-legal support services make a tangible difference to the outcomes experienced by the Commission's clients in these priority areas.

Associated with this approach is an expanding role in community legal education and outreach. The outreach services at Canberra Hospital, Winnunga Nimmityjah Aboriginal Health Service and the University of Canberra are notable in the way the Commission provides new opportunities for people to receive legal assistance in an outreach environment.

As I look forward to what the forthcoming year might bring it is encouraging to see the Commission's plans continue this good work.

Jon Stanhope

President

THE COMMISSIONERS DURING 2017-2018

JON STANHOPE

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 Labor 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 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.

GAIL KINSELLA

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

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

RICHARD GLENN

Richard Glenn is the Deputy Director-General, Justice of the ACT Justice and Community Safety Directorate, a position he has held since April 2017. Between 2013 and 2017 he served as Deputy Commonwealth Ombudsman. Prior to that appointment Richard held a number of senior executive roles in the Commonwealth Attorney-General's Department in areas including business and information law, copyright, personal property securities reform, native title and national security law. Richard holds a Bachelor of Laws and a Master of Laws from the Australian National University and is admitted as a Barrister and Solicitor of the Supreme Court of the ACT.

GENEVIEVE BOLTON

Genevieve Bolton was appointed as the Commissioner representing the social services sector. She is the Executive Director/Principal Solicitor of the Canberra Community Legal Centre. She has a long history of service to the community and joined Canberra Community Law in 2003. In December 2015, she was awarded the Australian Human Rights Commissions 2015 Law Award for work spanning two decades for those people facing disadvantage through such issues as disability, family violence and mental health. Genevieve was awarded the Order of Australian in 2016. Her main area of legal expertise is in public housing and the welfare system. Originally from Queensland, she hold a degree in law from the Queensland University of Technology.

KYM DUGGAN

Kym Duggan appointed as the Commissioner with special expertise on 20 May 2016. He is a law graduate of the Adelaide University and was admitted to practice as a barrister and solicitor in 1978. He has worked as a lawyer in the Northern Territory, South Australia and in the ACT. He held various positions in the Commonwealth government for over 30 years, including in the Department of the Prime Minister and Cabinet, and spent many years in the Attorney-General's Department where he rose to the position of First Assistant Secretary. His roles within the government included areas such as social security, native title, indigenous justice, legal aid and national security. He currently undertakes a range of consultancies linked to the justice sector at both a commonwealth and state level.

MARCUS HASSALL

Marcus Hassall is a barrister at Henry Parkes Chambers with a diverse practice including criminal law, family law, proceeds of crime, commercial law, administrative law, disciplinary proceedings and other matters. Marcus is a member of the ACT Bar Association's Sub-committees on Criminal Law and Continuing Professional Development. Marcus is also currently a Practice Mentor in Commercial Law with the ANU Legal Workshop Program. Prior to being called to the Bar in 2011 Marcus was a

prosecutor with the Commonwealth Director of Public Prosecutions for 13 years, working in its Sydney, Darwin and Canberra offices. Before that Marcus worked for 2 years as a solicitor with the Canberra Office of the Australian Government Solicitor.

JOHN BOERSIG

John Boersig was appointed as 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 commenced 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 Assistant 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.



Organisation Overview
and Performance

2017-18

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.

The Commission is an independent statutory authority established under the *Legal Aid Act 1977* (the Act) 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 on Legal Assistance Services 2015-2020***, 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 branch of government.

Nature and Scope of Activities

The Commission seeks to improve access by vulnerable and disadvantaged people to the justice system by providing a range of legal services to through in-house legal and paralegal staff and lawyers in private practice.

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.

The services provided by the Commission are wide-ranging and encompass the provision of information and referral, legal advice and legal assistance, advocacy, duty lawyer services, grants of legal assistance, dispute resolution services, Community Legal Education programs and submissions on law reform issues.

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.

Following negotiations between the Territory and Commonwealth Governments a new ***National Partnership Agreement on Legal Assistance Services 2015-2020*** came into force. This NPA has brought a number of changes, and in the light of this agreement the services offered by the Commission are re-described below.

DISCRETE ASSISTANCE

Discrete Assistance is the provision of unbundled, discrete, legal and non-legal services to Service Users.

These intermittent services differ from Representation Services, where a Service Provider takes carriage of a matter in an ongoing, representative capacity.

Discrete Assistance may be provided at any location (for example, in a Service Provider's office or in an outreach location).

They may also be delivered in a range of modes:

-) in person;
-) telephone;
-) letter;
-) email, mail or fax;
-) video conference; or
-) online chat.

Information Services

An Information Service is the provision of information to a Service User in response to an enquiry about:

-) the law, legal systems and processes; or
-) legal and other support services to assist in the resolution of legal and related problems.

The information provided is of general application.

An Information Service involves a direct communication and/or a provision of material by a Service Provider to a Service User. Information Services do not include administrative tasks such as booking appointments for legal advice sessions or information obtained from a Service Provider's website.

Information about the law and the legal system is provided by the Commission 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, 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.

Information is also provided through the Commission's website, by dissemination of written materials about common legal issues to individuals and organisations, and by attendance at information hubs and other public events.

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 an appropriate service is facilitated.

Referral

A Referral is when a Service Provider determines that a Service User can be assisted by another individual or organisation and provides the User with the contact details to that service.

A Referral may be recorded as either a Simple Referral or a Facilitated Referral.

Legal Advice

A Legal Advice Service is the provision of fact-specific legal advice to a Service User in response to a request for assistance to resolve specific legal problems.

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, at specialist legal aid clinics (such as migration, employment, small business), the Youth Law Centre and at outreach services such as the Prisoners Legal Service and at Communities at Work. Legal Advice services are usually limited to half an hour but may be extended for up to two hours at the discretion of the adviser.

Non-Legal Support

A Non-Legal Support Service is provided by an appropriately qualified person (either through an internal or external appointment) to a Service User in response to a request for assistance to resolve specific, non-legal problems. Examples include general counselling, financial counselling, trauma-informed counselling, Aboriginal and Torres Strait Islander community liaison, and mental health assessments and support.

Non-Legal Support Services may be recorded as either a Discrete or an Ongoing Non-Legal Support Service.

Legal Task

A Legal Task is where a Service Provider completes a discrete piece of legal work to assist a Service

User to resolve a problem or a particular stage of a problem. Examples of a Legal Task include:

-) preparation or assistance with the drafting of documents (such as a will);
-) writing a submission letter to the Police to negotiate charges;
-) writing a letter to another party asking them to do something or stop doing something; or
-) advocating on behalf of a Service User without taking ongoing carriage of the matter.

If a Service Provider takes carriage of a matter in an ongoing, representative capacity, including representing a Service User in court or tribunal proceedings, this is no longer a Legal Task but a Representation 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.

Legal advice and minor legal assistance are provided free of charge in relation to a range of legal matters affecting the ordinary citizen, including:

-) criminal and traffic charges;
-) family separation, parenting and property disputes;
-) domestic violence and personal protection;
-) mental health;
-) victims of crime assistance;
-) contract and debt;
-) employment; and
-) administrative decisions.

FACILITATED RESOLUTION PROCESS

Facilitated Resolution Processes include specific processes that are aimed at resolving disputes without going to court. This category is relevant for the process only. The actual representation of a Service User within a Facilitated Resolution Process is defined as a Dispute Resolution Service.

A Facilitated Resolution Process is where a Service Provider conducts an activity (for example a conference) to assist the parties to resolve or narrow issues in dispute. Generally, a facilitated resolution process will involve a screening process and the provision of an independent, suitably qualified professional to facilitate resolution of the issues in dispute.

A Facilitated Resolution Process may be provided:

-) in person at any location; or
-) by telephone or videoconference.

There are a number of Activity Types within this Service Category, including:

-) screening;
-) arbitration;
-) conferences; and
-) mediation.

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.

DUTY LAWYER SERVICES

Duty Lawyer Services are legal services provided by a duty lawyer to a Service User at a court or tribunal.

Duty lawyer services are provided free of charge at courts and tribunals 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 and the ACT Children's Court;
-) domestic violence and personal protection matters at the ACT Magistrates Court; and
-) family law and family violence related matters at the Canberra Registry of the Family Court and Federal Magistrates Court.

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

REPRESENTATION

Representation Services are where a Service Provider takes carriage of a matter in an ongoing, representative capacity.

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 civil law matters.

In determining applications for grants of legal assistance the Commission examines whether the application satisfies the eligibility requirements of the *Legal Aid Act 1977* and guidelines set by the Commission under the Act.

There are three service types within this service category.

Dispute Resolution

This service is the legal representation of a Service User in a Facilitated Resolution Process, or an alternative dispute resolution process. This service type does not include court or tribunal based alternative dispute resolution, which is incorporated in the definition of Court /Tribunal Services.

A Dispute Resolution Service includes preparation for, and representation at, a Facilitated Resolution Process. It also includes the work involved in recording agreement following a Facilitated Resolution Process.

Assistance provided to self-representing parties preparing to attend Facilitated Resolution Processes are categorised as Legal Task or Duty Lawyer Service as relevant.

Court/Tribunal Service

A Court/Tribunal Service relates to any ongoing representation for any matter before a court, tribunal or inquiry where a Service Provider provides legal representation to a Service User and takes carriage of a matter in an ongoing, representative capacity. This includes court or tribunal based alternative dispute resolution.

A Court/Tribunal Service does not include services provided by a duty lawyer or assistance to self-representing parties where a Service Provider does not take carriage of a matter in an ongoing, representative capacity. This type of service is counted as a Legal Task, Legal Advice or Duty Lawyer Service, as appropriate.

Other Representation

Other Representation Services relates to any matter where the Service Provider:

-)] takes carriage of a matter in an ongoing, representative capacity, but due to the nature of the matter it does not proceed to a court, tribunal or inquiry; or
-)] is not required to appear before a court, tribunal or inquiry.

Other Representation Services does not include assistance to self-representing parties where a Service Provider does not take carriage of a matter in an ongoing, representative capacity. This type of service is counted as a Legal Task, Legal Advice or Duty Lawyer Service, as appropriate. Other representation may include advocating on behalf of a person in a matter that does not proceed to a court or tribunal.

COMMUNITY LEGAL EDUCATION

Community Legal Education (CLE) is provided to the general community, community services, community groups, organisations or schools. These services inform and build individual and community resilience by enhancing:

-) awareness and understanding about the law and how to identify, prevent and deal with problems; and
-) awareness of the help available from legal and support services.

Community Legal Education (CLE) is the provision of information and education to members of the community (especially vulnerable and disadvantaged people) on an individual or group basis concerning the law and legal processes and the place of these in the structure of society. The 'community' may be defined geographically, by issue or by need. Effective CLE sets out to ensure that people understand and apply the knowledge in ways that benefit their behaviours, decisions and life outcomes. CLE increases the ability of an individual or community to understand and critically assess the impact of the legal system on them and their ability to deal with and use the law and the legal system.

There are two service types within this service category.

Community Legal Education Resources

CLE Resources involve the development or substantial amendment of publications and resources that provide information about the law and legal system, about legal and support services and guidance for identifying, preventing or dealing with particular legal problems. These resources can be targeted at individuals with the capacity to take significant action to resolve their own legal issues but who need specific legal information. For individuals who are not able to navigate the legal system independently, resources are developed to provide legal information to the community workers assisting them. Lastly, resources provide us with a way to increase the visibility of Legal Aid ACT so that when an individual is in need of assistance they are aware of Legal Aid and the many forms of assistance we can provide.

Examples of CLE Resources include booklets, pamphlets, self-help kits, legal information websites and development of CLE Activities (such as modules, workshops or presentations).

CLE Resources may be developed to be delivered via a variety of media including:

-) printed/hard copy;
-) audio products;
-) DVD/video;

-) web-based; and
-) workshops or presentations.

Community Legal Education Activities

CLE Activities are delivered to raise awareness and educate other service providers, community groups, organisations, schools, or the general community about the law and how to recognise, prevent and deal with legal problems.

CLE Activities may be delivered through a variety of formats, including:

-) workshops, presentations and meetings in person; and
-) web-based and electronic media.

The Commission's CLE programs include training 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 the Commission's premises, CLE sessions are also provided at schools, community centres and community organisations.

STAKEHOLDERS AND PARTNERSHIPS

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.

Community Legal Centres

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, Canberra Community Law 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 collaboration between the agencies to improve the provision of legal advice and assistance to Aboriginal and Torres Strait Islander people in the Canberra region.

Private Legal Profession

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 [1]; and
-) providing other pro bono assistance such as participation in the preparation of publications and other Community Legal Education activities.

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, through a migration and employment law clinics, 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.

¹ Particular support for the YLC is provided by Mr Michael Sassella.

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, Criminal law, Diversity, 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.

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.

The Commission auspices the **Canberra and ACT Regional Family Law Pathways Network (FLPN)** covering 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.

STRUCTURE

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 statutory officeholders appointed by the Board. 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 five functional divisions, each headed by a senior manager. 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

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 functions of the board are to guide 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 1977*.

The board met six times during the year, and attendances were as follows:

Commissioner	No. of meetings attended
Jon Stanhope	6
Walter Hawkins	4
Marcus Hassall	6
Gail Kinsella	5
Richard Glenn	4
Genevieve Bolton	4

Commissioner	No. of meetings attended
Kym Duggan	5
John Boersig	6

MANAGEMENT STRUCTURE

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

Litigation Practice	Deputy CEO – Louise Taylor
General Practice	Heidi Yates Derek Schild
Client Services	Derek Schild Jennifer Crawley
Corporate Services	Sharyn Giles/Brett Monger

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

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

SIGNIFICANT COMMITTEES

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.

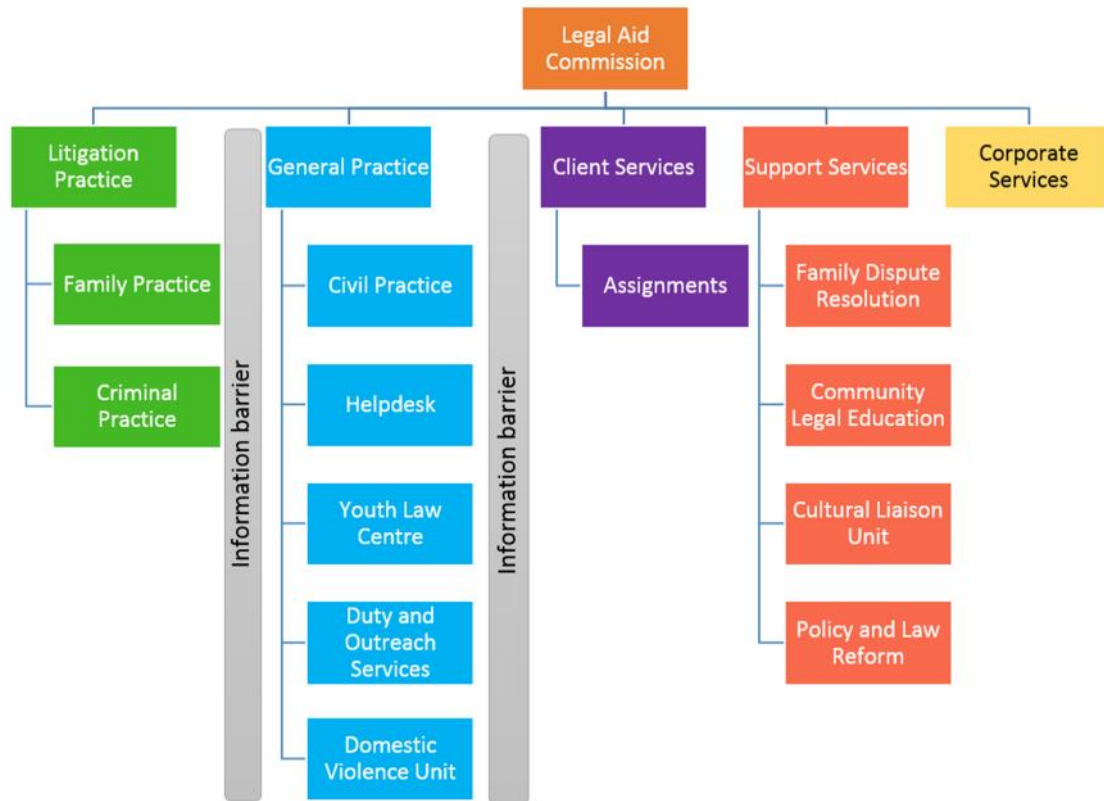
-) The **Community Legal Education (CLE) Program Committee** assists in the planning and delivery of CLE programs. The CLE comprises a cross-section of staff.
-) The **Law Reform Committee** provides focus for the Commission’s law reform activities. The committee comprises the CEO (convenor), the DCEO and the practice heads. Law reform issues are referred to specifically convened sub-committees comprising staff interested in the reform topic.

RECONSIDERATION AND REVIEW OF DECISIONS

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

ORGANISATIONAL STRUCTURE OF LEGAL AID COMMISSION (ACT)



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, the Domestic Violence Unit 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.

Support Services

The Commission's Support Services provide support to lawyers and clients in the areas of: Family Dispute Resolution, Community Legal Education, Cultural Liaison, and Policy and Law Reform.

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

The Commission was operating under its second 5 year strategic plan: *Excellence through Innovation and Collaboration* 2013-2017 until late 2016 when the Board approved the new 3 year Strategic Plan 2017-2020: ***On the Frontline of Legal Services to the Community***^[1] The Plan provides a 'map' for the organisation and allows the Commission to proactively shape and prioritise activities; and its focus is on enhancing 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. New staff performance plans are under development, with the aim of linking individual performance to our operational and strategic plans.

MANAGEMENT CHANGES

There have been no major management changes during the year.

Contact – CEO – (02) 6243 3496

LEGISLATIVE ASSEMBLY INQUIRIES AND REPORTS

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

FUNDING AND PERFORMANCE

The Commission receives funding from the ACT Government, as well as from the Commonwealth Government under the ***National Partnership Agreement on Legal Assistance Services 2015-2020*** (NPALAS). Commonwealth funding under the NPALAS is initially paid to the ACT Government who then provides this amount to the Commission as Controlled Recurrent Payments (CRP). The ACT Government pays Territory CRP appropriation on a fortnightly basis and the Commonwealth funding component quarterly in advance.

¹ The Strategic Plan is available on the Commission's website; www.legalaidact.org.au.

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 in 2017-18 was:

Commonwealth Government NPA Funding	\$4.811m
Direct Commonwealth Government Funding ¹	\$0.705m
ACT Government Funding ²	\$7.802m
Specific ACT Government Funding ³	\$0.060m
Grant from the Statutory Interest Account ⁴	\$0.612m
Other Revenue ⁵	\$0.736m

The Commission’s operating result and cash position has deteriorated in 2017-18. The operating deficit for 2017-18 is \$0.334m compared to an operating deficit of \$0.019m in 2016-17. The cash deficit for 2017-18 is \$0.417m decreasing the year–end cash position from \$4.414m reported at 30 June 2017 to \$3.996 at 30 June 2018. The Commission’s financial position deteriorated mainly due to increased staff for the Eastman Retrial and Related Proceedings, additional initiatives being funded in the Commission and conducting more grants in-house rather than referring them externally.

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

SERVICES TO THE ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITY

The Commission maintains a strong commitment to the Aboriginal and Torres Strait Islander (ATSI) Community within the ACT, and to members of that broader community who come to the ACT. Over the past year 421 ATSI people received a grant of legal assistance, legal advice, or duty lawyer

¹ Specific Commonwealth funding is for Family Advocacy Support Services, Family Law Pathways Network, Online Self Service Portal and Support for people with disability under National Disability Insurance Scheme.

² ACT Government funding includes funding for the Eastman matter and additional base Funding – Better support when it matters.

³ Specific ACT Government funding includes ACT Law Handbook Grant, Care for Your Assets, Ageing and Family Grant, and reimbursement of expenditure related to interpreter services on family and domestic violence matters.

⁴ 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.

⁵ Other revenue includes interest, assisted person contributions, contribution for Youth Law Centre and revenue from the University of Canberra.

services, which represents a significant increase from 286 people receiving these services in 2016-17. The upward trend is a reflection of the dedication and hard work of our Indigenous staff, as well as a heightened awareness of the staff of the importance of tailoring service delivery to the particular needs of ATSI people in the ACT. The Commission recognises that the improvement of services to the ATSI community is an important Territory commitment, as well as a Territory/ Commonwealth priority under the National partnership Agreement.

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 next section an assessment of performance of the Commission's outputs for 2017 - 2018 is undertaken. In the final section the Commission's priorities, future outlook and emerging issues for 2018-19 are discussed.

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. As a result of the 2015 amendments to the *Financial Management Act 1996*, the budget statement of the Legal Aid Commission (ACT) is its Statement of Intent.

In relation to the specific objectives and priorities set out in its 2017-18 **Statement of Intent** the Commission is able to report as follows:

-) Support for victims of family and domestic violence through the provision of legal assistance services.

The Commission provided 3,319 advice and assistance and 982 grants of legal assistance to support victims of family and domestic violence.

-) Improve the provision of legal assistance services to the Aboriginal and Torres Strait Islander communities and other Culturally and Linguistically Diverse communities.

The Commission provided a total of 1,421 services to 465 Aboriginal and Torres Strait Islander clients.*

**includes information, referral, and Community Legal Education*

-) 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.

The Commission delivered CLE to 7,184 people through 315 events.

- J 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.

The Commission received 68,075 website views, dealt with 15,671 Helpline calls and referred 4, 934 people to legal and non-legal services.

- J Promote the early resolution of legal problems through providing legal advice, tasks, non-legal support and dispute resolution services.

The Commission provided a total of 7,463 advice, task, non-legal support and dispute resolution services.

- J Advise and assist people appearing unrepresented before courts and tribunals, particularly those persons experiencing family violence.

The Commission provided 5,572 duty lawyer services.

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

The Commission approved 2,496 of grants of legal assistance.

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. 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.

Early Intervention

Community Legal Education

	2017-2018	2016-2017
No. of CLE sessions	315	253
People attending CLE sessions	7,184	5,126

Publications

	2017-2018	2016-2017
Publications	3,957	5,755

Information and Referral services

	INFORMATION	REFERRAL
2017-2018	87,908	4,934
2016-2017	82,309	5,031

Website Page Views

	2017-2018	2016-2017
Website Page Views	68,075	62,072

Legal Aid Helpline Calls

2017-2018	2016-2017
15,671	15,287

Advice, Task and Non-Legal Support services

		2017-2018		2016-2017	
		No.	%	No.	%
In-house	Criminal	685	9.53%	847	11.30%
	Family	2,111	29.37%	2,253	30.05%
	Civil	2,827	39.33%	3,419	45.60%
	Non-Legal Support	1,481	20.61%	847	11.30%
Total	In-house	7,104	98.85%	7,366	98.24%
Referred	Criminal	5	0.07%	10	0.13%
	Family	34	0.47%	55	0.73%
	Civil	44	0.61%	67	0.89%
Total	Referred	83	1.15%	132	1.76%
Grand Total		7,187	100%	7,498	100%

The 10 most common types of legal matters in which legal advice and tasks services were provided during the year.

	Number of services	% of Total services
Domestic Violence Orders and Personal Protection Order	1,851	25.75%
Employment	407	5.66%
Landlord / Tenant	354	4.93%
Mental Health	271	3.77%
Contact	241	3.35%
Traffic Driving Offences	197	2.74%
Tenant	182	2.53%
Immigration	159	2.21%
Total Advice	7,187	

Duty Lawyer Services

		2017-2018		2016-2017	
		Number of Duties	%	Number of Duties	%
In-house	Criminal	2,300	41.28%	2,042	53.94%
	Family	2,412	43.29%	1,310	34.60%
	Civil	686	12.31%	275	7.26%
Total	In-house	5,398	96.88%	3,627	95.80%
Referred	Criminal	160	2.87%	152	4.01%
	Family	11	0.20%	4	0.11%
	Civil	3	0.05%	3	0.08%
Total	Referred	174	3.12%	159	4.20%
Grand Total		5,572	100%	3,786	100%

Dispute Resolution

	2017-2018	2016-2017
DR Conferences held	276	261
Matters fully settled at conference	72%	72%
Matters partially settled at conference	11%	4%
Matters with a successful outcome	83%	76%

Dispute Resolution (Continued)

Certificates issued	Number of certificates
Certificate A - person did not attend FDR	0
Certificate B - not appropriate to conduct FDR	1
Certificate C - person attended FDR	57
Certificate D - person did not make genuine effort	0
None Issued	218
Total	276

Parties attending Dispute Resolution conferences	2017-2018
Total number of parties	712
Parties on Grants of assistance	434

Grants of Legal Assistance

Applications received

	2017-2018		2016-2017	
	No.	%	No.	%
Criminal	1,568	41.98%	1,494	41.43%
Family	1,700	45.52%	1,707	47.34%
Civil	467	12.50%	405	11.23%
Total	3735	100%	3606	100%

Applications approved

	2017-2018		2016-2017	
	No.	%	No.	%
Criminal	1,156	46.31%	1,140	49.18%
Family	1,147	45.95%	1,036	44.69%
Civil	193	7.73%	142	6.13%
Total	2496	100%	2318	100%

Grants of legal assistance by gender by law type

	Female	Female %	Male	Male %	Other[^]	Other %
Criminal	293	11.74%	854	34.21%	9	0.36%
Family	652	26.12%	352	14.10%	143	5.73%
Civil	109	4.37%	84	3.37%	0	0.00%
Total	1,054	42.23%	1,290	51.68%	152	6.09%

[^] - Includes Independent Children Lawyers (ICL) matters, where we are representing multiple children in one matter.

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

		2017-2018		2016-2017	
		No.	%	No.	%
In-house	Criminal	850	34.05%	836	36.07%
	Family	694	27.80%	444	19.15%
	Civil	151	6.05%	101	4.36%
Total	In-house	1,695	67.91%	1,381	59.58%
Referred	Criminal	306	12.26%	304	13.11%
	Family	453	18.15%	592	25.54%
	Civil	42	1.68%	41	1.77%
Total	Referred	801	32.09%	937	40.42%
Grand Total		2,496	100%	2,318	100%

Applicant profile

	2017-2018	% Total Applicants	2016-2017	% Total Applicants
Females	1,638	43.86%	1,565	43.40%
Aged under 18 years	508	13.60%	424	11.76%
Aged over 65 years	80	2.14%	73	2.02%
Born overseas	589	15.77%	655	18.16%
Required Interpreter	99	2.65%	145	4.02%
ATSI	276	7.39%	276	7.65%

People receiving services as a percentage of population

	2017-2018	2017-2018**	2016-2017	2016-2017*
Grants	2,107	0.51%	1,942	0.48%
Legal Advice	3,995	0.96%	4,278	1.05%
Duty Lawyer	3,574	0.86%	2,560	0.63%
Helpline	15,671	3.77%	15,287	3.76%
Total	25,347	6.09%	24,067	5.92%

* Estimate population of Canberra = 406400. Source: 3101.0 - Australian Demographic Statistics, Dec 2016

** Estimate population of Canberra = 415900. Source: 3101.0 - Australian Demographic Statistics, Dec 2017

Case Workload for 2017-18

		Grants pre-2017-2018 and active through 17-18	Grants pre-2017-2018 and finalised in 17-18	New Grants	Total	Grand Total
In-house	Criminal	223	486	850	1,559	3,155
	Family	238	370	694	1,302	
	Civil	66	77	151	294	
Referred	Criminal	189	189	306	684	2,168
	Family	461	467	453	1,381	
	Civil	41	20	42	103	

Family Violence

Family Violence	Services that has Family Violence indicated	Total Services	Percentage of services that has Family Violence indicated
Advice	1,882	7,187	26.19%
Duty Lawyer	1,437	5,572	25.79%
Grant	982	2,496	39.34%

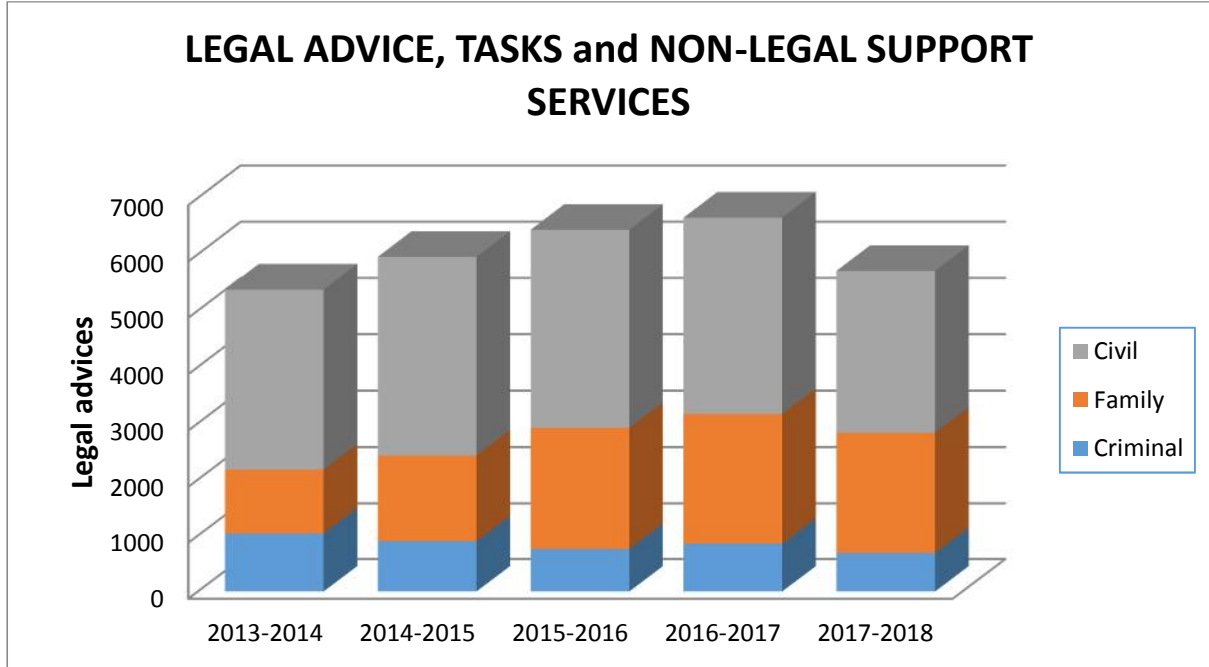
Senior Clients

	Services where client >= 65	Total Services	Percentage of services provided to clients >= 65
Advice	366	7,187	5.09%
Duty Lawyer	203	5,572	3.64%
Grant	40	2,496	1.60%

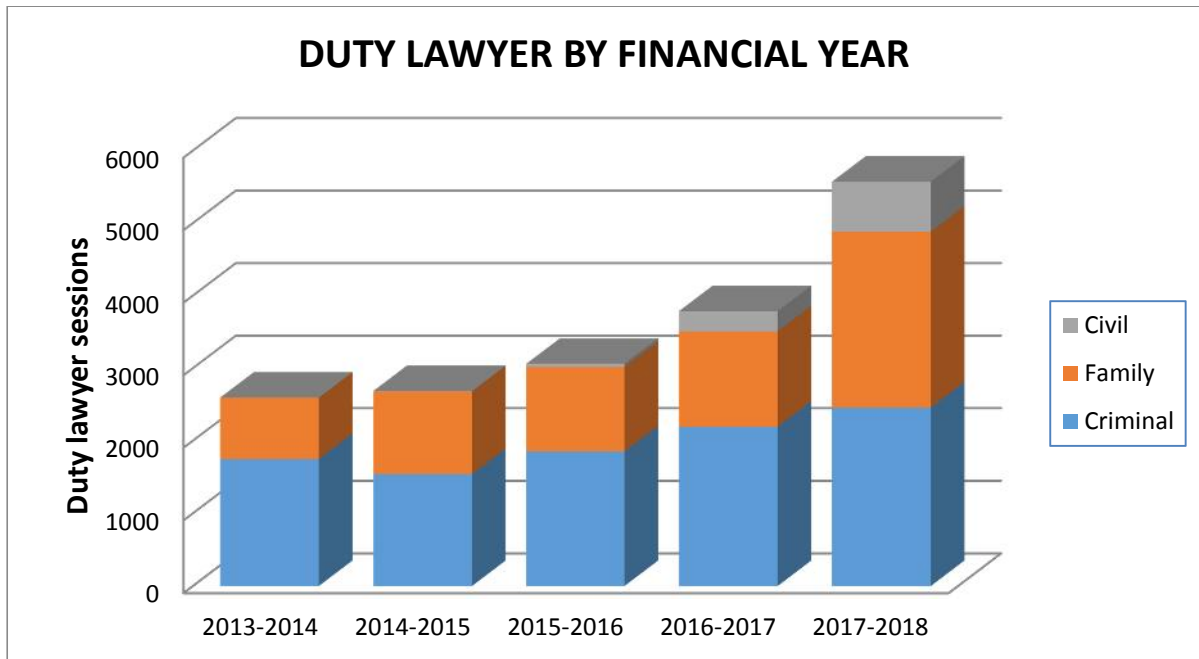
	Services where client >= 65 and Family Violence is indicated	Total Services where Family Violence is indicated	Percentage of services provided to clients >= 65 where Family Violence is indicated
Advice	53	1,882	2.82%
Duty Lawyer	21	1,437	1.46%
Grant	11	982	1.12%

5 year trends

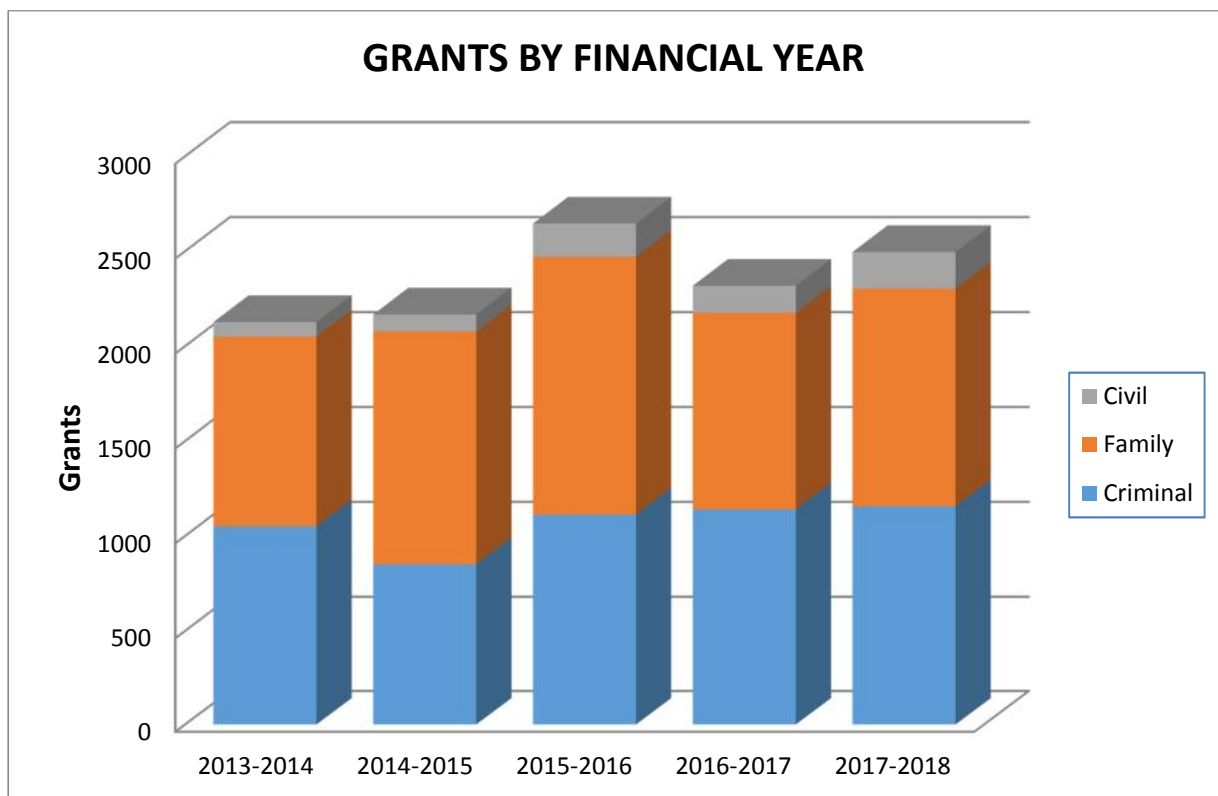
Legal Advice, Tasks and Non-Legal support services



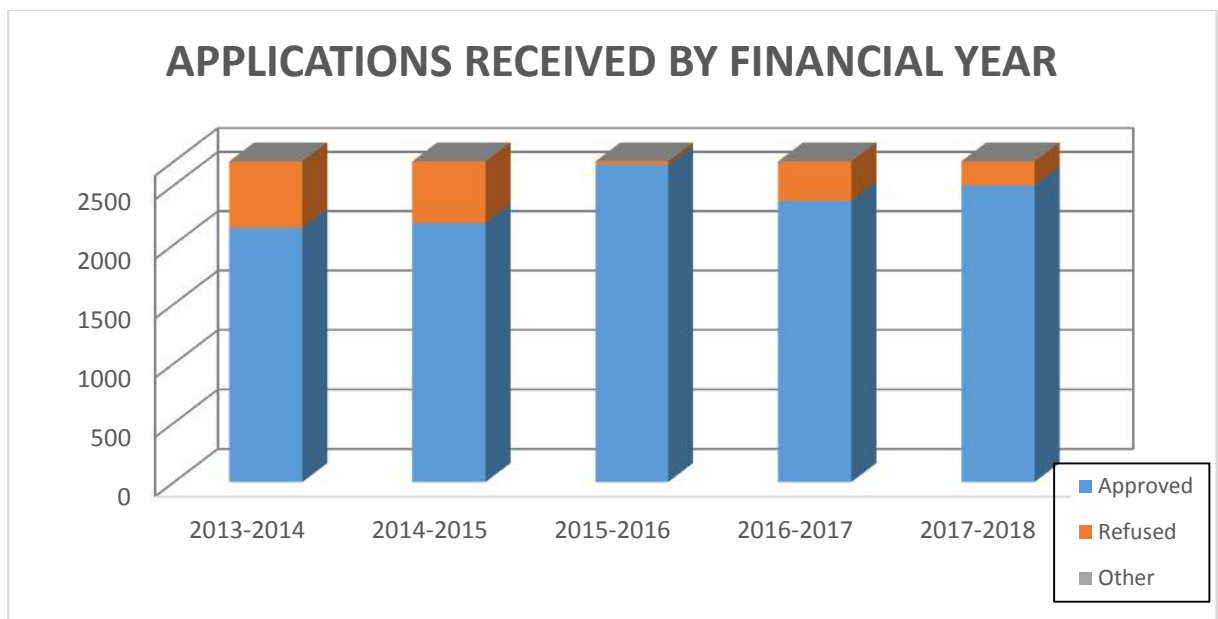
Duty lawyer



Grants



Applications received



Number of services provided to Aboriginal and Torres Strait Islanders

	2017-2018	2016-2017
Grants of Assistance	285	207
Duty Lawyer services	402	222
Information/Referral	35	542
Legal Advice	690	183
Community Legal Education	9	0
Total	1,421	1,154

	2017-2018	2016-2017
Number of Aboriginal and Torres Strait Islanders receiving - Grants, Advice and Duty services [^]	421	286

[^]Does not include Information & Referral services and Community Legal Education sessions provided to Aboriginal and Torres Strait Islander clients.

Domestic Violence Orders and Personal Protection Orders

Domestic Violence Orders	2017-2018	2016-2017
New grants of assistance	153	159
Legal Advice	1,331	1,170
Duty Lawyer	505	261

Personal Protection Orders	2017-2018	2016-2017
New grants of assistance	33	36
Legal Advice	475	457
Duty Lawyer	124	52

Reconsideration and Review requests

Reconsideration	Varied	Confirmed	Pending / Withdrawn	Total	% varied of total by Law Type
Criminal	40	21	1	62	64.52%
Family	81	37	0	118	68.64%
Civil	12	25	0	37	32.43%
Total	133	83	1	217	61.29%

Review	Varied	Confirmed	Pending / Withdrawn	Total	% varied of total by Law Type
Criminal	1	7	0	8	12.50%
Family	3	13	1	17	17.65%
Civil	1	7	0	8	12.50%
Total	5	27	1	33	15.15%

National Partnership Agreement Outcomes

	2017-2018 Targets	2017-2018 Estimated Outcomes	2017-2018 Outcomes	2018-2019 Targets
a. Number of Discrete Assistance services provided ¹	40,000	33,499	34,418	35,000
b. Number of Duty Lawyer services provided ²	3,800	5,112	5,572	5,200
c. Number of Representation services ³	2,550	2,664	2,792	2,700
d. Number of Facilitated Resolution Process provided ⁴	350	404	403	400
e. Number of Community Legal Education services provided ⁵	300	156	327	320

ASSESSMENT OF PERFORMANCE FOR 2017-2018

Under the *National Partnership Agreement on Legal Assistance Services 2015-2020* all legal aid commissions are required to consistently report to government on their activities. We have aligned these reporting requirements to ensure a transparent and accountable explanation of our data is available to both the Territory and Commonwealth Governments.

The Commission now has five key reporting outcomes.

Discrete Assistance

Discrete assistance combines a range of output activities – information, referrals, non-legal support, advices and legal task assistance (but not website page reviews) that were previously counted in other categories. The overall discrete assistance provided declined by 9% whereas, online information provided by the website (68,075 as compared to 62,072 website hits in 2016-17) increased by 10%.

Almost half of the discrete assistance services, 15,671 is delivered through our Helpline telephone services. This service continues an upwards trend, and five years ago in 2013-14 we received 13,356 (is up 17%). Our expectation is that demand will continue to grow.

Duty Lawyer Services

Duty lawyer services are provided at the Magistrates (including both criminal and domestic violence) and Family/Federal courts as well as at ACAT (mostly before the mental health tribunal). At 5,572 we dramatically exceeded our target of 3,800, and this result is 47% more than last year.

Our duty services role is likely to continue to grow, and the commencement of the Family Violence Advocacy Support Services (FASS) at the Federal/Family court in March 2017, which assists families dealing with family violence, is indicative of this trend. Indeed the linkages now being made between our Domestic Violence Unit operating at the Magistrates' Court and the FASS are a crucial development in the Commissions' capacity to assist people in these difficult situations, particularly victims. The DVU has assisted 242 additional victims in the past year and this is an increase of 35% compared to number of victims assisted in the baseline year of 2015-2016.

Representation Services

Representation services include both grants of legal assistance and casework that we previously categorized as 'advocacy'. The number of Representative services increased by 11% (2,792 as against 2,513). The number of grants of legal assistance this year also increased by 8% as against last year (2,496 as against 2,318).

Grants of legal assistance have, until the 2015-16 year had been on a steady decline. The Commission has been able to maintain an increased trend, although not as high as for the previous

year. At 2,496 grants for this year still compares well to the 2016-17 grant number of 2,318, showing that the efficiencies introduced in the past few years have bolstered the Commission's capacity to deliver more grants notwithstanding very strong cost increase headwinds (The funding received from the Statutory Interest Account dropped over 50% in the past 4 years). Current data shows that demand for our services is increasing:

-) Applications for grants of legal assistance increased by 7.68% from 2016-2017.
-) 42% of grants of legal assistance went to women.
-) 67.91% of the grants of legal assistance were provided by the in-house practice.

One of the major drivers of cost to the Commission is for Independent Children's Lawyers which over the past few years has doubled in number - this year we made 184 grants in these matters (up from 152 grants in 2016-17). Another strong driver is family dispute resolution mediation, and the number of conferences held this year (276 conferences) compare favourably to last year (261), and taking into account preceding years (156, 179, 225,261) establishes an upward trend in pre-trial resolution. The current settlement rate is 83%.

Facilitated Resolution Processes

Facilitated Resolution services is a new category that endeavours to capture all the work associated with running family dispute mediations, including intake, screening, and assessment. The 2017-18 target of 350 has been exceeded, with the figure of 403 certainly demonstrating the growth of the work we are seeing generally in family law. Conferencing in complex post-litigation family law matters has increased and overall numbers of conferences and parties involved have increased. We have maintained the target at 350 for 2018-19 in the light of this year's results.

Community Legal Education

Community Legal Education services are now reported by resources published and activities delivered rather than by the number of people who received the services. The Commission provided 327 community legal education sessions and resources in 2017-2018 an increase of 32% from last year; accordingly we have set a realistic target of 320 for next year. We have kept a head count of participants and the figure for 2017-18 is 7,184.

Delivery of Culturally Appropriate Services

Interlaced in the provision of services as assessed through these 5 key outcomes is some further detail about how the Commission meets the needs of the most vulnerable and disadvantaged people in the community. The Commission also maintains a strong commitment to the Aboriginal and Torres Strait Islander community. In the last year services increased (from 1,154 in 2016-17 to 1,421 in 2017-18); the recruitment of a fulltime liaison and support officer in February 2017 boosted the number of people assisted (we have also supported a 12 month traineeship position). This evidences the important work that non-legal support staff play in the overall delivery of services. This point is also well made, and we have seen significant growth, in services to the CALD community over the past 12

months; we have provided services to 440 members of the CALD community over the past year. The added value of these services is the enhancement of our staff capacity to positively develop and provide culturally appropriate services within a mainstream organization.

Overall, significant growth in service delivery has been achieved. The Commission continues to provide the ACT community with high quality services, in accordance with its strategic objectives and its obligations under the NPA.

PRIORITIES

OUTLOOK AND EMERGING ISSUES

The Commission's primary risk is meeting the emerging needs in the civil law area, such as family violence and elder abuse, without reducing litigation 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, which is compounded by reductions in the Commission's revenue from the Statutory Interest Account.

Demand on legal aid services is growing, in part as a reflection of the increase in the Territory population but also due to a greater appreciation of the need for legal assistance across the community. In order to support the demands of the Territory's client basis, Legal Aid has promoted its business and enhanced duty lawyer services in both the Family/Federal Circuit Courts and the Territory Courts and conducted a large number of Community Legal Education activities (seminars, brochures, newsletters, posters etc).

The Commission is in partnership with government and services are largely contingent on the investment that they are able to make in legal aid. Limited public funding can have dire implications for our ability to provide access to justice for an increasingly large number of people unable to afford legal representation. Unless the Commission's operational structure and practices embrace new and innovative modes of service delivery our capacity to adequately respond to emerging client needs will be diminished.

The Commission faces a range of external pressures on business operations. Noteworthy amongst these pressures is the impact of escalating advances in IT and the heightened risk of cyber-attack require an urgent upgrade of the Commission's information systems. This will require a significant capital investment in a future budget.

STRATEGIC OBJECTIVES 2018-2019

Consistent with the ***National Partnership Agreement on Legal Assistance Services 2015-2020*** we have maintained our current key strategic objectives. The following 3 objectives will be used to guide our services for 2018-19:

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 seeks to ensure that people are not prevented, by disadvantage, from obtaining the legal services they need to protect their rights and interests. Enhancing the capacity of people to assist themselves when faced with legal problems, improves the chances of resolution and appropriate referral to social support services.

Growth in the number of people receiving information and advice, and where appropriate referral for preventative and early intervention services, is a strong indicator that targeting this type of assistance is meeting the needs of the most disadvantaged members of 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.

Priorities

To achieve the strategic outcomes sought in the three key objectives the Commission will continue to focus its major efforts on the provision of **front-line** services.

The Commission's priorities for 2018-19 and across the out years are to:

-) support victims of family and domestic violence through the provision of legal assistance services;

-) improve the provision of legal assistance services to the Aboriginal and Torres Strait Islander communities and other culturally and linguistically diverse communities;
-) provide support to victims of elder abuse in line with Government priorities;
-) 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;
-) 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; and
-) upgrade the Commission's information systems to reduce the level of risk associated with cyber attacks.

During 2018-19 the Commission will continue to focus resources on 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 continue to consolidate front-line services by:

-) Promoting a front-line service to enhance access by the public to advice and legal task assistance, and also as an opportunity for 'warm' referral to non-legal support services by consolidating part of the General Practice (as well as the Youth Law Centre) to the ground floor of the Commission's offices;
-) 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 the ACT Legal Assistance Forum and by collaboration on joint projects and support services;
-) Consolidate services in family violence related matters, particularly through the Domestic and Family Violence Unit but also through Community Legal Education;
-) Improving IT support to the legal practices by developing the functionality of the intake forms, better utilising the visual files system and continue to reduce reliance on paper files; and
-) Improve the efficiency of work practices with a comprehensive skills training program and individualised Development and Performance Plans.
-) Develop a deeper awareness amongst staff of the need to consider psychological and mental health care, and to review the Commission's employee assistance program.

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 2017-18 audited financial statements.

In the 2016-17 Audit Management Report one new finding was raised in respect of the 2016-17 audit. Further, the report indicated that one previously raised audit issue from the 2014-15 Audit Management Report had been resolved by the Commission.

The Commission appeared before the Standing Committee which scrutinised the Commission's 2016-17 Annual Report and the 2018-19 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 mitigates the risk of fraud and corruption across the organisation. 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, October, February and May.

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

Name of Member / Observer	Position	Duration	No. Meetings Attended
David Fox	Independent Chair	Full Year	4
Gail Kinsella, Commissioner	Member	Full Year	3
Louise Taylor, Deputy Chief Executive Officer	Member	Full Year	4
Paul Ogden	Member	Full Year	4
Dan Ticehurst	Member	Full Year	4
John Boersig, Chief Executive Officer	Observer	Full Year	4
Brett Monger, Chief Finance Officer	Observer	Full Year	4
Chinthaka Leelarathna, Financial Accountant	Observer	Full Year	4
Katie Stuart, Finance Administrator and Committee Secretariat	Observer	Full Year	4
Karen Muga	Observer	Full Year	4

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

Monitored the:

-) Audit , Performance and Risk Committee Member Induction Booklets;
-) Chief Executive Financial Instructions;
-) Audit Office paper ‘Performance Audit Report: ACT Government strategic and accountability indicators’;
-) Legal Aid Business Continuity Plan;
-) Audit Office list of proposed audits for 2018-19 and beyond; and
-) Client Services Unit audits of Private Legal Practitioners.

Reviewed the:

-) Audit, Performance and Risk Committee Charter;
-) Internal Audit Charter;
-) Audit, Performance and Risk Committee Self-Assessment questionnaire;
-) Risk Register and Fraud Control Register;
-) Legislative Compliance Register;
-) Legal Aid Delegations;
-) 2016-17 Financial Statements and Management Discussion & Analysis; and
-) 2017-18 Shell Financial Statements.

INTERNAL CONTROLS AND INTERNAL AUDITS

The Commission held regular 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.

Contact – Chief Finance Officer – (02) 6243 3445

FRAUD PREVENTION

The Commission managed Fraud Prevention through the Fraud Control Plan. This is linked to the Chief Executive Financial Instructions and complements the Commission’s policies and procedures.

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 financial behaviour was reported or identified during 2017-18.

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.

The Commission maintains a contract with Benestar, as the employee assistance provider. Legal staff who are members of the ACT Law Society have additional access to a service called Acacia. The Commission encourages staff to take advantage of these services through appropriate awareness campaigns and induction.

The Commission incorporated Health and Safety responsibilities into induction booklets for 'workers' such as employees, Commissioners, student placements/volunteers and external committee members.

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*.

INJURY PREVENTION

-) 41 staff (48%) voluntarily received the flu vaccination in March 2018
-) The Commission has four staff who volunteer as fire wardens
-) The Commission has one Health and Safety Representative
-) The Commission provides regular and systematic updates on Workplace Health and Safety
-) Workplace Safety responsibilities and reporting requirements are part of the Commission's Induction Program.

All staff wellness programs offered in the reporting period included:

-) Trauma Informed Practice – Blue Knot
-) Demystifying Mental Health – Robyn Bradey
-) Resilience – Robyn Bradey

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*. A new Agreement is expected to be finalised in the 2018/2019 reporting period.

As at 30 June 2018 the Commission employed 93 staff of which there were 48 practising lawyers, including two Executive.

The structure changes and introduction of an additional Legal Officer classification in the past agreement has seen the Commission increase front line services and legal positions over the reporting period by 8%.

The HR priorities for the reporting period involved:

-) the commencement of Enterprise Agreement bargaining
-) finalising and submitting a Legal Aid Commission (ACT) Records Management Program
-) Mental Health Awareness
-) Open Access Information compliance (FOI Act)
-) Aurion HR System management
 - o Single Touch Payroll
 - o Upgrades
 - o Data management and auditing

STAFFING PROFILE

FTE & headcount by gender

	Female	Male	Total
Full Time Equivalent	55.68	29.43	85.11
Headcount	63	30	93
% of Workforce (headcount)	68%	32%	100%

Headcount by classifications and gender

Classification group	Female	Male	Total
Executive	1	1	2
Senior Officers	1	3	4
Legal Officers	29	17	46
Administrative Service Officers	32	9	41
TOTAL	63	30	93

Headcount by employment category and gender

Employment Category	Female	Male	Total
Casual	3	1	4
Permanent Full-time	13	7	20
Permanent Part-time	7	0	7
Temporary Full-time	33	21	54
Temporary Part-time	7	1	8
TOTAL	63	30	93

FTE and headcount by division/branch

Branch/Division	FTE	Headcount
General Practice	24.63	27
Client Services	7.98	11
Corporate Services	6	6
Executive	7.97	9
) Community Legal Education	(4.7)	(5)
) Dispute Resolution	(2)	(2)
Litigation Practice	38.53	40
) Criminal	(23.11)	(24)
) Family	(13.62)	(14)
Total	85.11	93

Headcount by division/branch and employment type

Branch/Division	Permanent	Temporary	Casual
General Practice	8	19	
Client Services	5	6	
Corporate Services	3	3	
Executive	1	6	2
) Community Legal Education	(1)	(3)	(1)
) Dispute Resolution		(2)	
Litigation Practice	10	28	2
) Criminal	(7)	(15)	(2)
) Family	(2)	(12)	
Total	27	62	4

Headcount by age group and gender

Age Group	Female	Male	Total
<20			
20-24	16	7	23
25-29	11	5	16
30-34	14	7	21
35-39	4	3	7
40-44	3		3
45-49	1	2	3
50-54	5	4	9
55-59	7		7
60-64	1	2	3
65-69	1		1
70+			

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			4	1	3		18	14	14	4	39	19
2-4			2		1	1	5	2			8	3
4-6				1	1	1	4	1			5	3
6-8					1	1	1				2	1
8-10					1	1	2				3	1
10-12			2	1	1						3	1
12-14			1			2					1	2
14 plus			1		1						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	3.58	3.12	3.43

Headcount by diversity group

	Headcount	% of Total Staff
Aboriginal and Torres Strait Islander	2	2%
Culturally & Linguistically Diverse (CALD)	9	10%
People with a disability	2	2%

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.

Specific Initiative Reporting

The Commission is an independent statutory agency and while not formally part of the ACT Public Service, conducts its business in accordance with those guidelines and an Enterprise Bargaining Agreement. 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 (CPD) in order to remain eligible for practising certificates. These mandatory core areas are:

-) Legal ethics and professional responsibility
-) Practice management and business skills
-) Professional skills
-) Substantive law and procedural law.

The purpose of CPD is to ensure the ongoing competence of practitioners, including ensuring that practitioners' knowledge and skills remain current.

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.

No staff sought approval as a student under the Studies Assistance Guidelines in the current reporting year.

The Commission supported workplace transfers into and out of the Commission. During the reporting period the Commission welcomed three staff from the ACT DPP (DPP) and the ACT Government Solicitors Office (ACTGS) on 12 month placements and four staff have reciprocated with placements at the DPP, ACTGS, Justice and Community Safety Directorate and the Women's Legal Centre.

Workplace Relations

DESCRIPTION	No. of Individual SEAs	No. of Group SEAs	Total employees covered by Group SEAs	TOTAL
	A	B	C	(A+C)
SEAs				
Number of SEAs as at 30 June 2018	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 2018	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 2018
Individual SEAs	Legal 3	\$140,752
AWAs (includes AWAs ceased during period)	N/A	N/A

Contact – Human Resources Manager – (02) 6243 3426

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change
Directorate/ public sector body staff and area				
Directorate/public sector body staff	FTE	85.11	81.6	4%
Workplace floor area	Area (m ²)	2,018.5	2,018.5	0%
Stationary energy usage				
Electricity use	Kilowatt hours	166,312	151,523	10%
Natural gas use	Megajoules	0	0	0%
Diesel	Kilolitres	0	0	0%
Transport fuel usage				
Electric vehicles	Number	0	0	0%
Hybrid vehicles	Number	0	0	0%
Other vehicles (that are not electric or hybrid)	Number	2	2	0%
Total number of vehicles	Number	2	2	0%
Total kilometres travelled	Kilometres	13,343	12,323	8%
Fuel use – Petrol	Kilolitres	0.8	0.7	14%
Fuel use – Diesel	Kilolitres	0	0	0%
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	0	0%
Fuel use – Compressed Natural Gas (CNG)	Cubic Metres (Cm ³)	0	0	0%
Water usage				
Water use	Kilolitres	n/a	n/a	n/a

Indicator as at 30 June	Unit		Previous	Percentage
Resource efficiency and waste				
Reams of paper purchased	Reams	1,600	25	6300%
Recycled content of paper purchased	Percentage	100	0	100%
Waste to landfill	Litres	12,320	10,009	23%
Co-mingled material recycled	Litres	42,240	35,015	21%
Paper & Cardboard recycled (incl. secure paper)	Litres	34,571	37,470	-8%
Organic material recycled	Litres	0	0	0%
Emissions				
Emissions from stationary energy use	Tonnes CO ₂ -e	166.3	143.9	16%
Emissions from transport	Tonnes CO ₂ -e	1.9	1.5	27%
Total emissions	Tonnes CO ₂ -e	168.2	145.5	16%

Contact – Chief Finance Officer – (02) 6243 3445



Financial Management
Analysis

2017-18

Management Discussion and Analysis

Legal Aid Commission (ACT)

For the Year Ended 30 June 2018

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.

The services provided by the Commission are wide-ranging and encompass the provision of information and referrals, legal advice and minor legal assistance, advocacy, duty lawyer services, grants of legal assistance, dispute resolution services, community legal education programs and submissions on law reform issues.

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.

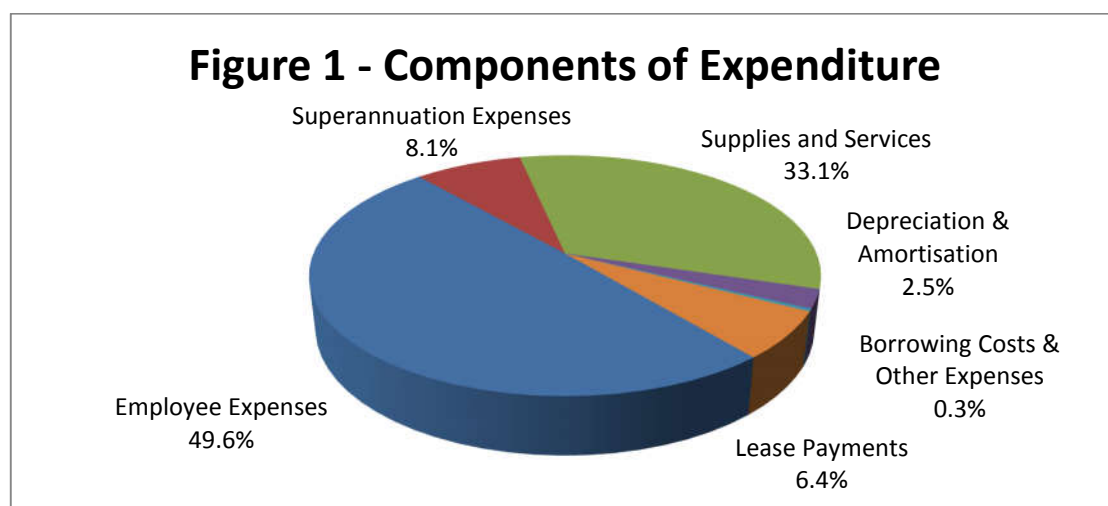
Financial Performance

The following financial information is based on audited Financial Statements for 2016-17 and 2017-18, and the budget estimates contained in the 2017-18 Statement of Intent (in the Budget Papers).

Total Expenditure

1. Components of Expenditure

Figure 1 below shows the components of the Commission's expenditure for 2017-18 with the largest being Employee Expenses, which represents **49.6 percent** of total expenditure or **\$7.472 million** and Supplies and Services at **33.1 percent** of total expenditure or **\$4.984 million**.



Management Discussion and Analysis

Legal Aid Commission (ACT)

For the Year Ended 30 June 2018

2. Comparison to Budget

Expenditure

Total expenditure of **\$15.061 million** was **\$0.135 million, (0.9 percent)** lower than the 2017-18 Budget due to the following factors:

- Employee Expenses exceeding the budget by **\$0.456 million (6.5 percent)** due to additional staff being employed throughout 2017-18. The average 2017-18 Full Time Equivalent (FTE) staffing level of 82.8 was higher than the budgeted level of 77 due to increased staff for the Eastman Retrial and Related Proceedings; additional initiatives being funded in the Commission; and conducting more grants in-house rather than referring them externally.
- Lower than budgeted Supplies and Services (**\$0.605 million, or 10.8 percent**) predominantly as a result of delays in the Eastman Retrial and Related Proceedings, partially offset by higher than budgeted external legal expenses due to a higher than expected number of matters referred to private legal practitioners.

3. Comparison with 2016-17 Actual Expenditure

Total expenditure was **\$0.296 million (2.0 percent)** higher than the 2016-17 actual result due principally to the following factors:

- An increase in employee expenses of **\$0.784 million (11.7 percent)** resulting from higher staffing levels in 2017-18 than in 2016-17. The higher staffing level is due to increased staff for the Eastman Retrial and Related Proceedings; additional initiatives being funded in the Commission; and conducting more grants in-house rather than referring them externally.
- A decrease in Supplies and Services of **\$0.434 million (8.0 percent)** due mainly to lower expenses in 2017-18 than in 2016-17 for Referrals to Private Legal Practitioners (**\$0.509 million**) resulting from a reduction in the number of matters undertaken by external Legal Practitioners. This is partially offset by an increase in expenditure for Legal Disbursements.
- A reduction in other expenses of **\$0.107 million** is due to the derecognition of eGrants in 2016-17 which didn't occur in 2017-18.

4. Future Trends

Total expenditure for 2018-19 is budgeted to marginally increase by **\$0.067 million (0.4 percent)** from the actual amount of **\$15.061 million** in 2017-18 to **\$15.128 million** in 2018-19. This is due to higher budgeted employee expenses (**\$0.352 million**) and superannuation expenses (**\$0.032 million**), offset by an estimated decrease in supplies and services (Lease Expenses are included as supplies and services in the Budget papers) (**\$0.324 million**).

Management Discussion and Analysis

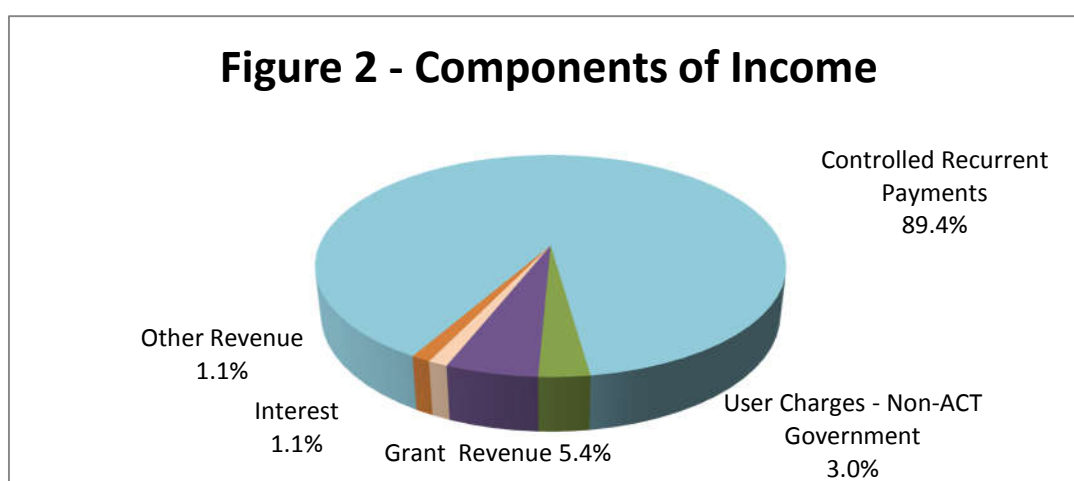
Legal Aid Commission (ACT)

For the Year Ended 30 June 2018

Total Income

1. Components of Income

Figure 2 below shows that for the financial year ended 30 June 2018, the Commission received **89.4 percent** of its total income of **\$14.727 million** from Controlled Recurrent Payments (this appropriation includes Commonwealth funding under the *National Partnership Agreement on Legal Assistance Services*) and **5.4 percent** from Grant Revenue. The balance comprises User Charges (contributions made by assisted persons), Interest, and Other Revenue.



2. Comparison to Budget

Income

Income for the financial year ended 30 June 2018 of **\$14.727 million** was less than the 2017-18 Budget of **\$14.776 million** by **\$0.049 million (0.3 percent)** due principally to the following factors:

- Controlled Recurrent Payments (CRP) was less than the budget by **\$0.488 million** mainly due to a net decrease in 2017-18 funding related to the delay in Eastman Retrial and Related Proceedings of **\$0.370 million**; and **\$0.125 million** not required or drawn down relating to delays in the Eastman Retrial and Related Proceedings in 2017-18.
- User Charges being higher than budget by **\$0.212 million (95.0 percent)** mainly due to revenue received during 2017-18 from costs recovered on reassessed contributions relating to the National Disability Insurance Scheme which was not anticipated in the budget.
- Grant Revenue exceeding the budget by **\$0.116 million (17.2 percent)** due mainly to three new grants commencing during 2017-18 which were not anticipated in the budget.
- Other Revenue being higher than budget by **\$0.100 million (152.0 percent)** mainly due to a number of additional initiatives commencing during 2017-18 which were not anticipated in the budget.

Management Discussion and Analysis

Legal Aid Commission (ACT)

For the Year Ended 30 June 2018

3. Comparison to 2016-17 Actual Income

While the decrease in 2017-18 total income over 2016-17 actual income was only **\$0.019 million (0.1 percent)**, the major line item variations were:

- A decrease in CRP of **\$0.310 million** due largely to the net decrease in funding between the years for the Eastman Retrial and Related Proceedings; increased funding for the Family Advocacy & Support Services in 2017-18; and a net increase in base funding between the two years.
- An increase in User Charges of **\$0.184 million** mainly due to amounts recovered from the Department of Social Services for grants of legal assistance relating to the National Disability Insurance Scheme (NDIS) in 2017-18.
- Increases to income in 2017-18 from Grant Revenue (**\$0.020 million**); Interest (**\$0.041 million**); and Other Revenue (**\$0.046 million**).

4. Future Trends

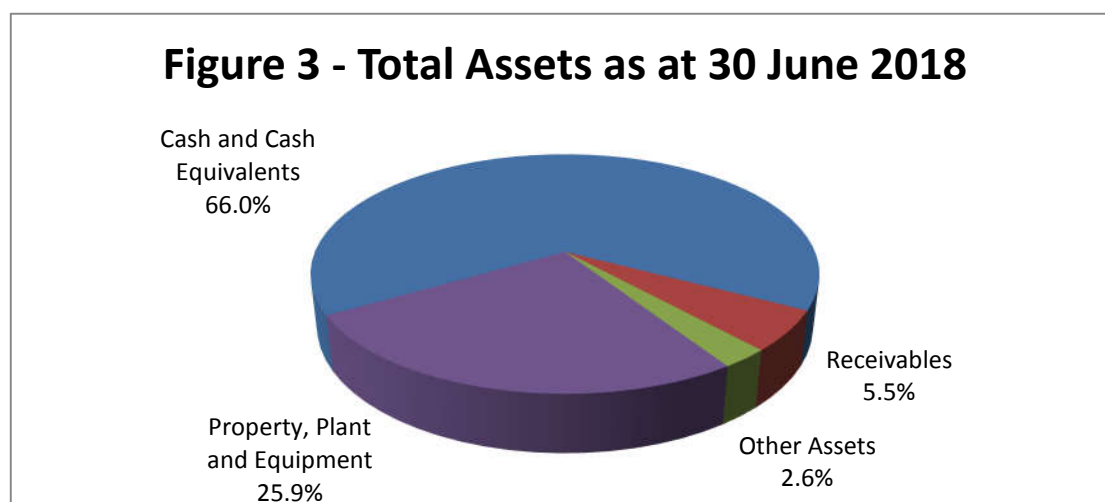
Total income for 2018-19 is budgeted to decrease by **\$0.106 million (0.7 percent)** from the actual amount of **\$14.727 million** in 2017-18 to **\$14.621 million** in 2018-19. This is due largely to a forecast reduction in user charges relating to the NDIS; a forecast reduction in one-off grant revenue for specific initiatives in 2017-18; offset by higher estimated revenue from new initiatives to commence in 2018-19.

Financial Position

Total Assets

1. Components of Total Assets

Figure 3 below shows that at 30 June 2018, the Commission held **66.0 percent** of its assets in Cash and Cash Equivalents and **25.9 percent** in Property, Plant and Equipment.



Management Discussion and Analysis

Legal Aid Commission (ACT)

For the Year Ended 30 June 2018

2. Comparison to Budget

The total asset position as at 30 June 2018 is **\$6.053 million** which exceeded the 2017-18 Budget of **\$5.721 million** by **\$0.332 million (5.8 percent)**. Cash and Cash Equivalents marginally exceeded the budget amount by **\$0.049 million**, with Receivables (**\$0.089 million**) and Prepayments (**\$0.060 million**) also exceeding expectations at Budget. Non-Current Property, Plant & Equipment was higher than budget (**\$0.134 million**) as a result of the change in Provision for Make Good.

3. Comparison to 2016-17 Actuals

The Commission's total asset position at 30 June 2018 is **\$0.547 million (8.3 percent)** lower than the actual result of **\$6.599 million** at 30 June 2017. This is primarily due to a decrease in Cash and Cash Equivalents of **\$0.417 million**, mainly due to higher cash payments in 2017-18 for employee expenses, partially offset by lower cash payments to private legal practitioners than in 2016-17.

2017-18 Current Receivables were **\$0.147 million** higher than 2016-17, mainly due to assistance provided for clients of the NDIS in 2017-18; partially offset by the write-off of two large grants in 2017-18 which were deemed irrecoverable.

Property, Plant & Equipment was also lower in 2017-18 (by **\$0.202 million**) due to the depreciation of Office and Computer Equipment, Leasehold Improvements, and Furniture and Fittings.

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 2016-17	Current Year Budget \$'000s 2017-18	Current Year Actual \$'000s 2017-18	Forward Year Budget \$'000s 2018-19	Forward Year Budget \$'000s 2019-20	Forward Year Budget \$'000s 2020-21
Current Assets	4,829	4,286	4,484	4,206	3,881	3,541
Current Liabilities	2,487	2,135	2,287	2,589	2,734	2,899
Current Ratio	1.94:1	2.01:1	1.96:1	1.62:1	1.42:1	1.22:1

Source of Forward Year Budgets: 2018-19 ACT Budget Papers

Management Discussion and Analysis

Legal Aid Commission (ACT)

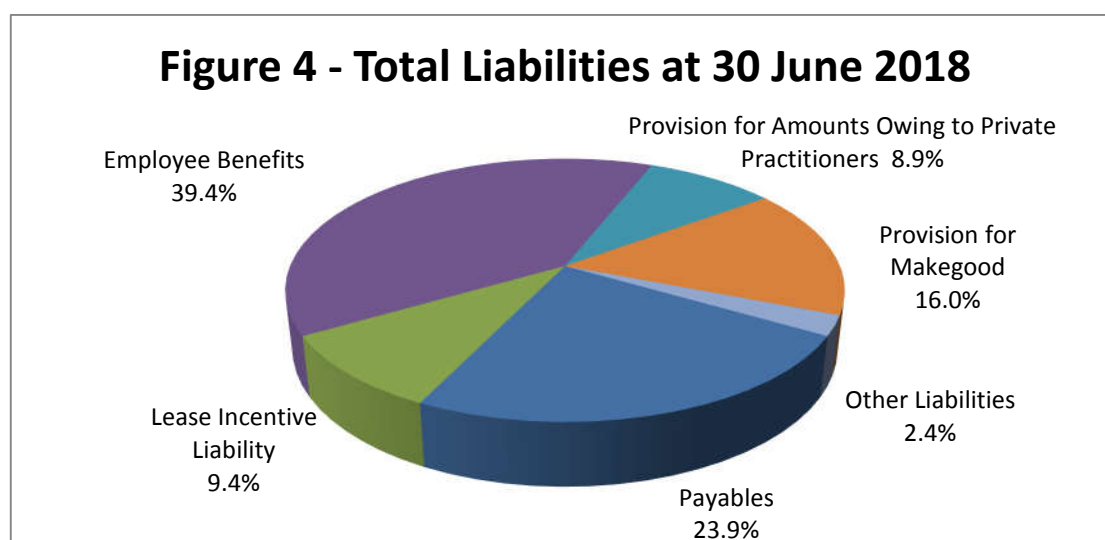
For the Year Ended 30 June 2018

The current ratio was **1.96:1** at 30 June 2018 which is consistent with the budgeted current ratio of **2.01:1**. The Commission expects the current ratio to steadily decline over the 2018-19 Budget and 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, albeit requiring careful management.

Total Liabilities

1. Components of Total Liabilities

Figure 4 below shows that at 30 June 2018, **39.4 percent** of the liabilities of the Commission were represented by Employee Benefits, **23.9 percent** by Payables, **16.0 percent** by the Provision for Make Good, **9.4 percent** by Lease Incentive Liability, **8.9 percent** by the Provision for Amounts Owing to Private Legal Practitioners, and **2.4 percent** by Other Liabilities.



2. Comparison to Budget

The Commission's total liabilities at 30 June 2018 of **\$4.045 million** exceeded the 2017-18 Budget of **\$3.842 million** by **\$0.203 million (5.3 percent)**.

The Provision for Amounts Owing to Private Legal Practitioners was higher than the original budget (**\$0.360 million** compared to the Budget of **\$0.230 million**) due to more matters being referred to external practitioners than budgeted. This was offset by lower Non-Current Employee Benefits due to staff turnover in the Commission during 2017-18.

3. Comparison to 2016-17 Actuals

Total liabilities at 30 June 2018 of **\$4.045 million** are **\$0.213 million (5.0 percent)** lower than the actual result at 30 June 2017 of **\$4.257 million**. This is mainly due to a greatly reduced level of total payables (**\$0.967 million**) compared to the 2016-17 actual (**\$1.321 million**) as a result of more payments made prior to the year end.

Financial Statements

2017-18

INDEPENDENT AUDIT REPORT

LEGAL AID COMMISSION (ACT)

To the Members of the ACT Legislative Assembly

Audit opinion

I am providing an **unqualified audit opinion** on the financial statements of the Legal Aid Commission (ACT) (the Commission) for the year ended 30 June 2018. The financial statements comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

In my opinion, the financial statements:

- (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 and results of its operations and cash flows.

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

The Chief Executive Officer of the Commission is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and *Legal Aid Act 1977* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Commission to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Responsibility for the audit of the financial statements

Under the *Financial Management Act 1996* and *Legal Aid Act 1977*, the Auditor-General is responsible for issuing an audit report that includes an independent audit opinion on the financial statements of the Commission.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Chief Executive Officer; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.

(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by the Commission;
- adequacy of controls implemented by the Commission; or
- integrity of audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.



Ajay Sharma
Acting Auditor-General
13 August 2018

**Legal Aid Commission (ACT)
Financial Statements
For the Year Ended 30 June 2018**

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 2018 and the financial position of the Commission on that date.



John Boersig
Chief Executive Officer
Legal Aid Commission (ACT)
16 July 2018

**Legal Aid Commission (ACT)
Financial Statements
For the Year Ended 30 June 2018**

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, 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 2018 and the financial position of the Commission on that date.



Brett Monger
Chief Finance Officer
Legal Aid Commission (ACT)
16 July 2018

Legal Aid Commission (ACT)
Operating Statement
For the Year Ended 30 June 2018

	Note No.	Actual 2018 \$	Original Budget 2018 \$	Actual 2017 \$
Income				
<i>Revenue</i>				
Controlled Recurrent Payments	4	13,168,000	13,656,000	13,478,000
User Charges	5	434,897	223,000	250,715
Grant Revenue	6	788,928	673,000	768,873
Interest		168,404	158,000	127,761
Other Revenue	7	166,348	66,000	120,376
<i>Total Revenue</i>		<u>14,726,577</u>	<u>14,776,000</u>	<u>14,745,726</u>
Total Income		<u>14,726,577</u>	<u>14,776,000</u>	<u>14,745,726</u>
Expenses				
Employee Expenses	8	7,471,960	7,016,000	6,688,431
Superannuation Expenses	9	1,217,241	1,196,000	1,094,754
Supplies and Services	10	4,984,312	5,589,000	5,418,618
Depreciation and Amortisation	11	381,875	385,000	452,653
Borrowing Costs		25,753	26,000	24,504
Lease Expenses	12	955,497	955,000	955,497
Other Expenses	13	23,895	29,000	130,531
Total Expenses		<u>15,060,533</u>	<u>15,196,000</u>	<u>14,764,987</u>
Operating (Deficit)		<u>(333,956)</u>	<u>(420,000)</u>	<u>(19,261)</u>
Total Comprehensive (Deficit)		<u>(333,956)</u>	<u>(420,000)</u>	<u>(19,261)</u>

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

The Legal Aid Commission (ACT) (the Commission) has one output class and therefore 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.

Legal Aid Commission (ACT)
Balance Sheet
As at 30 June 2018

	Note No.	Actual 2018 \$	Original Budget 2018 \$	Actual 2017 \$
Current Assets				
Cash and Cash Equivalents	14	3,996,075	3,947,000	4,413,543
Receivables	15	329,852	241,000	182,613
Prepayments	16	157,952	98,000	232,535
Total Current Assets		4,483,879	4,286,000	4,828,691
Non-Current Assets				
Property, Plant and Equipment	17	1,568,787	1,435,000	1,770,659
Total Non-Current Assets		1,568,787	1,435,000	1,770,659
Total Assets		6,052,667	5,721,000	6,599,350
Current Liabilities				
Payables	18	304,076	315,000	608,278
Lease Incentive Liability	19	89,615	90,000	89,615
Employee Benefits	20	1,434,849	1,468,000	1,347,250
Provision for Amounts Owing to Private Legal Practitioners	21	360,078	230,000	305,225
Other Liabilities	23	98,614	32,000	137,011
Total Current Liabilities		2,287,231	2,135,000	2,487,379
Non-Current Liabilities				
Payables	18	662,870	663,000	713,212
Lease Incentive Liability	19	291,248	290,000	380,862
Employee Benefits	20	158,357	210,000	173,320
Provision for Make Good	22	645,019	544,000	502,680
Total Non-Current Liabilities		1,757,495	1,707,000	1,770,074
Total Liabilities		4,044,726	3,842,000	4,257,454
Net Assets		2,007,941	1,879,000	2,341,897
Equity				
Accumulated Funds		2,007,941	1,879,000	2,341,897
Total Equity		2,007,941	1,879,000	2,341,897

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

**Legal Aid Commission (ACT)
Statement of Changes in Equity
For the Year Ended 30 June 2018**

	Accumulated Funds Actual 2018 \$	Original Budget 2018 \$	Accumulated Funds Actual 2017 \$
Balance at the Beginning of the Reporting Period	2,341,897	2,299,000	2,361,158
Comprehensive (Deficit)			
Operating (Deficit)	(333,956)	(420,000)	(19,261)
Total Comprehensive (Deficit)	(333,956)	(420,000)	(19,261)
 Balance at the End of the Reporting Period	2,007,941	1,879,000	2,341,897

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 2018

	Note No.	Actual 2018 \$	Original Budget 2018 \$	Actual 2017 \$
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		13,168,000	13,656,000	13,478,000
User Charges		262,035	193,000	244,845
Grants Received		788,928	673,000	768,873
Interest Received		168,404	158,000	127,761
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		513,651	400,000	584,126
Goods and Services Tax Collected from Customers		85,127	110,000	113,125
Other		127,951	66,000	225,346
Total Receipts from Operating Activities		15,114,096	15,256,000	15,542,076
Payments				
Employees		(7,395,336)	(6,917,000)	(6,711,165)
Superannuation		(1,221,229)	(1,196,000)	(1,105,174)
Supplies and Services		(6,254,534)	(6,704,000)	(6,213,965)
Goods and Services Tax Paid to Suppliers		(597,050)	(510,000)	(655,993)
Total Payments from Operating Activities		(15,468,149)	(15,327,000)	(14,686,297)
Net Cash Inflows/(Outflows) from Operating Activities	28	(354,054)	(71,000)	855,778
Cash Flows from Investing Activities				
Payments				
Purchase of Property, Plant and Equipment		(63,416)	(50,000)	(64,098)
Total Payments from Investing Activities		(63,416)	(50,000)	(64,098)
Net Cash (Outflows) from Investing Activities		(63,416)	(50,000)	(64,098)
Net Increase/(Decrease) in Cash and Cash Equivalents		(417,468)	(121,000)	791,682
Cash and Cash Equivalents at the Beginning of the Reporting Period		4,413,543	4,068,000	3,621,861
Cash and Cash Equivalents at the End of the Reporting Period	28	3,996,075	3,947,000	4,413,543

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

**Legal Aid Commission (ACT)
Statement of Appropriation
For the Year Ended 30 June 2018**

	Original Budget 2018 \$	Total Appropriated 2018 \$	Appropriation Drawn 2018 \$	Appropriation Drawn 2017 \$
Controlled Recurrent Payments	13,656,000	14,093,000	13,168,000	13,478,000
Total Appropriation	13,656,000	14,093,000	13,168,000	13,478,000

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

The above Statement of Appropriation does not include 'Technical Adjustments'. See the reconciliation table below for detail.

Column Heading Explanations

The *Original Budget* column shows the amount that appears 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 includes all appropriation variations (excluding technical adjustments) 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', 'Total Appropriated' and 'Appropriation Drawn'

Reconciliation of Appropriation for 2017-18	Controlled Recurrent Payments \$
Original Appropriation for 2017-18	13,656,000
Rollover of Undisbursed Appropriation (FMA s.16B) ¹	400,000
Additional Appropriations (FMA s.19B) ²	37,000
Total Appropriated	14,093,000
Appropriations not drawn down in 2017-18 ³	(125,000)
Technical Adjustments ⁴	(800,000)
Controlled Appropriation Drawn	13,168,000

The difference between the Original Budget and the Total Appropriated is due to the:

¹rollover of \$400,000 from 2016-17 into 2017-18 for the Eastman Retrial and Related Proceedings; and

²Commission receiving \$37,000 additional funding for the establishment of the Drug and Alcohol Court.

The difference between the Total Appropriated and the Appropriation Drawn is due to:

³\$125,000 for the Eastman Retrial and Related Proceedings that was not required in 2017-18 due to delays in the Trial; and

⁴technical adjustments for funding for the Eastman Retrial and Related Proceedings that were rolled over into 2018-19 as a result of delays in the Trial (\$770,000); and a reduction in funding for the COMCARE premium (\$30,000).

LEGAL AID COMMISSION (ACT) NOTE INDEX

- Note 1 Objectives of the Legal Aid Commission (ACT)
- Note 2 Significant Accounting Policies (See Appendices A, B and C)
- Note 3 Change in Accounting Estimates (See Appendix D)

Income Notes

- Note 4 Controlled Recurrent Payments
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Expense Notes

- Note 8 Employee Expenses
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- Note 14 Cash and Cash Equivalents
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Other Notes

- Note 24 Financial Instruments
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Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied

Appendix D - Change in Accounting Estimates

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

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.

The services provided by the Commission are wide-ranging and encompass the provision of information and referrals, legal advice and minor legal assistance, advocacy, duty lawyer services, grants of legal assistance, dispute resolution services, community legal education programs and submissions on law reform issues.

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. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied

NOTE 3. CHANGE IN ACCOUNTING ESTIMATES

Refer to Appendix D - Change in Accounting Estimates.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

2018 2017
\$ \$

NOTE 4. CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the costs of delivering outputs. A component of the CRP is Commonwealth Government funding. Commonwealth funding under the *National Partnership Agreement on Legal Assistance Services* is paid to the ACT Government who then provide this amount to the Commission as CRP.

Commonwealth funding is primarily provided for legal assistance services for Commonwealth matters.

Revenue from the ACT Government

Controlled Recurrent Payments ¹	13,168,000	13,478,000
Total Controlled Recurrent Payments	13,168,000	13,478,000

¹The decrease in Controlled Recurrent Payments is due to two main factors: less funding required for the Eastman Retrial and Related Proceedings in 2017-18; offset by additional funding in 2017-18 from the Commonwealth Government for Family Advocacy Support Services.

NOTE 5. USER CHARGES

User charges revenue is derived by providing legal assistance services to the public. It is legally retained by the Commission and is driven by consumer demand, and is not appropriated.

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 the unsuccessful party to pay costs.

User Charges - Non-ACT Government

Assisted Person Contributions and Recovered Costs ¹	434,897	250,715
Total User Charges - Non-ACT Government	434,897	250,715

¹The increase in Assisted Person Contributions and Recovered Costs is mainly due to additional revenue received from costs recovered on reassessed contributions. This includes costs recovered from the Department of Social Services (DSS) on grants of legal assistance related to the National Disability Insurance Scheme.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 6. GRANT REVENUE		
The Commission receives most 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.		
Grant Revenue from ACT Government Entities		
Grant from the Community Services Directorate	21,542	14,900
Total Grant Revenue from ACT Government Entities	21,542	14,900
Grant Revenue from Non-ACT Government Entities		
Grant from the ACT Law Society ¹	612,269	671,568
Grant from Illawarra Retirement Trust (IRT) Foundation Commonwealth Grants	4,984	
- Family Law Pathways Network in the ACT	49,500	49,500
- Online Self Service Portal ²	59,633	-
- National Disability Insurance Scheme Appeals Grant ³	41,000	-
- Community Legal Services Program ⁴	-	32,905
Total Grant Revenue from Non-ACT Government Entities	767,386	753,973
Total Grant Revenue	788,928	768,873

¹The decrease in the Grant from the ACT Law Society of \$59,299 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 provided from the Law Society to the Commission.

²The increase in the Online Self Service Portal funding is due to the Commonwealth Government providing the Commission with funding for 2017-18 and 2018-19 to assist in the creation of a streamlined online self service portal which directs users to legal services and resources.

³The increase in the National Disability Insurance Scheme Appeals Grant funding is due to the Commonwealth Government providing the Commission with funding in 2017-18 to provide support and community-based legal initiatives for people with disability, mental illness and their carers.

⁴The funding decrease in the Community Legal Services Program is due to the Commonwealth Government providing the Commission with one-off funding in 2016-17 to increase the capacity to deliver family law matters involving allegations of family violence, which was completed in 2016-17.

NOTE 7. OTHER REVENUE

Other Revenue arises from the core activities of the Commission.

Revenue from ACT Government Entities

Revenue from Justice and Community Safety Directorate	38,254	45,455
Total Other Revenue from ACT Government Entities	38,254	45,455

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 7. OTHER REVENUE - CONTINUED		
Revenue from Non-ACT Government Entities		
Contribution to Youth Law Centre	65,299	64,120
Rent - Environmental Defender's Office	9,468	1,658
Other ¹	53,327	9,144
Total Other Revenue from Non-ACT Government Entities	128,094	74,922
Total Other Revenue	166,348	120,376

¹The increase in 'Other' is mainly due to reimbursement of expenditure from the Aboriginal Legal Service and from the University of Canberra for the provision of independent legal services from offices located at the University.

NOTE 8. EMPLOYEE EXPENSES

Wages and Salaries ¹	7,248,356	6,466,445
Annual Leave Expense ²	94,998	52,991
Long Service Leave Expense	44,889	31,079
Commissioners' Remuneration	26,352	27,351
Workers' Compensation Insurance Premium ³	57,366	110,564
Total Employee Expenses	7,471,960	6,688,431

¹The increase in Wages and Salaries is due to higher average Full Time Equivalent (FTE) staff in 2017-18 (82.8) compared to 2016-17 (75.6). This has resulted from increased staff for: the Eastman Retrial and Related Proceedings; additional initiatives being funded in the Commission; and conducting more grants in-house rather than referring them externally.

²The increase in Annual Leave Expense is mainly due to the amount of leave taken across the Commission being lower than the amount of leave accrued in 2017-18, leading to a higher annual leave balance; and a higher number of staff in the Commission in 2017-18.

³The decrease in Workers' Compensation Insurance Premium is due to a reduction in the premium paid to the ACT Insurance Authority.

NOTE 9. SUPERANNUATION EXPENSES

Superannuation Contributions to the Territory Banking Account	351,049	336,178
Productivity Benefit	38,789	40,684
Superannuation to External Providers ¹	827,403	717,892
Total Superannuation Expenses	1,217,241	1,094,754

¹The 2016-17 figure of \$717,892 is the total of *Superannuation Payment to ComSuper (for the PSSap)* (\$408,252) and *Superannuation to External Providers* (\$309,640), which were separately disclosed in the 2016-17 financial statements. Further, the increase in Superannuation to External Providers in 2017-18 is due to more staff in these schemes in this year than in 2016-17.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 10. SUPPLIES AND SERVICES		
Financial and Audit Fees ¹	49,567	62,028
Referrals to Private Legal Practitioners ²	2,509,561	3,018,554
Legal Disbursements	1,427,003	1,384,930
Transportation	29,425	31,015
Office Requisitions	103,592	80,187
Postage and Telephone Services	72,378	83,678
Office Services	157,968	131,101
Library	28,611	26,552
Computer Services	388,726	364,270
Contractors and Consultants	25,801	26,700
Other Services	191,681	209,603
Total Supplies and Services	4,984,312	5,418,618

¹The 2016-17 Financial and Audit Fees include \$48,123 paid to the ACT Audit Office for financial audit services provided in 2016-17. This was previously separately disclosed in Note 15: *Auditor's Remuneration* of the 2016-17 financial statements. The 2017-18 amount is for financial audit services provided by the ACT Audit Office. No other services were provided by the ACT Audit Office.

²The decrease in Referrals to Private Legal Practitioners is due to a reduction in the number of grants referred to private legal practitioners in 2017-18 (801) than in 2016-17 (937).

NOTE 11. DEPRECIATION AND AMORTISATION

Depreciation

Office and Computer Equipment	100,429	98,848
Leasehold Improvements	227,754	228,228
Motor Vehicles	1,705	1,767
Furniture and Fittings	51,987	51,846
Total Depreciation	381,875	380,689

Amortisation

Intangible Assets ¹	-	71,963
Total Amortisation	-	71,963
Total Depreciation and Amortisation	381,875	452,653

¹The Amortisation in 2016-17 is for the derecognition of eGrants, the software used to process grants of legal assistance online. The replacement software did not exceed the asset capitalisation threshold (\$50,000), therefore has not been recognised as an Intangible Asset.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

2018 2017
\$ \$

NOTE 12. LEASE EXPENSES

In 2009-10, the Commission entered into an agreement to lease office space at 2 Allsop Street, Canberra City ACT for 12.5 years. The Lease Expenses were calculated to include a 3.7% annual increase, which was apportioned across the lease period to present a straight line payment schedule. See Note 18: *Payables*.

Lease Expense - office accommodation	955,497	955,497
Total Lease Expenses	955,497	955,497

NOTE 13. OTHER EXPENSES

Other Expenses is made up of waivers, impairment losses and write-offs. The impairment losses and write-offs listed below have occurred during the reporting period for the Commission.

	2018 No.	2017 No.		
Impairment Losses				
<i>Impairment Loss from Receivables</i>				
Assisted Person Contributions and Recovered Costs Receivable	212	219	23,895	19,886
<i>Total Impairment Loss from Receivables</i>			23,895	19,886
Total Impairment Losses			23,895	19,886
Write-offs				
Derecognition of Intangible Assets ¹	-	1	-	110,646
Total Write-offs			-	110,646
Total Other Expenses			23,895	130,531

There were no waivers during the reporting period (Nil in 2016-17).

¹The Derecognition of Intangible Assets in 2016-17 is due to the write-off of eGrants, the software used to process grants of legal assistance online. eGrants was written off as it ceased to be used by the Commission. The online grants management system was replaced with LAgants.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 14. CASH AND CASH EQUIVALENTS		
The Commission held one bank account with Westpac throughout the 2017-18 financial year. The operating bank account with Westpac earned a weighted average interest rate of 2.35% in 2017-18 (2.37% in 2016-17).		
Funds from the Westpac operating account can be withdrawn upon request.		
Cash at Bank ¹	3,995,735	4,413,203
Cash on Hand	340	340
Total Cash and Cash Equivalents	3,996,075	4,413,543

¹The decrease in Cash at Bank is mainly due to higher cash payments made in 2017-18 relating to employee expenses than in 2016-17, offset by lower private legal practitioner payments in 2017-18 compared to 2016-17.

NOTE 15. RECEIVABLES

Current Receivables

Assisted Person Contributions and Recovered Costs Receivable ¹	274,079	176,246
Less: Allowance for Impairment Losses ²	(78,226)	(129,360)
	195,853	46,886
Net GST Receivable	133,744	135,472
Other Trade Receivables	255	255
Total Current Receivables	329,852	182,613
Total Receivables	329,852	182,613

All receivables above are with Non-ACT Government entities.

¹The increase in Assisted Person Contributions and Recovered Costs Receivable is mainly due to amounts receivable for legal assistance provided under the "Services and Support for People with Disability" program supported by the Department of Social Services (DSS). See Note 5: *User Charges*.

²The decrease in the Allowance for Impairment Losses is mainly due to the write-off of two large grants in 2017-18 as they have been deemed irrecoverable.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

NOTE 15. RECEIVABLES - CONTINUED

Ageing of Receivables

	Overdue				Total \$
	Not Overdue \$	Less than 30 Days \$	30 to 60 Days \$	Greater than 60 Days ³ \$	
2018					
Not Impaired¹					
Receivables	134,000	183,721	7,565	4,567	329,852
Impaired²					
Receivables	-	-	-	78,226	78,226
2017					
Not Impaired¹					
Receivables	135,727	15,837	3,750	27,299	182,613
Impaired²					
Receivables	-	-	-	129,360	129,360

¹'Not Impaired' refers to Net Receivables (that is, Gross Receivables less Impaired Receivables).

²'Impaired' refers to all debts impaired in accordance with Note 2 Appendix B - Note 15 *Receivables*.

³The receivables greater than 60 days are for Assisted Person Contributions and Recovered Costs Receivable.

	2018 \$	2017 \$
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	129,360	134,977
Additional Allowance Recognised During the Reporting Period	23,895	19,886
Reduction in Allowance from Amounts Written-off During the Reporting Period	(75,029)	(25,502)
Allowance for Impairment Losses at the End of the Reporting Period	78,226	129,360

NOTE 16. PREPAYMENTS

Current Prepayments

Prepayments ¹	157,952	232,535
Total Current Prepayments	157,952	232,535

¹The decrease in Prepayments is due to a prepayment of rent in 2016-17, which didn't occur in 2017-18.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 17. 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.		
<i>Motor Vehicles</i> are the motor vehicles available to Commission staff for business use.		
<i>Office and Computer Equipment</i> includes desktop personal computers, servers and network equipment, photocopiers, telephones, facsimile machines, printers and portable computing equipment.		
<i>Leasehold Improvements</i> represents capital expenditure incurred in relation to leased assets. The Commission has an office fit out.		
<i>Furniture and Fittings</i> includes desks, chairs, workstations and other furniture.		
Motor Vehicles		
Motor Vehicles at Cost	24,083	15,901
Less: Accumulated Depreciation	(5,714)	(4,009)
Total Written Down Value of Motor Vehicles	18,369	11,892
Office and Computer Equipment		
Office and Computer Equipment at Cost	733,440	678,206
Less: Accumulated Depreciation	(537,827)	(437,397)
Total Written Down Value of Office and Computer Equipment	195,614	240,808
Leasehold Improvements		
Leasehold Improvements at Cost	2,493,419	2,493,419
Add: Make Good Provision	470,089	353,503
	2,963,508	2,846,922
Less: Accumulated Depreciation	(1,745,694)	(1,517,940)
Total Written Down Value of Leasehold Improvements	1,217,814	1,328,981
Furniture and Fittings		
Furniture and Fittings at Cost	521,520	521,520
Less: Accumulated Depreciation	(384,529)	(332,543)
Total Written Down Value of Furniture and Fittings	136,991	188,977
Total Written Down Value of Property, Plant and Equipment	1,568,787	1,770,659

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

NOTE 17. 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 22: *Provision for Make Good*.

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2017-18.

	Leasehold Improvements	Motor Vehicles	Office and Computer Equipment	Furniture and Fittings	Total
	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	1,328,981	11,892	240,808	188,977	1,770,659
Additions	-	8,182	55,235	-	63,416
Disposals	-	-	-	-	-
Depreciation	(227,754)	(1,705)	(100,429)	(51,987)	(381,875)
Other Movements	116,586	-	-	-	116,586
Carrying Amount at the End of the Reporting Period	1,217,814	18,369	195,614	136,991	1,568,787

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2016-17.

	Leasehold Improvements	Motor Vehicles	Office and Computer Equipment	Furniture and Fittings	Total
	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	1,541,412	13,659	311,209	236,644	2,102,924
Additions	31,471	-	28,448	4,179	64,098
Disposals	-	-	-	-	-
Depreciation	(228,228)	(1,767)	(98,848)	(51,846)	(380,689)
Other Movements	(15,674)	-	-	-	(15,674)
Carrying Amount at the End of the Reporting Period	1,328,981	11,892	240,808	188,977	1,770,659

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 18. PAYABLES		
Private Legal Practitioner Payables include invoices received from private legal practitioners that were unpaid at 30 June 2018.		
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 12: <i>Lease Expenses</i> .		
Current Payables		
Trade Payables	14,102	60,742
Other Payables	27,607	24,328
Private Legal Practitioner Payables ¹	67,682	144,155
Accrued Expenses ²	194,686	379,053
Total Current Payables	304,076	608,278
Non-Current Payables		
Deferred Rent Payable - 2 Allsop Street	662,870	713,212
Total Non-Current Payables	662,870	713,212
Total Payables	966,946	1,321,490

¹The decrease in Private Legal Practitioner Payables is mainly due to the Commission having a reduced payable amount related to the Eastman Retrial and Related Proceedings at 30 June 2018.

²The decrease in Accrued Expenses is due to the Commission having substantially less private legal practitioner payments remaining unpaid at 30 June 2018. This is mainly as a result from a lower volume of work provided to external legal practitioners.

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

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Accrued Expenses	49,567	48,123
Total Payables with ACT Government Entities	49,567	48,123

Payables with Non-ACT Government Entities

Trade Payables	14,102	60,742
Other Payables	27,607	24,328
Private Legal Practitioner Payables	67,682	144,155
Accrued Expenses	145,119	330,930
Deferred Rent Payable - 2 Allsop Street	662,870	713,212
Total Payables with Non-ACT Government Entities	917,379	1,273,367
Total Payables	966,946	1,321,490

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 19. LEASE INCENTIVE LIABILITY		
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	291,248	380,862
Total Lease Incentive Liability	380,863	470,477

The Present Value of the Lease Incentive Liability is as follows:

Within one year	89,615	89,615
Later than one year but not later than five years	291,248	358,459
Later than five years	-	22,404
Total Present Value of Lease Incentive Liability	380,863	470,477

The movement in the Lease Incentive Liability in 2017-18 is due to the recognition of the current year portion of the cash payment in lieu of a rent free period as per the lease agreement.

NOTE 20. EMPLOYEE BENEFITS

Current Employee Benefits

Annual Leave	485,280	518,331
Long Service Leave ¹	686,216	737,171
Accrued Salaries	90,559	91,749
Employee expenses relating to in-principle agreement to the Enterprise Bargaining Agreement ²	172,794	-
Total Current Employee Benefits	1,434,849	1,347,250

Non-Current Employee Benefits

Long Service Leave	158,357	173,320
Total Non-Current Employee Benefits	158,357	173,320

Total Employee Benefits

	1,593,206	1,520,571
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¹The decrease in current Long Service Leave is mainly due to the payment of long service leave related to staff departures offset by additional long service leave accruals in 2017-18. Further, the rate used to estimate the present value of the future payments for Long Service Leave has decreased from 103.4% at 30 June 2017 to 100.9% at 30 June 2018. The impact of this rate decrease is a reduction in the Long Service Leave provision of approximately \$20,900.

²The increase in Employee expenses relating to in-principle agreement to the Enterprise Bargaining Agreement is due to the Commission accruing the expected obligation arising from the Enterprise Bargaining Agreement, which is currently being negotiated by the Commission.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 20. EMPLOYEE BENEFITS - CONTINUED		
Estimate of When Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	303,262	275,229
Long Service Leave	67,672	64,329
Accrued Salaries	90,559	91,749
Employee expenses relating to in-principle agreement to the Enterprise Bargaining Agreement.	172,794	-
Total Employee Benefits Payable within 12 months	634,287	431,307
Estimated Amount Payable after 12 Months		
Annual Leave	182,018	243,102
Long Service Leave	776,901	846,162
Total Employee Benefits Payable after 12 Months	958,919	1,089,264
Total Employee Benefits	1,593,206	1,520,571

The annual average FTE staff for 2017-18 was 82.8 compared to 75.6 in 2016-17.

NOTE 21. 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 once the Commission is invoiced. Invoices from private legal practitioners received by the Commission after year end that relate to work done up to 30 June 2018 are included in accrued expenses in Note 18: *Payables*.

Provision for Amounts Owing to Private Legal Practitioners	360,078	305,225
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	305,225	249,693
Add: Amount Transferred to Accrued Expenses in the Previous Reporting Period	77,576	47,753
Increase in Provision for the Reporting Period	11,307	85,355
Reduction in Provision due to Transfer to Accrued Expenses	(34,030)	(77,576)
Provision for Amounts Owing to Private Legal Practitioners at the End of the Reporting Period	360,078	305,225

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

2018 2017
 \$ \$

NOTE 22. 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 analysis conducted in 2018 by Helga Maynier, BSc (QS) MAIQS MRICS, Director, mbmpl PTY LTD.

Provision for Make Good	645,019	502,680
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Reconciliation of the Provision for Make Good		
Provision for Make Good at the Beginning of the Reporting Period	502,680	493,850
Increase in Provision due to Unwinding of Discount	25,753	24,504
Increase/(Decrease) in Provision due to a Change in Accounting Estimates ¹	116,586	(15,674)
Provision for Make Good at the End of the Reporting Period	645,019	502,680

¹As disclosed in Appendix D - *Change in Accounting Estimates*, the Commission sought an independent external property expert to analyse the level of Provision for Make Good in the Legal Aid leased office space. This analysis resulted in a revised Provision for Make Good which has been reflected in the 2017-18 data. The outcome is an increase to the Provision for Make Good of \$147,319, which would have previously been a decrease of \$30,733 under the 2010 values. The analysis was not a revaluation, rather an update of the cost of returning the office space to the original condition. The higher provision reflects the increased costs of goods and labour since the last assumptions in 2010.

NOTE 23. OTHER LIABILITIES

Revenue Received in Advance for the 2017-18 financial year relates to monies received from the Commonwealth Government for the creation of the streamlined online self-service portal, monies received from the University of Canberra for the law clinic, and another from the Australian National University for the Youth Law Centre. Each of these funding measures are provided on the basis that Legal Aid delivers particular services commensurate to the value of funding, across a number of financial years.

Current Other Liabilities

Revenue Received in Advance ¹	98,614	137,011
Total Current Other Liabilities	98,614	137,011
<hr/>		
Total Other Liabilities	98,614	137,011

¹The decrease in Other Liabilities is due to the partial expending of the money from the Commonwealth Government which was received in 2016-17 for the creation of the streamlined online self-service portal. This is to improve access to justice for residents of the Australian Capital Territory by directing users to legal services and resources and assisting them to address their legal problems independently. This project is expected to finish in 2018-19.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

NOTE 24. 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 (see Appendix B - *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. The Commission received a higher amount of interest revenue in 2017-18 when compared to 2016-17 due to a change in the drawdown schedule of the Commission, which saw an increase in the amount of cash held in the Commission's bank account during the first 10 months of the reporting period.

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

Under an agreement with the Department of Social Services for the "Services and Support for Disability" program, the Commission recovered costs for legal cases of National Disability Insurance Scheme (NDIS) clients. Given the Department of Social Services is a Commonwealth Government entity, and the Commission's biggest debtor in 2017-18, the Commission has deemed the credit risk in 2017-18 to be lower than 2016-17.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

NOTE 24. 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. Another source of liquidity risk is the Commission's obligation related to employee salaries, which is the largest expenditure of the Commission.

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.

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 Amount 2018 \$	Fair Value 2018 \$	Carrying Amount 2017 \$	Fair Value 2017 \$
Financial Assets				
Cash and Cash Equivalents	3,996,075	3,996,075	4,413,543	4,413,543
Receivables ¹	196,108	196,108	47,141	47,141
Total Financial Assets	4,192,183	4,192,183	4,460,684	4,460,684
Financial Liabilities				
Payables ¹	966,946	966,946	1,321,490	1,321,490
Total Financial Liabilities	966,946	966,946	1,321,490	1,321,490

¹In 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 2018

NOTE 24. 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 2018. 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	Floating Interest Rate \$	Fixed Interest Maturing In:			Non-Interest Bearing \$	Total \$
				1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	14	2.35%	3,995,735	-	-	-	340	3,996,075
Receivables ¹	15		-	-	-	-	196,108	196,108
Total Financial Assets			3,995,735	-	-	-	196,448	4,192,183
Financial Liabilities								
Payables ¹	18		-	-	-	-	966,946	966,946
Total Financial Liabilities			-	-	-	-	966,946	966,946
Net Financial Assets/(Liabilities)			3,995,735	-	-	-	(770,498)	3,225,237

¹In the table above Receivables and Payables exclude Net GST Receivables/Payables. As such, the Receivables included in the above table of \$196,108 are calculated by taking the Net GST Receivables of \$133,744 from Total Receivables of \$329,852 included in Note 15.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

NOTE 24. 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 2017. 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	Floating Interest Rate \$	Fixed Interest Maturing In:			Non-Interest Bearing \$	Total \$
				1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	14	2.37%	4,413,203	-	-	-	340	4,413,543
Receivables ¹	15		-	-	-	-	47,141	47,141
Total Financial Assets			4,413,203	-	-	-	47,481	4,460,684
Financial Liabilities								
Payables ¹	18		-	-	-	-	1,321,490	1,321,490
Total Financial Liabilities			-	-	-	-	1,321,490	1,321,490
Net Financial Assets/(Liabilities)			4,413,203	-	-	-	(1,274,009)	3,139,194

¹In the table above Receivables and Payables exclude Net GST Receivables/Payables. As such, the Receivables included in the above table of \$47,141 are calculated by taking the Net GST Receivables of \$135,472 from Total Receivables of \$182,613 included in Note 15.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
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NOTE 24. FINANCIAL INSTRUMENTS - CONTINUED		
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables Measured at Amortised Cost ¹	196,108	47,141
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost ²	966,946	1,321,490

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.

¹The increase in 'Loans and Receivables Measured at Amortised Cost' is mainly due to an increase in the revenue received from reassessed contributions costs recovered from the Department of Social Services (DSS), offset by the write-off of grants which were deemed irrecoverable. Further information is at Note 15: *Receivables*.

²The decrease in 'Financial Liabilities Measured at Amortised Cost' is mainly due to the substantially lower Referrals to Private Practitioners in 2017-18, which lead to a lower level of Accrued Expenses at 30 June 2018. Further information is at Note 10: *Supplies and Services* and Note 18: *Payables*.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

2018 2017
 \$ \$

NOTE 25. 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 term of the operating lease is 12.5 years 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 22: *Provision for Make Good*.

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

Non-cancellable operating lease commitments are payable as follows:

Within one year	1,051,046	1,054,544
Later than one year but not later than five years	3,415,900	4,204,185
Later than five years	-	262,762
Total Operating Lease Commitments	4,466,946	5,521,490

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

NOTE 26. 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

Balance at the Beginning of the Reporting Period	260,842	429,278
Cash Receipts	779,855	338,778
Cash Payments	(909,016)	(507,214)
Balance at the End of the Reporting Period	131,681	260,842

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

NOTE 27. RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly.

KMP of the Commission are the Chief Executive Officer and the Deputy Chief Executive Officer.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Commission.

This note does not include typical citizen transactions between the KMP and the Commission that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

The Legal Aid Commission (ACT) is an independent statutory authority within the ACT, established under the *Legal Aid Act 1977* and is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

Compensation of Key Management Personnel

Compensation of all Cabinet Ministers is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2018.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) financial statements for the year ended 30 June 2018.

Compensation by the Commission to KMP is set out below.

	2018	2017
	\$	\$
Short-term employee benefits	559,956	561,091
Post employment benefits	101,227	88,281
Other long-term benefits	15,796	38,461
Total Compensation by the Commission to KMP	676,979	687,833

In 2016-17, Total Compensation by the Commission to KMP included fees paid to Board Members of \$27,331. A review of the role of the Board in 2017-18 revealed that the Board is an advisory body, rather than a decision-making body. Therefore, for the purposes of these statements, Board Members are not considered KMPs of the Commission, and have been removed from the table above.

Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Commission.

Transactions with parties related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the Commission.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements of the Commission.

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$	\$
NOTE 28. 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	3,996,075	4,413,543
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	3,996,075	4,413,543
(b) Reconciliation of the Operating (Deficit) to the Net Cash (Outflows)/Inflows from Operating Activities		
Operating (Deficit)	(333,956)	(19,261)
Add/(Less) Non-Cash Items		
Depreciation of Property, Plant and Equipment	381,875	380,690
Amortisation of Intangibles	-	71,962
Derecognition of Intangible Assets	-	110,646
Capital Works in Progress Expensed	-	46,532
Cash Before Changes in Operating Assets and Liabilities	47,919	590,569
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(147,239)	55,273
Decrease/(Increase) in Prepayments	74,583	(134,782)
(Decrease)/Increase in Payables	(354,544)	282,485
Increase/(Decrease) in Employee Benefits	72,635	(33,155)
Increase in Provision for Make Good	25,753	24,504
(Decrease) in Lease Incentive	(89,615)	(89,615)
Increase in Provision for Amounts Owing to Private Legal Practitioners	54,853	55,532
(Decrease)/Increase in Other Liabilities	(38,397)	104,970
Net Changes in Operating Assets and Liabilities	(401,973)	265,210
Net Cash (Outflows)/Inflows from Operating Activities	(354,054)	855,778

Legal Aid Commission (ACT)
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

NOTE 29. BUDGETARY REPORTING

	Actual 2017-18 \$	Original Budget¹ 2017-18 \$	Variance \$	Variance %	Variance Explanation
Operating Statement Line Items					
Supplies and Services	4,984,312	5,589,000	(604,688)	(10.82%)	Supplies and Services were below the budget amount mainly due to less than anticipated expenditure related to the delay in the Eastman Retrial and Related Proceedings. This is partially offset by higher than budgeted external legal costs due to higher than expected payments made to private legal practitioners in 2017-18.
Balance Sheet Line Items					
Provision for Amounts Owing to Private Legal Practitioners	360,078	230,000	130,078	56.56%	The Provision for Amounts Owing to Private Legal Practitioners exceeded the budget amount mainly due to a higher than expected value of work performed by private legal practitioners throughout 2017-18.
Non-Current Employee Benefits	158,357	210,000	(51,643)	(24.59%)	Non-Current Employee Benefits was below the budget amount mainly due to a reduction in the number of employees accruing non-current long service leave as a result of staff movements in 2017-18. In addition, the actual rate used to estimate the present value of the future payments for long service leave of 100.9% was lower than the rate of 106.5% anticipated in the budget.
Statement of Changes in Equity Line Items					
These line items are covered in other financial statements.					
Cash Flow Statement Line Items					
Purchase of Property, Plant and Equipment	63,416	50,000	13,416	26.83%	Purchase of Property, Plant and Equipment exceeded the budgeted amount due to the purchase of additional Computer Equipment which was not estimated in the budget.

¹Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2017-18 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Legal Aid Commission (ACT)
Appendix A - Basis of Preparation of the Financial Statements
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Basis of Preparation of the Financial Statements

LEGISLATIVE REQUIREMENT

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 reporting period;
- (ii) a Balance Sheet at the end of the reporting period;
- (iii) a Statement of Changes in Equity for the reporting period;
- (iv) a Cash Flow Statement for the reporting period;
- (v) a Statement of Appropriation for the reporting period;
- (vi) an Operating Statement for each class of output for the reporting period;
- (vii) the significant accounting policies adopted for the reporting period; 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 reporting period.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards 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.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements have also been prepared according to the historical cost convention.

CURRENCY

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

INDIVIDUAL REPORTING ENTITY

The Commission is an individual reporting entity.

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of the Commission for the year ending 30 June 2018 together with the financial position of the Commission at 30 June 2018.

COMPARATIVE FIGURES

Budget Figures

The *Financial Management Act 1996* requires the financial statements to facilitate a comparison with the Statement of Intent. Budget information provided for 2017-18 matches the budget information contained in the Commission's Statement of Intent (included in the 2017-18 Budget Papers).

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.

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.

GOING CONCERN

The 2017-18 financial statements have been prepared on a going concern basis as the ongoing functions, activities and funding of the Commission are set out in the 2018-19 Statement of Intent.

Legal Aid Commission (ACT)
Appendix B - Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Significant Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES - INCOME

REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the following criteria must be met before revenue is recognised:

Note 4 Controlled Recurrent Payments

Controlled Recurrent Payments are recognised as revenue when the Commission gains control over the funding. Control over appropriated funds is normally obtained upon the receipt of cash.

Note 5 User Charges

Assisted Person Contributions

Assisted person contributions in 2017-18 were received from both individual clients and the Commonwealth Department of Social Services (DSS) relating to the National Disability Insurance Scheme (NDIS). All contributions (including from the DSS) are recognised as revenue at the time of granting legal assistance. Contributions from individual clients can be reassessed at any stage during the grant, including upon finalisation. On the other hand, contributions from the DSS are not reassessed, they are paid on a fixed rate per case. The majority of these Contributions and Recovered Costs in 2017-18 are related to grants of legal assistance under the NDIS.

Note 6 Grant Revenue

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

Note 7 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.

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES

Note 9 Superannuation Expenses

Employees of the Commission will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements. For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS), the Commission makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The Commission also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice), the Commission makes employer superannuation contribution payments directly to the employee's relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

Superannuation Liability Recognition

For Commission employees who are members of the defined benefit CSS or PSS, the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

Legal Aid Commission (ACT)
Appendix B - Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Significant Accounting Policies - Continued

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES - CONTINUED

Note 10 Supplies and Services

Insurance

In 2017-18 the Commission insured all of its major risks through Allianz Australia Insurance Ltd, SURA Engineering Pty Ltd and Accident and Health International Underwriting Pty Ltd. The excess payable, under these arrangements, 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 in performing their duties (Section 91 of the *Legal Aid Act 1977*).

Operating Leases

The Commission has an operating lease. 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.

Note 11 Depreciation and Amortisation

Depreciation and Amortisation of Non-Current Assets

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as property, plant and equipment.

Leasehold improvements are depreciated over the estimated useful life of the 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 / Amortisation Method	Useful Life (Years)
Furniture and Fittings	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	Straight Line	2 to 3

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

Note 13 Other Expenses

Other Expenses is made up of waivers, impairment losses, and write-offs.

Waivers

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

Impairment Losses - Assets

Impairment losses of assets include: plant and equipment, leasehold improvements and intangible assets (see Appendix B - Note 17 *Property, Plant and Equipment*).

Impairment Losses and Write-offs - Receivables

The impairment losses are expensed during the year in which the receivable was impaired.

Legal Aid Commission (ACT)
Appendix B - Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Significant Accounting Policies - Continued

SIGNIFICANT ACCOUNTING POLICIES - ASSETS

ASSETS - CURRENT AND NON-CURRENT

Assets are classified as current when they are expected to be realised within 12 months after the reporting date.

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

Note 14 Cash and Cash Equivalents

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.

Note 15 Receivables

Accounts receivable 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 (excluding Contributions and Recovered Costs receivable from the Department of Social Services) can be reassessed at any stage during the grant including upon finalisation. If assisted persons are unable to pay immediately, then they are given the opportunity to pay by instalments. No interest is charged on outstanding debts.

Assisted Person Contributions and Recovered Costs receivable from the Department of Social Services (DSS) are levied at the time of granting legal assistance. These contributions are generally not subject to any reassessment as the DSS will pay a one-off payment per matter to cover all the attributable costs in managing the case. However, in rare circumstances the DSS will pay an extra one-off payment to cover additional costs for an expert report. Given the DSS is a Commonwealth Government entity the amount receivable from DSS is not considered as impaired.

Impairment Loss - Receivables

The allowance for impairment losses represents the amount of assisted person contributions (excluding Contributions and Recovered Costs receivable from the Department of Social Services) 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 as 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 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.

Caveats - Receivables

The Commission 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.

The Commission will only receive the reassessed amount tied to a caveat on a real property when that asset is sold. While the Commission holds a small number of caveats on clients' real properties, it does not recognise the caveats as a receivable as predicting the timeframe between the reassessment of a receivable amount on a case and the realisation of the capital asset is impossible.

Significant Judgements and Estimates - 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.

Legal Aid Commission (ACT)
Appendix B - Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Significant Accounting Policies - Continued

SIGNIFICANT ACCOUNTING POLICIES - ASSETS - CONTINUED

Note 17 Property, Plant and Equipment

Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost.

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.

Measurement of Property, Plant and Equipment after Initial Recognition

The Commission measures its property, plant and equipment assets subsequent to initial recognition at cost.

Impairment Loss - 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.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Significant Judgements and Estimates - 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 Appendix B - Note 11 *Depreciation and Amortisation*.

Legal Aid Commission (ACT)
Appendix B - Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Significant Accounting Policies - Continued

SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES

LIABILITIES - CURRENT AND NON-CURRENT

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.

Liabilities which do not fall within the current classification are classified as non-current.

Taxation

The Commission is exempt from Income Taxation and receives a Fringe Benefits Tax concession under a ruling by the Australian Taxation Office granting the Commission Public Benevolent Institution status.

Note 18 Payables

Payables 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.

Grants of Legal Assistance - Payables

In accordance with the *Legal Aid Act 1977* 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 running of 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 position means that they no longer satisfy the means test.

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 reporting date is recorded by the Commission in a Provision for Amounts Owing to Private Legal Practitioners shown in Note 21.

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 for legal services provided under these approvals are reclassified from the Provision for Amounts Owing to Private Legal Practitioners to Accrued Expenses.

See further disclosure at Appendix B - Note 21 *Provision for Amounts Owing to Private Legal Practitioners*.

Note 19 Lease Incentive Liability

When the Commission entered into an agreement for lease for the tenancy of 2 Allsop Street, Canberra City commencing 1 April 2010, it took advantage of cash in lieu of a rent free period from the landlord. The Commission has recognised the total lease incentive value as a liability. This liability is apportioned on a straight line basis over the term of the rental agreement (12.5 years).

Legal Aid Commission (ACT)
Appendix B - Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Significant Accounting Policies - Continued

SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES - CONTINUED

Note 20 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;
- other long-term benefits, such as long service leave and annual leave; and
- termination benefits.

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 2017-18, the rate used to estimate the present value of future annual leave payments is 99.7% (99.8% in 2016-17).

In 2017-18, the rate used to estimate the present value of future payments for long service leave is 100.9% (103.4% in 2016-17). The use of a lower rate resulted in a decrease in the long service liability and related expense of approximately \$20,900.

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.

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.

Significant Judgements and Estimates - 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.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. Cumpston Sarjeant, Consulting Actuaries, performed this assessment in June 2018. 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. The next actuarial review is expected to be undertaken by 2023.

Legal Aid Commission (ACT)
Appendix B - Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Significant Accounting Policies - Continued

SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES - CONTINUED

Note 21 Provision for Amounts Owing to Private Legal Practitioners

Significant Judgements and Estimates - 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 reporting period.

Note 22 Provision for Make Good

Significant Judgements and Estimates - 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. An independent external property expert was engaged to analyse the level of Provision for Make Good in the Legal Aid leased office space. This analysis was not a revaluation, rather an update to the previous cost analysis conducted in 2010. The analysis of the Provision for Make Good factored current estimations of relevant items, including demolition, ceilings, flooring, paint, blinds, cooling system, electrical services, fire services and signage. The revised increase in Provision (from \$250 per m² in 2010 to \$324 per m² in 2018) has been included in these 2017-18 financial statements. The analysis was conducted by Helga Maynier, BSc (QS) MAIQS MRICS of mbmpl Pty Ltd (independent valuers) in 2018.

Note 23 Other Liabilities

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.

SIGNIFICANT ACCOUNTING POLICIES - OTHER NOTES

Note 29 Budgetary Reporting

Explanation of Major Variances between Actual Amounts and Original Budget Amounts

Explanations of major variances between the 2017-18 original budget and the 30 June 2018 actual results are discussed in Note 29: *Budgetary Reporting*. The definition of 'major variances' is provided in *Significant Accounting Judgements and Estimates – Budgetary Reporting*.

Significant Judgements and Estimates - Budgetary Reporting

Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 29: *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: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the 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% of the budget for the financial statement line item.

Legal Aid Commission (ACT)
Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

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. AASB 9 also includes a new expected credit loss model for determining impairment losses for financial assets. No material financial impact on the Commission is expected.
- AASB 15 Revenue from Contracts with Customers (application date 1 January 2018 for profit entities, 1 January 2019 for not-for-profit entities);
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. Some revenue may need to be deferred to a future reporting period if the Commission has received cash and has not met its associated performance obligations (this would create a liability until the performance obligations are met). At this stage the Commission is not able to estimate the impact of this new standard on its financial statements and will make a more detailed assessment of the impact over the next 12 months.
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB for Not-for-Profit Entities* defers the effective date of AASB 15 for not-for-profit entities to 1 January 2019.
- AASB 16 Leases (application date 1 January 2019);
AASB 16 is the new standard for leases. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low. This will result in the Commission recognising its operating lease as an asset alongside the associated liability, rather than accounting as operating lease expenditure. The right-of-use asset will initially be recognised as the present value of the lease payments during the term of the lease. Lease payments made will reduce this liability over time and also result in an interest expense.
The Commission only has one lease (office accommodation) and it is affected by this accounting standard amendment. The present value of this right-of-use asset (and the corresponding liability) over the 39 months remaining in the term of the lease (July 2019 to September 2022) is estimated to be \$3,800,000, or over \$1,000,000 per year. Given this amendment impacts both the asset and liability, the net variation to the Balance Sheet will be minimal. The impact on the operating statement is immaterial.
- AASB 1058 income for Not-for-Profit (application date 1 January 2019);
This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers. These standards supersede all the income recognition requirements relating to private sector not-for-profit entities, and the majority of income recognition requirements relation to public sector not-for-profit entities, previously in AASB 1004 Contributions. The Commission has commenced consideration of the new revenue recognition requirements and has yet to finalise its assessment of their impact. Possible future impacts apparent at this time include:
 - Grants received to construct non-financial assets controlled by the Commission will be recognised as a liability and subsequently recognised as revenue progressively as the Commission satisfies its performance obligation under the terms of the grants.
 - Other grants currently recognised as revenue upfront may be eligible to be recognised as progressively as the associated performance obligations are satisfied, if the performance obligations are enforceable and sufficiently specific. The Commission has not yet evaluated its grants arrangements as to whether revenue from those grants could be deferred under the new requirements.
 - Grants that are not enforceable and/or not sufficiently specific will continue to be recognised as revenue (no change to current treatment).The Commission will make a detailed assessment of the impact over the next 12 months.

Legal Aid Commission (ACT)
Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2018

Impact of Accounting Standards Issued But Yet to Be Applied - Continued

- 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, 136, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (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 15. The Commission is assessing the potential impact of AASB 15.
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15 (application date 1 January 2018);
This standard deferred the application date of AASB 15 *Revenue from Contracts with Customers* to 1 January 2018.
AASB 2016-17 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities* further defers the application date of AASB 15 for not-for-profit entities until 1 January 2019. At this stage the Commission is not able to estimate the impact of AASB 15 on its financial statements. The Commission will make a more detailed assessment of the impact over the next 12 months.
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 (application date 1 January 2018);
This standard clarifies the existing requirements of AASB 15. The Commission is not able to estimate the impact of AASB 15 on its financial statements. The Commission will make a more detailed assessment of the impact over the next 12 months.
- AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-profit entities (application date 1 January 2017, which was the original mandatory effective date of AASB 15);
This standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by these entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. At this stage the Commission is not able to estimate the impact of AASB 15 on its financial statements and will make a more detailed assessment of the impact over the next 12 months.
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities [AASB 9 & 15] (application date 1 January 2019);
This standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those standards to particular transactions and other events. The amendments to AASB 9 address the initial measurement and recognition of non-contractual receivables arising from statutory requirements (including taxes, rates and fines). The amendments to AASB 15 address the following aspects of accounting for contracts with customers: identifying a contract with a customer; identifying performance obligations; and allocating the transaction price to performance obligations. At this stage the Commission is not able to estimate the impact of this implementation guidance on its financial statements and will make a more detailed assessment over the next 12 months.

Legal Aid Commission (ACT)
Appendix D - Change in Accounting Estimates
Forms Part of Note 3 of the Financial Statements
For the Year Ended 30 June 2018

CHANGE IN ACCOUNTING ESTIMATES

The Commission had the following change in accounting estimates during the reporting period:

Note 22 Provision for Make Good

As disclosed in Note 22: *Provision for Make Good*, the Commission records a liability and corresponding asset for the estimated cost of restoring the Commission's leased office space. During 2017-18 the Commission sought an update on the projected value of this Make Good Provision. An external independent expert was contracted to conduct this review. This analysis was not a revaluation, rather an update to the previous cost analysis conducted in 2010 to reflect current costs of materials and labour.

The Provision for Make Good in the 2017-18 financial statements is based on \$324 per square metre of leased space, compared to the previous value of \$250 per square metre. This amendment has resulted in an increase to the Provision for Make Good to \$645,019 (increased by \$142,339 from \$502,680).

CAPITAL WORKS

There were no capital works projects undertaken in the 2017-18 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 2018 was \$1,568,787. The Commission has no intangible assets at 30 June 2018. During the year the Commission sought an independent external property expert to analyse the cost of returning the leased office space at 2 Allsop Street to the original condition. This analysis resulted in an increase to the cost of Leasehold Improvements of \$147,319. This is as a result of increased costs of goods and labour since the last assumptions in 2010.

The assets added to the Commission's asset register in 2017-18 consisted of office and computer equipment of \$55,235 and motor vehicles of \$8,182.

There was \$24,310 spent on repairs and maintenance in 2017-18, \$19,364 relating to leasehold improvements and \$4,946 relating to office equipment.

OFFICE ACCOMMODATION

The Commission had up to 93 employees and 22 additional placements at any one time in leased accommodation at 2 Allsop Street, Canberra during 2017-18. The placements consisted of staff from the Environmental Defender's Office, university students, student supervisors and volunteers. The total space occupied by all persons is approximately 1,300 m². The average space per person is approximately 11.30m². 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 four contracts throughout 2017-18 with non-ACT Government entities with an estimated value of \$25,000 or more per contract. There were NIL Social Procurement outcomes during the year due to the Commission being a smaller size.

The table below shows the details of contracts the Commission has executed in 2017-18 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)
26376.110	Provision of Managed ICT Services	Tender	Services (non-consultancy)	No	OPC IT Pty Limited	\$977,488.90 (Total value of this particular contract only).	31/08/2017 (Contract Execution date may differ from contract commencement date)	30/08/2022	No
3020	Visualfiles Annual Maintenance	Single Select	Services (non-consultancy)	Yes	Reed International Books Australia Pty Limited T/A Lexis Nexis	\$57,063.86 (Total value of this particular contract only).	01/01/2018 (Contract Execution date may differ from contract commencement date).	31/12/2018	No
3021	Finance Management Software Support and Maintenance	Single Select	Services (non-consultancy)	Yes	Technology One Limited	\$31,401.47 (Total value of this particular contract only).	19/01/2018 (Contract Execution date may differ from contract commencement date).	18/01/2019	No

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)
3022	Online subscription to Australian Law reports and Lawyers practice manual	Single Select	Services (non-consultancy)	Yes	Thomson Reuters (Professional) Australia Limited	\$25,714.37 (Total value of this particular contract only).	07/08/2017 (Contract Execution date may differ from contract commencement date).	06/08/2018	No

Contact – Chief Financial Officer – (02) 6243 3445

The image features a large, abstract geometric design. A vertical line divides the space into two halves. A diagonal line runs from the top-left corner to the bottom-right corner. The top-right triangle is filled with orange, and the bottom-right triangle is also filled with orange. The remaining areas (top-left, bottom-left, and a portion of the bottom-right) are filled with a light grey color. The text 'Statement of Performance' is positioned in the grey area on the left, and '2017-18' is positioned in the white area on the right.

Statement of Performance

2017-18

REPORT OF FACTUAL FINDINGS

LEGAL AID COMMISSION (ACT)

To the Members of the ACT Legislative Assembly

Review opinion

I am providing an **unqualified review opinion** on the statement of performance of the Legal Aid Commission (ACT) (the Commission) for the year ended 30 June 2018.

During the review, no matters were identified which indicate that the results of the accountability indicators reported in the statement of performance are not fairly presented in accordance with the *Financial Management Act 1996*.

Basis for the review opinion

The review was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the review to provide a basis for the review opinion.

Responsibility for preparing and fairly presenting the statement of performance

The Chief Executive Officer of the Commission is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Responsibility for the review of the statement of performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*, the Auditor-General is responsible for issuing a report of factual findings on the statement of performance of the Commission.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud* and implemented procedures to address these risks so that sufficient evidence was obtained to form a review opinion; and
- reported the scope and timing of the review and any significant deficiencies in reporting practices identified during the review to the Chief Executive Officer.

(*The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls.)

Limitations on the scope of the review

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide limited assurance that the results of the accountability indicators reported in the 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.

This review does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations;
- adequacy of controls implemented by the Commission; or
- integrity of the reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.




Tim Larnach
Acting Director, Financial Audits
14 September 2018

**Legal Aid Commission (ACT)
Statement of Performance
For the Year Ended 30 June 2018**

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 2018 and also fairly reflects the judgements exercised in preparing it.



John Boersig
Chief Executive Officer
Legal Aid Commission (ACT)
14 September 2018

**Legal Aid Commission (ACT)
Statement of Performance
For the Year Ended 30 June 2018**

Output Class 1 - Legal Aid Services		Original Target 2017-18	Actual Result 2017-18	% Variance from Original Target	Explanation of Material Variances
Output 1.1 - Legal Aid Services Provided to the Community					
Description					
The Commission provides a full range of legal assistance services to the community through Commission staff and private legal practitioners. This output includes salaries and related costs of Commission staff as well as payments to private legal practitioners and the cost to the Commission of administering these arrangements. Private legal 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.					
Total Cost (\$'000)	15,196	15,061	(1%)		
Controlled Recurrent Payments (\$'000)	13,656	13,168	(4%)		Controlled Recurrent Payments was below the budget amount mainly due to less funding required for the Eastman Retrial and Related Proceedings in 2017-18 than expected due to delays in the Retrial. This was partially offset by additional funding in 2017-18 from the Commonwealth Government for Family Advocacy Support Services.
Accountability Indicators					
Number of Discrete Assistance services provided.	39,000	34,418	(12%)		The lower than targeted number of discrete assistance services provided is largely due to a decrease in information and referral services provided by the Commission. This is likely due to the public accessing legal information through the Commission's improved website which is not included in the target for this indicator (there was an increase in the number of website hits during 2017-18).
Number of Duty Lawyer services provided.	3,800	5,572	47%		The higher than targeted number of duty lawyer services provided is due to increases in Criminal law matters (traffic offences, breach of orders, possession/use of drugs); Family law matters (domestic violence, property settlement); Civil law matters (personal property orders, mental health, victims of crime etc); and additional workload associated with the commencement of the Family Advocacy Support Services (FASS) at the Federal/Family Court in March 2017. This additional workload was not expected in the original target.
Number of Representation services provided.	2,500	2,792	12%		The higher number of Representation services provided than budget is mainly due to more grants of legal assistance than estimated: higher than expected representations by Independent Children's Lawyers; and more Family Dispute Resolution mediations.
Number of Facilitated Resolution Process provided.	350	403	15%		The higher than targeted number of facilitated resolution process provided is due more family law conferences held in 2017-18 than budgeted.
Number of Community Legal Education services provided.	310	327	5%		The number of Community Legal Education (CLE) services provided is higher than the original target due to more outreach sessions conducted (Winnunga, Hospitals, Libraries) than expected; and additional free information sessions (Driving offences, Family Law).

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 Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

**Legal Aid Commission (ACT)
Statement of Performance
For the Year Ended 30 June 2018**

Output Class 1 - Legal Aid Services

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

Explanation of Accountability Indicators

Number of Discrete Assistance services provided: This indicator collates the number of information, referrals, non-legal support, legal advices, and legal task services provided to clients. This indicator does not include website page views.

Number of Duty Lawyer services provided: This indicator consists of advising the person and, in appropriate circumstances, appearing on their behalf, in relation to the proceeding or event. Duty lawyer services includes Criminal law, Domestic Violence, Mental Health, Family law and Civil law duty services.

Number of Representation services provided: This indicator collates the number of legal assistance services provided for representing people at court/tribunals, in dispute resolution processes and where the carriage of the matter requires ongoing assistance.

Number of Facilitated Resolution Process provided: This indicator collates the number of specific processes undertaken through Family Dispute Resolution that are aimed at resolving disputes without going to court.

Number of Community Legal Education services provided: This indicator collates the number of educational resources produced (e.g. booklets, pamphlets, self-help kits, website amendments etc) and the number of activities undertaken such as legal information sessions etc.



Whole of Government
Annual Reporting

2017-18

Community Legal Education (CLE) is provided to the general community, community services, community groups, organisations and schools. CLE builds individual and community resilience by enhancing:

-) awareness and understanding about the law
-) the ability of vulnerable and disadvantaged communities to prevent, identify and take action on legal problems; and
-) awareness of the help available from legal and non-legal support services.

CLE is the provision of information and education to members of the community on an individual or group basis to build legal capacity and enhance the understanding of legal rights in the community especially amongst vulnerable and disadvantaged people. The 'community' may be defined geographically, by issue or by need. Effective CLE provides information and education to increase legal capacity through the delivery of legal information and the development of self-help resources, as well as targets non-legal support workers. CLE sets out to ensure that people understand and apply legal knowledge in ways that benefit their behaviours, decisions and life outcomes. CLE increases the ability of an individual or community to understand and critically assess the impact of the legal system on them and their ability to deal with and use the law and the legal system.

Law for Non-Lawyers

Our regular CLE sessions included Law for Non-Lawyers, a series of training sessions aimed at the community sector. The sessions were well attended with approximately 500 people attending overall, with topics such as: Family Law; Family Violence; Homelessness Laws; Youth Law; Who is a Parent?; Workplace Bullying and Sexual Harassment; E-safety; and Animal law 101..

Free Legal Information Sessions

We regularly deliver CLE on family law including the topics of children, divorce and property. These CLE sessions have two purposes. The first is to increase the overall understanding of individuals who may have a matter in the Family Court. The second is to be preventative by providing individuals with information to increase their capacity to navigate the family law legal system independently, where possible.

We also deliver CLE every month through a live radio show on Valley 89.5. These topics have included Youth Law; Elder Abuse; Homelessness laws; Drink Driving; Victims of Crime; and Visa Issues.

Elder Abuse

This year we delivered a number of sessions on elder abuse, in recognition of the importance of this emerging issue in our community. Sessions were delivered to medical staff, community sector workers and residents of a rehabilitation centre. We attended the seniors week expo and worked in collaboration with a number of services for a world elder abuse awareness day event. We held an outreach service and Canberra Hospital each week and at COTA once a month. Through our CLE work, we were able to reach community workers on the frontline of identifying elder abuse as well as vulnerable individuals who may be experiencing elder abuse themselves.

Outreach

Outreach is another aspect of the work undertaken, as we understand that accessibility to legal services is a significant issue for many vulnerable people in our community. We provided legal assistance to people in the Adult Mental Health Unit at Canberra Hospital, the Alexander Maconochie Centre, Canberra College Cares, Migrant and Refugee Settlement Service, and at Winnunga Nimmityjah Aboriginal Health Service. These outreach locations enable Legal Aid ACT to provide a friendly and accessible face to the community while engaging with hard-to-reach and vulnerable community groups such as newly-arrived migrants and older people.

We formed a partnership with Libraries ACT to allow us to provide legal services on their premises each week, another method of giving members of the community access to legal assistance and increasing the visibility of Legal Aid ACT in the community.

We delivered CLE to 13 high schools during the year, reaching over 1,400 students. Our discussions ranged from criminal justice to employment law. Young people are particularly vulnerable members of our community and can experience significant barriers in accessing legal services. Our youth related work also involved a number of CLE presentations at ANU, ACU, U3A and CIT. We participated in several community days and spoke to over 200 apprentices about employment law.

We undertook regular outreach to the Muslim community in the ACT by regularly visiting the different mosques to promote Legal Aid's role as an agency of social justice.

Refugee and Migration Law

We worked collaboratively with the Red Cross, the Migrant and Refugee Settlement Service, Companion House, the Settlement Council of Australia and the Migrant Youth Service to deliver a number of forums and presentations including a celebration held on Harmony Day.

At the UNHCR Annual Consultation with Australian Non-Government Organizations, Zouheir Dalati represented Legal Aid at the forum 'Identifying Protection Gaps In 2018 And Navigating the Fast-Track Assessment Process for the Legacy Caseload Clients'.

We are part of the National Migrant Council of Australia group which looking at how to better support young men and fathers from migrant and refugee backgrounds.

Inter-Agency Collaboration

Networking is an important component of the work we do, we attended the following network meetings: the ACT Legal Assistance Forum, CLE network, National Legal Aid CLE Group, Elder Abuse Prevention Network, Humanitarian Settlement Network, Refugee & Asylum Seekers Humanitarian Coordination Committee, and the Family Law Pathways Network.

We spoke to staff at a number of services, including Canberra hospital, Catholic Care, ADACAS, CYPS, Calvary hospital, Toora Women, Red Cross and Justice & Community Safety, Rotary club, Lifeline, Directions ACT, Supported Tenancy Service, Canberra Recovery Service, ACT Victim Services, Onelink and the Family Court.

We had a stall at the NAIDOC Family Day, delivered cross cultural training, participated in an event at the Supreme Court for Indigenous students, and spoke at an event titled "Reconciliation in the ACT – Are We There Yet?"

CLE Resources

A number of resources were produced through the year to increase the ability of community members to identify legal issues, take action to resolve those issues and access legal assistance.

These resources included a suite of resources on the work of an Independent Children's Lawyer, the Family Law Service Directory, and a resource about the family violence provisions in the migration regulations. These resources were developed in response to an identified need within the community to better understand the role of Independent Children's Lawyers and to better navigate the Family Law system itself. A bookmark on elder abuse was also created to be distributed by Libraries ACT in their home delivery service as part of our ongoing partnership. This bookmark provided an effective way to deliver information on elder abuse and our helpline number to vulnerable and predominantly home-bound older people in the ACT.

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

Legislation	Relevant application to the Commission
<p><i>Emergencies Act 2004 (Section 85)</i></p>	<p>BUSHFIRE RISK MANAGEMENT</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><i>Human Rights Act 2004 (HRA)</i></p>	<p>HUMAN RIGHTS ACT</p> <p>No formal reviews or preparations for reviews of existing legislation for compatibility with the HRA have been undertaken.</p> <p>One litigation case involved notification to the Human Rights advisor.</p>
<p><i>Law Officers Act 2011</i></p>	<p>LEGAL SERVICES DIRECTIONS</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><i>Public Interest Disclosure Act 2012 (PID Act)</i></p>	<p>PUBLIC INTEREST DISCLOSURE</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: http://www.legalaidact.org.au/pdf/publications_publicdisclosurepamphlet.pdf.</p>

OTHER (DANGEROUS SUBSTANCES AND TERRITORY RECORDS)

Legislation	Relevant application to the Commission
<p><i>Dangerous Substances Act 2004, section 200</i></p> <p><i>Medicines, Poisons and Therapeutic Goods Act 2008, section 177</i></p>	<p>NOTICES OF NON COMPLIANCE</p> <p>There were NIL notices of noncompliance serviced to the Commission.</p>

Legislation	Relevant application to the Commission
<p><i>Territory Records Act 2002 (TRA)</i></p>	<p>TERRITORY RECORDS ACT</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 (1977)</i> (the Act).</p> <p>A list of the approved Records Disposal Schedules is included in the table following.</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

Record Disposal Schedule Name	Effective	Year & No.
Corporate Governance Records	9/1/2009	NI2009-10
Finance and Treasury Management Records	27/2/2017	NI2017-83
Government and Stakeholder Relations Records	27/2/2017	NI2017-84
Human Resources Records	27/2/2017	NI2017-79
Information and Communications Technology Records	27/2/2017	NI2017-85
Procurement Records	9/10/2007	NI2007-312
Property Equipment and Fleet Records	27/2/2017	NI2017-86
Protection of records relevant to the Royal Commission into Institutional Responses to Child Sexual Abuse	1/2/2013	NI2013-42
Public Sector Commissioner Records	25/7/2017	NI2017-396
Public Service Management Records	25/7/2017	NI2017-393

Record Disposal Schedule Name	Effective	Year & No.
Records and Information Management Records	27/2/2017	NI2017-87
Solicitor and Legal Services Records	27/2/2017	NI2017-88
Strategy and Governance Records	27/2/2017	NI2017-89
Workplace and Safety Policy Records	8/3/2011	NI2011-96

Contact – CEO– (02) 6243 3496

LIST OF ABBREVIATIONS AND ACRONYMS

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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