INDEPENDENT AUDITOR'S REPORT

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To the Chairperson
Legal Services Commission of South Australia

Opinion

I have audited the financial report of the Legal Services Commission of South Australia for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Legal Services Commission of South Australia as at 30 June 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards – Simplified Disclosures, including:

a) giving a true and fair view of the financial position of the Legal Services Commission of South Australia as art 30 June 2026, its financial performance and its cash flows for the year then ended; and

b) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022.*

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chairperson, the CEO (Director) and the Chief Financial Officer.

Basis for opinion

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 25 of the *Legal Services Commission Act 1977*, I have audited the financial report of the Legal Services Commission of South Australia for the financial year ended 30 June 2026.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Legal Services Commission of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO (Director)
- conclude on the appropriateness of the CEO (Director's) use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the CEO (Director) and members of the Commission about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

29 October 2026



Legal Services Commission of South Australia

Financial Statements
for the year ended
30 June 2026

Certification of the Financial Statements

We certify that the:

- Financial statements of the Legal Services Commission of South Australia:
  - are in accordance with the accounts and records of the Legal Services Commission of South Australia; and
  - comply with relevant Treasurer's Instructions; and
  - comply with relevant accounting standards; and
  - comply with Division 60 of the Australian Charities and Not-for-profit Commission Regulations 2022; and
  - present a true and fair view of the financial position of Legal Services Commission of South Australia at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Legal Services Commission of South Australia for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Becky Janaway
Chief Financial Officer
27 October 2026



Annmarie Lumsden
CEO (Director)
27 October 2026



Peter Slattery
Chairperson
27 October 2026

Legal Services Commission of South Australia

Statement of Comprehensive Income

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income			
Grants and subsidies	2.1	48 627	64 498
Legal Practitioners Act 1981 revenues	2.2	16 842	22 963
Statutory charges		2 002	1 731
Interest income	2.3	2 129	1 735
Costs recovered and contributions	2.4	722	590
Other income	2.5	2 133	1 382
Total income		**72 455**	**92 899**
Expenses			
Employee related expenses	3.3	30 835	27 880
Private practitioners services	4.5	32 807	29 113
Supplies and services	4.1	9 722	9 862
Grants and subsidies	4.2	125	-
Depreciation and amortisation	4.3	1 297	1 651
Other expenses	4.4	170	311
Total expenses		**74 956**	**68 817**
Net result		**(2 501)**	**24 082**
Other comprehensive income			
Property, plant and equipment revaluation surplus	5.4	1 556	-
Total comprehensive result		**(945)**	**24 082**

The accompanying notes form part of these financial statements.

Legal Services Commission of South Australia

Statement of Financial Position

as at 30 June 2026

	Note	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	6.2	39 844	41 890
Receivables	6.3	6 883	6 561
Other financial assets	6.4	21 752	20 461
Total current assets		**68 479**	**68 912**
Non-current assets			
Property, plant and equipment	5.1	4 716	3 162
Intangible assets	5.5	152	91
Statutory charge receivables	6.5	12 488	11 970
Total non-current assets		**17 356**	**15 223**
Total assets		**85 835**	**84 135**
Current liabilities			
Payables	7.2	14 353	12 079
Other non-financial liabilities	7.3	233	233
Employee related liabilities	7.4	2 526	1 893
Total current liabilities		**17 112**	**14 205**
Non-current liabilities			
Other non-financial liabilities	7.3	234	467
Employee related liabilities	7.4	3 622	3 651
Total non-current liabilities		**3 856**	**4 118**
Total liabilities		**20 968**	**18 323**
Net assets		**64 867**	**65 812**
Equity			
Retained earnings		63 311	65 812
Asset revaluation surplus	5.4	1 556	-
Total equity		**64 867**	**65 812**

The accompanying notes form part of these financial statements.

Legal Services Commission of South Australia

Statement of Changes in Equity

for the year ended 30 June 2026

	Note	Asset revaluation surplus $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 July 2024		-	**50 414**	**50 414**
Error correction	1.2	-	(8 684)	(8 684)
Restated balance at 1 July 2024		**-**	**41 730**	**41 730**
Net result for 2024-25		-	24 082	24 082
Total comprehensive result for 2024-25		**-**	**24 082**	**24 082**
Balance at 30 June 2025		**-**	**65 812**	**65 812**
Net result for 2025-26		-	(2 501)	(2 501)
Revaluation of property, plant and equipment		1 556	-	1 556
Total comprehensive result for 2025-26		**1 556**	**(2 501)**	**(945)**
Balance at 30 June 2026		**1 556**	**63 311**	**64 867**

The accompanying notes form part of these financial statements.

Legal Services Commission of South Australia

Statement of Cash Flows

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Cash inflows			
Receipts from grants and subsidies		49 063	64 118
Legal Practitioners Act 1981 receipts		16 447	23 195
Costs recovered and contributions		660	533
Statutory charge receipts		1 617	1 469
Interest received		2 105	1 721
GST recovered from the ATO		3 947	3 124
Other receipts		1 764	1 464
Cash outflows			
Employee related payments		(30 231)	(27 606)
Payments for supplies and services		(12 292)	(12 106)
Private practitioner services		(33 698)	(30 574)
Net cash provided from operating activities		**(618)**	**25 338**
Cash flows from investing activities			
Cash outflows			
Purchase of financial assets		-	(11 000)
Purchase of property, plant & equipment and intangibles		(1 428)	(356)
Net cash used in investing activities		**(1 428)**	**(11 356)**
Net decrease in cash and cash equivalents		**(2 046)**	**13 982**
Cash and cash equivalents at the beginning of the period		**41 890**	**27 908**
Cash and cash equivalents at the end of the period	6.2	**39 844**	**41 890**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. About Legal Services Commission of South Australia 8
1.1. Basis of preparation 8
1.2. Correction of prior-period error 9
1.3. Objectives 10

2. Income 11
2.1. Grants and subsidies 11
2.2. Legal Practitioners Act 1981 revenues 12
2.3. Interest income 12
2.4. Costs recovered and contributions 12
2.5. Other income 12

3. Board, committees and employees 13
3.1. Key management personnel 13
3.2. Commission members 13
3.3. Employee related expenses 14

4. Expenses 15
4.1. Supplies and services 15
4.2. Grants and subsidies 15
4.3. Depreciation and amortisation 15
4.4. Other expenses 16
4.5. Private practitioners services 16

5. Property, Plant and equipment 16
5.1. Property, plant and equipment 16
5.2. Useful life and depreciation 17
5.3. Property, plant and equipment owned by Legal Services 17
5.4. Reconciliation of asset revaluation 18
5.5. Intangible assets 18

6. Assets 19
6.1. Financial assets 19
6.2. Cash and cash equivalents 19
6.3. Receivables 19
6.4. Other financial assets 20
6.5. Statutory charge receivables 20

7. Liabilities 20
7.1. Financial liabilities 20
7.2. Payables 20
7.3. Other non-financial liabilities 21
7.4. Employee related liabilities 21

8. Outlook 22
8.1. Unrecognised commitments 22
8.2. Contingent assets and liabilities 23
8.3. Events after the reporting period 23

1. About Legal Services Commission of South Australia

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

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

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

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

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

1.1. Basis of preparation

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

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

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

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

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

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

Cash flows are included in the Statement of Cash Flows on a gross basis.

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

1.2. Correction of prior-period error

During the year ended 30 June 2026, Legal Services reassessed the accounting treatment of approved grants of legal aid allocated to private practitioners.

In prior periods, Legal Services disclosed the maximum value of outstanding approved grants of legal aid as commitments. An expense and corresponding liability were recognised only when a claim submitted by a private legal practitioner had been reviewed and certified for payment.

Following its reassessment, Legal Services concluded that a liability should be recognised for legal services performed by private practitioners before the reporting date but not yet invoiced or certified. The liability arises from services received by Legal Services under approved grants of legal aid and represents work performed at the reporting date for which settlement is expected in a future reporting period. The valuation applies the Chain Ladder method, using historical development experience to project future payments. Projected future payments are then allocated between services performed before and after the reporting date to determine the work-in-progress liability, and the amount to be recognised as a commitment.

The information required to reliably estimate the liability was available, or could reasonably have been obtained, when the financial statements for the affected prior periods were authorised for issue. Accordingly, the previous non-recognition of the liability has been accounted for as a prior-period error. The error has been corrected retrospectively by restating the comparative amounts for the year ended 30 June 2025 and the opening balances at 1 July 2024, being the beginning of the earliest comparative period presented.

Impact on Statement of Financial Position

	1 July 2024 previously reported $'000	Adjustment $'000	1 July 2024 Restated $'000
Current liabilities			
Payables	2 155	8 684	10 839
Total current liabilities	**4 078**	**8 684**	**12 762**
Total liabilities	**8 384**	**8 684**	**17 068**
Net Assets	**50 414**	**(8 684)**	**41 730**
Equity			
Retained earnings	50 414	(8 684)	41 730
Total equity	**50 414**	**(8 684)**	**41 730**

	30 June 2025 previously reported $'000	Adjustment $'000	30 June 2025 Restated $'000
Current liabilities			
Payables	2 251	9 828	12 079
Total current liabilities	**4 377**	**9 828**	**14 205**
Total liabilities	**8 495**	**9 828**	**18 323**
Net Assets	**75 640**	**(9 828)**	**65 812**
Equity			
Retained earnings	**75 640**	**(9 828)**	**65 812**
Total equity	**75 640**	**(9 828)**	**65 812**

The effect of the correction on the statement of profit or loss and other comprehensive income is as follows:

Impact on Statement of Comprehensive Income

	2025 previously reported $'000	Adjustment $'000	1 July 2025 Restated $'000
Expenses			
Private practitioners' services	27 969	1 144	29 113
Total expenses	**67 673**	**1 144**	**68 817**
Net result	**25 226**	**(1 144)**	**24 082**
Net comprehensive result	**25 226**	**(1 144)**	**24 082**

Effect on Statement of Cash Flows

The correction did not affect Legal Services' total cash flows for the year ended 30 June 2025 because recognition of the provision is a non-cash adjustment. The classification and presentation of cash payments made to private legal practitioners were not affected.

1.3. Objectives

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

2. Income

2.1. Grants and subsidies

	2026 $'000	2025 $'000
Commonwealth-sourced grants and subsidies		
National Access to Justice Partnership Agreement	25 508	18 601
Online Dispute Resolution Portal funding	1 196	-
Family Violence and Cross-Examination of Parties Scheme	1 151	1 027
Disability and Carer Support Program	690	692
Legal Support for Victims of Sexual Violence	525	-
Protection Visa Subclass 866 Assistance	353	409
Royal Commission into Antisemitism and Cohesion	80	-
Family Advocacy and Support Service	-	1 186
Migration Legal Assistance	-	1 157
Property Mediation	-	1 041
Women's Domestic Violence Unit	-	897
Workforce indexation funding	-	830
Lighthouse funding	-	687
Women's Legal Assistance	-	485
Mental Health	-	248
Community Safety Order Program	-	163
Child Sexual Abuse Prosecutions	-	121
Workplace Sexual Harassment	-	95
Total Commonwealth-sourced grants and funding	**29 503**	**27 639**
SA Government grants and subsidies		
SA Government grant	15 916	26 578
Expensive Cases - reimbursement	1 864	8 953
Women's Domestic Violence Court Assistance Service funding	798	844
Treatment Intervention Court funding	204	199
Community Awareness for Aboriginal Sentencing Courts	50	-
Total SA Government grants and subsidies	**18 832**	**36 574**
Other grants and subsidies		
Safe Families funding	292	285
Total other grants and subsidies	**292**	**285**
Total grants and subsidies	**48 627**	**64 498**

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

A National Access to Justice Partnership agreement between the Commonwealth of Australia and States and Territories is effective from 1 July 2025. It provides Commonwealth funding to Legal Services for the period from 1 July 2025 to 30 June 2026.

Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia for $25.51m (2025: $25.35m) of the above grants. For accounting purposes, the obligations under the funding arrangements do not sit with Legal Services. The Commonwealth has provided funding to the State for legal assistance services which was originally received by the State and then paid from Department of Treasury and Finance Administered Items. Amounts from the Commonwealth are received via the Attorney-General's Department.

In addition, Legal Services received $4.0m (2025: $2.29m) of income directly from the Commonwealth for legal assistance services.

Legal Services is separately funded by the Commonwealth Government for criminal law cases that exceed $40 000. The Commonwealth Government did not provide any funding for the financial year (2025: $nil).

SA Government grants, subsidies and transfers are recognised as income on receipt. The State Government contributed funding of $15.92m (2025: $26.58m).

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

The SA Government provided $1.86m (2025: $8.95m) for approved cases that exceeded Legal Services funding cap of $50 000 where one party is aided and $100 000 where there is more than one party.

In addition, Legal Services received $1.05m (2025: $1.04m) of income from the SA Government for legal assistance services.

2.2. Legal Practitioners Act 1981 revenues

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

	2026 $'000	2025 $'000
Statutory Interest Account	8 313	8 933
Interest on Legal Practitioners Trust Account	8 529	9 374
Legal Practitioners Fidelity Fund Account	-	4 656
Total section 56 *Legal Practitioners Act 1981* Revenue	**16 842**	**22 963**

2.3. Interest income

	2026 $'000	2025 $'000
Short-term deposits with SAFA	1 808	1 367
Operating account with ANZ	321	368
Total interest income	**2 129**	**1 735**

2.4. Costs recovered and contributions

	2026 $'000	2025 $'000
Costs recovered	80	161
Contributions	642	429
Total costs recovered and contributions	**722**	**590**

2.5. Other income

	Note	2026 $'000	2025 $'000
Unrealised investment gain		1 291	909
Online Dispute Resolution Portal services		350	203
Return to Work SA funding		145	143
Revaluation gain on property, plant and equipment previously expensed	5.4	33	-
Other		314	127
Total other income		**2 133**	**1 382**

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of Legal Services in 2025-26 include the Director/CEO, Commissioners, Chief Operating Officer, Director – Strategy and Partnerships, Director - Legal Information and Advice Division, Director - Criminal Law, Director - Family Law, Director- Civil Law, Director – People and Culture, Director - Communications & Engagement and Chief Information Officer.

Total compensation for key management personnel was $2.64m in 2025-26 and $2.51m in 2024-25.

Transactions with key management personnel and other related parties

In the ordinary course of business Legal Services enters into transactions with legal firms, some of which may be associated with members of Legal Services. Payments made to these firms are in accordance with Legal Services' scale of fees and are payments that apply to practitioners generally. These transactions amounted to $44,000 in 2025-26 and $70,000 in 2024-25. Accordingly, unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

3.2. Commission members

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

Members of Legal Services during the 2025-26 financial year were:

Peter Slattery	Chairperson
Annmarie Lumsden *	Ex officio
Stephanie Halliday *	
Jane Abbey	
Debra Contala (resigned November 2025)	
Henry Botha (commenced December 2025)	

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

Remuneration of Commissioners

	2026 No.	2025 No.
$0	2	3
$1 - $19 999	3	2
$20 000 - $39 999	1	1
Total number of members	**6**	**6**

The total remuneration received or receivable by members was $49 000 in 2025-26 ($48 000 in 2024-25). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3.3. Employee related expenses

	2026 $'000	2025 $'000
Salaries and wages	24 630	22 318
Long service leave	503	614
Annual leave	2 351	1 999
Skills and experience retention leave	101	100
Superannuation	3 091	2 676
Commission members' fees	43	43
Workers' compensation	116	130
Total employee related expenses	**30 835**	**27 880**

Employment on-costs - superannuation

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

Employee remuneration

	2026 No.	2025 No.
The number of employees whose remuneration received or receivable falls within the following bands:		
$171 001 to $177 000 *	N/A	3
$177 001 to $197 000	9	1
$197 001 to $217 000	1	2
$217 001 to $237 000	1	2
$237 001 to $257 000	-	2
$257 001 to $277 000	3	3
$277 001 to $297 000	-	2
$297 001 to $317 000	1	-
$317 001 to $337 000	1	-
$337 001 to $357 000	-	1
$357 001 to $377 000	1	-
Total	**17**	**16**

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

The total remuneration received by these employees for the year was $3.93m (2025: $3.79m).

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

4. Expenses

4.1. Supplies and services

	2026 $'000	2025 $'000
Accommodation	3 648	3 340
Information technology expenses	2 832	3 308
Telecommunications	453	394
Travel	351	277
Periodicals and subscriptions	315	258
Staff recruitment, relocation and administration	237	127
Office supplies and consumables	234	216
Interpreter fees	229	252
Practising certificates and memberships	218	190
Staff courses and training	176	260
Community education and awareness	149	135
Records storage and security	104	82
Internal audit and governance	91	244
Audit fees – Audit Office of SA	87	85
Consultancy fees	80	106
Other	518	588
Total supplies and services	**9 722**	**9 862**

Accommodation

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

4.2. Grants and subsidies

	2026 $'000	2025 $'000
Legal Support for Victims of Sexual Violence - Restorative Justice Pathways Research funding	125	-
Total other expenses	**125**	**-**

These are payments under grant agreements.

4.3. Depreciation and amortisation

	2026 $'000	2025 $'000
Plant and equipment	334	352
Accommodation and leasehold improvements	856	924
Right-of-use vehicles	-	9
Intangible assets	107	366
Total depreciation and amortisation	**1 297**	**1 651**

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

4.4. Other expenses

	2026 $'000	2025 $'000
Statutory charge bad debts and impairment loss on receivables	159	10
Bad debts	11	3
Return of unused funding received in prior year	-	298
Total other expenses	**170**	**311**

4.5. Private practitioners services

	2026 $'000	2025 $'000
Private practitioners services	31 187	27 969
Private practitioners work-in-progress	1 620	1 144
Total Private practitioners services	**32 807**	**29 113**

These pertain to services provided by external providers in relation to case work.

5. Property, plant and equipment

5.1. Property, plant and equipment

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

	2026 $'000	2025 $'000
Accommodation and leasehold improvements		
Accommodation and leasehold improvements	10 395	7 484
Accumulated depreciation	(7 489)	(5 477)
Total accommodation and leasehold improvements	**2 906**	**2 007**
Plant and equipment		
Plant and equipment	6 036	4 536
Accumulated depreciation	(4 399)	(3 534)
Total plant and equipment	**1 637**	**1 002**
Library		
Library	148	144
Total library	**148**	**144**
Work in progress		
Work in progress	25	9
Total work in progress	**25**	**9**
Total property, plant and equipment	**4 716**	**3 162**

5.2. Useful life and depreciation

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

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

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

Review of accounting estimates

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

5.3. Property, plant and equipment owned by Legal Services

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

Revaluation of property, plant and equipment is undertaken on a regular cycle and is revalued at least every six years, with the latest revaluation as at 1 July 2025. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place.

Reconciliation 2025-26

	Accommodation and Leasehold improvements	Plant and equipment	Library	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the period	**2 007**	**1 002**	**144**	**9**	**3 162**
Acquisitions	-	-	-	1 155	1 155
Depreciation	(856)	(334)	-	-	(1 190)
Transfer between asset classes	667	472	-	(1 139)	-
Property, plant and equipment revaluation	1 088	497	4	-	1 589
Carrying amount at the end of the period	**2 906**	**1 637**	**148**	**25**	**4 716**

5.4. Reconciliation of asset revaluation

Components of revaluation	Accommodation and Leasehold improvements $'000	Plant and equipment $'000	Library $'000	Total $'000
Property, plant and equipment cost increment	2 244	1 028	4	3 276
Written down value adjustment	(1 156)	(531)	-	(1 687)
Property, plant and equipment revaluation	**1 088**	**497**	**4**	**1 589**
Treatment of revaluation				
Revaluation gain on fixed assets previously expensed: Other income, in Note 2.5	20	9	4	33
Property, plant and equipment asset revaluation surplus – Other Comprehensive Income, in Statement of Comprehensive Income	1 068	488	-	1 556
Asset revaluation	**1 088**	**497**	**4**	**1 589**

5.5. Intangible assets

	2026 $'000	2025 $'000
Computer software		
Computer software	4 247	4 079
Accumulated amortisation	(4 095)	(3 988)
Total computer software	**152**	**91**

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

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

Reconciliation 2025-26

	Computer software $'000	Work in progress $'000	Total $'000
Carrying amount at the beginning of the period	**91**	**-**	**91**
Acquisitions	-	168	168
Transfer between asset classes	168	(168)	-
Amortisation	(107)	-	(107)
Carrying amount at the end of the period	152	-	152

6. Assets

6.1. Financial assets

Category of financial assets	Note	2026 Carrying amount ($'000)	2025 Carrying amount ($'000)
Cash and cash equivalents	6.2	39 844	41 890
Total trade receivables	6.3	504	824
Total accrued revenue	6.3	5 094	4 474
Investment with Funds SA at fair value	6.4	21 752	20 461
Total statutory charge debtors	6.5	12 488	11 970
Total financial assets		**79 682**	**79 619**

6.2. Cash and cash equivalents

	2026 $'000	2025 $'000
Short-term deposits with SAFA	38 183	34 491
Cash on hand	1 661	7 399
Total cash and cash equivalents	**39 844**	**41 890**

6.3. Receivables

	2026 $'000	2025 $'000
Current		
Trade receivables		
From SA government entities	28	464
Client debtors	516	390
Impairment loss on receivables	(40)	(30)
Total trade receivables	**504**	**824**
Accrued revenue		
Accrued interest receivable from SA government entities	143	112
Accrued bank interest receivable	8	15
Legal Practitioners Act 1981 debtors	4 742	4 347
Grant revenue receivable from non-SA government entities	201	-
Total accrued revenue	**5 094**	**4 474**
Statutory receivables		
GST input tax recoverable	597	487
Total statutory receivables	**597**	**487**
Prepayments		
Trade prepayments	688	776
Total prepayments	**688**	**776**
Total current receivables	**6 883**	**6 561**

(30)

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

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

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

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

6.4. Other financial assets

	2026 $'000	2025 $'000
Current		
Investment with Funds SA at fair value	21 752	20 461
Total other financial assets	**21 752**	**20 461**

6.5. Statutory charge receivables

	2026 $'000	2025 $'000
Statutory charge receivables	12 588	12 070
Impairment loss on statutory charge receivables	(100)	(100)
Total statutory charge receivables	**12 488**	**11 970**

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

7. Liabilities

7.1. Financial liabilities

Category of financial liabilities	Note	2026 Carrying amount ($'000)	2025 Carrying amount ($'000)
Trade payables	7.2	546	452
Accrued expenses	7.2	87	85
Legal practitioners payables	7.2	2 272	1 714
Legal practitioners work-in-progress	7.2	11 448	9 828
Total financial liabilities		**14 353**	**12 079**

7.2. Payables

	2026 $'000	2025 $'000
Current		
Trade payables	546	452
Accrued expenses	87	85
Legal practitioners payables	2 272	1 714
Legal practitioners work-in-progress	11 448	9 828
Total current payables	**14 353**	**12 079**
Total payables	**14 353**	**12 079**

Trade payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

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

Legal Services recognises a liability for pre-approved work performed by private legal practitioners at the reporting date that has not yet been invoiced or certified for payment. An actuary performed the calculation of the liability using the Chain Ladder method, applying historical development experience to project future payments. Projected future payments are then allocated between services performed before and after the reporting date to determine the liability relating to work performed at year-end. The calculation reflects differences by law type and delivery model.

The actuarial calculation is subject to inherent uncertainty. Actual future payments may differ from the estimate due to variations in matter progression, differences between approved commitments and ultimate payments, changes in payment emergence patterns, and uncertainty regarding the timing of legal services performed.

This amount does not reflect the total expected expenditure related to all approved grants of legal aid. The remaining grant commitment is reflected in note 8.1 which will be incurred in future years.

7.3. Other non-financial liabilities

	2026 $'000	2025 $'000
Current		
Accommodation incentive	233	233
Total current other non-financial liabilities	**233**	**233**
Non-current		
Accommodation incentive	234	467
Total non-current other non-financial liabilities	**234**	**467**
Total other non-financial liabilities	**467**	**700**

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

7.4. Employee related liabilities

	2026 $'000	2025 $'000
Current		
Accrued salaries and on-costs	316	107
Annual leave	1 560	1 228
Long service leave	320	289
Skills and experience retention leave	104	88
Employment on-costs	226	181
Total current employee related liabilities	**2 526**	**1 893**
Non-current		
Long service leave	3 433	3 460
Employment on-costs	189	191
Total non-current employee related liabilities	**3 622**	**3 651**
Total employee related liabilities	**6 148**	**5 544**

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

Long service leave

Long service leave liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments are determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of services. These assumptions are based on employee data over SA Government entities. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds is 4.75%, an increase from the 2025 rate of 4.25%.

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

Employment on-costs

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave remain unchanged from the 2025 rate of 44%. The average factor for the calculation of employer superannuation cost on-costs has not changed from the 2025 rate of 12%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial. The impact on future periods is impracticable to estimate.

8. Outlook

8.1. Unrecognised commitments

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

Legal expense commitments

	2026 $'000	2025 $'000
Within one year	4 723	3 920
Total legal expense commitments	**4 723**	**3 920**

Legal expense commitments represent the estimated value of grants of legal aid that relates to services yet to be performed. Amounts relating to services performed by private practitioners before reporting date, but not yet invoiced, are recognised as a payable within payables. Accordingly, these amounts are excluded from the commitments.

Expenditure commitments

	2026 $'000	2025 $'000
Within one year	4 477	3 757
Later than one year but not longer than five years	5 633	6 856
Total expenditure commitments	**10 110**	**10 613**
Representing:		
Accommodation	6 907	9 344
Electronic Document and Record Management System (EDRMS)	3 185	1 243
Vehicles	18	26
Total expenditure commitments	**10 110**	**10 613**

Expenditure commitments are for agreements for:

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

8.2. Contingent assets and liabilities

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

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

8.3. Events after the reporting period

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