



Reaching more clients at tribunals and courts



Annual Report 2013–2014

Legal Aid
NEW SOUTH WALES

About us

Who we are

Legal Aid NSW is an independent statutory body, established under the *Legal Aid Commission Act 1979*, reporting to the NSW Attorney General, the Hon Brad Hazzard MP.

We are the largest legal aid agency in Australia, playing a central role in the delivery and coordination of legal aid services.

What we do

We provide legal services across New South Wales, through a statewide network of 21 offices and 194 regular outreach locations, with a particular focus on assisting socially and economically disadvantaged people.

We assist disadvantaged people to deal with legal problems that arise in everyday life through a comprehensive network of services across criminal, family and civil law.

Our services range from high volume legal information, education, advice, minor assistance, dispute resolution and duty services through to an extensive litigation practice.

What we seek to achieve

Legal Aid NSW aims to contribute to a fair justice system. We deliver a high volume of community legal education and advice services that are not means tested.

More intensive assistance, such as casework and legal representation, is means tested.

We work in partnership with private lawyers who receive funding from Legal Aid NSW to represent legally aided clients.

We also work in close partnership with LawAccess NSW, community legal centres, the Aboriginal Legal Service and pro bono legal services.

Our values

We are committed to the legislated NSW public service values:

- integrity
- trust
- service
- accountability

Our objectives

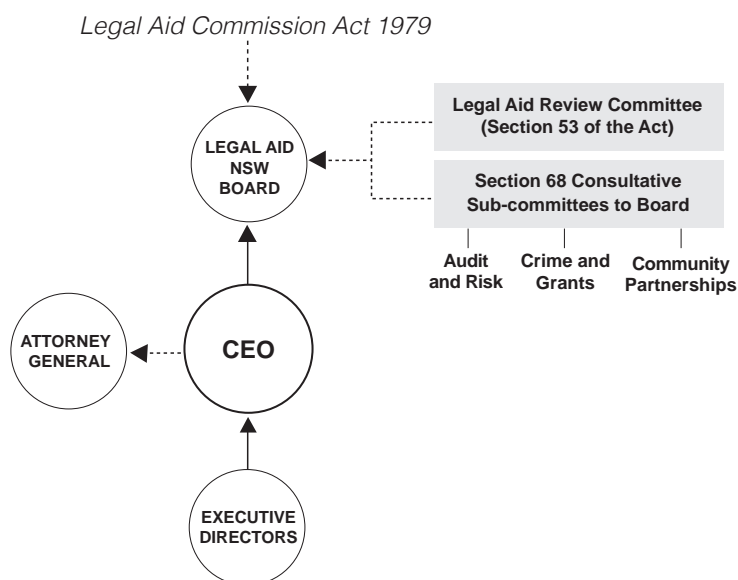
To promote access to justice through early intervention and prevention and better targeting of legal assistance to disadvantaged people.

To pursue excellence, innovation and efficiency in legal service delivery.

To support and develop our people and improve our systems to meet organisational goals.

To build strong, effective service partnerships to respond to the legal and non-legal needs of our clients.

Our corporate governance framework



The Hon Brad Hazzard MP
Attorney General and Minister for Justice
Governor Macquarie Tower
Sydney NSW 2000

Dear Attorney

Legal Aid NSW has pleasure in presenting to you the report of its activities for the year ended 30 June 2014. This report is submitted in accordance with section 13 (1) of the *Legal Aid Commission Act 1979* and section 10 (1) of the *Annual Reports (Statutory Bodies) Act 1984*.

Yours sincerely

Bill Grant
Chief Executive Officer
October 2014

Legal Aid
NEW SOUTH WALES

About this report

This annual report reviews and reports our activities and performance, including what we set out to do in our Legal Aid NSW Plan for 2013–2014. It is structured around the four key objectives of the plan:

- To promote access to justice through early intervention and prevention;
- To pursue excellence, innovation and efficiency in legal services;
- To support and develop our people, and improve our systems; and
- To build strong effective service partnerships.

Achievements in this report are aligned with focus areas from the plan such as service expansion in regional and remote areas, early intervention strategies, better information and referral services and strong partnerships so we can respond better to clients' changing legal needs.

This report incorporates all operational activities of our organisation, including joint initiatives. It reflects our commitment to effective corporate governance through openness and accountability, and provides an account of our revenue and how we have used public funds.

As well as the year past, the report looks to the year ahead and comments on the challenges facing Legal Aid NSW in a difficult economic climate.

Last year's annual report received a Gold Award from the Australasian Reporting Awards – our seventh Gold Award.

This is our thirty-fifth annual report. This, and some earlier annual reports, are available on the Legal Aid NSW website in pdf and easy-to-navigate html format: www.legalaid.nsw.gov.au

In accordance with Public Service Commission directions, Legal Aid NSW no longer produces printed copies of its annual report.

Cover photo A new way of doing business: This year we commenced a duty advice service at the NSW Civil and Administrative Tribunal in Liverpool, assisting clients with consumer claims at the Tribunal.

Legal Aid NSW lawyers I-r Carl Freer, Jessica Abi Khattar and Mary Lovelock prepare for the weekly list day at the Tribunal. More information about early results can be found on page 19.

Contents

Overview

| | |
|--------------------------------|----|
| Chair's report | 2 |
| CEO's report | 4 |
| Highlights at a glance | 6 |
| Our history | 8 |
| Fact file | 9 |
| Measuring performance | 10 |
| Legal Aid NSW Plan: a snapshot | 13 |
| Five-year performance | 14 |
| Our services: a snapshot | 16 |

Section 1 18

Client services

Client service delivery highlights, including case reports and law reform

Section 2 35

Collaborating with our partners

Key partners help us to deliver our services

Section 3 48

Managing our organisation

The performance of our highly skilled people, and efficiency highlights

Section 4 59

Corporate governance

| | |
|--------------------------|----|
| The Board | 60 |
| Organisational structure | 63 |
| Executive Directors | 64 |
| Governance framework | 66 |

Section 5 72

Financial summary

Financial overview, performance and statements

Section 6 132

Appendices

| | |
|-------|-----|
| Index | 148 |
|-------|-----|

| | |
|-----------------|------------|
| Contact details | back cover |
|-----------------|------------|

On behalf of the Board I am pleased to introduce the 2013–2014 Annual Report.

This is my first full year as Chair of the Board of Legal Aid NSW, and it has been a rewarding and interesting year.

As this report demonstrates, Legal Aid NSW is leading the way in innovative and responsive services to meet the legal needs of socially and economically disadvantaged people in New South Wales.

This year has seen the establishment of two important sub-committees of the Board under section 68 of the *Legal Aid Commission Act 1979*.

The Crime and Grants Sub-Committee covers crime-related funding and policy issues, as well as having a focus on training and development opportunities for private lawyers. The Community Partnerships Sub-Committee advises the Board on funding issues affecting legal assistance services, gaps in services, and legal assistance services to Aboriginal clients and clients in rural, regional and remote New South Wales.

Both of these sub-committees include representatives from our partner organisations, and provide an important mechanism for Legal Aid NSW to work with our partners to ensure the efficient and effective delivery of legal services to the people of New South Wales.

Meeting community needs

Legal Aid NSW is increasingly taking its services out to those in the community who need them most, including Aboriginal people, people who are homeless, and people with a mental illness.

The Board was briefed on an independent review of our outreach services by the Law and Justice Foundation, which showed that we have been successful in increasing access to disadvantaged clients through our outreach services, particularly those in rural and remote New South Wales.



We now provide legal assistance in 194 outreach locations across New South Wales.

The Board was pleased to approve the Legal Aid NSW Disaster Plan, which brings together the experience and knowledge we have gained as a result of our work in assisting the victims of disasters with their legal issues. Legal Aid NSW is the key legal agency in coordinating and responding to disasters in New South Wales and I would like to congratulate Legal Aid NSW staff on their important work at Disaster Recovery Centres.

Delivering effective services

Ensuring that we deliver our services efficiently and effectively is a high priority for the Board.

Legal Aid NSW has carried out a number of reviews of our services, including reviews of the Regional Outreach Clinic Program, the Cooperative Legal Service Delivery Program and the Aboriginal Field Officer project. These reviews allow us to critically assess the effectiveness of our programs and to make adjustments accordingly.

Following a national review of Independent Children's Lawyer services, Legal Aid NSW is working with other legal aid commissions to implement a number of measures to improve Independent Children's Lawyer services. These include improved training and resources for Independent Children's Lawyers, improved

Legal Aid NSW is increasingly taking its services out to those in the community who need them most.

communication with parents and children, and high level engagement with courts.

The Board has been provided with regular updates on a proposed pilot of activity based costing at Legal Aid NSW. The aim of this pilot is to provide data to improve service planning and to demonstrate the value of Legal Aid New South Wales services. The pilot will commence on 8 September 2014.

Responding to funding pressures

This year saw a further round of efficiency and other savings from the New South Wales Government which required the Board to make some difficult decisions.

The most significant of these was a policy change to restrict the availability of aid for Local Court defended hearings to cases where there is a real possibility a conviction would result in a term of imprisonment. However, aid will still be available in these cases if there are exceptional circumstances.

This policy was introduced in November 2013. The Board has reviewed the effect of this policy change, and, following some small changes, has determined to continue the policy for a further 12 months.

The collection of client contributions and recovery of costs was a priority under the Legal Aid NSW Plan 2013–2014. This reduces the pressure to cut our services or reduce eligibility for legal aid for those who need it most. The Board approved changes to our Contribution Policy to improve consistency and fairness in how the policy is applied.

Managing risk

An important function of the Board is to oversee audit and risk for Legal Aid NSW.

A number of internal audits were completed this financial year, including compliance with the *Public Authorities (Financial Arrangements) Act 1987*, work health and safety, management reporting effectiveness, allocation of legal aid work and a review of the CASES system. The Board will oversee the implementation of recommendations arising from these audits.

An internal audit of our complaints handling system by KPMG has resulted in the appointment of a Complaints and Client Services Officer, who is revising Legal Aid NSW complaints policies and processes to improve coordination and consistency in how we deal with complaints.

I am delighted to report that there has been a further decrease in the number of new workers compensation claims reported in 2013–2014. I was particularly pleased to see that there has been a decrease in psychological injuries from five in 2012–2013 to two in 2013–2014. This reflects the excellent work that Legal Aid NSW is doing to improve the health and wellbeing of its staff.

The year ahead

A new Legal Aid NSW plan will guide the work of Legal Aid NSW in 2014–2015. An important focus of the plan is to provide early intervention for vulnerable people, including children, domestic violence victims, Aboriginal communities and disadvantaged rural communities.

Legal Aid NSW will continue to improve its services to Aboriginal people by developing a new Reconciliation Action Plan, implementing an Aboriginal Employment and Career Development Strategy, and reviewing the Statement of Commitment with the Aboriginal Legal Service (NSW/ACT) Ltd.

I am pleased to report that the Board approved an increase to the means test threshold, which will come into effect in August 2014. This is the first increase since 2007 and goes a small way to addressing the justice gap for the large numbers of people in the community who cannot afford a lawyer but are not eligible for legal aid.

Legal Aid NSW has a strong Board of Directors, whom I am proud to lead as Chair. I would like to welcome Dr Peggy Dwyer, who was appointed to the Board by the Attorney as the Bar Association representative in 2013. Together, the members of the Board bring an invaluable mix of skills and experience to the organisation.

I thank the Legal Aid NSW Executive team and the staff for their dedication and commitment to delivering legal services to the people of New South Wales. I also acknowledge the work of the private profession and the commitment of the Public Defenders in the provision of legal aid services.



Craig Smith
Chair, Legal Aid NSW



I am pleased to present the Legal Aid NSW 2013–2014 Annual Report.

The report reflects the dynamic and varied way that we go about delivering on our charter to provide legal services to socially and economically disadvantaged people in New South Wales.

It has been a record breaking year, with our total service count exceeding 1,000,000 for the first time. We exceeded the performance benchmarks of the National Partnership Agreement with the Commonwealth Government in all areas, including increasing our early intervention services by 80.6%, and our total services by 32% since 2009–2010. I am delighted with these results and they reflect a lot of hard work by our staff.

Two important reviews, which have the potential to shape our services into the future, took place this year – the Australian Productivity Commission *Inquiry into Access to Justice Arrangements* and the *Review of the National Partnership Agreement on Legal Assistance Services*. One of my priorities for the year was to ensure that the excellent work of Legal Aid NSW and our partners in the legal assistance sector in meeting legal need was clearly conveyed to the reviewers.

The review of the National Partnership Agreement recognised our strong performance, noting that we performed strongly against NPA benchmarks and indicators, and that we had comprehensive organisational processes and practices to support quality, efficiency and cost-effective services.

The Productivity Commission referred to Legal Aid NSW services and case studies throughout its draft report, noting that 'Legal Aid NSW is providing leading practice with its civil law divisions and services'.

Intervening early to prevent problems escalating

Legal Aid NSW has had an increasing focus on early intervention over the past four years. This makes sense, as preventing legal problems from escalating through early intervention and dispute resolution not only results in better outcomes for clients, but also reduces costs.

The Children's Legal Service has a proud record of working with young people in schools and other settings to alert them to the risks of behaviours which might lead to criminal charges. Following on from the very successful movie *BURN*, the Children's Legal Service has developed an entertaining and informative community legal education package on the risks associated with cyberbullying and sexting. This package will be delivered in schools and other locations across New South Wales in the coming year.

I am pleased to note that the Family Law Early Intervention Unit was highly commended in the Government Lawyer Excellence in Legal Services Award. Established in 2011 to provide short, timely interventions to clients who have difficulty accessing traditional legal services in family law, this ground breaking service goes from strength to strength and has now been made permanent.

Our duty and advice services at courts and tribunals provide an essential service in assisting people to negotiate the system and get the best outcomes in their matter. This year we expanded our

duty and advice services at the NSW Civil and Administrative Tribunal and the Social Security Appeals Tribunal, providing invaluable assistance in consumer, discrimination and social security matters.

Similarly, our mediation services ensure that fewer matters go through the expensive and difficult court process. An innovative Legal Aid NSW mediation program at the Family Law Courts in Parramatta and Sydney provides the opportunity for courts to refer parties to mediation after their matter has reached court. In 2013–2014, the program resulted in full or partial settlement for over 90% of matters. This saved an estimated 389 court days and 647 legal aid funded days.

Reaching out to Aboriginal people

Increasing access to our services by Aboriginal people, particularly in civil and family law, is a high priority for Legal Aid NSW.

There are a number of excellent initiatives outlined in this report which demonstrate important progress in this area.

Following the launch of the Reconciliation Action Plan in 2013, I am delighted that we have established a network of Reconciliation Champions to promote the principles of reconciliation within the organisation. With 5.7% of our staff being Aboriginal, I am pleased to note that we are well above the NSW government benchmark of 2.6% Aboriginal staff.

We have introduced a number of services targeted at Aboriginal people, including *Money Counts*, *Aboriginal Women Leaving Custody*, Aboriginal Field Officers, and outreach assistance services based in Aboriginal community organisations.

Legal Aid NSW will continue to adopt a rigorous and considered approach to meeting savings targets to ensure minimal impact on our client service delivery.

Our Family Dispute Resolution (FDR) services have become more culturally appropriate for Aboriginal clients through the provision of awareness training for FDR practitioners and the appointment of Aboriginal staff. We have also provided Aboriginal cultural awareness training to private lawyers doing legal aid work.

These initiatives are making a difference, with over 10% of Legal Aid NSW clients who received a grant of aid or inhouse duty service in 2013–2014 being Aboriginal, compared with less than 4% in 2002, the year we commenced our focus on Aboriginal services.

Working with our partners

Legal Aid NSW cannot do our work effectively in isolation. Our partners are integral to how we do our business, and range from private lawyers to community legal centres, courts and government departments. This report provides numerous examples of strong partnerships.

Private lawyers are central to how we deliver our services under the mixed model of service delivery.

I am pleased to report that we increased the number of lawyers on panels to 4,562, which is an increase of 6% on last year, and almost double the number in 2008–2009.

We provided training on the new *Bail Act 2013* for over 600 lawyers in 21 locations to make sure that criminal defence lawyers across New South Wales understood the new laws.

In an excellent example of an effective partnership, we worked closely with the Police, Department of Justice and the Aboriginal Legal Service (NSW/ACT) Ltd to develop a new 'protected admissions' procedure which will allow young, first time offenders to make admissions to police without their confessions being used as

evidence against them in court. The scheme aims to increase the number of cautions given and remove the need to go to court. Collaboration between Centrelink and Legal Aid NSW has resulted in the establishment of new legal outreach services based in Centrelink offices in South West Sydney and Maitland. These services will assist clients experiencing financial hardship.

Supporting our staff

Having motivated, well-supported and well-trained staff underpins everything we do.

The *Government Sector Employment Act 2013* represents a significant change to how New South Wales government agencies recruit and manage staff. I am pleased to report that we have made good progress in putting processes in place to implement the Act at Legal Aid NSW.

We have also used the introduction of the Act as an opportunity to focus on improving the management skills of our staff. We implemented a suite of online learning modules to provide our managers with practical tools to promote a culture of dignity and respect in their teams.

We continue to take the wellbeing, health and safety of our staff very seriously. We established a Health and Safety Committee. Legal Aid NSW was an inaugural signatory to the new Psychological Wellbeing Guidelines developed by the Tristan Jepson Memorial Foundation. These offer practical strategies to improve workplace psychological health in areas such as organisational culture, leadership, respect, recognition and rewards, and work-life balance.

This year has seen a concerted effort to improve communication with staff, with the introduction of monthly *Table Talk* meetings. These provide an opportunity for all staff to discuss

important Legal Aid NSW-wide initiatives and to provide feedback through their Executive Director.

Meeting State savings targets

Given the difficult funding environment we are in, our financial result for 2013–2014 was outstanding. Legal Aid NSW met its savings targets with minimal impact on legal aid services, few frontline staff cuts and no impact on services in State criminal law, which represents the largest area of legal aid expenditure.

While the operating variance is favourable this financial year, there is a high likelihood that there will be less funding available from the Public Purpose Fund, more State savings targets, and further reductions in Commonwealth funding over the next few years. Legal Aid NSW will continue to adopt a rigorous and considered approach to meeting savings targets to ensure minimal impact on our client service delivery.

I would like to thank the Board of Legal Aid NSW for their strategic leadership over the last year under Chair Craig Smith. I want to thank the Executive team for their support, commitment, vision and hard work over the last year.

Most of all, I would like to thank the staff of Legal Aid NSW and our partners in the private profession, who work tirelessly to assist disadvantaged people in New South Wales to resolve their legal problems.



William Grant
CEO, Legal Aid NSW

Highlights at a glance

What we did over the past year

Despite budget challenges, Legal Aid NSW has significantly increased its services, particularly early intervention services.

Between 2009–2010 and 2013–2014, there has been an 80.6% increase in early intervention services*, well in excess of the 30% Commonwealth performance benchmark. By investing resources into early resolution, the costs of more resource intensive court or tribunal proceedings were avoided.

We provided 1,003,224 client services – a 3.1% increase on last year. Our client services include legal representation, duty services, legal advice, minor assistance and information services. Of these, the largest increase from last year was in minor assistance services at 16.5% followed by advice services at 6.6%.

*Excluding State criminal law services, which are not early intervention in nature.

Our work fell into four overlapping areas: early intervention and dispute resolution, restorative and diversionary programs, clients with complex needs, and partnerships and collaboration.

We are changing the way we provide services to our clients. There was a greater emphasis on taking services into the community through our mobile lawyer network. We provided 15,558 outreach advice services in 194 locations across New South Wales compared with 13,000 in 164 locations last year.

Our biggest challenge remains the shrinking legal aid budget, whilst demand continues to be overwhelming. We put a number of measures in place to meet savings targets, but made every effort to ensure services to disadvantaged people were not reduced.

This year, we have needed to make choices to protect the most vulnerable people and to make sure our services are strategic and targeted.

Programs were put in place to actively assist clients to break out of the cycle of disadvantage, including a program that addresses the issue of escalating debt as a result of fines. Based on the *Legal Australia-Wide Survey* that found 9% of people experienced 65% of legal problems, we established a program to help young people with multiple and complex needs.

The objectives from the Legal Aid NSW Plan 2013–2014 were achieved with most actions completed. We also developed a new plan for 2014–2015.

Our largest service increase was in minor assistance services—16.5% higher than last year

Financial management

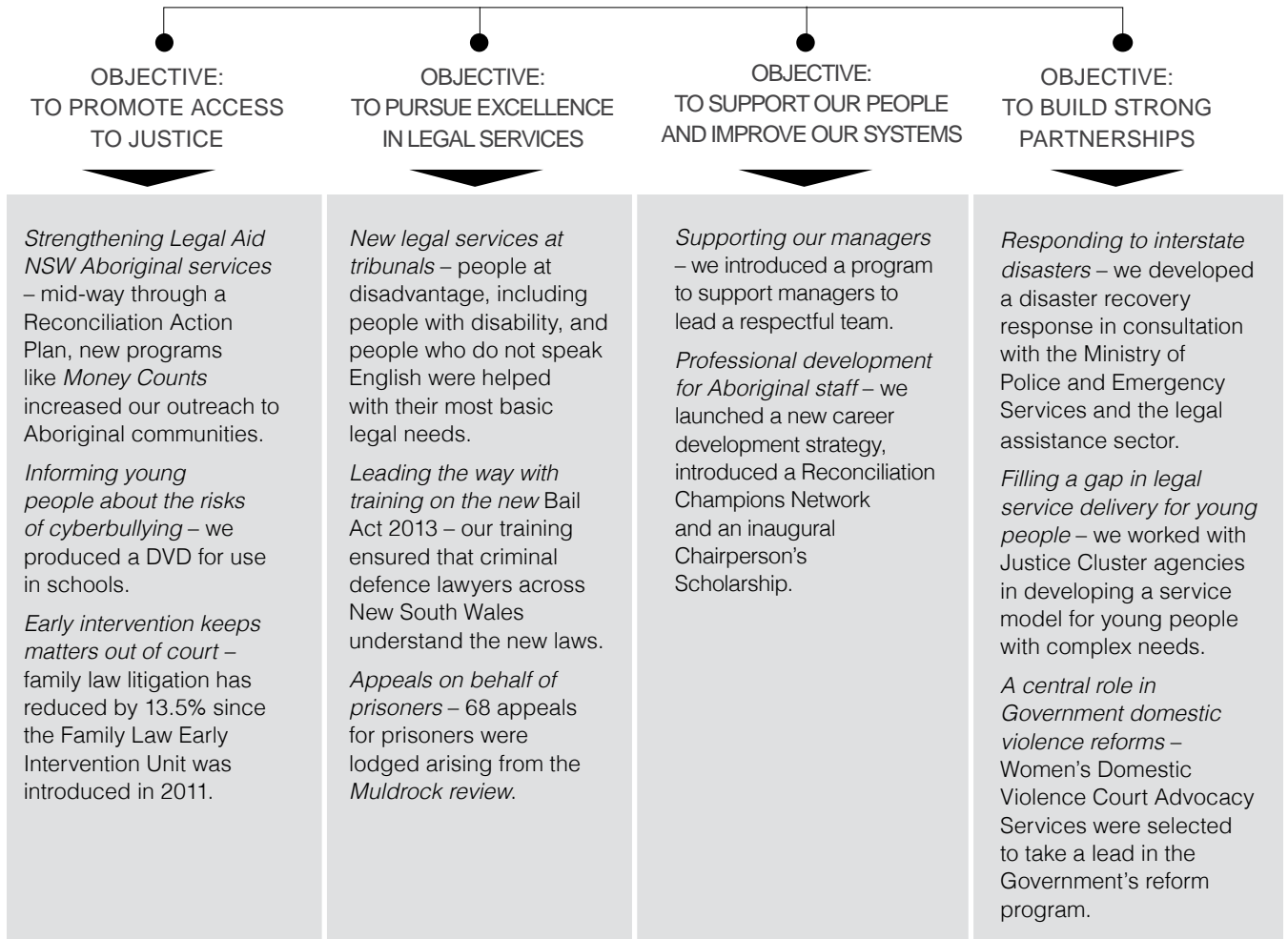
Our net financial result was a surplus of \$3.5 million, which is a \$3.9 million improvement on the budgeted deficit.

Financial Summary

| | 2012-13* | 2013-14 | Change |
|---------------------|----------|---------|---------|
| | (\$M) | (\$M) | (%) |
| Operating Revenue | 246.2 | 247.7 | 0.6% |
| Operating Expenses | 239.6 | 243.9 | 1.8% |
| Total Assets | 101.9 | 106.3 | 4.3% |
| Total Liabilities | 76.0 | 74.3 | (2.2%) |
| Surplus / (Deficit) | 6.2 | 3.5 | (43.6%) |
| Net Equity | 25.9 | 32.0 | 23.6% |

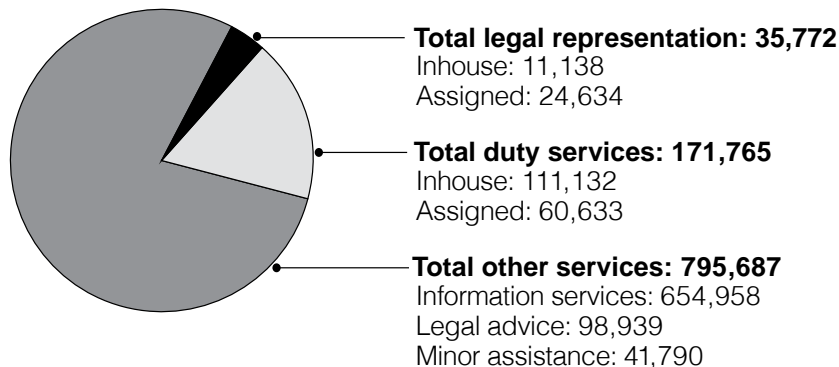
*Due to changes to accounting standard AASB 119 the results for 2012–2013 were required to be restated. Figures in the summary table differ from results in printed 2012–2013 statements.

The key achievements of Legal Aid NSW over the last financial year are aligned with the four objectives of the Legal Aid NSW Plan 2013–2014.



Our total service count exceeded 1,000,000 for the first time.

Total client services 2013–2014: **1,003,224**



Our history

New South Wales has a long history of providing legal aid for criminal, family and civil law problems.



History of Legal Aid NSW from top:
1974: Australian Legal Aid Office (ALAO) established.

In 1980, the *Sydney Morning Herald* features the new Legal Services Commission of NSW.

2014: An increase in Aboriginal staff, and more services for Aboriginal clients.

1918

The *Poor Persons Legal Remedies Act 1918* was the first step towards a formal legal aid scheme.

1941

The Public Defender's Office was set up to represent disadvantaged people in serious criminal cases.

1943

The *Legal Assistance Act 1943* set up the Public Solicitor's Office with salaried government lawyers providing aid in criminal matters—the first time in the western world that lawyers were employed to give legal aid to low income earners. Legal aid was now seen as a social right.

1974

The Federal Government established the Australian Legal Aid Office (ALAO) for legal aid services that fell within federal law. These “shopfront lawyers” were easy to access and helped dispel the intimidating and confusing face of the law.

1979

The NSW Government established the Legal Services Commission (now known as Legal Aid NSW), under the *Legal Aid Commission Act 1979*, combining the Public Solicitor's Office and the Law Society Legal Aid Scheme.

1987

State and federal legal aid offices merged and after 1987 the Legal Aid Commission of NSW handled legal aid for both state and federal areas of law.

1990s

The Legal Aid Commission introduced alternate dispute resolution and a number of specialist services for children, women experiencing domestic violence, prisoners, and people with mental health problems.

2006

In 2006, the Legal Aid Commission changed its name to Legal Aid NSW.

2006–2014

New services are introduced for older people, young people, homeless people and Aboriginal people.

There has been considerable growth in advice and minor assistance services and outreach services – taking advice clinics into communities.

In less than 100 years, legal aid has developed from a charity to a very important part of the justice system.

Finance

Our total income was \$247.7 million and we spent \$243.9 million.

Of our total expenditure, 47.6% was spent in criminal law services, 26.7% in family law services, 13.5% in civil law services and 12.2% in community partnership programs. See the financial summary on page 73 for details about where our funds come from and how we spend them. Details of our community partnership programs can be found in Appendices 5 and 6.

People

We employed 994 staff (903.91 full-time equivalent), 453 in regional offices and 541 in the Central Sydney office. Of that total, 485 are lawyers and 509 are employed in administrative and corporate services roles.

76 lawyers have specialist accreditation (NSW Law Society qualifications for expertise in the field).

Management

An independent Board oversees our long-term strategic direction. The day-to-day management is overseen by the CEO, assisted by a Deputy CEO and eight Executive Directors.

See pages 60–65 for their achievements and profiles.

Private lawyers – key partners

In 2013–2014, 41.1% of our case and duty services were provided by private lawyers. See Assigned Grants and Duty Services in Appendix 7.

Structure

Our organisation is made up of these areas – Criminal Law, Family Law, Civil Law, Grants, Strategic Policy and Planning, Community Partnerships, Finance, People and Organisational Development, IT Services and Records, and Operations Support.

Three of these divisions are legal practices – civil law, family law and criminal law (pages 26–32). Each legal practice has a number of specialist services (page 17).

Our organisational structure appears on page 63.

Performance

We measure our performance in several ways. Our key performance indicators (KPIs) and service delivery targets on page 10 indicate how we are performing against high level KPIs and targets. We also monitor our performance against a number of plans which guide our work, such as the Legal Aid NSW Plan 2013–2014, and we are accountable for achieving the actions set out in these plans.

The actions we achieved against the priorities in the plan in 2013–2014 appear on page 13. Reporting against Commonwealth benchmarks takes place every six months and is described on page 11.

Key legislation

Our organisation is established under the *Legal Aid Commission Act 1979* (the Act), which establishes Legal Aid NSW as an independent statutory body with a mandate to provide effective, efficient and economical legal services that are available and accessible to disadvantaged people in New South Wales.

Section 68 of the Act enables Legal Aid NSW to establish special consultative committees to advise the Board in exercising its functions under the Act. A full list of these committees appears in the Appendices.

The health and safety of people in our workplace is conducted in accordance with s18 of the *Work Health and Safety Act 2011*.

Our financial statements are prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*.

Our clients

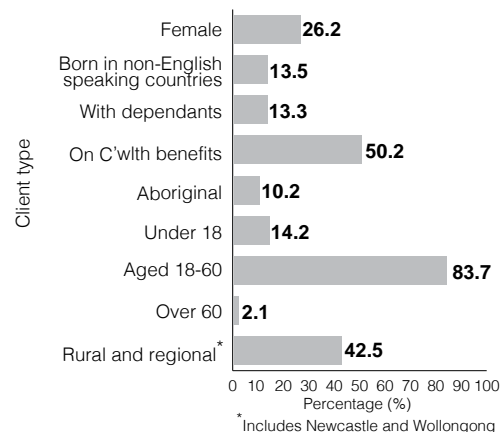
Legal Aid NSW clients are among the most disadvantaged members of the community, experiencing deep and persistent disadvantage. Many of our clients have multiple social, psychological and physical needs and complex legal problems.

Clients may also have difficulty accessing legal services because of low levels of literacy, English as a second language or they may have cognitive or mental health issues.

While 26.2% of Legal Aid NSW case grants and inhouse duty services were made to female clients, the gender profile changes significantly when criminal law clients are excluded. In 2013–2014, the majority of family and civil law case grants (60%) and inhouse duty services (54%) were made to female clients.

Legal Aid NSW client profile

Based on total case grants and inhouse duty services



Measuring performance

Indicators and targets help improve services to clients

Legal Aid NSW regularly monitors our performance against a range of KPIs and service delivery targets. This helps us to improve our services to clients.

Legal Aid NSW has performed well against our KPIs and service delivery targets in 2013-2014.

There were increases in information and advice and minor assistance services, community legal education and family dispute resolution conferences. Our average waiting time for advice appointments decreased.

The number of lawyers with specialist accreditation and attendance at training increased, with a significant increase in the number of private lawyers attending Legal Aid NSW training sessions.

We exceeded the majority of our service delivery targets, with the exception of duty services.

Unfortunately, grants of legal aid continue to become less accessible, with the means test income limit now being 51.1% of the national minimum weekly wage. In recognition of this, the Board approved an increase to the means test threshold, which will come into effect in August 2014.

| Key performance indicators | 2011–2012 | 2012–2013 | 2013–2014 |
|---|------------------|------------|-------------------|
| Community awareness of legal rights and responsibilities | | | |
| Client satisfaction rating | N/A [^] | 91.5% | N/A [^] |
| Average waiting time for advice appointments | 0.84 weeks | 0.96 weeks | 0.77 weeks |
| Number of information services provided | 609,299 | 633,743 | 654,958 |
| Rate per 100,000 of NSW population accessing information services | 8,367 | 8,608 | 8,740 |
| Number of advice and minor assistance services provided | 111,347 | 128,719 | 140,729 |
| Rate per 100,000 of NSW population accessing advice and minor assistance services | 1,529 | 1,748 | 1,878 |
| Number of publications distributed | 678,103 | 731,526 | 712,395 |
| Rate per 100,000 of people accessing publications | 9,312 | 9,936 | 9,507 |
| Accessibility of legal aid | | | |
| Means test income limit as a % of national minimum weekly wage | 54.0% | 52.4% | 51.1% |
| Percentage of Local Court sittings serviced by duty solicitor schemes | 100% | 100% | 100% |
| Representation service standards | | | |
| Percentage of satisfactory comprehensive inhouse file reviews | 97.7% | 98.3% | 96.8% |
| Number of Legal Aid NSW lawyers with specialist accreditation | 71 | 67 | 76 |
| Number of Legal Aid NSW lawyer attendances at training sessions | 2,471 | 2,242 | 3,306* |
| Number of private lawyer attendances at Legal Aid NSW training sessions | 878 | 527 | 1,313* |

[^] Surveys are conducted in alternate years. Next survey to be conducted during 2014–2015.

* This increase is largely due to training in the Bail Act 2013.

| Service delivery targets | 2012–13 performance | 2013–14 target | 2013–14 performance | 2014–15 target |
|--|---------------------|----------------|---------------------|----------------|
| Legal advice services | 92,854 | 93,000 | 98,939 | 99,000 |
| Information services | 633,743 | 634,000 | 654,958 | 655,000 |
| Inhouse and assigned duty services | 172,188 | 173,000 | 171,765 | 173,000 |
| Conferences—family dispute resolution* | 2,665 | 2,700 | 2,726 | 2,750 |
| Community legal education sessions | 2,515 | 2,600 | 3,160 | 3,200 |
| Outreach advice services** | 12,781 | 13,000 | 15,558 | 15,800 |
| Locations with regular outreach | 164 | 164 | 194 | 200 |
| Locations with regular outreach for Aboriginal communities | 21 | 21 | 31 | 31 |

*State care and protection conferences are included in this count for 2013–2014, as well as Commonwealth family dispute resolution conferences.

**This does not include minor assistance services.

Reporting against the National Partnership Agreement

Commonwealth funding to Legal Aid NSW is governed by the National Partnership Agreement on Legal Assistance Services (NPA).

The period of the current NPA is 2010 to 2014. The Commonwealth has extended the NPA for another year.

The NPA has prescribed a number of performance indicators and related performance benchmarks, and the service types that can be reported against these indicators. Reporting against some indicators is restricted to Commonwealth services only, e.g. duty services, dispute resolution services, and grants of aid. Other reporting includes both Commonwealth and State services, e.g. early intervention services, the number of successful legal aid service outcomes delivered and total services.

Not all performance indicators can be reported against benchmarks due to the data recording practices prior to the benchmark year, for example, Commonwealth dispute resolution and post resolution services.

Preventative services which include service types such as publications and website page views, are not identified as separate performance indicators. However, their volumes are included under total services.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Legal Aid NSW has performed strongly under the NPA in 2013–2014 against a range of benchmarks.

- The Commonwealth benchmark of a 25% increase in total services has been exceeded, with a percentage change for total services from the 2009–2010 baseline year of 32%. This figure excludes website page views and State criminal law. If website page views and State criminal law are not excluded, the percentage change for total services is 90.6%.
- Early intervention services (excluding State criminal law) recorded an increase of 80.6%, well in excess of the Commonwealth benchmark of 30%.
- Duty lawyer services recorded a 17% increase from the baseline year against a benchmark of 10% variance from the baseline.

The NPA has identified client satisfaction feedback as a performance benchmark. The 2013 Legal Aid NSW biennial client satisfaction survey found a high level of satisfaction with legal aid advice and minor assistance services with an overall client satisfaction rate of 91.5%, compared with a satisfaction rate of 89.5% in 2011.

Majority of benchmarks achieved

A Review of the National Partnership on Legal Assistance Services (NPA Review) has given Legal Aid NSW a good picture of what it is doing well and what it could do better.

The review commenced in May 2012. ACIL Allen Consulting (formerly Allen Consulting Group) was engaged to conduct the review, which encompassed all Commonwealth funded legal assistance programs: Legal Aid Commissions, Aboriginal and Torres Strait Islander Legal Services, Community Legal Centres and Family Violence Prevention Legal Services.

Legal Aid NSW has been an active participant in this review, providing a comprehensive picture of Legal Aid NSW services and the collaborative arrangements within the New South Wales legal assistance sector. Legal Aid NSW also provided extensive feedback on the review's evaluation framework.

Reporting against Commonwealth benchmarks*

| Performance indicator | Performance benchmark | Service count 2009–2010 | Service count 2013–2014 | Percentage increase between 2009–2010 and 2013–2014 |
|--|--|-------------------------|-------------------------|--|
| Number of early intervention services delivered | 30% increase in the number of early intervention services | 59,927 | 108,237 | 80.6% |
| Number of duty services (Commonwealth only) | 10% variance from baseline services delivered in 2009–2010 | 7,127 | 8,336 | 17% |
| Total number of services delivered | 25% increase in the total number of services delivered | 3,182,398 | 6,064,207 | 90.6% |
| Total services excluding website page views and State criminal law** | 25% increase in the total number of services delivered | 1,167,735 | 1,541,903 | 32% (excluding website page views and State criminal law) |

* Selected key indicators are reported only.

** State criminal law services have been excluded from these counts because they are not early intervention in character.

Measuring performance

The review found that Legal Aid NSW had performed strongly against the NPA benchmarks and indicators, achieving the majority of (quantifiable) benchmarks.

It also found that Legal Aid NSW has comprehensive organisational processes and practices to support quality, efficiency and cost-effective services.

The review also noted that Legal Aid NSW had a 'number of promising initiatives that focus on early resolution of legal problems and improved targeting of legal assistance'.

The review stated that there is a significant level of unmet legal need and that this need cannot be addressed at the current funding levels.

Review reports and working papers are available on the ACIL Allen Consulting website at www.acilallen.com.au

Helping to shape the future legal assistance landscape

The Australian Productivity Commission *Inquiry into Access to Justice Arrangements* commenced in June 2013. The 15-month inquiry into Australia's civil dispute resolution system will make recommendations on the best way to improve access to the justice system and equity of representation, including the funding of legal assistance services. For the purposes of the inquiry the civil justice system encompasses family law.

Legal Aid NSW has participated fully in this important inquiry—making submissions, attending round tables, hosting visits and appearing before public hearings. We appreciate the extensive inquiry and analysis undertaken by the Productivity Commission into legal need and access to justice arrangements, and the opportunity to contribute to a report which potentially may shape the future legal assistance landscape.

The Productivity Commission has extensively referenced Legal Aid NSW throughout the Draft Report, using the Legal Aid NSW 'Law for everyday life' problem solving approach as a case study. This approach focuses on areas that have the most impact on people's lives, including tenancy and housing issues, debt and social security.

While noting the gaps in legal assistance for civil matters, the Productivity Commission highlights Legal Aid NSW as 'providing leading practice with its civil law divisions and services'.

The final report is due in September 2014.

➤ The year ahead

Respond to the findings of the NPA review and the Productivity Commission's report.

Collaborate with the Department of Justice to negotiate a new funding arrangement with the Commonwealth.

➤ Key challenge

Responding to the recommendations of the Productivity Commission by investigating new methods to measure the outcomes achieved by Legal Aid NSW.

Legal Aid Plan 2013–2014

Snapshot of achievements

All actions in the Plan have either specified measures of success or targets. All targets were either met or exceeded.

| Access to justice | Excellence in legal services | Supporting our people | Strong partnerships |
|---|--|--|--|
| <p>Objective: To promote access to justice through early intervention and better targeting of legal assistance to disadvantaged people</p> | <p>Objective: To pursue excellence, innovation and efficiency in legal service delivery</p> | <p>Objective: To support and develop our people and improve our systems to meet organisational goals</p> | <p>Objective: To build strong, effective service partnerships to respond to the legal and non legal needs of our clients</p> |
| <ul style="list-style-type: none"> Implemented the Legal Aid NSW Aboriginal Reconciliation Action Plan 2013–2015 actions for 2013–2014 Piloted the civil <i>Law Check-up</i> tool to improve referrals in four locations (Target: 3) Trialled a new model for early intervention legal assistance services for the child protection system before matters reach court Developed three new initiatives that increase access to justice for people with disabilities Conducted a second trial of advice and duty services for defendants in ADVO matters Developed education resources on the risks of sexting and cyberbullying Published information about the law for recent arrivals | <ul style="list-style-type: none"> Developed a new time recording and reporting system to measure and cost activities of inhouse lawyers Established new advice and duty services at the Social Security Appeals Tribunal and the NSW Civil and Administrative Tribunal Delivered 24 training sessions in Bail law reform to over 600 inhouse and private lawyers (Target:15 sessions) Lodged 68 appeals for prisoners arising from the <i>Muldock</i> review (Target: up to 70) Improved payment options for clients making contributions to their grant of legal aid Implemented all actions in the Diversity Action Plan Contributed to a major review of national legal assistance services Expanded mobile technology to reach more people in rural areas, completing 5 initiatives (Target: 3) | <ul style="list-style-type: none"> Launched the Aboriginal Employment and Career Development Strategy Implemented a majority of recommendations from a review of our case and grants management systems Implemented a new online Management Development Program Published 11 editions of the <i>Table Talk</i> staff communication tool (Target: 10 editions) Implemented an executive knowledge bank on the intranet | <ul style="list-style-type: none"> Developed new partnership protocols with the Aboriginal Legal Service for making referrals Developed a state-wide Legal Aid NSW disaster recovery response plan in consultation with the Ministry for Police and Emergency Services and the legal assistance sector Worked with the Justice cluster in developing a service model for young people with complex needs Worked with the Department of Family and Community Services to improve responsiveness to client needs in family law matters Implemented a pilot to share practice resources with the private profession Collaborated with Health NSW and Centrelink to provide integrated services to clients |

Year ahead **Our activity in 2014-2015 will be driven by our corporate planning process and our four strategic objectives.**

| Access to justice | Excellence in legal services | Supporting our people | Strong partnerships |
|--|---|---|---|
| <ul style="list-style-type: none"> Develop a new Reconciliation Action Plan for 2015-2017 Implement an immigration advice and outreach strategy Provide legal education about the risks of cyberbullying and sexting Expand the <i>Best for Kids</i> website for children and young people Introduce new models for delivering legal services in child protection law | <ul style="list-style-type: none"> Evaluate the civil law duty services model at tribunals Implement recommendations from the review of the Panel Lawyer Audit Strategy Review the outcomes of the Productivity Commission's <i>Access to Justice Arrangements</i> Inquiry Implement the Diversity Action Plan 2014-15 to promote diversity and inclusiveness | <ul style="list-style-type: none"> Develop a new Aboriginal Employment and Career Development Strategy for 2015-2017 Implement the requirements of the <i>Government Sector Employment Act 2013</i> and the Public Service Commission Guidelines Implement recommendations of the study into health and wellbeing in Legal Aid NSW Introduce Activity Based Costing so we can measure, monitor and report the costs of our services | <ul style="list-style-type: none"> Identify gaps in the provision of legal services in South-West, Far West and Northern NSW Provide training on best practice principles for outreach lawyers Coordinate a new service delivery response (<i>It Stops Here</i>) to domestic violence in two launch sites – Waverley and Orange Identify gaps in support systems for Aboriginal women leaving custody |

Five-year performance

Reaching more people who need our services

The five-year performance charts on page 15 show that Legal Aid NSW is increasing its reach to the disadvantaged communities of New South Wales.

They show that Legal Aid NSW makes a difference by assisting with legal problems through advice, advocacy, mediation or education.

We target especially disadvantaged clients:

- Our network of mobile lawyers provides assistance to hard-to-reach communities.
- Aboriginal clients are a priority.
- We help people settle disputes without going to court through early intervention.

Our strongest performance is aligned with the client services objective of the Legal Aid NSW Plan. This is not surprising given that clients are at the centre and front of all our work.

OBJECTIVE: PROMOTING ACCESS TO JUSTICE

Client services

We have increased our services to clients by 25.2% over five years. These include legal advice, minor assistance, legal representation, duty services and information services. Community legal education sessions are excluded. *See chart 1.*

Minor assistance services

Our largest service increase was in minor assistance services—16.5% higher than last year—partly as a result of providing more face-to-face advice sessions to people outside Legal Aid NSW offices. Minor assistance includes practical support such as letter writing and making phone calls on behalf of clients. *See chart 2.*

Outreach services

Legal Aid NSW now has a comprehensive network of mobile lawyers and legal outreach services across New South Wales. Locations with regular outreach increased from 98 in 2009–2010 to 194 in 2013–2014.

Locations with regular outreach services for Aboriginal communities increased from 11 in 2009–2010 to 31 in 2013–2014. The number of services provided over five years increased by 50%. *See chart 3.*

Aboriginal clients

We assist growing numbers of Aboriginal clients. Community legal education sessions for Aboriginal people have increased by 167% over five years (45% in the last year, largely due to the *Money Counts* project). *See charts 4 and 6.*

Community legal education

Legal Aid NSW provides free workshops and information sessions (community legal education), equipping people with the knowledge and skills to resolve law-related problems encountered in everyday life.

There has been a 25.6% increase since last year and a 121.8% increase over five years. *See chart 5.*

Mediation

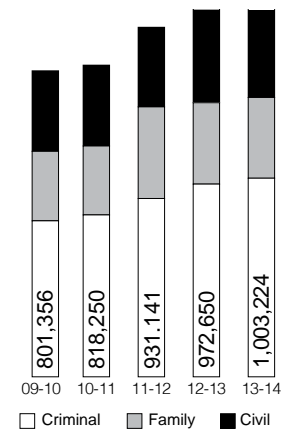
We assist growing numbers of clients to resolve their family law disputes without going to court. These figures now include family conferences in the care and protection jurisdiction. *See chart 7.*

A court ordered mediation program (COMP) was established at Parramatta in 2011, then Sydney in 2013, helping more people settle their matter and stay out of court. The COMP achieved a 75.5% increase in settlements between 2011 and 2014. *See chart 8.*

Early intervention services

Between 2009–2010 and 2013–2014, there was an 80.6% increase in early intervention services (excluding State criminal law services, which are not early intervention in nature). *See chart 9.*

Chart 1. Total client services by law type



We have increased our services to clients by 25.1% over five years.

Chart 2: Total minor assistance services

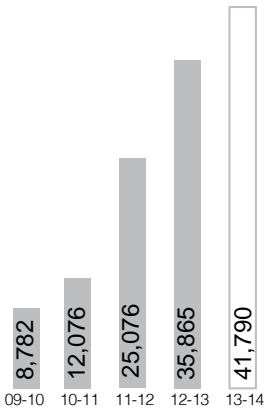


Chart 3: Total outreach services provided by mobile lawyers

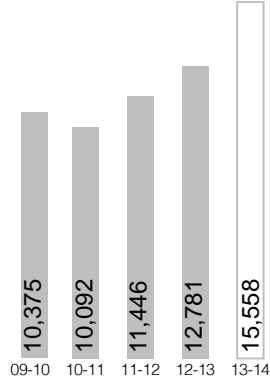


Chart 4: Aboriginal clients: percentage of total case and inhouse duty services

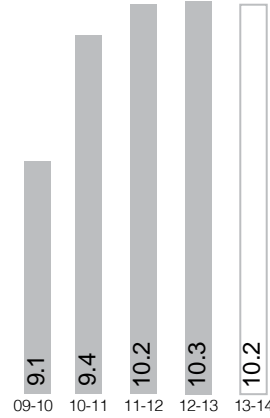
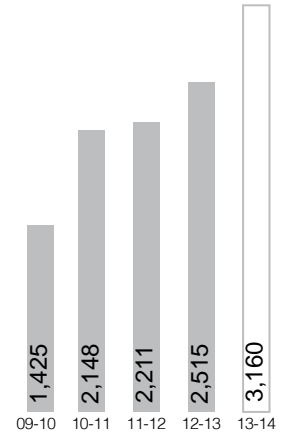


Chart 5: Community legal education sessions



Significant increases across services over five years

| | % |
|---|------|
| • Preventative services (information, community legal education, publication and website visits)* | 92 |
| • Early intervention services (advice and minor assistance)* | 80.6 |
| • Commonwealth family law duty services* | 159 |
| • Locations with regular legal outreach services | 98 |
| • Outreach advice services | 50 |

*Source: The National Partnership Agreement 2013–2014

Chart 6: Total education sessions for Aboriginal communities

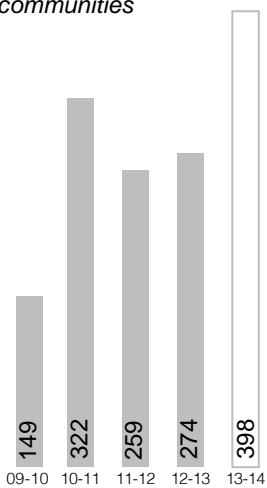


Chart 7: Total family law mediation conferences

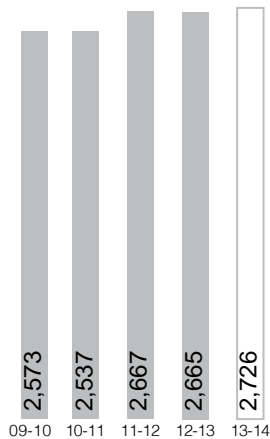
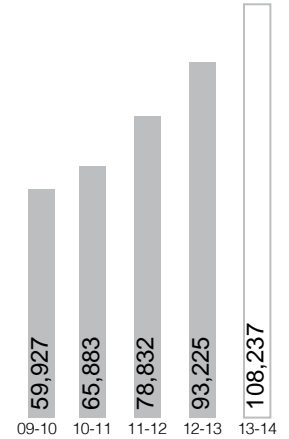


Chart 8: Percentage settlement rate for court-ordered mediation*



*Program set up in 2011.

Chart 9: Total early intervention services (excluding State criminal law services)



Our services – a snapshot

We provide a wide range of services to our clients.

The following two pages capture a snapshot of our client services and statistics for 2013–2014. Three-year comparison tables can be viewed in Appendix 7.

Details about our achievements in client service delivery are summarised in the Legal Aid NSW Plan (page 13) and expanded upon in Section 1 of this report.

Information

Provided 654,958 information services, a 3.3% increase on last year.

Our information services are free and can be accessed by the general community. Our staff can help with initial inquiries about a legal problem and legal processes, and provide resources to help clients understand their situation and the availability of legal aid. Our staff help clients work out what to do next, and the best place to go if they need more help.

Information over the phone is available through LawAccess NSW, a free legal information, referral and limited advice service administered by the NSW Department of Justice, and partly funded by Legal Aid NSW.

Publications and community legal education

Distributed 712,395 publications (In addition, there were 341,783 pdf downloads and 604,793 views of html pages).

Provided 3,160 community legal education sessions, an increase of 25.6% on last year (page 33).

We provide free publications and legal education kits to help people in New South Wales to understand their legal rights and responsibilities.

Our resources are available on our website under Factsheets and Resources and can be ordered online at www.legalaid.nsw.gov.au > Publications > Order a publication.

We conduct legal education sessions at venues across the State. These can be tailored to suit the needs of particular groups.

Legal advice and minor assistance

Provided 140,729 advice and minor assistance services, an increase of 9.3% on last year.

Legal advice and minor assistance services are available at no cost and are not means tested.

Our lawyers help clients to identify their problem, inform them of their legal rights and obligations and help them to understand what course of action can be taken.

Lawyers may also draft letters or other documents for clients and make telephone calls on their behalf to help resolve their problem. We refer to this as minor assistance.

Duty lawyer services

Provided a total of 171,765 duty services (111,132 of these were provided inhouse and 60,633 were provided by private lawyers on behalf of Legal Aid NSW).

Legal Aid NSW provides lawyers in various courts and tribunals throughout New South Wales.

Duty lawyers provide advice and/or representation to disadvantaged people appearing before the Local and Children's Courts on criminal charges. Some matters are able to be finalised on the first appearance. Otherwise the duty lawyer can seek an adjournment for further advice, to arrange a grant of aid or to allow time for further preparation.

A duty lawyer is provided to all persons in custody for a first appearance bail application.

The duty lawyer service is free of charge.



Above A new duty advice service was launched at the Social Security Appeals Tribunal (SSAT). Working in close partnership are l-r: Legal Aid NSW lawyer Rachelle Johnston, Deputy Principal Member NSW/ACT (SSAT) Suellen Bullock, District Registrar NSW/ACT (SSAT) Catherine Cudmore and Legal Aid NSW lawyer Jackie Finlay. For more information, see page 19.

Duty lawyer services are available for children and adults involved in care and protection matters at every specialist Children's Court in New South Wales, and at many regional courts when they sit as Children's Courts.

The duty lawyer acts for either the children or the parents (or other eligible adults) on the first day that the case is heard by the Magistrate and, where possible, applies for a grant of aid to continue to act as the lawyer for that client in the ongoing matter.

Legal Aid NSW also provides duty lawyer services for people with a mental illness under the *Mental Health Act 2007*. Our Mental Health Advocacy Service provides duty services at the Mental Health Review Tribunal and at hospitals.

Legal Aid NSW also provides duty lawyer services for disadvantaged people involved in proceedings under the *Family Law Act 1975* (Cth) and child support legislation. These services are provided across the state in the Family and Federal Circuit Courts.

Legal representation

Provided representation in 35,772 matters (11,138 provided inhouse and 24,634 assigned to private lawyers).

Legal Aid NSW provides legal representation in criminal law, family law and civil law matters to people who meet eligibility tests. Our policies can be viewed on our website: www.legalaid.nsw.gov.au at *For lawyers > Policy Online*.

Clients can apply for a grant of legal aid through a Legal Aid NSW office or through a private lawyer.

We operate a means test for grants of legal representation so that these services are targeted towards those who need them most. Most people granted legal aid are required to pay a contribution towards the costs of their legal representation.

For more information visit *Get legal help > Apply for legal aid* on our website.

Youth hotline

Received 16,373 calls, providing 6,320 legal advice services and 3,340 minor assistance services to young people.

Our telephone hotline provides legal advice, minor assistance and information to young people under 18, and operates from 9am to midnight weekdays, with a 24-hour service from Friday 9am to Sunday midnight and also on public holidays.

Many of these calls facilitate the operation of the *Young Offenders Act 1997* where, after legal advice, young people make admissions to police and are then given cautions or referred to youth justice conferences by police, rather than being charged with offences and brought before a court.

Family dispute resolution

Held 2,726 conferences, reaching full or partial settlement in 79.7% of matters (full table in Appendix 7).

We provide family dispute resolution (FDR) conferences in family law matters to facilitate the resolution of disputes at an early stage. Parties are given the opportunity to negotiate a settlement without the need to go to court. FDR is also available for matters in late litigation. Before legal aid is granted for parties to be represented at a final hearing, if appropriate, the Court may refer parties to FDR. If a settlement is reached, consent orders may be drafted and filed in the Family Court or Federal Circuit Court.

Our family dispute resolution service has been expanded in recent years to provide mediation in the child protection jurisdiction and directly from Family Law Court registries through the Court Ordered Mediation Program.

At least one of the parties must have a grant of legal aid before a conference is organised.

Specialist services

Clients cleared several million dollars of fines debt in 2013–2014 through the Work and Development Order Scheme. The Legal Aid NSW Work and Development Order Service played a key role, working alongside State Debt Recovery and the Aboriginal Legal Service (NSW/ACT) Ltd.

Specialist services are staffed by experts in their field. These include:

- Adult Drug Court Service
- Child Support Service
- Children's Legal Service (criminal matters)
- Client Assessment and Referral Unit
- Commonwealth Crime Unit
- Coronial Inquest Unit
- Early Intervention Unit (family law)
- Homeless Legal Outreach Program
- Mental Health Advocacy Service
- Mortgage Hardship Service
- Older Persons' Legal and Education Program
- Prisoners Legal Service
- Sexual Assault Communications Privilege Service
- Veterans' Advocacy Service
- Work and Development Order Service

There is more information about these services on our website at www.legalaid.nsw.gov.au > *What we do*.

Legal Aid NSW responded to clients' changing needs, taking into account the implications for disadvantaged people in New South Wales of new legislation and policies.



Left Retail manager Aspasia Leonarder from Reverse Garbage supervises a client to work off his debt. The Legal Aid NSW Work and Development Order Service works with State Debt Recovery and the Aboriginal Legal Service (NSW/ACT) Ltd to assist organisations like Reverse Garbage to become sponsors and refers eligible clients to organisations. See page 24.

In this section

- 19 Meeting client needs
- 19 New ways of doing business
- 20 Reaching out to disadvantaged communities
- 22 Early intervention for vulnerable people
- 24 Integrating services
- 25 Meeting the needs of diverse clients
- 26 Highlights from our practice areas
- 33 Community legal education
- 34 Contributing to law reform

Key measures

- Took part in a program that assisted disadvantaged people clear outstanding fines debt.
- Developed new early intervention services that keep people out of court.
- Increased the number of outreach advice clinics to 194—18.3% more than last year.
- Advised nearly 240 people in the 2013 bush fires in the Blue Mountains.
- Set up a new service to help young people with complex legal needs.
- Made 26 law reform submissions.
- Settled over 90% of family dispute matters through a court-based mediation scheme.
- Developed a *Law Check-Up* tool to improve referrals from community workers.
- Lodged 68 appeals for prisoners under the *Muldrock* review.

Key challenge for the year ahead

With very high demand for our services, we will need to make choices to ensure our services are strategic and targeted, reaching the most vulnerable people in the community.

Meeting client needs

Client needs are never static. Legal Aid NSW needs to be alert to the implications for disadvantaged people in New South Wales of new legislation and policies and be prepared to respond with new services.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Making applications for legal aid easier

While lawyers usually submit applications for legal aid on behalf of clients, our new application form makes the application process much easier for those who do not have professional legal help. In designing the new form, we consulted with user groups such as the Intellectual Disability Rights Service, LawAccess NSW, Vision Australia and the Tenants Union of NSW.

The user-friendly features of the new form include:

- plain English text that explains what to do in everyday terms;
- a question format that guides the applicant to answer the next relevant question and skip those that are irrelevant;
- prompts to encourage applicants to get legal advice and use the means test indicator before completing the form; and
- a checklist to ensure the applicants compile all the necessary documents to support their application.

The Legal Aid NSW website also has a step-by-step guide to filling out the application, which includes explanations of legal terms.

The next stage in developing the application form will be the introduction of a screen reader compatible version for clients with visual impairment.

Making it easier for people to tell us what they think

Complaints can highlight genuine concerns that Legal Aid NSW should address in the interests of better client services and more productive partner relationships.

We commissioned an independent review of our complaints handling in 2013, which found that there were different processes across divisions, a general lack of clarity about complaints handling, and limited analysis and reporting of complaints data to enable corrective action by the Legal Aid NSW executive.

A dedicated project officer has begun to streamline complaints management across Legal Aid NSW and improve analysis and reporting. We have also improved our online portal for sending compliments, suggestions and complaints.

➤ The year ahead

Carry out a client satisfaction survey.

Launch a mobile app for iPads and iPhones.

Launch a screen reader compatible version of the legal aid application form.

Develop a complaints handling policy.

Identify gaps in the provision of legal services in South West, Far West and Northern New South Wales.

➤ Key challenge

Train staff in complaints handling to ensure they have a clear understanding of processes and the right skills to deal with complaints effectively and efficiently.

New ways of doing business

Legal Aid NSW is always examining how we can help people more effectively through establishing new services, partnering with other agencies, and using technology.

OBJECTIVE: ACCESS TO JUSTICE

Clients benefit from new duty services

The civil law practice began a pilot duty advice service at the NSW Civil and Administrative Tribunal in Liverpool on 28 January 2014. Operating every Tuesday morning, the service targets clients with consumer issues and assists them to understand their claims and how the Tribunal can help them. Tribunal staff worked closely with Legal Aid NSW, directing the most vulnerable clients who might not turn up at regular advice services. Receiving advice before they appeared in the Tribunal meant clients were better prepared and able to focus on issues relevant for the Tribunal with more confidence and clarity.

In five months of operation, lawyers provided 74 advice sessions and 28 minor assistance services to clients.

The practice also established an outreach advice service at the Social Security Appeals Tribunal through which we offer telephone advice to people in regional and rural areas who are unable to attend either the Tribunal or one of our offices. The service provides specialist advice and assistance to clients with social security problems at an early stage in the merits review process. The service has increased access to social security advice for people living in rural and regional areas and has assisted many young people with social security problems, as well as people with disability.

In its first 12 months of operation, 335 services and 461 minor assistance services were provided to applicants seeking review of social security decisions.

These new duty advice services are being externally evaluated to determine their success in providing timely and targeted assistance to vulnerable clients.

Improving access to justice through technology

During 2013–2014, Legal Aid NSW continued to develop web conferencing partnerships in areas of identified need, especially for people in remote and rural communities.

In most of the web conferences, a Legal Aid NSW lawyer links up with a remote client who has a caseworker from the partner agency on hand for support.

We established partnerships with Mission Australia in several locations in New South Wales – Buckett’s Way Neighbourhood Centre in Gloucester, Interreach in Cootamundra, the Mid North Coast Community Legal Centre in Port Macquarie, and Interrelate in Lismore.

We also trialled web conferencing for lawyer-assisted family law mediation.

Trialling court services for defendants

Following a trial at Mt Druitt Local Court in 2012, Legal Aid NSW trialled a second duty and advice service for defendants in Apprehended Domestic Violence Order (ADVO) matters at Burwood Local Court during 2013. The second trial, in partnership with the NSW Bureau of Crime Statistics and Research (BOCSAR), tested the proposition that an intensive duty service for ADVO defendants will reduce the likelihood of a defendant breaching their order. Women NSW in Family and Community Services contributed \$60,000 towards trial costs.

The 15-week trial involved duty advice and minor assistance to unrepresented ADVO defendants and telephone follow up with consenting defendants two weeks later.

Legal Aid NSW has learned valuable lessons that will contribute to improved service delivery in this area. The BOCSAR report will complement the review by Legal Aid NSW.

➤ The year ahead

Develop additional web conferencing partnerships in areas of need around regional and remote New South Wales.

Publish the BOCSAR report.

➤ Key challenge

Introducing web conferencing to rural and remote areas that have limited technology.

Reaching out to disadvantaged communities

OBJECTIVE: ACCESS TO JUSTICE

Mobile outreach services for hard-to-reach clients

Legal Aid NSW takes an innovative and flexible approach in working with clients who are hard to reach. We use ‘mobile lawyers’ who develop and maintain local partnerships and adopt a holistic approach to resolving legal problems as early as possible.

By reaching clients in areas other services could not reach, lawyers made a major impact on people’s lives.

Our outreach services have significantly expanded in the last four years. Legal Aid NSW now has a comprehensive network of mobile lawyers and legal outreach services in 194 locations across New South Wales. The network relies on strong partnerships with a range of non-legal community and government organisations, including homelessness services, Aboriginal Medical Services, Migrant Resource Centres, neighbourhood centres, Centrelink, courts and correctional facilities. We also operate a number of advice clinics at remote locations using web-based video conferencing facilities.

Locations with regular outreach services for Aboriginal communities have increased from 11 in 2010–2011 to 31 in 2013–2014.

A snapshot of outreach services

| | |
|---|-----|
| Number of locations with regular legal outreach services: | 194 |
| Outreach services for Aboriginal communities: | 31 |
| Outreach locations based in Centrelink offices: | 7 |
| Number of locations with regular legal outreach services in regional, rural and remote areas: | 142 |
| Number of outreach locations where clients can access civil law advice*: | 137 |
| Number of outreach locations where clients can access family law advice*: | 104 |

*May be the same location.

An independent review of these outreach services was conducted by the Law and Justice Foundation of NSW. See page 55 for details.

Strengthening Legal Aid NSW Aboriginal services

One of our main objectives this year was to grow our services to Aboriginal people in line with our first Reconciliation Action Plan.

In 2013–2014:

- over 10% of Legal Aid NSW case and inhouse duty services were provided to Aboriginal clients;
- 25% of all Work and Development Orders were for Aboriginal clients, helping them to work off their fines;
- 10% of outreach clinics were located in Aboriginal agencies, mainly Aboriginal Legal Services;
- 29% of Regional Outreach Clinic Program services addressed the legal needs of Aboriginal communities;
- *Money Counts* assisted Aboriginal people with consumer law issues (see page 21); and
- a new mediation service assists Aboriginal families to resolve disputes without going to court.

Legal Aid NSW is midway through implementing its Reconciliation Action Plan 2013–2015.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Help for Aboriginal consumers

Aboriginal consumers may be particularly vulnerable to unscrupulous businesses selling unsuitable products and services or failing to disclose the full conditions of sale. They may also lack information on their rights as consumers.

Our civil law practice introduced *Money Counts*, to assist Aboriginal people and communities with issues such as renting or buying household goods, understanding funeral plans, and dealing with door-to-door salespeople.

Our lawyers offered advice, casework and community education in conjunction with existing services in Dareton, Mt Druitt, Nambucca Valley, Condobolin, Lake Cargelligo, Taree and surrounding communities.

A total of 1,152 services were provided to Aboriginal clients as part of the *Money Counts* project.

This model has been so effective in providing services to Aboriginal communities that it is being expanded to other areas of law, including social security and housing.



Above Justine Conaty from the *Money Counts* project assists a client in Taree.

New partnership supports accessible legal services

Following an alliance formed last year with Migrant Resource Centres, Legal Aid NSW this year collaborated with Settlement Services International to connect people from multicultural backgrounds with legal advice services. Settlement Services International is the peak not-for-profit organisation supporting recently arrived refugees and migrants in New South Wales along with those who have been here for some years.

Free family and civil law advice plus regular workshops about the law are now available at eight centres across Sydney, Wollongong and the Central Coast. The service will help clients navigate their way through an unfamiliar legal system to resolve complex matters such as sponsoring a family member to come to Australia.

Launched in March 2014 by the Commonwealth Minister for Multicultural Affairs, the service is another step in responding to the finding of the 2012 report by the Family Law Council that, if multicultural community members fail to address legal issues early, their long-term welfare can suffer.

To reach out further to multicultural communities on important family matters, Legal Aid NSW engaged a specialist caseworker who conducted complex litigation, including in cases involving forced marriages.

Reviewing prisoner sentences

In July 2012, a special Legal Aid NSW team began to review approximately 1,000 cases to identify those prisoners sentenced after 2003 who might be able to apply for a sentence reduction following the 2011 High Court decision in *Muldock v The Queen* [2011] HCA 39, 5 October 2011. The decision found that New South Wales courts had been incorrectly interpreting the law since 2003 in cases involving a standard non-parole period. This sentencing error impacts our most marginalised clients. The decision meant that there were people still in gaol whose sentences could be incorrect.

This year, the team filed applications for leave to appeal against sentences in 68 cases (against a target of up to 70) by way of filing either an application for an extension of time for leave to appeal against sentence (39 cases concerning sentences not previously appealed and 29 cases in which there had been a previous appeal).

The Standard Non-parole Period Review Team ceased operating on 30 June 2014, with the Indictable Appeals Unit conducting the balance of the appeals. The final results of the project will be known by mid-2015.

➤ The year ahead

Implement an immigration advice and outreach strategy.

Launch an evaluation of the Settlement Services International partnership and enter into a Statement of Cooperation with SSI.

Establish a specialist unit in the Civil Law Division for two years to provide assistance to Aboriginal communities with issues such as debt, fines, social security and housing.

➤ Key challenge

Maintain consistent and regular services for Aboriginal communities where we have established relationships of trust.

Early intervention for vulnerable people

Research has long confirmed that acting before problems escalate is much more effective than intervening when problems have become more complex.

Legal Aid NSW is committed to early intervention for vulnerable clients and, to that end, established the Early Intervention Unit within the family law practice in 2011. The Unit's services include advocacy, mediation services, minor assistance, advice, legal information and community legal education.

Legal Aid NSW has experienced a 13.5% reduction in family law litigation since the introduction of the Early Intervention Unit in 2011. This is at the same time as demand for family law litigation has risen in other states.

Between 2009–2010 and 2013–2014, there has been an increase of 80.6% in early intervention services (excluding State criminal law matters). Family law duty services have increased by 90.1%, primarily through the work of the Early Intervention Unit.

Our civil law practice has also been active in building partnerships to assist clients with legal and other issues at an early stage. Civil law has experienced a rapid increase in early intervention services, with a 26.6% increase in minor assistance and a 22.7% increase in civil law advice sessions between 2012–2013 and 2013–2014.

In 2013–2014, we expanded our early intervention services to multicultural communities, Aboriginal people and children and young people.

OBJECTIVE: ACCESS TO JUSTICE

Preventing home repossession by co-locating services

A new fortnightly outreach service focusing on financial hardship in South West Sydney is a collaboration between Centrelink at Fairfield and the Mortgage Hardship Service. It was established due to the significant amount of disadvantage in the area.

Centrelink was identified as a suitable partner organisation as their staff see clients when family breakdown, unemployment or other issues take place, leading to financial stress.

Legal Aid NSW provides training and support to Centrelink staff about how to identify suitable clients. Early reports show that 66% of clients had not missed a loan payment when they attended the outreach and over 80% of clients are from multicultural backgrounds.

The outreach service is fulfilling its key aims: firstly, to reach clients experiencing financial hardship at the earliest point possible, and secondly, to provide an accessible service to culturally diverse clients who may not be seeking help from the Legal Aid NSW offices because of cultural barriers to discussing money problems.

Clients comment that the service is conveniently placed, allowing them to address several matters at once without needing to take more time off work or away from their caring responsibilities.

The partnership is going so well it will be expanded to other Centrelink offices.

Intervening early for young people with complex needs

Legal Aid NSW has established that children and young people, many of whom have complex needs, are the highest repeat users of our services. We have responded to this finding by developing innovative service delivery models.

The Children's Civil Law Service was established to give young people timely, integrated legal help tailored to individual needs. Through partnerships with Shopfront Youth Legal Centre and the Legal Aid NSW Children's Legal Service in Parramatta, the new Service has been able to assist vulnerable young people with a broad range of legal issues, including debt, Centrelink issues and problems relating to out-of-home care providers.

The aim is to prioritise young people with complex needs who, without early legal help, may later become high repeat users of Legal Aid NSW services. We offer a 'wrap around' legal service, working closely with criminal lawyers. A significant part of our casework involves advocacy to either prevent a young person from being excluded from a service, or to advocate for them when their rights have been infringed. The majority of clients seen by the Service have experienced multiple legal issues. Out of 78 clients, 155 were identified with legal issues and 493 legal services were provided.

In addition to establishing the Children's Civil Law Service, Legal Aid NSW set up a multi-agency steering group to pilot a new approach to working with young people at risk of becoming high service users. It focuses on diverting young people from the criminal justice system and getting them the right help from the right agencies to address their specific needs.

Other agencies involved in the pilot are the Children's Court, Family and Community Services, Juvenile Justice, Aboriginal Legal Service, Justice, Health and Police. We are working closely with out-of-home care providers due to the number of young service users who are currently in, or have been in, out-of-home care.

Cyberbullying and sexting risks explained to young people

Early intervention has become a very important part of the role of the Children's Legal Service of Legal Aid NSW. The Service works closely with young people in schools to alert them to the risks of behaviours which might lead to criminal charges. Following on from the very successful film *BURN*, the Service has developed an informative community legal education package on the risks associated with cyberbullying and sexting. Many young people fail to recognise the potential criminal law implications of cyberbullying and sexting.

The DVD shows scenarios which could be considered criminal and also looks at the laws surrounding cyberbullying, particularly those covering intimidation, harassment, menacing and offensive use of a carriage service.

The DVD package will be delivered to schools in New South Wales next year.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Mediation service helps people settle and stay out of court

A number of different mediation models operate across the family law system. Legal Aid NSW identified that a form of mediation missing from the system is a court-based process that allows parties to reach a solution to their dispute in the court environment at the point where a matter is listed for hearing and a judge-ordered solution is imminent.

In response to this need, we established a court-ordered mediation program at the Parramatta Registry of the Family Courts in 2011 and then at Sydney in 2013.

Our objective was to reach the most disadvantaged clients with complex legal needs. For a matter to be referred to the program, at least one party must have a grant of legal aid, or be eligible for one.

In 2013–2014, the program resulted in full or partial settlement for over 90% of matters, up from 88% last year and 84% in 2011–2012. An estimated 389 court days and 647 legal aid funded days were saved. In 87% of the matters referred to the program, the parties had not previously participated in a dispute resolution conference.

As a result of the success of the programs in Parramatta and Sydney, both services are now permanent.

➤ The year ahead

Our Legal Aid NSW Plan targets two vulnerable groups – Aboriginal people and young people with complex needs. Actions will include:

- Implementing strategies from the Reconciliation Action Plan and developing a new plan for 2015–2017.
- Introducing new models for delivering legal services in child protection law, targeting early assistance to disadvantaged families before children have been removed.
- Providing legal education about the risks of cyberbullying and sexting, targeting young people and parents

➤ Key challenge

Monitoring the impact of our services to make sure we are reaching priority areas and clients.

CASE STUDIES

The people we help through early intervention and prevention

Case 1: Finding a way out of mortgage stress

Our client was referred by a financial counsellor. Following the suicide of her partner, she had a nervous breakdown and suffered continuing depression. She had fallen behind in her mortgage and had no ability to service the loan. The bank had commenced proceedings for recovery of the property due to the amount of money owing. Our client was extremely stressed as, along with these financial worries, she was caring for two children on her own.

The Mortgage Hardship Service helped her to lodge a dispute with the Financial Ombudsman Service to prevent the bank from continuing legal proceedings. We then helped her to negotiate a hardship agreement with the bank, which included a lengthy time for the sale of the property. As she had a fair amount of equity in the property this proved a good resolution. With the sale completed, our client is now focusing on her mental health and looking to get back into the workforce.

Case 2: A young client faces complex issues

Our client was 17 when she was first referred to the Children's Civil Law Service. Born in Iraq, she moved with her family to Australia when very young and, not long after, was placed in out-of-home care because of her violent behaviour. She had moved through multiple placements and had serious mental health issues.

We worked with her to prepare a leaving care plan, a crucial document which sets out how she could live independently with support from Family and Community Services. We also helped her with other issues, including outstanding fines, problems with her Centrelink benefit, exclusion from a TAFE course because of her criminal history, and recovery of a housing bond.

Case 3: Mediation settles a complex family dispute

This case involved three family members: a father and mother, both profoundly deaf, and an aunt, who cared for the couple's two sons.

The mother had no contact with the boys following allegations of assault and went to court to gain more time with them. The matter was listed for four days. On the first day of the hearing, the judge requested that all parties participate in mediation arranged through the Legal Aid NSW court-ordered mediation program.

All parties were able to meet privately with both the mediator and Independent Children's Lawyer to express their views. During the mediation, the aunt said she was confident that both parents were capable of looking after the boys, having noted the expert's report. As a result of the mediation the mother gained more time with her sons. The mediation resulted in considerable savings for the Court, including the cost of Auslan interpreter services for the parents estimated at \$15,000 for a hearing.

Integrating services

As well as needing legal advice and assistance, many clients have complex needs. We therefore make sure they receive integrated support and are linked to other services that can assist them.

A problem-solving approach is used by Legal Aid NSW lawyers to address family violence, debt, homelessness, fines or lack of access to appropriate government benefits. The inclusion of legal services within social services enables an integrated response to the problems faced by those with multiple and complex needs.

OBJECTIVE: ACCESS TO JUSTICE

Encouraging timely legal problem-spotting

Legal Aid NSW has developed a practical tool to assist community workers and non-legal caseworkers to 'diagnose' a client's legal need, and to refer the client appropriately.

Law Check-Up includes a checklist of legal issues, accompanied by a free training session, referral information and client appointment cards.

A review of a small pilot of the *Law Check-Up* in five community-based agencies targeting homelessness found that *Law Check-Up* increased community workers' knowledge of civil law and strengthened the relationship between Legal Aid NSW and the agencies.

Working off fines debt

Legal Aid NSW, in partnership with the Aboriginal Legal Service (NSW/ACT) Ltd assists people to apply for Work and Development Orders (WDOs), which enable them to work off fines debt through approved treatment programs, training or community service. The Legal Aid NSW WDO Service, working in partnership with State Debt Recovery and the Aboriginal Legal Service (NSW/ACT) Ltd assists organisations to become WDO sponsors and refers eligible clients to sponsor organisations.

Since the WDO scheme began in 2009, 20,964 WDOs have been approved for eligible people. There has been a 63% increase in approvals between 2012–2013 and 2013–2014. A total of \$24.8 million in outstanding fines debt has been cleared since the program commenced in 2009, with \$14 million of this cleared in 2013–2014. In June 2014, there were 1,442 approved WDO sponsor locations across NSW, a 61% increase since June 2013.

Agencies which have come on board include charitable organisations such as the Salvation Army, Mission Australia, the Benevolent Society and Anglicare, neighbourhood centres, job service providers, Local Aboriginal Land Councils, Aboriginal health services, Medicare Locals and drug and alcohol and mental health services in various Local Health Districts. The program continues to be supported by active sponsors such as Reverse Garbage, Australia's largest recycling centre, which offers WDO clients the opportunity to work off fines through volunteering.

OBJECTIVE: STRONG PARTNERSHIPS

Legal problems and health

Law and Justice Foundation of NSW research confirms a strong link between unresolved legal problems and poor health, particularly among the most vulnerable members of the community. The Civil Law Division is collaborating with health agencies to deliver targeted and holistic services to clients through health justice partnerships.

Several health/justice taskgroups have been established to improve collaboration between the health and justice sectors. The recently formed south-west Sydney health justice working group is a collaboration between Legal Aid NSW and health agencies. Some of the partners include Medicare Local, Partners in Recovery and South West Sydney Area Health Service.

Homeless outreach services

Our homeless outreach services provided effective ways of reaching and helping people who are homeless or at risk of becoming homeless. Staff worked with other professionals, including health and housing agencies to provide a more integrated service response.

Leaving custody, finding a home

A new partnership project gives Legal Aid NSW a key role in providing legal services to Aboriginal women leaving custody. It brings together our civil law practice, Corrective Services NSW and Housing NSW to help these women to re-establish themselves in the community.

Legal Aid NSW lawyers advocate on behalf of women to secure sustainable housing and resolve legal issues, including unresolved debt, which may limit their access to suitable housing. We also seek housing for women unable to return to the family home due to domestic violence.

Funded under the National Partnership Agreement on Homelessness, the project focuses on Aboriginal women at Silverwater Correctional Centre, but the Legal Aid NSW component also extends to Aboriginal women in custody elsewhere.

As part of the project, Legal Aid NSW collected information about the barriers to sustainable housing for Aboriginal women leaving custody, and the application of housing policies to prisoners after release from gaol. A report will be published in 2014.

OBJECTIVE: ACCESS TO JUSTICE

Meeting complex client needs

The Legal Aid NSW Client Assessment and Referral Service (CARS) works collaboratively with lawyers to ensure the best possible outcomes for clients. The service identifies how clients' psycho-social difficulties impact on their legal problems. An assessment can then be written for court and the clients referred to other services for assistance, allowing them to begin to address their problems.

In 2013–2014, CARS assisted 351 clients, completing 250 assessments and writing 192 psycho-social reports for court. The Service made 112 referrals on behalf of clients to other agencies for assistance. Just under 130 services were provided to young people under the age of 20, with 98 of these in criminal law matters. Half of the reports prepared for young people included a case plan under section 32 of the *Mental Health (Forensic Provisions) Act 1990*.

Clients' issues included substance abuse and mental health (criminal law); cognitive capacity, mental health and financial management orders (civil law); and domestic violence and parenting (family law).

➤ Year ahead

Launch the first health justice pilot.

Roll out the *Law Check-Up* tool across New South Wales with the Cooperative Legal Service Delivery Program.

Trial a new approach to maintaining contact with hard to contact clients, ensuring they are engaged from the moment of referral.

Link clients with a cognitive disability to services under s 32 of the *Mental Health (Forensic Procedures) Act 2001* so their matter can be dismissed.

➤ Key challenge

Providing adequate resources to establish and maintain relationships with partner organisations.

Meeting the needs of diverse clients

Legal Aid NSW aims to be a more diversity-confident and competent organisation, and to providing responsive services to diverse people and communities in New South Wales.

In 2013–2014, Legal Aid NSW introduced a Diversity Action Plan which subsumed the previous Multicultural and Disability Action Plans and expanded the focus beyond multicultural diversity and disability to include women, younger people, older people and people living in rural and regional areas. The plan also includes people who are gender diverse.

➤ FACT FILE

| | |
|---|-------------|
| Case and inhouse duty clients born in non-English speaking countries: | 13.5% |
| Amount spent on interpreters and translations: | \$1,089,225 |

Diversity Action Plan

A summary of key performance highlights from the Diversity Action Plan appears in Appendix 10.

OBJECTIVE: ACCESS TO JUSTICE

We made wide use of interpreters and translators, both face-to-face and over the telephone, for client interviews and community legal education sessions. Expenditure for the year was \$1,089,225 on these services. Additionally, we contributed \$48,973 to the cost of interpreters at Community Legal Centres.

We developed three video resources in Auslan to provide legal information to the deaf community on fines, home loan stress and loans and credit.

Sixty-seven staff were trained in working with new and emerging communities by community workers from the Community Migrant Resource Centre in Parramatta and African Women Australia. Twenty-two attended project management and group facilitation master classes.

Feedback was positive. A participant in the session on Middle Eastern communities said: 'It gave me essential information to communicate with clients from Iraq, Iran and Afghanistan.'

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Community workers and Legal Aid NSW staff became better equipped to work with new and emerging communities from Afghanistan, Burma, Iran, Iraq and a number of African countries through the development of a new resource. *Working with new and emerging communities: A guide* includes a series of fact sheets and resources about these communities.

Private lawyers were trained in grants procedures which included information about obtaining grants for clients with exceptional circumstances due to disability.

OBJECTIVE: STRONG PARTNERSHIPS

We participated in a pilot health-justice partnership aimed at enhancing the access to legal services for older clients with mental health issues.



Right Legal Aid NSW staff at the launch of a guide for people working with new and emerging communities.

Client services

Under the partnership, we held four advice clinics, three telephone advice sessions and three community legal education sessions for the Northern Sydney Local Health District.

Five pilot legal literacy workshops were delivered to women prisoners in partnership with Corrective Services NSW and Community Legal Centres. Participants and trainers were positive about the workshop program, which has now been adapted for Corrective Services NSW to run on its own. See also page 24.

➤ The year ahead

Roll out the new e-learning module on disability awareness to Legal Aid NSW staff, private lawyers and community workers.

Implement the Diversity Action Plan 2014–2015.

➤ Key challenge

To increase the proportion of staff with disability and build a disability-friendly environment within the organisation.

Highlights from our practice areas

Criminal law practice

Our criminal law practice provides legal information, advice and minor assistance, duty services and representation in criminal courts at each jurisdictional level across the State.

These services operate from the Central Sydney office and 19 statewide offices.

Specialist advice, information, minor assistance, duty services and representation are provided through the Children’s Legal Service, Prisoners Legal Service and Drug Court.

The practice offers community legal education throughout New South Wales and contributes to law reform initiatives.

OBJECTIVE: ACCESS TO JUSTICE

More services in Nowra and Katoomba

For the first time, a permanent criminal lawyer is based at Nowra Legal Aid office to undertake committal matters.

We expanded the inhouse duty service to Broadmeadow, Wyong and Woy Woy Children’s Courts, assisting more young people going to court.

Following the temporary closure of Penrith courthouse we expanded our services in the area through an inhouse duty solicitor service at Katoomba Local Court in cooperation with the court’s private lawyer roster and a criminal law drop-in clinic. For the first time, clients do not need to travel to Penrith for legal advice and can receive a greater breadth of advice and minor assistance services.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Commonwealth Crime Unit becomes permanent

In June 2014, the Commonwealth Crime Unit was made permanent after more than three years representing clients charged with indictable Commonwealth offences. Over 80% of the Unit’s clients require an interpreter and most face long sentences for offences such as aggravated people smuggling, fraud and drug importation. See case 2 on page 27.

Reviewing prisoner sentences

A review team lodged 68 appeals for prisoners arising from the *Muldrock* review, against a target of up to 70. See page 21 for details.

Other criminal law initiatives

Details of other innovative projects by the criminal law practice to help the most disadvantaged people in New South Wales appear under the section headings:

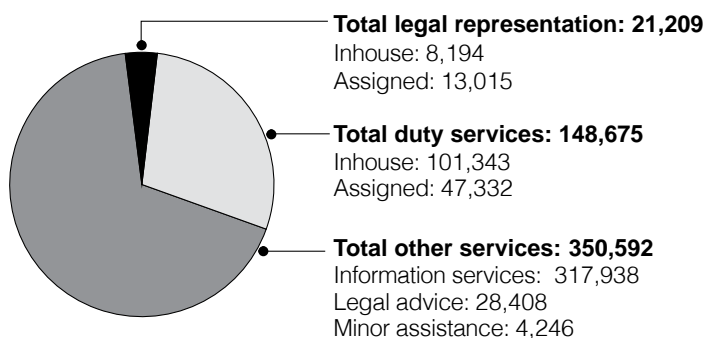
- Early intervention for vulnerable people, page 22
- Reaching out to disadvantaged communities, page 20
- New ways of doing business, page 19
- Protected admissions, page 37

Responding to changing laws and amendments

Major changes to bail laws were introduced in May 2014. With expertise in this area, our practice provided training across New South Wales to ensure that criminal defence lawyers were ready to appear in bail applications under this new legislation. See page 44 for details.

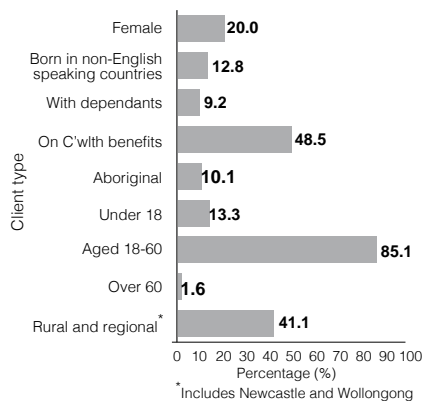
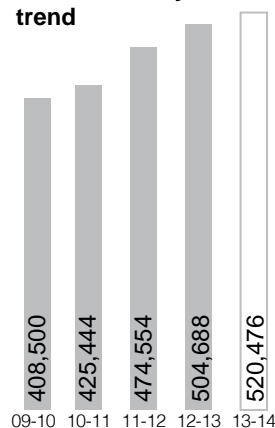
As leaders in this jurisdiction, we were able to offer clients a high level of knowledge and expertise.

Total criminal law services in 2013–2014: **520,476**



Criminal law client profile

Based on total case grants and inhouse duty services

**Total criminal law services: five year trend****FACT FILE**

| | |
|---|-----------|
| Total expenditure: | \$116.05M |
| State: | \$105.79M |
| Commonwealth: | \$10.26M |
| Overall budget spent on criminal law services | 47.6% |

The year ahead

Respond to Government recommendations to the NSW Law Reform Commission Reports on *Sentencing, Encouraging Appropriate Early Guilty Pleas, Parole and Criminal Appeals*.

Work with Corrective Services NSW to improve lawyer/client communication.

Key challenge

Evaluating the way we work inhouse as the criminal justice system changes.

The cases below highlight some of the results achieved in our criminal law practice.

Appeal matters have a wider impact

We conducted a number of cases in the Court of Criminal Appeal (CCA) which had general significance in criminal law:

Case 1: Released on appeal

A woman who was a passenger in a car passed on information from the driver about hiding evidence involved in the commission of a crime. She received a three-year sentence. The Court accepted that her actions were spur of the moment in response to the driver who refused to take the phone whilst driving. She had no other connection with the offence. On appeal the Court released her suggesting that a non-custodial option would have been appropriate.

Case 2: Constitutional challenge

A 19-year-old fisherman from Indonesia pleaded guilty to the offence of people smuggling. He was sentenced to the mandatory minimum sentence of five years imprisonment with a non-parole period of three years. Legal Aid NSW mounted a constitutional challenge to the validity of the sentence. Special leave to appeal to the High Court was granted on two grounds.

The first related to the separation of powers, arguing that this legislation amounted to the legislature crossing a solely judicial function.

The second related to an argument that mandatory minimum sentences required the Court to disregard basic principles such as equal justice and natural justice. Whilst the appeal was dismissed, the dissenting judgment agreed with the appellant's argument.

Case 3: Erroneous view of the law

On 18 November 2013, judgment was published in the test case of *Sinkovich v Attorney General of New South Wales* [2013] NSWCA 383, heard by a five-judge bench on 16 October 2013. The Court was unanimous in its view that our client's application had not been determined according to law. The Court found that both the sentencing court and the CCA approached the sentencing exercise on an erroneous

view of the law and that this was an error capable of giving rise to a doubt or question about the correctness of the sentence imposed upon him. The Court granted declaratory relief.

Other cases of note**Case 4: Young client and baby reunited**

Legal Aid NSW represented a young woman who pleaded guilty to aggravated break and enter with intent to cause actual bodily harm. While she had committed the offence at 17, she was sentenced at age 18 to a year in a Juvenile Justice facility. At the time she was caring for her newly born baby.

We lodged an appeal against the severity of the sentence on the ground that the sentencing judge had failed to consider a relevant matter, namely that no NSW correctional facilities cater for juveniles with babies. The Court of Criminal Appeal granted our appeal, resulting in the immediate release of our client and her return to her baby and supportive family.

Case 5: Recklessness rebuked, charge dropped

Our client faced a people smuggling charge after being identified from an Australian Federal Police (AFP) photoboard. Despite the fact that he was in immigration detention, the AFP did not offer him an ID parade.

In a trial conducted by our Commonwealth Crime Unit and inhouse trial advocate, the Commonwealth Director of Public Prosecutions decided to drop the charge. This was because the identification evidence was excluded.

The Crown failed to prove that it would have been unreasonable to conduct an ID parade, which would have allowed the evidence to be admitted.

It also became apparent that the AFP's approach to conducting ID parades was inconsistent with the requirements of the *Commonwealth Crimes Act 1914*.

Client services

Civil law practice

Our civil law practice provides information, legal, advice, minor assistance, duty and casework services to people through the Central Sydney office and 15 statewide offices.

Civil law problems, if left unsolved, many have a far-reaching negative impact on people's lives. That impact can range from health problems to family breakdown and contact with the criminal justice system. The civil law program focuses on the big issues that impact most on disadvantaged communities, including tenancy and housing, debt, employment, social security and access to essential social services.

The practice directs its services to the people who are most disadvantaged in accessing legal services. They include people living in rural and remote areas, homeless people, the elderly, people with a mental illness or other serious health issues, Aboriginal people, and people experiencing severe financial hardship.

This year the Productivity Commission highlighted the effectiveness of our work to assist people with everyday legal problems, noting that Legal Aid NSW was 'providing leading practice with its civil law divisions and services' (draft report *Access to Justice Arrangements*, April 2014).

OBJECTIVE: ACCESS TO JUSTICE

Tackling discrimination

Between March and June of 2014, Legal Aid NSW offered a series of legal advice clinics in regional areas, preceded by 20 workshops that were attended by 270 community workers.

The workshops were organised in collaboration with the Cooperative Legal Service Delivery Program partners. The regions included the Hunter, Kempsey, Coffs Harbour, Taree, Port Macquarie, the South Coast, Central West and Wollongong.

The workshops focused on early intervention so that community workers can help clients experiencing unfair treatment to overcome barriers they face in using anti-discrimination laws and accessing legal services.

The advice and education sessions highlighted the prevalence of discrimination being suffered by people in their everyday lives – in areas like education, employment, accommodation and the provision of goods and services. This is especially the case for Aboriginal people, single mothers and people with disabilities (including mental health illnesses).

Participants in the workshops said they were now more aware of anti-discrimination law rights and remedies and felt more confident to assist people in practical ways.

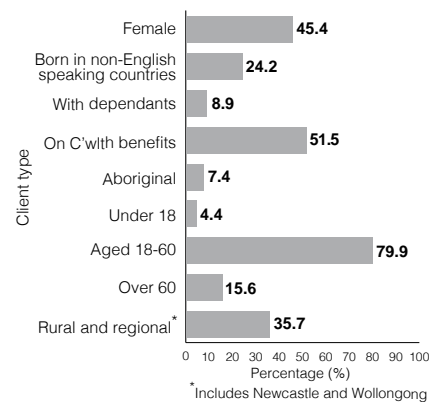
National Disability Insurance Scheme

The first stage of the National Disability Insurance Scheme (NDIS) commenced operation on 1 July 2013. The Hunter region was the launch site in New South Wales. Under the scheme, certain decisions around access to the NDIS which adversely affect people's rights and entitlements may be reviewed. Legal aid is available in a limited number of matters that have been referred by the Department of Social Services.

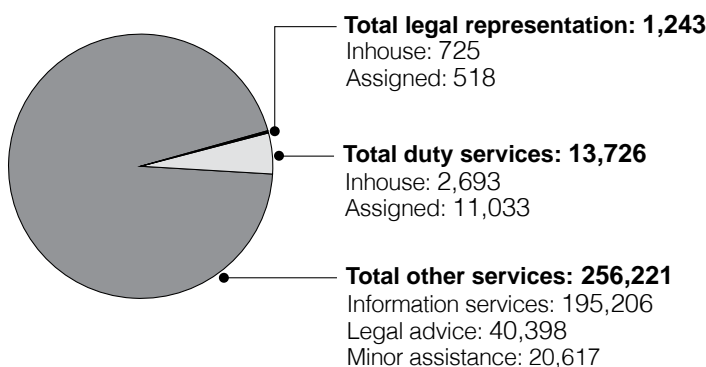
Legal Aid NSW began assisting people with NDIS matters, including providing legal representation at the Administrative Appeals Tribunal in the review of decisions made by the NDIS. Legal Aid NSW also provided NDIS training sessions in the Hunter region, focusing on reviews and appeal rights under the scheme. These were quickly booked out.

Civil law client profile

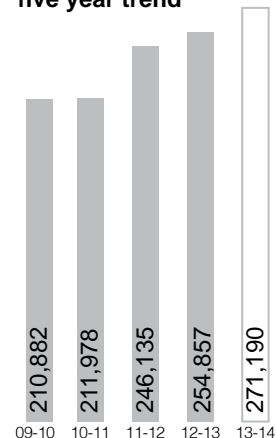
Based on total case grants and inhouse duty services



Total civil law services in 2013–2014: **271,190**



Total civil law services: five year trend





Above A team of Legal Aid NSW lawyers advise residents at Springwood Recovery Centre, working alongside Rural Fire Service Commissioner Shane Fitzsimmons.

Resolving consumer disputes out of court

Legal Aid NSW uses external dispute resolution (EDR) rather than court as the forum of first choice for resolving consumer disputes, mainly credit and insurance. We have embraced EDR and positioned ourselves as the leading organisation with the largest number of complaints lodged with the Financial Ombudsman Service. This year, Legal Aid NSW provided 413 legal advice and 779 minor assistance services in EDR matters.

Bulk debt project

The bulk debt project assisted people in long-term hardship struggling with unrecoverable debt. The project involves negotiating in bulk with debt collectors and providers for waivers of unrecoverable debt incurred by people with no capacity to pay. Negotiating in bulk was more efficient compared to simply assisting each individual in isolation.

This year we finalised the majority of bulk negotiations with more than 3,000 clients assisted to resolve upwards of \$17 million of unrecoverable debt over the course of the project.

Rapid response to people in crisis

Blue Mountains' residents who lost their homes and possessions in the bushfires of October 2013 faced difficult legal issues relating to rebuilding their lives. Working alongside other justice sector partners, Legal Aid NSW advised more than 230 bushfire-affected residents on issues such as insurance claims, tenancy, employment and repaying loans, including mortgages.

Many were underinsured and often did not have sufficient information from their insurers about rebuilding costs.

In order to respond to disasters more effectively in future, we developed a State-wide disaster recovery plan for providing legal services in consultation with the National Insurance Law Service. Other states and territories have already expressed interest in using the plan as a template. We made a recommendation to the Productivity Commission inquiry that sum-insured home policies be phased out in favour of full replacement cover.

Helping workers with unfair dismissal and unpaid wages

There has been a significant increase in the advice, assistance and grant work Legal Aid NSW undertakes in employment law.

We have expanded services to provide employment law advice clinics in many of our offices.

In 2013–2014, inhouse civil lawyers provided employment law advice on 2,961 occasions and minor assistance on 1,240 occasions. Minor assistance included representation at Fair Work Commission conciliations. The three largest areas of employment law services were unfair dismissals, *Fair Work Act* 'General Protections' disputes (including discrimination), and wages/entitlements matters. Grants of legal aid for significant litigation in the Fair Work Commission and the Federal Circuit Court of Australia were also made.

The Employment Law Service, in partnership with Far West Community Legal Centre, published a resource for workers—*Ripped Off? Your Rights about Unpaid Wages & Entitlements at Work*. The plain English guide covers wages and entitlements and the practical steps that workers can take to recover unpaid amounts. While useful for everyone in the workplace, it targets younger workers, who are particularly vulnerable to breaches of workplace laws.

Immigration services increased

Immigration outreach clinics were expanded with clinics conducted in three Migrant Resource Centres and in Bankstown as well as Liverpool Legal Aid NSW offices. At these clinics, 596 advice services and 205 minor assistance services were provided.

The practice achieved a 26.6% increase in minor assistance and a 22.7% increase in legal advice provided in 2013–2014.

Other civil law initiatives

Details of other innovative projects by the civil law practice to help the most disadvantaged people in New South Wales appear in this chapter under the section headings:

- Early intervention for vulnerable people, page 22
- Reaching out to disadvantaged communities, page 20
- New ways of doing business, page 19
- Homeless outreach services, page 24.

FACT FILE

| | |
|--|----------|
| Total expenditure: | \$32.91M |
| State: | \$20.49M |
| Commonwealth: | \$12.42M |
| Overall budget spent on civil law services | 13.5% |

The year ahead

Monitor the impact of civil law services to ensure we are targeting priority areas and clients.

Develop innovative, cost effective legal services that make a difference to disadvantaged communities in New South Wales.

Key challenge

Ensure that successful projects such as our homeless outreach services secure ongoing funding, so we can assist more people break the cycle of vulnerability arising from legal problems.

CASE STUDIES

The practice uses litigation to achieve systemic outcomes. The following are examples of these types of matters.

Case 1: Supreme Court says yes – consumers are protected

The NSW Supreme Court handed down an important decision confirming the rights of consumers against attempts to avoid the provisions of the Consumer Credit Code.

In September 2013, the Court resolved a long running legal dispute over whether a company could avoid the requirements of the Consumer Credit Code through offering “interest free” loans.

The case, funded by Legal Aid NSW, involved a woman who bought a car from a finance company with an “interest free” loan from an associated company. When a dispute arose between the woman and the associated company, she sought to resolve it in the Consumer Trader and Tenancy Tribunal. However, the company said that the Code did not apply because there was no charge for the credit.

The client argued that the car was overpriced, and that the difference between the value of the car and the price paid by her was in fact a charge for the loan made to her. The Court accepted this. The Court found that the Code still applied even if the charge for credit was imposed by another entity.

This case is a real win for consumers because the decision of the Court reinforces the purpose of the Code in protecting borrowers.

Walker v Consumer Trader and Tenancy Tribunal of NSW [2013] NSWSC 1432 .

Case 2: District Court overturns Tribunal, avoiding dangerous precedent for consumers

Legal Aid NSW acted in a Tribunal and subsequently on appeal to the District Court, for a client who purchased a second hand car from a dealer. The vehicle had travelled over 250,000 km at the time of purchase.

Just three months later, the vehicle broke down, having travelled just over 3,000 km since purchase. It had to be towed and estimates for repairs were very high.

The *Motor Dealers Act 1974*, a NSW law, provides that where a vehicle is over a certain age or has done over a certain mileage it does not attract any statutory warranty under the Act. In such situations, including our client's case, the dealer is required to affix a Form 8 to the vehicle notifying our buyer that no warranties apply under the Act. This was done in our client's case and our client had signed a copy of the Form 8.

At the Tribunal hearing, we argued that the dealer was in breach of section 54 of the Australian Consumer Law, which provides a guarantee that goods be of acceptable quality. The Tribunal decided against our client and said our client signed a form showing they were aware of the vehicle's condition, including any hidden defects, and had therefore accepted the risks.

We appealed successfully to the District Court, which held that the Tribunal erred by, amongst other things, “investing the consumer with knowledge of the state and condition of the vehicle solely from a form which provided no qualitative information about the vehicle.”

The matter was remitted to the Tribunal for rehearing.

Burton v Chad One Pty Limited [2013] NSWDC 301 (1 November 2013)

Family law practice

Our family law practice provides legal advice, information, minor assistance, duty services and case representation in family law matters, including child support and care and protection matters, at locations across the State.

In addition, early intervention and family dispute resolution services are provided.

OBJECTIVE: ACCESS TO JUSTICE

Family law services are expanding

The family law practice expanded the provision of early intervention legal services, targeting the legal needs of children, young people and families going between the child protection and family law systems. New outreach services were established in Campbelltown, Centrelink at The Entrance, Penrith Domestic Violence Services, The Deli Women and Children's Centre at Eastlakes and La Perouse Child Care Centre.

Mediation results are good

Our family law dispute resolution service undertook a record 2,726 mediations in 2013–2014 compared with 2,665 last year. The success rate was 79.7% compared to 80.1% last year.

We also began a pilot to offer limited legal assistance for 100 people who are second parties in legally assisted mediation processes. Those assisted are either unable to afford a lawyer or to navigate the legal system alone.

The pilot is being evaluated to compare the outcomes with a sample of matters that did not have the second party represented with the evaluation completed in 2013–2014.

A court-based mediation scheme had high rates of success. See page 23 for details.

Working closely with Aboriginal communities

In 2013–2014, the practice improved access to the family law system for Aboriginal people through:

- a new protocol for Aboriginal clients and information about the family dispute resolution service to ensure more culturally responsive services;
- legal education and advice sessions during Law Week at Bourke, Brewarrina, Lightning Ridge and Walgett;
- multi-party, face-to-face mediation by an Aboriginal mediator in Nowra and Wagga facilitated by an Aboriginal conference organiser; and
- a Memorandum of Understanding with the Aboriginal Legal Service (NSW/ACT) Ltd to provide three care and protection lawyers.

Other family law initiatives

Details of other innovative projects by the family law practice to help the most disadvantaged people in New South Wales appear in this chapter under the section headings:

- Early intervention for vulnerable people, page 22

- Reaching out to disadvantaged communities, page 20

Responding to changing laws and amendments

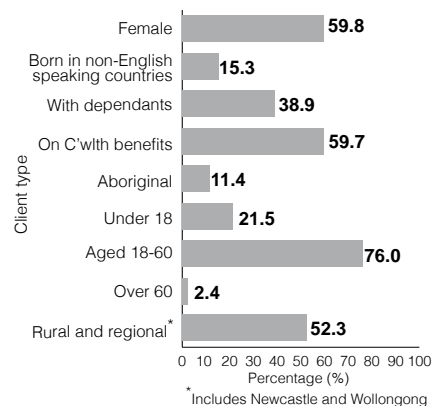
The practice commenced new early intervention legal services targeted at vulnerable families coming into contact with child protection services. These services were commenced to provide a broader range of legal services upon the start of the Safe at Home reform package (*Child Protection Legislation Amendment Act 2014*).

FACT FILE

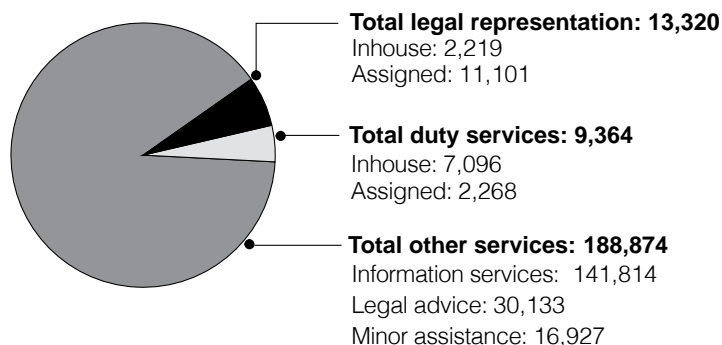
| | |
|---|----------|
| Total expenditure: | \$65.25M |
| State: | \$16.57M |
| Commonwealth: | \$48.68M |
| Overall budget spent on family law services | 26.7% |

Family law client profile

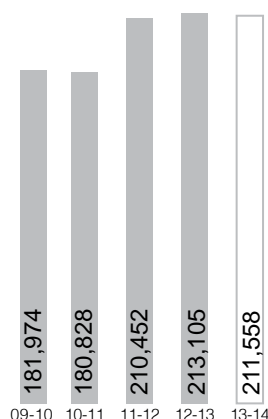
Based on total case grants and inhouse duty services



Total family law services in 2013–2014: **211,558**



Total family law services: five year trend



➤ The year ahead

Improve the family law and child protection information available for children and young people through new resources, including an upgrade of the *Best for Kids* website.

Finalise the family dispute resolution scheme for limited legal assistance for second parties in legally assisted mediation and evaluate the pilot.

Establish new legal services in response to reforms introduced under the *Child Protection Legislation Amendment Act 2014*, including early intervention and alternative dispute resolution services.

➤ Key challenge

Making strategic decisions about how to deliver services associated with care and protection reforms.

CASE STUDIES

The following cases illustrate how the practice helped clients turn their lives around.

Case 1: Determined effort sees children returned

Legal Aid NSW assisted a mother in complex proceedings about the care of her three children, who had been removed from her in Cyprus and brought back to Australia by their father. By the time she found them, the children had been living rough and not attending school for nearly a year. This neglect raised serious concerns, as did the father's history of violent and controlling behaviour.

After locating her children, the mother approached Legal Aid NSW for help. We commenced proceedings for orders that the children live with her. After a number of court appearances and the intervention of the Federal Police to recover the children, they were returned to our client's care.

Case 2: Orders prevent forced marriage

The Early Intervention Unit acted for a young person referred by her school because of fears she had expressed about her parents' plans to send her overseas to marry a 21-year-old man. The parents conceded that they wanted her to marry and stay overseas. They also refused to give their daughter her passport and birth certificate.

The Unit applied for a court order placing the child's details on the airport watchlist, which would prevent her removal from Australia. The court ordered that the parties attend counselling and ruled that the parents provide their daughter with a certified and translated copy of her birth certificate. Following careful representation, implementation of safeguards, and then mediation, our client agreed to return to her parents. She is back at school.

Case 3: Marriage confusion resolved

A Muslim client was married to two people at the same time, the situation arising because she married, divorced and remarried under Islamic law. She was unaware that Islamic marriages are registered with the Department of Births, Deaths and Marriages and recognised by Australian law.

After her remarriage, the client realised she was still legally married to her first husband. We assisted her to prepare an application to annul the first marriage and protect her from criminal prosecution.

Community legal education

The Community Legal Education (CLE) program educates priority client groups. In 2013–2014, our programs focused on educating young people, families, Aboriginal people and community workers.

OBJECTIVE: ACCESS TO JUSTICE

Highlights included:

- Developing an interactive multimedia resource for young people called Putting the 'X' in sexy text. See page 22.
- Developing new multimedia content for our Best for Kids education package for young people and families going through separation. New content includes five videos for children and young people, an enhanced website and additional topics relating to civil and criminal law issues.
- Delivering the new Money Counts consumer law education program to Aboriginal people in communities identified as most in need of money management skills. The program includes segments on post-Christmas money worries, paying bills and fines, funerals and planning ahead. These education sessions partly account for a 45% increase on sessions delivered last year. See chart 6 on page 15.
- Piloting law webinars with selected participants in regional and rural New South Wales. The pilot allowed us to refine the platform we will use to roll out a new Law Webinar CLE service in 2014–2015.
- Publishing new print resources such as the Kids in Care translations, divorce factsheets and new bail resources.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

We pursue excellence in CLE services through planning, business reporting and evaluation. Highlights included:

- The new business intelligence tool was expanded to incorporate data from our Community Legal Education Management System and allow better program planning and

reporting. An online 'dashboard' for CLE will be added in 2014–2015, showing staff the volume and types of CLE work performed.

- Collecting and analysing feedback from more than 1,000 workshop participants and follow up surveys three months after the *Law for Community Workers* and *What's the law? train-the-trainer* workshops. By incorporating more multimedia content, we improved satisfaction with the workshops by 16% on 2012–2013.

OBJECTIVE: SUPPORTING OUR PEOPLE

Our focus this year was on professional development and the use of appropriate technology to deliver the CLE program.

New technology was used for delivering our multimedia programs. In 2013–2014 our presenters used iPads, multimedia speakers, headset microphones and webcams.

OBJECTIVE: STRONG PARTNERSHIPS

We developed and delivered many CLE projects through strategic partnerships with other legal and non-legal services. Highlights included:

- An education package *Let's Talk: Australian law for recent arrivals* in conjunction with Migrant Resource Centres. We piloted the package in 2013–2014 and will roll it out in 2014–2015.
- A new video for Aboriginal people in partnership with the Aboriginal Legal Service. *Work and Development Orders—a deadly way to clear your fines* is available on the Legal

Aid NSW website and You Tube channel. Video content explaining how to access Legal Aid NSW services in Auslan, for people with a hearing impairment, was also added in 2013–2014.

- The Legal Literacy for Prisoners education program. See page 26.

Note: Charts 5 and 6 on page 15 have details about our community legal education over five years.

➤ The year ahead

Deliver a law webinar program for both the general public and non-legal service providers with practical information on common legal issues and updates on new laws and services.

Deliver a variety of legal education packages including: *Putting the 'X' in sexy text*, *Let's talk: Australian law for recent arrivals*, *Best for Kids* education strategy, Legal Literacy for prisoners, Law Webinars and *Law for Community Workers* workshops.

Develop a new education package for young people in custody about the court process and their role within it.

Integrate the CLE program with the new Legal Aid NSW mobile app so people have quick access to our webinars, videos, factsheets and directions to our events.

➤ Key challenges

Achieve the right balance of face-to-face and online education as we take some of our CLE programs online via law webinars.

Support our staff to use technology effectively to deliver CLE.



Contributing to law reform

Legal Aid NSW is in a unique position to contribute to law reform at state and national levels given our extensive experience and expertise in advocating for disadvantaged people in contact with the justice system.

In 2013–2014, Legal Aid NSW made one family, 15 criminal and 10 civil law reform submissions. Further details appear in Appendix 8.

OBJECTIVE: ACCESS TO JUSTICE

Criminal law

In 2013–2014, we made submissions to NSW Law Reform Commission reviews, NSW Parliamentary inquiries, the NSW Sentencing Council and the NSW Ombudsman. We contributed to a variety of legislative reviews undertaken by the Department of Justice.

As a participant in the NSW Law Reform Commission (NSWLRC) reference group on *Encouraging Appropriate Early Pleas of Guilty*, we identified a number of pressures with regard to indictable offences, including the growing trial backlog in the District Court and growth in the remand population.

Our preliminary submission also outlined what we see as the essential principles for encouraging early guilty pleas, predicated on sufficient resourcing for Legal Aid NSW and the Office of the Director of Public Prosecutions.

We also prepared submissions to the NSW Law Reform Commission parole reference, including recommending a separate legislative parole regime for young offenders.

We continued to participate in an interagency committee to determine the Government response to the Law Reform Commission's report on people with cognitive and mental health impairments who come in contact with the criminal justice system. We made submissions as members of the Trial Efficiency Working Group and contributed to the debate on mandatory sentencing.

Civil law

Legal Aid NSW participated fully in the important Productivity Commission Inquiry into *Access to Justice Arrangements* for Australia's civil dispute resolution system — making submissions, attending round tables, hosting visits and appearing before the public hearing. See page 12 for details.

In addition, we prepared a submission to the *Royal Commission into Institutional Responses to Child Sexual Abuse* about civil litigation and a submission to the Department of Justice about the recommendations in the Victorian *Betrayal of Trust* report.

Our specialist consumer lawyers worked with the Legal Policy Branch to prepare a submission to the Financial System Inquiry and the NSW Parliament Inquiry into Debt Recovery in NSW. Our recommendations included

the licensing of all debt collectors and the expansion of the Work and Development Order Scheme.

We also prepared a submission and gave evidence to the NSW Parliamentary Inquiry into Social, Public and Affordable Housing and made a submission to the Australian Human Rights Commission *Pregnancy and Return to Work National Review*.

Family law

At the invitation of the Department of Justice, we made submissions on our views about section 28 of the *Births, Deaths and Marriages Registration Act 1995* concerning applications to change a child's name.

We also commented on several drafts of the *Child Protection Legislation Amendment Act 2014*. The new Act will amend the *Child and Young Persons (Care and Protection) Act 1998* and Regulations.

➤ The year ahead

Respond to government recommendations arising from the NSW Law Reform Commission reports on sentencing, encouraging appropriate early guilty pleas, parole and criminal appeals.

➤ Key challenge

Capturing frontline experience to inform our contributions to law reform processes.

Collaborating with our partners

Partnerships and working collaboratively are an essential element in providing client-centred services and ensuring the most efficient use of resources.



Left Senior lawyer and bails expert, Rebekah Rodger (second from left) with participants at a Sydney bail training session. Legal Aid NSW held training sessions in 21 locations for over 600 lawyers to make sure that criminal defence lawyers across New South Wales understand the new *Bail Act 2013*. See page 44.

In this section

- 36 Key partners at a glance
- 37 New partnerships
- 37 Private lawyers
- 40 Community programs
- 42 Regional partnerships
- 44 Training and resourcing our partners
- 45 Justice forums
- 47 Aboriginal community partnerships

Key measures

- Increased the number of lawyers on panels to 4,562 – a 6% increase on last year.
- Conducted a large number of audits and successfully sought refunds.
- Audited more Community Legal Centres than our original target.
- Selected to play a key role implementing a whole of government approach to reducing domestic violence.
- Opened three new joint-service clinics in regional locations.
- A review endorsed our Aboriginal Field Officer Program as culture-changing.
- Provided 27% more advice services than last year through the Regional Outreach Clinic Program.

Key challenge for the year ahead

Having adequate resources to ensure that relationships with partners are maintained.

Collaborating with our partners

Key partners at a glance

We work closely with legal and non-legal service providers to improve access to legal services for disadvantaged communities.

Private lawyers

Private lawyers provided 41.1% of all Legal Aid NSW case and duty services.

We work in partnership with private lawyers who receive funding from Legal Aid NSW to represent legally aided clients (see page 37).

LawAccess NSW

LawAccess NSW made 75,912 referrals to Legal Aid NSW offices.

LawAccess NSW is a free service that assists customers over the phone to manage their legal problems. It provides them with legal information, managed referrals and, in some instances, legal advice. LawAccess NSW is available to anybody in New South Wales. It is administered by the Department of Justice, and partly funded by Legal Aid NSW.

A person can contact LawAccess NSW, receive legal information and be referred to Legal Aid NSW for further advice or to access a duty or outreach service. Depending on the person's level of disadvantage and legal need, they may then be assisted to obtain a grant of legal aid for a dispute resolution conference or representation in court for complex litigation.

The main areas that people sought help with in 2013–2014 were debt, family law parenting arrangements, neighbours, wills, apprehended domestic violence orders, property settlement, and car accidents.

National Legal Aid (NLA)

Worked together on two national reviews of legal assistance services – the Productivity Commission and the National Partnership Agreement reviews.

National Legal Aid is comprised of the directors of the eight independent legal aid commissions in each of the Australian states and territories (see page 46).

NSW Legal Assistance Forum (NLAF)

This forum brings together the agencies responsible for legal aid services to collaborate in targeted working groups on improving legal services for disadvantaged people in New South Wales.

Engaged with NSW Government to advocate for strategies to:

- reduce the number of people who experience legal problems associated with fines, licence suspension and disqualifications;
- sustain tenancies of vulnerable people who are living in social housing; and
- address the legal needs of prisoners.

See page 46.

Aboriginal Legal Service (NSW/ACT) Ltd

Developed new protocols for referring clients between our two agencies.

Legal Aid NSW and the Aboriginal Legal Service (NSW/ACT) Ltd share a Statement of Commitment, ensuring that both agencies work together to address the legal needs of Aboriginal people in New South Wales (see page 48). The Aboriginal Legal Service (NSW/ACT) Ltd is also a member of the Legal Aid NSW Aboriginal Justice Committee. (See page 47).

Cooperative Legal Service Delivery (CLSD) Program

CLSD Program partners engaged in 42 projects in regional, rural and remote New South Wales.

The program is a regionally based approach to legal service delivery. It develops partnerships between regional legal, community and government agencies that increase collaboration between legal assistance and related services (see page 42).

Community Legal Centres (CLCs)

Audited 21 CLCs and successfully passed 19—well exceeding the goal of 50%.

Legal Aid NSW administers funding to 36 generalist and specialist Community Legal Centres in New South Wales (see page 40).

Women's Domestic Violence Court Advocacy Program (WDVCAP)

Selected as the first and single contact point for domestic violence referrals in the NSW Government's domestic violence reforms.

The program works with the NSW Police Force, Local Courts and legal, health, welfare and accommodation services in the community to provide an integrated response to domestic violence (see page 41).

New partnerships

Legal Aid NSW is committed to working in partnership with government and community based organisations in an integrated approach to helping disadvantaged people. We therefore welcome and seek out partnership opportunities.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Children, young people and families

The family law practice proposed revisions to the existing memorandum of understanding with Family and Community Services NSW. This work will lead to new information-sharing protocols to improve responsiveness to client needs. We also joined with the Department and the Children's Court in shared training on care and protection reforms.

The family law practice also entered a partnership with the Southern Cross University Centre for Children and Young People to develop a best practice model for working with children.

Justice agencies work together for a common good

Legal Aid NSW was part of a working group within the Justice Cluster (Police, Justice, and Aboriginal Legal Service (NSW/ACT) Ltd), which examined how to increase the number of young people who are cautioned or referred to conferences instead of going before a court.

The group developed a protected admissions procedure, implemented in April 2014, for offences which the police believe could be dealt with outside the criminal justice system. Where the procedure is used, nothing a young person says in an interview can be used against them, meaning that they are more likely to admit guilt and be cautioned or referred to a justice conference.

The adopted procedure is a win for everyone, as young people stay out of court and Legal Aid NSW, the courts and the police save time and money.

A criminal justice system that puts people first

In October 2013, a group representing government agencies within the NSW criminal justice system held a workshop to develop a five-year strategy for system reform through a collaborative approach that went beyond traditional methods. The reform model puts people first and aims to avoid a one-size-fits-all system. A draft strategy has been developed for approval by the Attorney General. CEO of Legal Aid NSW, Bill Grant is on the Board of Management for the implementation of the strategy.

Private lawyers

Legal Aid NSW works in partnership with private lawyers, who receive funding from us to represent legally aided clients in assigned matters.

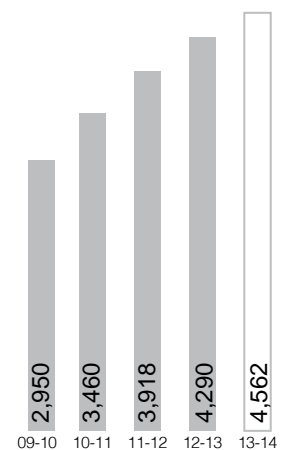
Private lawyers are appointed to Legal Aid NSW panels under sections 49 to 52B of the *Legal Aid Commission Act 1979*. In 2013–2014, private lawyers provided 41.1% of our case and duty services. More details appear in Appendix 7.

The Grants Division of Legal Aid NSW (Grants) receives, determines and manages legal aid applications from private lawyers and the Legal Aid NSW inhouse practice. Applications are submitted and managed electronically, and there is regular telephone contact with lawyers and clients.

FACT FILE

| | |
|--|--------|
| Total staff: | 67 |
| Total applications for legal aid: | 44,715 |
| in criminal law | 25,432 |
| in family law | 17,251 |
| in civil law | 2,032 |
| Appointments on 13 panels: | 4,562 |
| % of legally aided case and duty services provided by private lawyers: | 41.1 |

Private lawyer appointments on panels: five year trend



Collaborating with our partners

OBJECTIVE: ACCESS TO JUSTICE

Private lawyers have specialist knowledge

Panels operate in all areas of law, including criminal, family and civil law. There are a number of specialist panels, including two specialist barrister panels.

In 2013–2014, there were 272 more appointments to our panels, bringing the total number of panel appointments to 4,562. This represents a 6.3% increase on the previous year. Our panel lawyers practise in the Sydney metropolitan area and throughout regional New South Wales, which enables Legal Aid NSW to deliver legal aid services to eligible clients appearing at courts throughout the State.

A second selection process for the Specialist Barrister Panel for Complex Criminal Law Matters was completed in 2013. An additional 12 barristers were appointed, with 13 barristers placed on a ranked list in order of merit. Those on the ranked list will be eligible for appointment to the panel should a place become available.

Private lawyer appointments on panels 2013–2014

| | |
|---|--------------|
| Domestic Violence | 76 |
| Veterans' Law | 20 |
| Mental Health Advocacy | 162 |
| General Civil Law | 292 |
| Specialist Barrister (Complex Criminal Law) | 74 |
| Specialist Barrister (Criminal Appellate Matters) | 67 |
| Prisoner's Legal Service | 22 |
| Children's Criminal Law | 216 |
| Serious Criminal Law | 251 |
| General Criminal Law | 1,623 |
| Independent Children's Lawyer | 156 |
| Care & Protection | 436 |
| General Family Law | 1,167 |
| All panels | 4,562 |

Expanded Back Up Duty Scheme

Private lawyers appointed to the Back Up Duty Scheme assist Legal Aid NSW lawyers to provide duty and urgent case work in Local Courts and in District Court appeal work which is conducted on a duty basis.

The Back Up Duty Scheme, which started in Sydney metropolitan Local Courts in January 2013, has recently been reviewed. An expanded Back Up Duty Scheme covering all Local Courts in New South Wales serviced by a Legal Aid NSW office will commence on 1 July 2014.

The number of lawyers on panels increased to 4,562—a 6.3% increase on last year.

Expressions of interest from lawyers seeking appointment to the Scheme were assessed by a selection committee comprising Legal Aid NSW, Law Society of NSW and NSW Bar Association representatives. In regional locations where courts are spread over a large area, private lawyers have been appointed to a specific area, covering specific courts.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Reviews highlight areas for improvement

A review of the Legislative and Policy Framework for Private Lawyer Panels was undertaken during 2013. We are progressively implementing the report's recommendations to improve the efficiency of panels processes.

Following a review of the General Civil Law Panel selection criteria and processes in 2013, panel applications now include questions about lawyers' experience in the core areas of the Legal Aid NSW civil law program. The panel re-opened in 2014 for applications for re-appointment and from new applicants. Thirty-five applicants were re-appointed to the General Civil Law Panel along with 11 new applicants.

Fees increase aims to attract the best private lawyers

We increased the fees we pay in some areas so that we can continue to attract the best private lawyers to legal aid work. This included an increase in the base hourly rate for Commonwealth matters to \$150 (the same as State matters).

Changes allowed Independent Children's Lawyers to claim an additional two hours to reflect the time required to interview children and discharge their duties accordingly. Additionally, hourly fees for Independent Children's Lawyers went up and changes to the single expert fee scale allowed them to engage the services of qualified child and family psychiatrists and psychologists.

Simplifying procedures for lawyers

In April 2014, a new panel application website became available to private lawyers. It has a number of features, including a dashboard for notifications and correspondence regarding panel applications. Successful panel applicants are able to submit service agreements online. Using both the website and the panels administration database, we will be able to better manage panel appointments.

The Professional Practices Branch (PPB) created two separate court attendance sheet templates, one specific to family law matters and one specific to criminal law matters, to assist panel lawyers with maintaining adequate file notes in accordance with requirements under the practice standards.

In conjunction with the Law Society of NSW, we revised the guidelines for the Duty Solicitor Scheme, which operates in courts not serviced by Legal Aid NSW duty solicitors. The revised guidelines are simply written, address anomalies and clarify that the principal place of practice is the one registered on the Law Society of NSW website.

Auditing compliance with practice standards

The current panel lawyer audit strategy assists in monitoring panel lawyers' adherence to the Legal Aid NSW panels service agreements, and compliance with our practice standards, policies and guidelines. The strategy was reviewed this year. A report prepared by Deloitte was presented to and approved by the Legal Aid NSW Board in June 2014. A new audit strategy became effective from 1 July 2014.

Spot check audits identify key issues

2013–2014 saw a substantial increase in the number of audits by the PPB due to a shift from file audits to spot check audits, which enabled the Branch to audit a greater number of lawyers.

This year spot check audits focused on claims made by panel lawyers in legal aid matters.

From July to November 2013, the PPB spot check audited 564 claims submitted by 92 panel lawyers against variable unit invoices, specifically, claims for attendance at court or family dispute resolution conferences. The main issue identified was that panel lawyers did not maintain full records of court attendances, including start and finish times, and were therefore unable to substantiate their claims. As a result we issued refund requests for \$36,663 and 25 lawyers were identified for follow up spot check audits. From November 2013 to June 2014, PPB conducted spot check audits of 73 claims submitted by 19 of the 25 lawyers. Refund requests totalling \$4,849 were issued.

Spot check audits were also conducted on claims by panel lawyers for commercial agent fees and conduct money. We audited 93 panel lawyers and 705 claims, resulting in refund

The Professional Practices Branch audited 225 panel lawyers, and issued a record total of \$152,213 in refund requests.

requests for \$67,790. Twenty-three panel lawyers were identified for follow up spot check audits of their claims for commercial agent fees and/or conduct money. The main issue identified was panel lawyers having insufficient evidence on their client files to support their claims.

File audits lead to refunds

In addition to the spot check audits, we audited 172 files for 21 panel lawyers, resulting in refund requests of \$42,910.

The two major areas of concern were:

- unsatisfactory file management, which included panel lawyers not maintaining adequate file notes of court attendances; and
- unsatisfactory application of the means test, which included no copies of means verification on file and evidence of income or assets not disclosed to Legal Aid NSW.

Monitoring breaches of agreements

The PPB investigates apparent breaches by panel lawyers of panel service agreements and refers matters to the Monitoring Committee as appropriate. The committee, which comprises nominees from the Law Society of NSW, the New South Wales Bar Association and Legal Aid NSW, then makes recommendations to Legal Aid NSW about lawyers who have breached panel service agreements.

During 2013–2014, the PPB investigated 53 serious complaints and made 19 referrals to the Monitoring Committee, a substantial increase in referrals compared to previous years (from two in 2010–2011 and 19 in 2013–2014).

More than 50% of referrals concerned possible breaches of the Service Agreement for the General Criminal Law Panel – the largest of the panels, with 1,623 lawyers currently appointed to the panel. Of the 19 referrals, eight lawyers were recommended for removal from panels by the Committee, four lawyers were recommended for suspension, and conditions were imposed on another two lawyers' panel appointments. Five referrals are currently pending.

➤ The year ahead

Finalise the review of the General Criminal Law Panel and facilitate the application process for its 1,260 members—the largest reappointment undertaking to date.

Review the panel documents and selection processes for the Children's Criminal Law, Independent Children's Lawyer and Mental Health Advocacy Panels.

Implement recommendations from the panels and audit strategy reviews.

Implement a revised panel lawyer audit strategy and a three-year audit plan.

➤ Key challenge

Continue to improve systems for efficiently managing panel selection, audit, and monitoring processes.

Collaborating with our partners

Community programs

Community Legal Centres

Legal Aid NSW administers the State, Commonwealth and Public Purpose Fund funding for 36 Community Legal Centres (CLCs) in New South Wales, including Community Legal Centres NSW (CLCNSW), the peak representative body.

CLCs provide free legal services to disadvantaged people. They are independent, non-profit organisations that are generally incorporated bodies managed by a board or management committee.

Legal Aid NSW also administers funding for Children's Court Assistance Schemes that operate at seven Children's Courts under the auspice of four CLCs.

Funding in 2013–2014

A total of \$17,878,151 was paid to CLCs through the program comprising:

- \$9,823,978 in Commonwealth funding (55%)
- \$5,724,004 in State funding (32%)
- \$2,330,169 in Public Purpose Fund (PPF) funding (13%)*

*The PPF also provides funding directly to some CLCs.

The Commonwealth funding includes one-off and new two-year funding of \$1,363,000. It also includes additional allocations of Commonwealth National Partnership Agreement funding that Legal Aid NSW passed on to CLCs for specific projects or programs.

The Commonwealth Attorney-General's Department will continue to provide new funding of \$1,250,000 in 2014–2015. This funding will now cease on 30 June 2015, and will not be provided until 2016–2017 as previously reported.

More details about CLC funding can be found in Appendix 6.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

New project funding model

The Legal Aid NSW/Community Legal Centre Partnership Program funds innovative partnership projects between Legal Aid NSW and CLCs. Following a review in February 2013, the decision was made to fund one project in 2013–2014 rather than a range of smaller projects.

The project selected for funding was proposed by the Central Coast CLC. Entitled, *Legal Health = Mental Health: Tackling the Unmet Civil Law Needs of People with Mental Illnesses*, the project was delivered in partnership with the civil law section in the Gosford office of Legal Aid NSW. It aims to educate mental health caseworkers about the legal system and the nature of civil law issues, and enable them to make appropriate client referrals.

The Partnership Program has been extended for a further year, with \$50,000 available for one model project in 2014–2015.

Streamlining operations

CLCNSW and Legal Aid NSW worked together to streamline the CLC process for accreditation and service standard audits. The aim was to ensure that the most disadvantaged clients receive high quality, accessible and responsive services. Legal Aid NSW has to date conducted 21 audits and passed 19 CLCs since the process commenced in 2012–2013, well exceeding the goal of having half of all CLCs pass audit by 30 June 2014.

Other new developments included the publication of CLC outreach information every six months on the Legal Aid NSW intranet. Using this information, Legal Aid NSW staff are able to plan better service delivery and to access key contacts for referrals.

Changes to reporting

In 2014, Legal Aid NSW introduced a revised Community Legal Services Program Plan (CLSP Plan) for implementation in 2014–2015.

It will:

- include strategic planning as well as operational and output-based planning and reporting;
- link the plan to legal needs identified through the analysis work completed by CLCs in their strategic planning;
- report on service delivery achievements against identified client demographics; and
- expand the information provided in community legal education and other non-casework activities to include the target audience and area of law.

The plans will be finalised and implemented by 31 July 2014. CLCs will then report on progress every six months.

➤ FACT FILE

36 centres assisted 54,746 people

Provided 69,623 advices to clients

Opened 9,238 new cases and completed 8,723 cases

Of the completed cases, 1,161 were major cases (complex/lengthy matters)

Delivered 1,384 CLE programs

Made 4,839 referrals to Legal Aid NSW

Received 3,057 referrals from Legal Aid NSW

➤ The year ahead

Work collaboratively with CLCs to implement any changes to the funding model adopted by the Commonwealth Attorney-General's Department following recommendations from the Productivity Commission *Inquiry into Access to Justice Arrangements*.

Implement and monitor new CLSP Plans.

Complete service standard audits for all CLCs.

➤ Key challenge

Assist CLCs to meet increasing client demand despite the diminishing funds available through the Public Purpose Fund.

Women's Domestic Violence Court Advocacy Program (WDVCAP)

Legal Aid NSW administers NSW Government funding for 28 Women's Domestic Violence Court Advocacy Services (WDVCASs) including Women's Domestic Violence Court Advocacy Service NSW Inc, the peak representative body.

WDVCASs provide information, advocacy and referrals to women seeking legal protection from domestic violence through an Apprehended Domestic Violence Order (ADVO) at 114 Local Courts across the State.

Funding in 2013–2014

In 2013–2014, \$8,330,990 was paid in grants under the program to incorporated, not-for-profit, non-government service providers through a triennial service agreement with Legal Aid NSW.

Details of grant allocations are in Appendix 5.

OBJECTIVE: ACCESS TO JUSTICE

The Program enhanced the capacity of the WDVCASs to respond to the diverse needs of our clients by employing specialist workers to assist Aboriginal communities and people from multicultural backgrounds. As a result, there was a 4.3% increase in Aboriginal and Torres Strait Islander clients assisted and a 9.9% increase in the number of multicultural clients assisted.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

In 2013–2014, the WDVCAP held two inhouse forums and one forum open to external partners working in the criminal justice and domestic and family violence sectors. The open forum, which attracted more than 300 people from government, academia and community organisations, explored the theme *The changing landscape of domestic and family violence*.

The program expanded to cover 114 Local Courts across New South Wales, providing 91,078 services, a 20.6% increase on last year.

Regular mandatory training for workers ensured that services can respond appropriately to the needs of women and children who have experienced domestic violence. This year, we held training sessions for 112 participants.

OBJECTIVE: STRONG PARTNERSHIPS

The program fosters collaborative working relationships with key partners, among them Police, Local Courts, justice agencies and other government and non-government organisations working across the domestic violence sector.

Domestic violence reforms aim to keep women and children safe

Whole-of-government reforms introduced this year aim to improve responses to domestic violence in New South Wales. They build on the recommendations of recent government reports and inquiries and incorporate the Domestic Violence Justice Strategy launched by the Department of Attorney General and Justice (now Department of Justice) in December, 2012.

The most significant element of the reforms is a new model of service delivery for domestic violence victims. Under the model, victims will be referred to a single Central Referral Point, from which female victims will be referred to one of 28 Local Coordination Points across the state.

WDVCASs have been selected to host the Local Coordination Points, subject to a successful evaluation of the two launch sites. Local Coordination Points will assess the threat of violence to clients and provide case coordination, which will involve referrals to a range of service providers to meet clients' ongoing needs.

The two Local Coordination Point launch sites, Orange and Waverley, will operate from September 2014. Legal Aid NSW will work with the Department of Justice to develop an implementation schedule for the remaining 26 sites over a five-year period ending 30 June 2019.

Local Coordination Points will provide secretariat support for Safety Action Meetings. The aim is to lessen or prevent serious threats to victims' lives, health or safety through information sharing between key government agencies and non-government services. The meetings are modelled on successful initiatives in other jurisdictions, particularly the United Kingdom and South Australia.

➤ FACT FILE

Provided services at 114 Local Courts

Provided 91,078 services to 22,065 clients across New South Wales, a 20.6% increase on last year

Assisted clients to obtain 11,042 final Apprehended Domestic Violence Orders, a 33.1% increase on last year

11.4% of clients identified as Aboriginal or Torres Strait Islander

19.9% of clients from multicultural backgrounds

8.6% of clients identified as having a disability

➤ The year ahead

Hold two forums for WDVCAS workers including one open to external organisations in July 2014.

Launch the new service delivery model in Waverley and Orange.

➤ Key challenge

Ensure that services remain consistent and client-focused while implementing the reforms and strategy.

Collaborating with our partners

Regional partnerships

People living in regional, rural and remote areas can have difficulty accessing legal services.

Legal Aid NSW has played a leadership role in developing regional coalitions and outreach programs that find new ways to improve service delivery to people disadvantaged by distance.

Cooperative Legal Service Delivery Program

FACT FILE

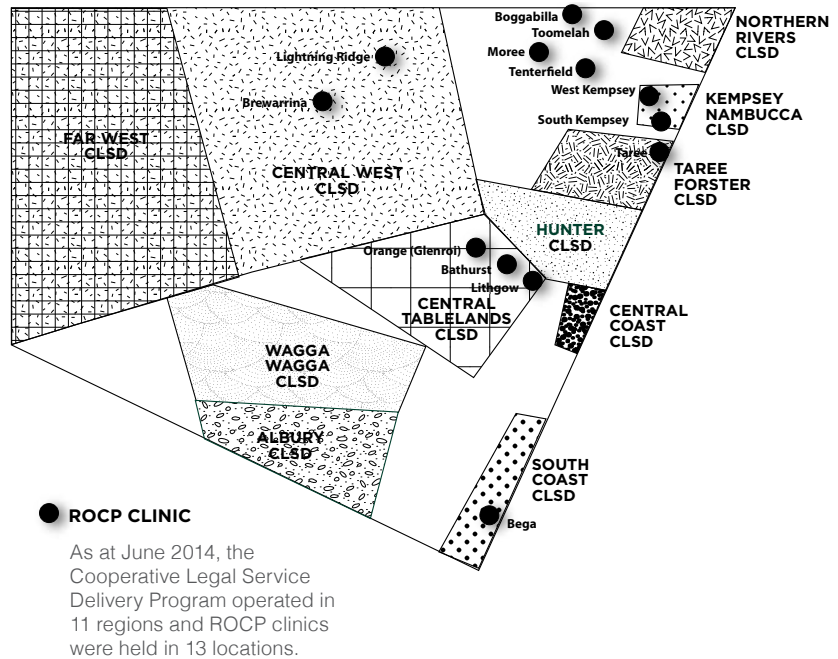
- 3 new service clinics in regional locations
- 42 CLSD Program projects commenced or completed
- 29% of projects delivered in Aboriginal communities
- 59 education sessions provided through CLSD partnerships

Legal Aid NSW has been managing the Cooperative Legal Service Delivery Program (CLSD) since it was piloted in two locations in 2005. Our CLSD Program Unit now manages 11 partnerships across regional and remote New South Wales, as shown in the map above.

The Program is a regionally-based approach to legal service delivery that aims to improve access to legal services in regional areas. It does this by building local partnerships between legal and related non-legal agencies. Among them are Legal Aid NSW regional offices, Community Legal Centres, the Aboriginal Legal Service (NSW/ACT) Ltd, Aboriginal Justice Groups, LawAccess NSW, Local Courts, tenancy, domestic violence, youth, disability and financial counselling services, and local community services.

We also partner with pro bono legal services, government departments, health services and regional Legal Information Access Centres through local libraries.

CLSD Program and Regional Outreach Clinic Program locations at 30 June 2014



OBJECTIVE: ACCESS TO JUSTICE

CLSD Program projects draw upon the collective resources and know-how of local services, both legal and non-legal, to address locally identified needs, and promote access to legal assistance and information about legal rights and services. We work closely with the NSW Legal Assistance Forum.

In 2013–2014, CLSD Program partners engaged in 42 projects in regional, rural and remote New South Wales. The criteria for all projects are that they are collaborative, directly respond to an identified need and provide or enable access to legal assistance in regional communities. Examples include:

- producing and staging an interactive play at schools in the Hunter region on domestic violence and sexting;
- a joint-service community information day in the remote Aboriginal community of Bellbrook; and
- a joint-service “pop up Law Shop” in Wellington, with the production of a local legal service directory.

- CLSD partners in western New South Wales again joined forces to offer joint service outreach to the communities of Bourke and Brewarrina during Law Week in May 2014. Participating agencies included, Legal Aid NSW Dubbo, Legal Aid NSW family and care lawyers, Western NSW Community Legal Centre, Bourke Aboriginal Legal Service, Thiyama-li Family Violence Legal Service, Ashurst Lawyers and the Western Women’s Domestic Violence Court Advocacy Service, along with many state and Australian government organisations. Education sessions were held in Bourke and Brewarrina schools. Over the four-day outreach, we provided over 350 services.

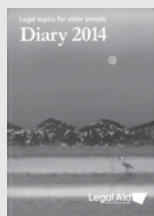
New and updated resources fill identified information gaps

Kids in care is a set of six booklets for parents who are in contact with the care system. Developed by the CLSD Program Unit in conjunction with Legal Aid’s care and protection team, the booklets cover such topics as going to the Children’s Court and what happens to children in care.



Together with legal aid civil lawyers, the CLSD Unit updated the *Older Person’s Legal Diary* for 2014 and distributed 40,000 copies of this popular resource. The diary covers a legal issue relevant to older people each month and lists many useful contacts.

Users of the diary commented:



“Every piece of information in your diary is useful to the elderly. The resource listing is great. It enables me to be more helpful (and more accurate) for those for whom I volunteer.”

“This wonderful booklet gives advice and references to the many questions we elderly find difficult to obtain and sometimes confronting. It is a great help and comfort to me at age eighty four and a widower.”

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

The CLSD Program Unit facilitated:

- 59 CLE community legal education sessions in 27 locations; and
- a two-day training and networking workshop for CLSD Regional Coordinators.

OBJECTIVE: STRONG PARTNERSHIPS

CLSD Program partners worked together to respond to the legal and non-legal needs of clients in regional and remote New South Wales.

Highlights included:

- the opening of three new joint-service clinics in Corowa, Glenroi and Cootamundra;
- a meeting on cross-border issues hosted by Northern Rivers CLSD Program partnership; and
- presentation of oral evidence before the Law and Safety Committee Parliamentary Inquiry into unauthorised driving, advocating the removal of barriers to safe and legal driving and action on access

to identification documents for Aboriginal drivers with the NSW Legal Assistance Forum.

➤ The year ahead

Collaborate and consolidate outreach activity in areas of high need in regional and remote New South Wales through more cross-sector partnerships.

Work with the NSW Legal Assistance Forum to raise and resolve systemic issues that emerge for our clients, including driving/licensing issues.

Collaborate with health and justice partners to facilitate the development and funding of detox and rehabilitation services in the Dubbo region.

➤ Key challenge

Reviewing the provision of legal services in remote areas of New South Wales, and working across the sector to deliver appropriate legal services in identified areas of high unmet legal need.



Above Participants in the Bourke and Brewarrina Law Week outreach in May.

Collaborating with our partners

Regional Outreach Clinic Program

Legal Aid NSW funds private and community legal centre lawyers to deliver legal advice clinics in high need locations where inhouse service provision is not possible.

Regional Outreach Clinic Program (ROCP) clinics are located in Local Courts, libraries and community and neighbourhood centres. Most clients attending the clinics are Centrelink recipients. As at June 2014, 13 ROCP clinics operated in regional and remote New South Wales, providing 881 advice services, an increase of 28.2%. Almost 24% of the advice services were provided to Aboriginal people.

OBJECTIVE: ACCESS TO JUSTICE

In line with the new objectives, there were some changes in ROCP locations. See map on page 42. At the end of June 2014, ROCP clinics operated in Bega, Bathurst, Boggabilla, Brewarrina, Lightning Ridge, Taree, Tenterfield, Moree, Lithgow, Orange, West Kempsey, South Kempsey and Toomelah. The new locations are West Kempsey and South Kempsey where weekly ROCP clinics now operate in both civil and family law. Those clinics previously located in Dareton, Wentworth, Bowraville, Macksville and Nambucca Heads are now being run through Legal Aid NSW inhouse practices.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

The Program was reviewed this year. The review found strong evidence that the program reaches clients at risk of social exclusion, mostly in places where there are limited local alternatives for legal assistance.

The review recommended developmental work in identified ROCP locations to maximise the program's impact along with a

systematic analysis of each ROCP clinic in terms of its location, reach and interaction with inhouse and allied services. The analysis, completed under the guidance of a newly formed governance committee, led to the realignment of some ROCP locations and clinics as detailed above.

New objectives were also formulated as part of the review to ensure that ROCP services:

- are part of a flexible suite of Legal Aid NSW services provided by inhouse and external lawyers;
- are located in areas identified as high need;
- are located where it may not be feasible to provide inhouse services; and
- will complement inhouse services.

Professional development

Legal Aid NSW ran a two-day professional development workshop for all ROCP lawyers in Sydney in October 2013, covering areas of law in which rural and remote clients are likely to need assistance, including social security, victims' services, housing and working with Aboriginal clients.

➤ The year ahead

Collaborate with local services, private lawyers and Legal Aid NSW lawyers to better align service outputs and outcomes.

➤ Key challenge

Ensure that the ROCP clinics are better aligned with inhouse and other legal services' outreach so that our clients in regional and remote New South Wales get the most appropriate services for their needs.

Training and resourcing our partners

We provide our partners with training opportunities and in return, they bring invaluable expertise to our conferences and seminars.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

New web resources for client representation

Grants staff worked with family law staff and Information Technology Services to develop a website for private lawyers on legal aid panels. It includes resources such as precedent documents, to assist them in representing their clients. The first set of resources is for independent children's lawyers and will be launched early in 2014–2015. Following evaluation, we plan to develop resources for other panels.

Well prepared for the new *Bail Act*

Legal Aid NSW conducted face-to-face training to prepare lawyers for the *Bail Act 2013* at 21 locations across the State between March and May 2014. More than 600 people participated in the comprehensive and interactive training sessions on the new Act, which commenced on 20 May 2014.

Bail training was one of the main reasons the number of private lawyers attending Legal Aid NSW training increased significantly. See table on page 10.

We also updated community resources to reflect the new law. A new bail brochure was developed and distributed to all Legal Aid NSW offices and court houses in New South Wales and new distribution channels were developed with Juvenile Justice, Corrective Services, the Police, and Department of Justice.

Training programs improved the skills of lawyers representing young people in the family court system.

Improving child representation

The family law practice undertook comprehensive training aimed at improving the participation of young people engaged in the family law system and the standards of legal representation. This included:

- intensive advocacy and social science training for Independent Children's Lawyers in Sydney, Parramatta and Wollongong attended by more than 90 lawyers;
- a child representation conference titled *Lifting the Bar – Best Practice When Representing Children and Why It Matters* held in Newcastle and attended by more than 170 people;
- a review of the application process and practice standards for independent children's lawyers led to revised practice standards and changes to selection criteria;
- in conjunction with the Family Law Section of the Law Council of Australia, revision of the national training program for new Independent Children's Lawyers; and
- designing a range of resources aimed at children, parents and lawyers.

Other training

Six training sessions, in Sydney and regional locations, were attended by 230 private lawyers.

Training targeted policy issues, use of Grants Online, best practice to assist efficient processing of applications and extensions, and obtaining grants for clients with exceptional circumstances due to disability.

Five Aboriginal Cultural Competency workshops were held for approximately 100 private lawyers in both Sydney and regional locations. All Sydney workshops were held on Sundays in line with the preference expressed by local lawyers. An additional three sessions were held for our family dispute resolution practitioners.

We delivered a new workshop on the criminal justice system to frontline workers around New South Wales. A course on police powers was developed for presentation to the same target group in 2014–2015.

Domestic and Family Violence: Recognising and Responding to Clients training was offered to private lawyers and other professionals working with domestic violence issues in Nowra, Coffs Harbour, Central Sydney and Parramatta. Seven sessions attracted 116 participants. It is the first time this half-day training program has been offered to external participants.

➤ The year ahead

Monitor upcoming amendments to the *Bail Act 2013* and provide further training.

Present workshops on police powers to frontline workers.

Present more workshops on Grants processes and policies for private lawyers.

Develop online resources for private lawyers on the use of Grants Online.

Develop online resources for panel lawyers for additional panels.

➤ Key challenge

Streamline panel processes and freeing up resources for increased audit.

Justice forums

Legal Aid NSW is a member of several state and national forums that work collectively to find better ways of dealing with key legal issues affecting people's legal rights.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Strategic research alliance with the Law and Justice Foundation of NSW

Legal Aid NSW and the Law and Justice Foundation of NSW entered into a two year strategic research alliance from March 2012. This alliance has delivered research projects such as an evaluation of the Family Law Early Intervention Duty Service, an evaluation of the Settlement Services International Legal Assistance Partnership and a review of outreach services at Legal Aid NSW. The research projects have provided valuable information about unmet need and demand for services as well as insights into service delivery and recommendations for best practice.

In addition, the Law and Justice Foundation of NSW has provided training to Legal Aid NSW staff to improve their evaluation skills and build a culture of evaluation within the organisation. They have also provided advice to Legal Aid NSW on research design and evaluation.

The Law and Justice Foundation of NSW and Legal Aid NSW have recently agreed to renew the strategic research alliance for another two years, until June 2016. Under the new agreement, the Foundation will conduct several research projects identified by Legal Aid NSW and provide further training on evaluation in order to develop the capacity of Legal Aid NSW staff in this area.

Collaborating with our partners

National Legal Aid – advising the Commonwealth Government

OBJECTIVE: STRONG PARTNERSHIPS

National Legal Aid (NLA) is comprised of the directors of the eight independent legal aid commissions in each of the states and territories in Australia. NLA is supported by working groups and networks, each of which comprises representatives from each of the legal aid commissions.

NLA met in August and November 2013 and February and May 2014.

CEOs of legal aid commissions discussed issues of national strategic significance and advised the Commonwealth Government on the impact of its law and policies.

Key issues discussed during 2013–2014 included:

- policy priorities of the incoming Commonwealth Government;
- National Partnership Agreement Review;
- the impact of the establishment of the National Disability Insurance Scheme and the provision of legal assistance in connection with the scheme;
- the Australian Institute of Family Studies (AIFS) research on Independent Children's Lawyers;
- national data standardisation and data collection arrangements;
- Productivity Commission *Inquiry into Access to Justice Arrangements and the response of NLA*; and
- NLA training support for Kiribati lawyers.

NLA provides a unique opportunity for strategic engagement with the Commonwealth and other national organisations such as the AIFS.

NSW Legal Assistance Forum: strong access to justice focus

NLAF is an interagency forum that brings together key legal service providers across government, non-government and private sectors. It aims to continuously improve service delivery to socially and economically disadvantaged people through improved alignment of planning, program design and service delivery by providers of legal assistance services. NLAF members include the peak representative bodies delivering legal assistance in NSW, as well as organisations that deal with a range of legal issues that impact on disadvantaged people.

NLAF is chaired by Bill Grant, CEO of Legal Aid NSW. Legal Aid NSW staff participate in all NLAF working groups.

Highlights included:

- Finalised research relating to vacancies in the legal assistance sector of New South Wales as part of a broader review of the recruitment and retention of lawyers in rural, regional and remote areas.
- Promoted participation in the Work and Development Order Program to key stakeholders and clarified referral pathways between various legal assistance services.
- Explored initiatives to improve contact between children and mothers in custody.
- Made written submissions and gave oral evidence to the *NSW Parliamentary Inquiry into Driver Licence Disqualification Reform*.
- Worked with Housing NSW to address issues around rental arrears, repairs and maintenance, and clients with mental health issues with Housing NSW.

The NLAF meeting also serves as a jurisdictional forum in accordance with the National Partnership Agreement. Representatives of the Commonwealth Attorney-General's Department attended the December 2013 and June 2014 meetings to discuss cross-jurisdictional issues.

Further information about NLAF achievements is available at www.nlaf.org.au

➤ The year ahead

Work collaboratively across the justice sector to address issues relating to housing, prisoners and unauthorised driving.

Carry out a research project and evaluation working under the research alliance with the Law and Justice Foundation.

➤ Key challenge

Work with NLAF partners to coordinate and deliver legal assistance services in a limited funding environment.



Above Acting CEO from the Aboriginal Legal Service (NSW/ACT) Ltd, Kane Ellis attended the Legal Aid NSW Reconciliation Week event in May 2014 to co-sign a new agreement that will provide vital care and protection services to Aboriginal people for another two years.

Aboriginal community partnerships

The Aboriginal Legal Service (ALS) (NSW/ACT) Ltd is our key partner in delivering legal services to Aboriginal people in New South Wales.

The ALS is a key member of the Aboriginal Justice Committee chaired by the Director, Aboriginal Services.

The Aboriginal Services Unit of Legal Aid NSW is responsible for managing the relationship between Legal Aid NSW and the ALS.

OBJECTIVE: STRONG PARTNERSHIPS

Relationship building included a new Statement of Commitment with the ALS, which continues our partnership in delivering services to Aboriginal communities and clients across the State for another year.

We continued the placement of three care and protection lawyers at ALS offices at Wollongong, Lismore and Western New South Wales and signed an agreement to maintain these positions until 30 June 2016. Placement of Work and Development Order Field Officers continued at the ALS offices at Bathurst and Wollongong.

A protocol for the transfer of criminal law matters between the Criminal Law Division of Legal Aid NSW and the Aboriginal Legal Service was agreed to in February 2014.

The main objective of the protocol is to ensure quality representation of accused persons by reducing and streamlining the transfer process between the two agencies; and supporting continuity of representation. To that end the protocol encourages the efficient conduct of matters and the effective allocation of scarce resources.

Regular civil law outreach was conducted by Legal Aid NSW at regional offices of the ALS across the state to ensure the Aboriginal community is provided with assistance to resolve their legal problems.

Adapting our services to Aboriginal clients

An evaluation has strongly endorsed the pilot project under which we fund two Aboriginal Field Officer positions at the ALS offices at Walgett and Coffs Harbour and one at the Legal Aid NSW Campbelltown office. The evaluation, which included stakeholder interviews with more than 60 people, concluded that the pilot had contributed to expanding services to Aboriginal communities in civil and family law.

A review endorsed the Aboriginal Field Officer Program as culture-changing.

Additionally, the Field Officers had helped to strengthen links with Aboriginal communities and reduce the barriers between them and Legal Aid NSW.

The pilot has changed the way we respond to Aboriginal clients and introduced a new level of flexibility in service delivery, with 'drop-in' services increasing. Through sharing their knowledge and expertise at planning days and conferences, the Field Officers have also helped to change the culture of service delivery in relation to the complex needs of Aboriginal people and communities.

The Field Officer project will continue in 2014–2015 in partnership with the ALS.

Community events strengthen our relationship with the Aboriginal community

Aboriginal Service Unit staff participated in numerous community events to strengthen relationships with local Aboriginal people and organisations. Events included:

- the Rugby League Koori Knockout at Raymond Terrace, where we offered legal services in partnership with the ALS;
- NAIDOC Family and Sports Day at Redfern at the National Centre of Indigenous Excellence;
- the 2014 Yabun festival of Aboriginal and Torres Strait Islander culture;
- Saltwater Women's Camp at Taree, where our staff provided minor assistance and referrals; and
- Community Connect day at Taree, where we promoted the new Indigenous Consumer Law Project.

➤ The year ahead

Implement recommendations from the evaluation of the Aboriginal Field Officer (Civil and Family Law) Pilot Project.

Sign a new Statement of Commitment with the ALS.

Meeting the needs of the most disadvantaged people in our community, who have multiple and complex legal and non legal needs, requires a skilled workforce and adequate resourcing.

Below In 2014, 45 Aboriginal people made up 5.7% of our staff, surpassing the State Government benchmark of 2.6%. They work in a range of roles from field officers and administrative staff to lawyers and mediation organisers. See page 51.



In this section

Our people

- 49 Staff health and wellbeing
- 51 Learning and development
- 53 Professional and personal achievements
- 54 Workplace management

Organisational capability

- 55 Effectiveness, efficiency and economy
- 57 Information technology
- 58 Environmental responsibility

Key measures

- Appointed Reconciliation Champions to help drive Aboriginal initiatives.
- Provided managers with learning tools and training to build a culture of respect.
- Recorded 17 safety incidents and 11 new workers compensation claims.
- Established a new Health and Safety Committee.
- Laid the groundwork for the introduction of government sector reforms.
- Audited our management reporting systems with recommendations to be implemented next year.

Key challenge for the year ahead

Managing the volume of work and change associated with implementing the *Government Sector Employment Act 2013*.

Our people

We value our people and understand that, to support them, we need to promote their health and wellbeing and offer professional development and career opportunities.

➤ FACT FILE

994 staff, 453 in regional offices and 541 in our Central Sydney office

509 lawyers and 485 administrative and corporate services staff

45 Aboriginal staff

263 men and 731 women

76 lawyers with specialist accreditation

Staff numbers 5-year trend

| Year | FTE* figures** Financial year end | Actual staff no. Financial year end |
|-----------|--------------------------------------|--|
| 2013–2014 | 903.91 | 994 |
| 2012–2013 | 871.25 | 959 |
| 2011–2012 | 882.72 | 965 |
| 2010–2011 | 880.28 | 972 |
| 2009–2010 | 827.80 | 909 |

*FTE: full-time equivalent

** See Appendix 2 for more details

Staff movements 5-year trend

| Staff movements | 2009–2010 | 2010–2011 | 2011–2012 | 2012–2013 | 2013–2014 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| New ongoing staff* | 29 | 15 | 12 | 18 | 15 |
| Staff departures | 41 | 52 | 44 | 52 | 57 |
| Promotions | 26 | 26 | 21 | 21 | 32 |

*Under the new *Government Sector Employment Act 2013*, permanent staff are referred to as 'ongoing'.

Staff health and wellbeing initiatives

OBJECTIVE: SUPPORTING OUR PEOPLE

New program supports staff health and wellbeing

Building on the successful 2012–2013 strategy 'Manage Self', we developed in 2013–2014 managerial capability under the banner 'Manage Others', using the Management Development Program as our cornerstone. The program – a suite of online learning modules – gives managers the practical tools to develop a culture of dignity and respect in their teams. For more detail, see Learning on page 51.

Legal Aid NSW was an inaugural signatory to the new Psychological Wellbeing Guidelines developed by the Tristan Jepson Memorial Foundation. The guidelines offer practical strategies to improve workplace psychological health in areas such as organisational culture, leadership, respect, recognition and reward, and work-life balance.

We collected data through the University of NSW mental health and wellbeing surveys to evaluate the effectiveness of mental health and wellbeing initiatives.

New health and safety committee appointed

We established a Health and Safety Committee in accordance with the *Work Health and Safety Act 2011*. Its main objectives are to:

- facilitate cooperation between Legal Aid NSW and its staff in instigating, developing and carrying out measures designed to ensure staff wellbeing, health and safety at work; and
- assist in developing standards, guidelines and initiatives in relation to staff wellbeing, health and safety in the workplace.

Workgroups throughout Legal Aid NSW inquired into possible risks to workplace health and safety and investigated complaints.

Managing our organisation

Workers compensation

Of the 11 workers compensation claims lodged in 2013–2014, one injury was sustained in the previous year. Figures and costs incurred by this claim have been included in the 2013–2014 figures.

Of the 11 claims lodged, nine were accepted, one was declined and one remains under investigation. The cost to 30 June 2014 of new claims reported in 2013–2014 was \$53,593. This compares to \$133,656 in 2012–2013, a decrease of \$80,063 or 59.90%.

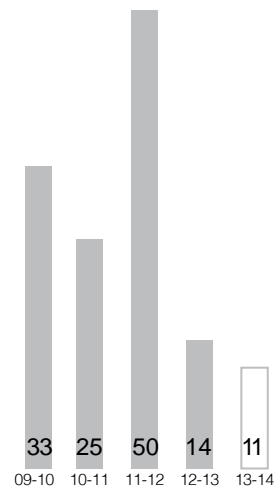
The number of accepted claims (including claims accepted under provisional liability), decreased from 10 in 2012–2013 to nine in this reporting period. Of the nine accepted claims, there were five fall/slip and three body stress (for example, repetitive strain injury) claims amounting to \$50,217, or 93.70% of the total cost of claims.

There was a decrease in psychological injuries (for example, post-traumatic stress disorder, anxiety disorders and depression) from five in 2012–2013 to two in 2013–2014. Of the two 2013–2014 claims, one was declined while the other remains under investigation. Costs incurred by these psychological claims amounted to \$2,904 or 5.42% of the total cost of claims for 2013–2014.

The number of full time equivalent (FTE) (on average staff) for this financial year was 903.91, an increase of 32.66 from 871.25 in 2012–2013. This equates to an average claim cost of \$59.29 per staff member compared to \$153.41 per staff member in 2012–2013.

The number of reported 'Incident Only' notifications of injury increased to 17 from 16 in the previous reporting period. Although 'Journey' claims are no longer compensable, we continue to collect statistics as shown in the following tables.

Workers compensation claims: five year trend



Record of workers compensation claims

| Type of claim | No. of claims 2012–2013 | No. of claims 2013–2014 |
|------------------------------|-------------------------|-------------------------|
| Workplace | 11 | 6 |
| On duty (eg court) | - | 1 |
| Journey | - | - |
| Recesses (authorised breaks) | 3 | 4 |
| Total claims lodged | 14 | 11 |
| Total claims accepted | 10 | 9 |
| Claims under investigation | 1 | 1 |
| Claims declined | 3 | 1 |

The significant decrease in workers compensation claims may be attributed to a number of factors. These include: changes to workers compensation legislation in June 2012, our organisation's focus on health and wellbeing initiatives (including Wellchecks), and supporting managers to develop their people management skills.

Record of work related incidents

| Type of injury/incident | No. of reports 2012–2013 | No. of reports 2013–2014 |
|---------------------------------|--------------------------|--------------------------|
| Workplace | 7 | 9 |
| On duty (eg court)) | 3 | 1 |
| Journey | 3 | 2 |
| Recesses | 3 | 5 |
| Total injuries/incidents | 16 | 17 |

Work-related incidents: five year trend



Workforce diversity

OBJECTIVE: SUPPORTING OUR PEOPLE

Legal Aid NSW welcomes diversity among our staff. Of 994 staff, 157 people disclosed they are from a multicultural background and 35 people disclosed disability.

Legal Aid NSW outperformed the NSW Government benchmark of 2.6% for employing Aboriginal staff. We increased the number of Aboriginal staff from 5.0% in 2012–2013 to 5.7% this year through a combination of targeted and mainstream recruitment. Aboriginal Services also established a careers profile on Jobs NSW to advertise our Aboriginal employment programs.

Under the Bob Bellear program, we hired three new cadets, two new lawyers under the Aboriginal Professional Legal Placement Program and two new graduate lawyers (seven new temporary staff in total).

Nine Legal Aid NSW staff from various offices participated in the PACE (Positive Action toward Career Engagement) mentoring program, sharing their time and experience with students and young people to help them build confidence and skills in job seeking.

Guidelines were developed for the placement of people with disability in work training arrangements.

In becoming a more inclusive organisation, we developed a statement that welcomes people from multicultural backgrounds, people with disability and Aboriginal and Torres Strait Islander people for use in all Legal Aid NSW job advertisements.

The Equity and Diversity Committee, chaired by the CEO, met quarterly.

More detailed information appears in Appendix 3 while Appendix 10 has a summary of key performance highlights from the Diversity Action Plan.

The Reconciliation Champions Network was established to raise the profile of the reconciliation movement generally and assist in driving implementation of the Legal Aid NSW Reconciliation

Action Plan. Network members come from diverse practice areas and office locations.

Learning and development

FACT FILE

5,400 external people undertook online learning and attended our conferences and training courses

Attendance at conferences and courses increased by almost 2,000 from last year (staff & external people)

A 33% increase in participation in our professional development seminars

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Professional development for criminal lawyers

The Legal Aid NSW Criminal Law conference 2013 – *The experts' conference*, was held from 31 July to 2 August 2013. The focus was on difficulties with expert evidence/ testimony and promoting expertise in the criminal law arena. More than 430 delegates attended, among them 160 private lawyers.

Highlights included Saul Holt SC inviting delegates to seize the chance for real change with the new *Bail Act 2013*, Terry Buddin SC delivering an interactive session on advocacy and Dina Yehia SC identifying and dissecting problematic expert evidence.

Our Lismore office coordinated successful mandatory continuing legal education for inhouse and private lawyers in April 2014. More than 50 attendees learned about mental health, ethics, credibility, police powers, and the new *Bail Act 2013*.

Learning system improved to make it easier to use

Six years after its introduction, the Legal Aid NSW Learning Management System (LMS) was improved to make it more user-friendly for staff and external users, ready for launching in 2014–2015.

OBJECTIVE: SUPPORTING OUR PEOPLE

Online management development

Our most significant online learning initiative was the launch of a suite of management development modules in January 2014. It covers eight topics including Team Meetings, Leading a Culture of Respect, Constructive Feedback and Tough Talks. Each has multimedia resources, tips and suggested activities in the workplace. Managers access the modules via a quiz based on the public sector people management capabilities. To date the program has received 178 visits.



Above Reconciliation Champions ready for action, pictured here with the Director of Aboriginal Services, Scott Hawkins and Co-Chair of the Champions network, Richard Funston, Acting Executive Director, Criminal Law.

Managing our organisation

Managers' conference provides guidance with work challenges

The 2014 Legal Aid Managers' Conference targeted the widest group of managers and supervisors in the history of the event, with 197 people attending from offices across New South Wales. Under the theme *Lead Well, Manage Well, Live Well*, the program included addresses from CEO Bill Grant and Department of Justice Secretary Andrew Cappie-Wood. A series of workshops covered such issues as responding to challenges, resolving workplace conflict and managing performance. Evaluations reflected how highly Legal Aid NSW managers value this annual opportunity to learn and interact.

Animating the Legal Aid NSW career journey

Launched at the 2014 Managers' Conference, *The Career Compass* – a short animation presents complex information about the *Government Service Employment Act 2013* recruitment and selection reforms, and performance. We will use the video as part of inducting new employees and in other learning contexts.

New approach to learning

Legal Aid NSW has a history of developing effective online learning resources and offering innovative courses. In 2013–2014, we took the next step by adopting the Experience/Exposure/Education (EEE) model, which recognises that adults learn best through a mix of experiential, work-based learning and professional relationships with occasional classroom-based activities. Combining structured on-the-job experiences, case studies and self-paced learning activities, EEE will underpin all our future learning initiatives, including the performance planning education currently in development.

Evidence Act explained

The criminal law practice developed a training series called *Evidence Act Master Classes* involving one hour sessions by different speakers on different parts of the *Evidence Act 1995*. Each session was filmed and made available on the intranet. The classes will continue over 2014 and be displayed on the LMS as a bookshelf from which lawyers can pull down and view a segment on the *Evidence Act* as needed.

Aboriginal cultural awareness training

In 2013–2014, we moved from a two-day cultural awareness training program to an intensive one-day model in recognition of the time pressures on frontline staff and the success of the one-day private lawyer training. Three one-day workshops were held at the Central Sydney Learning and Development Centre and one at the Parramatta Justice Precinct. Since 2008, almost 500 Legal Aid NSW staff and partner agency staff have completed this training.

Support for external study

More than 20 Legal Aid NSW staff received assistance for tertiary studies in law, communications, mediation, indigenous legal advocacy, business and human resources management.

We supported 15 of our staff to undertake the Diploma of Management along with 13 employees from Community Legal Centres, five from the Aboriginal Legal Service and four from Women's Domestic Violence Court Advocacy Services.

Paul Hayes (Deputy Executive Director, Criminal Law), Jane Pritchard (Manager, Review and Strategy) and Pam King (Manager, Planning and Business Reporting) graduated with an Executive Master of Public Administration, a qualification that prepares emerging public sector leaders for the challenges ahead.

Advocacy training

The civil law practice developed specialised advocacy training for Legal Aid NSW lawyers in recognition of the unique brand of advocacy required of them. The training was developed with input from senior staff and delivered using our inhouse advocates plus Paul Batley, a former Legal Aid NSW lawyer with special accreditation in advocacy.



Above Graduates Paul Hayes, Pam King and Jane Pritchard display their new qualifications.

The family law practice, with the Australian Advocacy Institute, trained 96 lawyers (many on our private lawyer panels) in three New South Wales sessions.

In another professional development initiative, we established communities of practice in a number of key areas of civil law. These are proving effective in supporting and developing staff, as well as sharing information and networking with our service delivery partners.

Professional development for Aboriginal staff

A number of major initiatives were launched during National Reconciliation Action Week in May 2014.

Fulfilling a key commitment in our Reconciliation Action Plan, we developed Stand Together: Legal Aid NSW Aboriginal Employment and Career Development Strategy 2014–2015.

The Chairperson's Scholarship gives a staff member financial support to undertake further studies to enhance their career opportunities. The inaugural scholarship was awarded to Katrina Ellevson, Office Manager of Tamworth Legal Aid NSW office, to undertake a law degree.



Above Nine of the most experienced criminal lawyers in the state are newly accredited specialists from left to right: Rob Hoyle, Hayley Dean, Michael Fokkes, Amy Barker, Alexander Reetov, Melissa Chu, Kasey Pearce, Will Tuckey and Ron Frankham. Photographer: Alex Craig

Professional and personal achievements

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Lawyers strengthen their expertise

The Law Society of NSW awarded specialist accreditation to nine of our criminal lawyers and three family lawyers.

There are currently 76 lawyers working for Legal Aid NSW who are accredited specialists: one in civil law, 22 in family law and 53 in criminal law.

The professional expertise and dedication of Legal Aid NSW staff were recognised through various appointments and awards. In a standout year for staff achievement the highlights were:

- Kylie Beckhouse, Executive Director Legal Services, Family Law was awarded a Churchill Fellowship to investigate child legal representation in overseas jurisdictions;
- Michelle Crowther of the Strategic Policy and Planning Division was presented a Public Service Medal; and
- the Early Intervention Unit was highly commended in the Government Lawyer Excellence in Legal Services Awards in recognition of its outreach and duty scheme work across New South Wales (see photo page 54).



Above Katrina Ellevson – inaugural winner of the Chairperson's Scholarship with CEO Bill Grant and Aboriginal Services Director, Scott Hawkins.

Managing our organisation

Workforce management

OBJECTIVE: SUPPORTING OUR PEOPLE

Taking part in public sector reform

Work began to ensure a smooth transition to the new *Government Sector Employment Act 2013*, which commenced in February 2014. It replaces the *Public Sector Employment and Management Act 2002* and introduces reforms to the structure and management of the New South Wales public sector.

The main projects which Legal Aid NSW undertook to ensure compliance with the Act included:

- role descriptions based on capabilities that employees need to demonstrate to perform their role;
- new comparative recruitment processes;
- induction so that new employees start their career in a positive and supportive environment;
- performance management for all employees; and
- on the job learning aligned to the New South Wales Public Sector Capability Framework.

Legal Aid NSW staff had the opportunity to attend metropolitan and regional face-to-face briefings on the Act.



Above Awarded specialist accreditation in family law were l-r: Christine Soliman, Sharda Ramjas and Lynda Maitland. Photographer: Alex Craig



Above The Family Law Early Intervention Unit was made permanent and was highly commended for its excellence.

➤ The year ahead

Introduce Individual Planning as the Legal Aid NSW performance management system.

Develop new modules and learning activities for our Management Development Program.

Offer training in best practice principles to outreach/mobile lawyers across the legal assistance sector.

Train managers and recruiters to meet the new interview requirements of the *Government Sector Employment Act 2013*.

Implement the *Government Sector Employment Act 2013* including:

- a compliant recruitment process;
- the individual planning cycle; and

- proactive workforce management principles.

Examine our current workforce demographics in preparation for the full effects of the *Government Sector Employment Act 2013* and the initiatives of the Public Service Commission.

Develop a new Reconciliation Action Plan for 2015–2017 and a new Aboriginal Employment and Career Development Strategy for the same period.

➤ Key challenge

Implementing new work practices and processes to improve workforce planning.

Our organisational capability

We found better ways to use our resources, achieve greater efficiencies and improve client satisfaction with our services.

Regular reviews and independent scrutiny

Rigorous evaluation and research help us plan and deliver our programs, ensuring they are appropriately targeted to disadvantaged clients with high legal needs.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

The Law and Justice Foundation completed the second stage of the independent review of Legal Aid NSW outreach services which centred on a case study of the Mid North Coast and entailed interviews with lawyers, host agencies and outreach managers. It recommended a draft set of best practice guidelines, which we have since adopted. The guidelines include that our outreach services should be planned and targeted, engage with target groups and the local services assisting them, be client centred and resourced for long-term sustainability. See page 20 for further details.

An internal review of the Regional Outreach Clinic Program led to the establishment of new program objectives and a number of changes in clinic locations in line with those objectives. See page 44 for further details.

External evaluation of the Aboriginal Field Officer pilot project confirmed its value in improving services to Aboriginal communities and changing how Legal Aid NSW interacts with them. Details appear on page 47.

We reviewed our Civil Law Plan and priorities for the inhouse practice in order to ensure our services target those who are most in need.

This year we also evaluated the effectiveness of individual outreach and office advice clinics.

We are currently reviewing these results with a view to implementing changes to make these services more accessible to our clients.

Effectiveness, efficiency and economy

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Recording our work to show our value

In his 2011 and 2012 reports to the NSW Parliament, the Auditor-General recommended that Legal Aid NSW implement a time costing system to ensure that legal aid is provided in the most effective, efficient and economical manner in accordance with section 12 (a) of the *Legal Aid Commission Act 1979*. In addition, the Attorney General indicated in February 2013 that the Government agrees with the Auditor General and Legal Aid NSW is to introduce a suitable system that enables Legal Aid NSW to properly record the time spent by its lawyers and the cost of their activities.

Based on recommendations made by an external consultant, Legal Aid NSW will pilot a system of time recording described as Activity Based Costing in four regional locations and in Central Sydney. The pilot will be conducted for 12 weeks from 8 September 2014 to 28 November 2014 followed by an evaluation.

Policy changes in the context of funding challenges

In 2013–2014, Legal Aid NSW amended selected policies in order to target services to those most in need of legal assistance while meeting ongoing funding challenges.

OBJECTIVE: ACCESS TO JUSTICE

Eligibility for legal aid

We amended our client eligibility policies for Local Court defended hearings. Legal aid is now only available where there is a real possibility of imprisonment if a person is found guilty, or if exceptional circumstances exist. People can still access the duty

solicitor service at the Local Court regardless of whether they are at risk of imprisonment.

We introduced a termination of aid policy, which is consistent with pre-existing Legal Aid NSW best practice and promotes transparency and consistency in decision-making.

We also amended our means test so that money paid to people with disability under the National Disability Insurance Scheme is exempt from the income and assets tests.

We amended our civil law policies to make aid available in limited circumstances for reviews brought under the *National Disability Insurance Scheme Act 2013*. These circumstances include when the Australian Department of Family, Housing, Community Services and Indigenous Affairs refers a matter to Legal Aid NSW as raising a complex or novel issue. See page 28.

We amended our criminal law policies to specify that legal aid is available to prisoners to seek a review by the Supreme Court of decisions with a substantial impact on parole made by the State Parole Authority, the Serious Offenders Review Council or the Commissioner of Corrective Services NSW.

Contributions and fees

We tightened our delegations instrument to increase the collection of assessed client contributions, as well as to enhance the consistency and fairness of the way contributions are levied.

We increased the fees we pay to private lawyers doing family law legal aid work. See page 38.

➤ The year ahead

Raise the income thresholds of the means test, narrowing the 'justice gap' so more people can be eligible for legal aid.

Implement further changes to our contributions policy to increase collection of contributions and our capacity to deliver legal services to a larger number of applicants.

Managing our organisation

➤ Key challenge

Target services effectively to meet unmet legal needs in a challenging funding environment.

Measuring performance

An internal review of quality measures and outcomes explored the challenges of demonstrating value and potential indicators for internal use. Together with the report from the *Review of the National Partnership Agreement* and the Productivity Commission's *Inquiry into Access to Justice Arrangements* report, it will assist us to improve our performance measurement.

Streamlining produces external and internal benefits

The Grants Division worked on a project aimed at:

- increasing the proportion of people who receive advice prior to applying for aid;
- increasing the proportion of successful applications and decreasing the proportion of refusals; and
- reducing the need for Grants staff to request additional information.

Details on the new plain English form for applicants for legal aid appear on page 19.

Cost recovery has been successful

Over 2013–2014, Grants identified an estimated 158 matters where lawyers had succeeded with costs applications in legally aided criminal law proceedings. At the time of reporting, 102 claims totaling \$1,010,675 had been submitted and Legal Aid NSW had received \$350,088. A further 56 applications are still being considered.

OBJECTIVE: SUPPORTING OUR PEOPLE

Auditing our management reporting

A new business intelligence (BI) tool has been in place for over 12 months, providing every user in Legal Aid NSW with access to intranet 'dashboards' containing a comprehensive range of service data. The self-service reports

assist staff in generating timely reports from the Legal Aid NSW ATLAS and CASES business systems. Business analysts and Information Technology staff provide more complex reports.

A detailed Dashboards Guide provided staff with useful information on how to access and navigate around the dashboards. Training sessions were rolled out to key users in Legal Aid NSW.

Data on community legal education services provided by Legal Aid NSW will be available in the dashboards from 2014–2015. This will provide dashboard users and analysts with ready access to information about the volumes of these services and the audiences who receive them.

To drive a more highly focused performance culture across the organisation, Legal Aid NSW commissioned KPMG to audit our management reporting. The audit investigated whether the BI tool was operating effectively, identified improvement opportunities, and provided feedback on the appropriateness of the current process, governance structures and reporting. While the audit revealed positive uptake of the BI tool overall, it also identified the need for a more structured and comprehensive data governance framework. Consequently, the Legal Aid NSW Plan 2014–2015 includes an action to develop a framework that addresses quality assurance and data recording and monitoring.

Library services meet the technological challenge

The library responded to the increasing demand for resources accessed via mobile devices along with appropriate training. We conducted iPad training for criminal, civil and family practices and introduced the new 'Mobile Devices' web page from the library site.

Library reference services to the Aboriginal Legal Service continued to increase in 2013–2014 and now make up 21% of all research questions received.

OBJECTIVE: SUPPORTING OUR PEOPLE

Making sure we have efficient business systems

Following on from the post implementation review of the grants management system, ATLAS, we revised a large number of application templates, which will be tested for implementation in early 2014–2015.

We made our cases and grants management systems easier for private lawyers and Legal Aid NSW staff to use. We added a feature to Grants Online to allow private firm users to reset their own passwords 24/7 in a secure way without the need to contact Legal Aid NSW.

A new Grants Online function was implemented, allowing lawyers to see a summary of all claims for fees on a file on a single enquiry screen. We also added validations to make it easier to select the right options on the application forms.

Integration between our core systems and the records management system was further developed, to comply with records management requirements.

Other new systems

In July 2013, we upgraded the Community Legal Education (CLE) Management System. Enhanced features include:

- integration with the Legal Aid NSW website so that selected CLE events will appear on a calendar on the website with a registration facility; and
- a workflow process that will automatically remind people to enter critical information such as the number of event participants.

A new Executive Knowledge Bank on the intranet provides senior staff with a central portal of information to assist them with planning, monitoring and reporting.

A new user-friendly e-flex system provides staff and managers with quick calculations on hours worked and available leave.



Above Gosford staff in their new office. This busy practice provides services to Central Coast communities, stretching as far as Woy Woy and Wyong.

Staff security and safety

Staff security and safety are paramount at Legal Aid NSW. Our key achievement for the year was updating our Client Service Security Strategy. A security pack was issued to outreach staff. Should they fear for their safety, they can now use a GPS portable duress alarm or satellite telephone when out of mobile phone range.

New premises – better services

New Legal Aid NSW facilities at Gosford and refurbished facilities at Burwood and Wollongong will allow staff to better service their clients and local partners.

Gosford Legal Aid NSW office has expanded its services in response to the growing population and increasing demand for free legal services on the Central Coast. Over the last three years, the Gosford office has seen a 44% increase in legal advice sessions and 25% increase in the number of duty lawyer services, whilst minor assistance cases have tripled.

➤ The year ahead

Implement a pilot of activity based costing to record the amount of time spent on the delivery of legal aid services.

Enlarge our facilities at Tamworth to meet increasing service delivery demand.

➤ Key challenge

To ensure the Activity Based Costing pilot project is implemented well.

Information technology

Information technology played a key role in assisting the organisation to better deliver legal services.

OBJECTIVE: EXCELLENCE IN LEGAL SERVICES

Mobile device strategy

The use of tablet devices has proved popular and efficient with many mobile lawyers whether they are providing court based services, outreach services or otherwise. During 2013-2014, we provided 230 more iPads to lawyers across the three legal practice areas. Lawyers are using their iPads for easy access to email, online legal resources and access to business systems. We continue to review the efficacy of tablet computers such as iPads against other mobile device options.

Business Intelligence

We significantly enhanced our business intelligence reporting capabilities. A planned extension of reporting capabilities to include human resource requirements was placed on hold as we plan our longer term strategy.

Mobile technology to support legal service delivery

Recognising the increasing importance of access to legal services from mobile devices by clients, business partners and staff, we:

- developed a new mobile app initially for use on iPhones and iPads, providing easy access to a range of our online legal services.

- This app will be launched to the public in August 2014. We plan to target other mobile platforms during 2014-2015 if the mobile app proves successful.
- improved our website to make it readily accessible from all mobile devices including smartphones and tablets.

Information management

A new Information Management Governance Framework will apply to all staff across Legal Aid NSW. Work started on a strategy to transition paper based form processes online. We reviewed our broader records management program and released a revised Records Management Program Policy.

Infrastructure

IT infrastructure services were improved to ensure our staff are well supported in their use of technology. Equipment was upgraded and new technology introduced to improve the performance of our main business systems. We implemented WiFi services throughout our Central Sydney location with significant benefits to staff and visitors. We undertook strategic planning towards relocating our data centres into the NSW Government Data Centres.

Information security

For more information on information security see pages 68-69.

ICT Strategic Plan

Work began on a new three-year Information and Communications Technology (ICT) Strategic Plan which will be completed in early 2014-2015. The plan will guide our ICT investments and operations broadly into the future.

Audio visual links

Almost 20,000 audio visual link (AVL) sessions were held by Legal Aid NSW during the last financial year, the majority with Correctional and Juvenile Justice Centres. Usage of AVL continues to increase each year and to that end Legal Aid NSW is a key project stakeholder in the Justice AVL Consolidation Project.

Managing our organisation

A project team reviewed AVL usage, especially its efficiency and potential for future expansion.

➤ The year ahead

Prepare a business case for improving our case management system.

Take part in the Justice Sector Video Conferencing Project, focusing on greater use of mobile devices for video conferencing.

Commence migration of our data centre facilities into the NSW Government Data Centres.

Implement WiFi services at all our regional office locations.

Develop a strategy for all internal forms to be brought online.

Commence a pilot of digital mailroom technologies to improve the distribution of incoming mail.

Review the success of our new mobile app and develop other mobile platforms.

➤ Key challenge

Ensuring we provide Legal Aid NSW business areas with secure, efficient, mobile systems to support the effective delivery of Legal Aid NSW services into the future.

Environmental responsibility

Legal Aid NSW is committed to taking steps towards reducing paper usage and increasing green score targets through a number of sustainability initiatives. As shown in the following table we exceeded the targets set by the NSW Government. Targets were substantially exceeded for use of green paper, green electricity and a green fleet.

Reducing our environmental footprint — summary table 2013–2014

| Goal | Target | Achievement |
|---|--|---|
| Reduce electricity consumption | Reduce standalone printer numbers by 75% | Reduced or replaced 97% of standalone printers with multifunction devices |
| | Reduce the core light timer hours from 6 am to 10 pm at Central Sydney office | Reduced hours to 7 am to 8 pm |
| | Install light switches to offices in new fit outs | Included separate light switches for all new fit outs at Gosford, Burwood and Wollongong |
| Increase use of green paper purchasing | NSW Govt target: minimum 85% of copy paper to contain recycled content by 2014. | Purchased 100% recycled content or carbon neutral paper |
| Increase use of green paper purchasing for our publications | At least one recycled content option to be included as part of each publication quotation. | Used 5% recycled content in our publications |
| Reduce paper purchasing* | 10% reduction in paper purchasing | Purchased 10% less paper than in 2012–2013 |
| Green electricity purchasing | NSW Govt Target: 6% Green Electricity | Purchased 20% Green electricity |
| E10 fuel | NSW Govt Target: 20% E10 | Used 72% E10 |
| Green fleet | NSW Govt Target: 13.5/20 | Scored 14.41/20 |
| Reduce landfill | 100% recycling of our IT equipment | Recycled 100% of PCs after our 2012–2013 PC replacement project. Equipment not sold to staff was picked up by a recycling and recovery company which disassembles components for recycling and reuse. |
| Carbon neutrality | Carbon neutral operations by 2020 (NSW Govt target) | All of the above are in progress. |

* Government Waste Reduction and Purchasing Policy

➤ The year ahead

Upgrade lighting in the Central Sydney office, using LED lights to achieve:

- health benefits for staff and the environment;
- a 54% reduction in greenhouse gas emissions;
- a 54% reduction in energy use; and
- cost savings to help meet our carbon reduction targets

Setting strategic direction, monitoring progress, and ensuring compliance are key elements of our governance procedures.

In this section

- 60 Key activities of the Board
- 62 Board members
- 63 Organisational structure
- 64 Executive directors
- 66 Governance framework
- 69 Legislative compliance
- 70 Public accountability
- 71 Privacy

Key measures

- The Board approved an increase in the means test thresholds (the first increase since 2007), narrowing the 'justice gap' so more people can be eligible for legal aid.
- Implemented a new complaints handling policy – recommended by an independent audit.
- Received 17 applications for access to information.
- Completed eight performance audits.

Key challenge for the year ahead

Implementing a new complaints handling system and ensuring staff compliance.

Legal Aid NSW Board

A Board with 10 members determines our broad policies and strategic priorities.

The Board of Legal Aid NSW consists of nine part-time members including the Chair, and one full-time member, who is the Chief Executive Officer of Legal Aid NSW.

Part-time Board members are appointed by the New South Wales Attorney General for a period of up to three years, other than the Chair who is appointed for a period up to five years. All are eligible for re-appointment.

The Attorney appointed Dr Peggy Dwyer to the Board as the NSW Bar Association representative after the former representative, Stephen Hanley SC, was appointed as a judge at the District Court of NSW, in June 2013.

Key activities of the Board this year

As part of its charter to establish the broad policies and strategic plans of Legal Aid NSW, the Board endorsed the 2014-2015 Legal Aid NSW Plan. The Board also endorsed the Legal Aid NSW Diversity Action Plan and the Reconciliation Action Plan for 2014-2015. The Board was regularly updated on the progress of these plans.

A Crime and Grants Sub-Committee of the Board was established under section 68 of the *Legal Aid Commission Act 1979*. As well as encompassing the activities of the former Grants Sub-Committee, the new sub-committee will cover crime-related funding and policy issues and have a focus on training and development opportunities for private lawyers.

A Community Partnerships Sub-Committee of the Board was also established to replace the two former sub-committees for Civil Law and the Community Legal Centre Program. The scope of the committee includes civil and family law policies and services, the Community Legal Centre Program and other Legal Aid NSW partnerships such as the Cooperative Legal Service Delivery Program and the Aboriginal Legal Services (NSW/ACT) Ltd.

The committee will advise the Board on funding issues affecting legal assistance services, gaps in services, and legal assistance services to Aboriginal clients and clients in rural, regional and remote NSW.

The Board was briefed on a number of legislative changes which could impact on the delivery of legal aid services. These included the implementation of the mandatory pre-trial defence disclosure provisions, mandatory minimum sentencing, and Legal Aid NSW training on the *Bail Act 2013*.

As part of the audit and risk strategy, a number of internal audits were completed this financial year including compliance with the *Public Authorities (Financial Arrangements) Act 1987*, work health and safety, management reporting effectiveness, allocation of legal aid work and a review of the CASES system.

The delivery of high quality services is a priority for the Board, and they were briefed on a number of evaluations of Legal Aid NSW services including reviews of the Aboriginal Field Officer project, Legal Aid NSW outreach services and the Regional Outreach Clinic Program. The Board will oversee the implementation of recommendations arising from these evaluations.

In response to state government savings targets, the Board approved changes to the availability of legal aid for Local Court defended hearings. This policy has been reviewed and the Board has determined that it will remain in place until June 2015 at the earliest.

In response to a 'justice gap', that exists for a large section of the community who are not eligible for legal aid and cannot afford to pay for a private lawyer, the Board approved increases to the income thresholds in its means test. These were last increased in 2007. The new means test will come into effect in August 2014.

The Board also approved a number of fee scale increases in family law that are aligned with the priorities set out in the Legal Aid NSW Plan. These included:

- amending the family law fee scale to provide one hour of additional time for the completion of a Form 4 Notice of Child Abuse or Family Violence on behalf of a party claiming to be the victim or partner of victims of serious abuse or family violence;
- increasing the lump sums in Commonwealth fee scales for family dispute resolution (FDR) practitioners for early intervention children's matters and for early intervention property matters and court-ordered late litigation FDR;
- increasing the single expert fee scale;
- increasing the base hourly rate for fees paid to private lawyers and counsel in all Commonwealth matters; and
- amending the Independent Children's Lawyer fee scale to allow for an additional hour of time allocated to the conclusion of pre-trial conference, and from pre-trial conference to the eve of a final hearing to better facilitate children's participation.

There were no emergency decisions required during the year.

Meetings of the Board

Six meetings were held in 2013-2014. Forty per cent of the Board's time was spent on governance matters such as audit and risk, strategic reviews and organisational planning; finance and other budget matters took up approximately 30 per cent of the Board's time; strategic operations, policies and law reform issues took up the remaining 30 per cent of the Board's time.

Board members' fees

Part-time Board members are entitled to be paid fees for attending meetings, reading background papers, sitting on committees and representing Legal Aid NSW at meetings with other organisations.

The rates of remuneration are \$3,370 per annum for members and \$28,080 per annum for the Chair. The Chair of the Audit and Risk Committee is also paid an additional \$2,527 per annum. No fees are paid to members who are salaried Government employees or who elect to forego payment.

Active on committees

The Board is advised on specific matters by a number of committees. These include the Crime and Grants Sub-Committee, Community Partnerships Sub-Committee and Audit and Risk Committee, which advises on budgetary and internal audit matters.

➤ The year ahead

Carry out the 2014-2015 internal audit program, including audits of delegations of authority, private lawyer claims and compliance of community partnership programs with policies and procedures.

➤ Key challenge

Overseeing the development of a new funding agreement with the Commonwealth.

In response to a 'justice gap', the Board approved increases in the income threshold in the means test—the first increases since 2007.



Above Legal Aid NSW Board members from left: Bill Grant (CEO), John McKenzie, Mary Macken, John Bordon, Craig Smith (Chair), Annette Bain and Philip Bickerstaff. Absent: Ainslie van Onselen, Andrea Durbach and Dr Peggy Dwyer.

Board members

1 July 2013 to 30 June 2014

Craig Smith

(Chair) Dip Law (BAB) Dip Crim (SYD)

Appointed by the NSW Attorney General in February 2013 as Chair for the period commencing 18 February 2013 to 17 February 2016.

A solicitor and former Judicial Registrar, District Court of New South Wales, Craig has 41 years experience in the administration of justice. He has worked in various government legal and policy positions, including senior positions with the Office of the Director of Public Prosecutions. He was Director Court Services and then Director Judicial Support prior to his appointment as Judicial Registrar in 2010. (Attended 6 meetings)

Bill Grant

(CEO) OAM LLB

See biography on page 64. Appointed by the NSW Attorney General as CEO in 2011. (Attended 6 meetings)

Andrea Durbach

(Representative, who in the opinion of the NSW Attorney General, possesses skills and experience that would benefit Legal Aid NSW)

BA LLB, DipLaw

Appointed in 2007 and reappointed for a further term commencing 18 February 2013 to 17 February 2016.

Andrea is Associate Professor at the Faculty of Law, University of New South Wales and Director of the Australian Human Rights Centre. Previously, she was Director of the Public Interest Advocacy Centre and Coordinator of the Public Interest Law Clearing House. She is a member of the Advisory Council of Jurists of the Asia Pacific Forum of National Human Rights Institutions. (Attended 3 meetings)

Philip Bickerstaff

(Representative, who in the opinion of the NSW Attorney General, possesses skills and experience that would benefit Legal Aid NSW, and Chair of the Audit and Risk Committee)

MCom

Appointed in 2005 and reappointed for a further term commencing 18 February 2013 to 17 February 2016.

Philip retired from the New South Wales Public Sector in 2005 after 37 years, 29 of those with NSW Treasury. He is also a member of the Ryde Family Support Service and Fairfield Community Resource Centre. (Attended 6 meetings)

Mary Macken

(Representative of the Law Society of NSW) MA LLM FAICD

Appointed in 2009 and reappointed for a further term commencing 18 February 2013 to 17 February 2016.

Nominated by the Law Society of NSW, Mary is a past President of the Law Society of NSW and a practising lawyer in New South Wales, England and Wales. Mary initially specialised in the commercial property field. Since then, her roles have included Manager of Legal Services, Landcom and Corporate Counsel, State Transit Authority (Sydney Buses). Mary is a member of the Women Lawyers Association of NSW, the Australian Lawyers Alliance and the City of Sydney Law Society. (Attended 6 meetings)

Dr Peggy Dwyer

(Representative of the NSW Bar Association)

BA LLB (ANU) Ph D (University of Edinburgh)

Appointed in 2013, commencing 30 September 2013 to 17 February 2016.

As a barrister, Peggy appears in a wide range of criminal matters. She has appeared as counsel in jury trials in NSW, the Northern Territory and Western Australia. She has a busy practice in coronial proceedings, appearing as Counsel Assisting the Coroner (in the Northern Territory and NSW) and counsel for interested parties. She also appears in disciplinary tribunals including the Medical Tribunal and Medical Council, for both prosecution and defence. (Attended 1 meeting)

John Bordon

(Representative of Unions NSW)

BA LLB (UniSyd) LLM (UNSW)

Appointed in 2009 and reappointed for a further term commencing 18 February 2013 to 17 February 2016.

John is nominated by Unions NSW. In the past he has held a number of positions on the staff of Legal Aid NSW. Currently he is a senior member of the NSW Civil and Administrative Tribunal. He has also served on a number of other bodies including the Serious Offenders Review Council and the Immigration Review Tribunal. (Attended 5 meetings)

Annette Bain

(Representative, who in the opinion of the NSW Attorney General, possesses skills and experience that would benefit Legal Aid NSW)

MA Dip Ed BLegS GAICD

Appointed in February 2013 for the period commencing 18 February 2013 to 17 February 2016.

Annette is Head of Pro Bono and Community at global law firm Herbert Smith Freehills. Before that, she worked as a barrister in Sydney, and as a community lawyer at the Domestic Violence Advocacy Service and NSW Women's Legal Service. Annette is a member of the New South Wales Premier's Council on Homelessness. (Attended 5 meetings)

Ainslie van Onselen

(Representative of consumer and community welfare interests)

LLB (UWA), MAppFin, GDipAppFin, GAICD

Appointed in February 2013 for the period commencing 18 February 2013 to 17 February 2016.

Ainslie has practised as a commercial litigator for over 17 years and is admitted to practise law in several jurisdictions across Australia. She is the Deputy Chairperson of the Insurance Commission of Western Australia and former National President and current independent director of the Migration Institute of Australia. She is an executive at Westpac Banking Corporation. (Attended 3 meetings)

John McKenzie

(Representative of bodies providing community legal services)

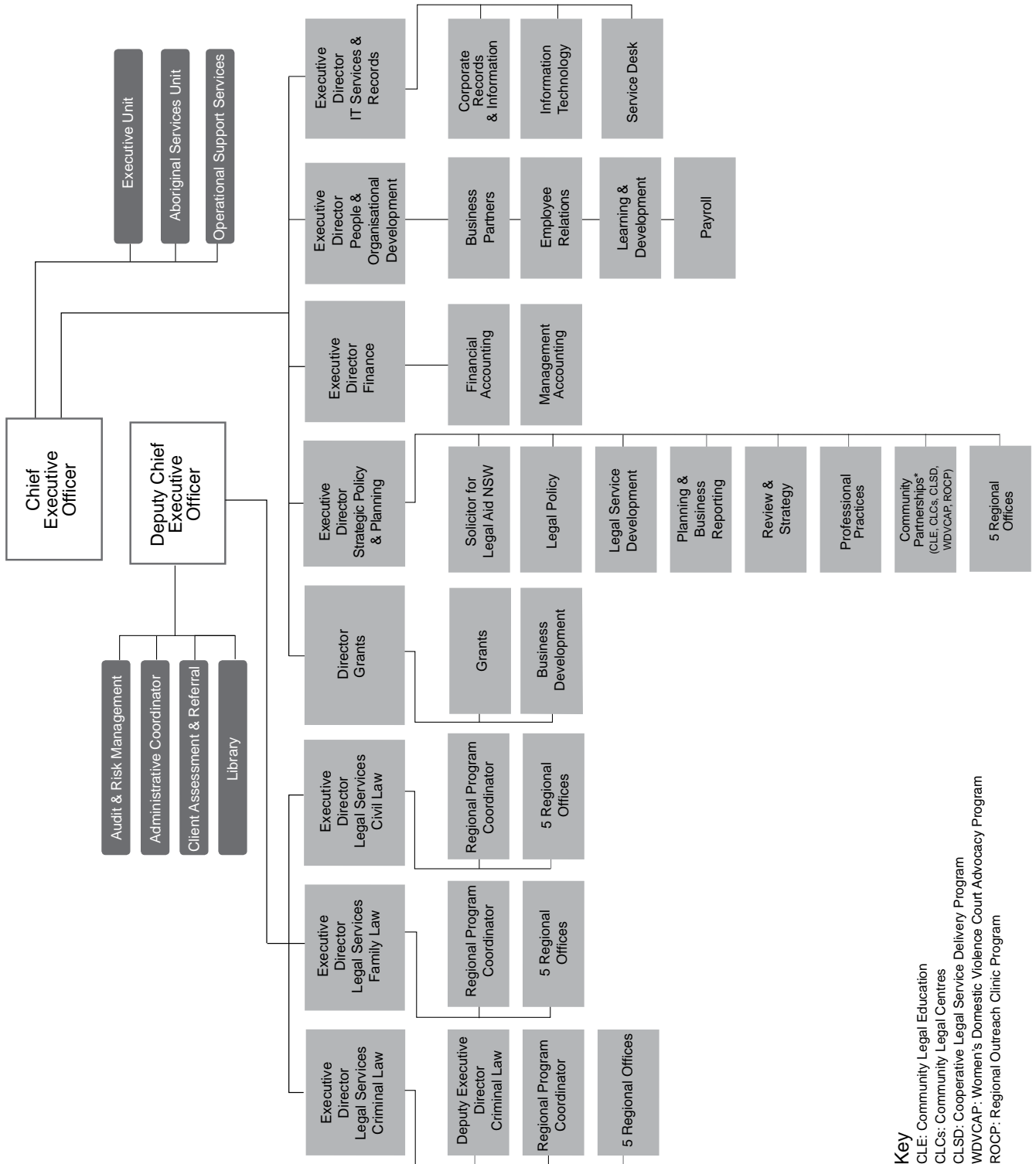
B Comm LLB, Accredited Criminal Law Specialist

Appointed in May 2013 for the period commencing 13 May 2013 to 17 February 2016.

John has been the Chief Legal Officer for the Aboriginal Legal Service (NSW/ACT) since July 2006. Before that he was Principal Solicitor of the Many Rivers Aboriginal Legal Service in Newcastle (2001-2006) and Solicitor in Charge of Gosford Legal Aid office (1994-2000).

John was Principal Solicitor on the Royal Commission into Aboriginal Deaths in Custody from late 1987 to its conclusion in 1991. In 2011 he was awarded the Justice Medal at the Law and Justice Foundation NSW annual Justice Awards. (Attended 5 meetings)

Organisational structure



*** Key**
 CLE: Community Legal Education
 CLCs: Community Legal Centres
 CLSD: Cooperative Legal Service Delivery Program
 WDV/CAP: Women's Domestic Violence Court Advocacy Program
 ROCP: Regional Outreach Clinic Program

Corporate governance

Our senior management team is diverse and highly experienced, each director contributing to the strength of our organisation and helping to achieve our goals.



BILL GRANT
OAM LLB
Chief Executive Officer
(SES Level 6)

| | |
|--------------------|----------|
| Budget total: | \$254.5M |
| Total staff (FTE): | 903.91 |
| Total actual: | 994 |

Bill commenced as CEO in December 2011 – his second term after serving as CEO from 2001 to 2007. From 2007-2011, Bill was the Secretary General of the Law Council of Australia. He held the position of Deputy Director-General of the NSW Attorney General's Department from 1992 to 2001.

Despite a difficult funding environment, Bill ensured that Legal Aid NSW continues to be an innovative, creative and forward-thinking organisation, with a strong focus on service delivery for our clients.

Bill effectively managed to deliver budget savings across Legal Aid NSW by adopting a rigorous and strategic approach to resolving issues and concerns early.

He exceeded the performance benchmarks of the *National Partnership Agreement* with the Commonwealth Government in all areas, including increasing early intervention services by 80% and total services by 32% since the agreement commenced in 2009-2010.

Bill played a strong role in building collaborative working relationships with heads of jurisdictions, private lawyers and leaders across the justice cluster.

For more information see Bill's performance statement in Appendix 1.



STEVE O'CONNOR
Dip Law (BAB) Dip Crim
Deputy Chief Executive Officer
(SES Level 4)

| | |
|--------------------|----------|
| Budget total: | \$164.0M |
| Total staff (FTE): | 779.17 |
| Total actual: | 857 |

Steve returned to Legal Aid NSW in September 2012. In addition to his role as Deputy CEO, Steve undertakes the role of Chief Audit Executive.

In this capacity Steve has initiated eight internal audits across the organisation – more than the number required by the Internal Audit Plan approved by the Audit and Risk Committee.

This year Steve has again led the inhouse legal practice. Planning the introduction of a pilot of Activity Based Costing has been a major focus for Steve. The pilot will commence next year.

The demands of the increasing District Court criminal trial backlog and the early identification of appropriate pleas of guilty have remained as major challenges. On behalf of Legal Aid NSW, Steve has contributed in various ways to the position taken by Legal Aid NSW to respond to the NSW Law Reform Commission's reference, from the former Attorney General, addressing early pleas of guilty.

Steve is now in his eighth year as an Honorary Director of the Board of the Aboriginal Legal Service (NSW/ACT) Ltd.



KYLIE BECKHOUSE
BA LLB
Accredited Family Law Specialist
Executive Director Legal Services Family Law
(Senior Officer Grade 2)

| | |
|--------------------|---------|
| Budget total: | \$46.8M |
| Total staff (FTE): | 201.5 |
| Total actual: | 225 |

Kylie has practised as a family lawyer, first in private practice and then at Legal Aid NSW, for the last 21 years. She was appointed Executive Director of the Family Law Division in May 2009 and in this role has been responsible for many innovations in the delivery of family law services. She is an accredited specialist in family law and an independent children's lawyer.

Kylie is appointed to the Family Law Council of Australia and the NSW Children's Court Advisory Committee. She is a member of the Law Society of NSW Family Law Issues Committee and the National Legal Aid Family Law Working Group. Kylie has served on many other committees, boards and advisory groups during her career.

She has been awarded a Churchill Fellowship to travel overseas in late 2014 to investigate the administration of child legal representation schemes.

Achievements this year include initiatives introduced to improve services to children and young people, and the record results of the family dispute resolution service.



RICHARD FUNSTON
BCom LLB EMPA
Accredited Criminal Law Specialist
Executive Director Criminal Law
(SES Level 3)

| | |
|--------------------|---------|
| Budget total: | \$86.8M |
| Total staff (EFT): | 239.94 |
| Total actual: | 270 |

Richard has been the Acting Executive Director of Criminal Law since January 2014.

Richard's previous experience includes eight years with Victoria Legal Aid and four years as Principal Solicitor of the Inner City Legal Centre in New South Wales. During his 17 years with Legal Aid NSW, Richard has held leadership roles across the organisation including Solicitor in Charge of the Children's Legal Service, Director Grants and Director Strategic Planning and Policy.

Richard's key achievements include promoting good psychological health for staff, creating new ongoing positions, reviewing the local court defended hearing policy and being an active member of the Bail monitoring committee.

During the year, Richard chaired the specialist barrister panel for complex criminal cases committee, the Reconciliation Action Plan implementation working group, the NSW Legal Assistance Forum Prisoners Group and the Health and Safety Committee for Legal Aid NSW.



MONIQUE HITTER
BSW Dip Law

Executive Director
Legal Services Civil Law
(Senior Officer Grade 2)

| | |
|--------------------|---------|
| Budget total: | \$18.9M |
| Total staff (FTE): | 134.4 |
| Total actual: | 140 |

Monique has worked as a lawyer since 1997 in the community, government and private sectors.

Monique developed the model for the Cooperative Legal Services Delivery Program and managed its pilot in 2004. It is now implemented in many regions across New South Wales.

Monique has been the Director of the Civil Law Division since July 2007. She is also a member of the Women's Advisory Council for Corrective Services NSW.

Monique has overseen the development of key projects in areas such as employment law and consumer law outreach in Aboriginal communities, as well as the establishment of a civil law children's law service and expanded duty services in courts and tribunals.

Her division has performed strongly across all civil law services, including achieving significant increases in advice and minor assistance services. The division was recently held up by the Productivity Commission as the leading civil law practice on a national level.



ANNMARIE LUMSDEN
BA LLB EMPA

Accredited Criminal Law Specialist
Executive Director
Strategic Policy and Planning and Acting Executive Director,
Community Partnerships
(SES Level 2)

| | |
|--------------------|---------|
| Budget total: | \$31.4M |
| Total staff (FTE): | 29.99 |
| Total actual: | 35 |

Annmarie was appointed Executive Director, Strategic Policy and Planning in May 2011 and Acting Executive Director, Community Partnerships in December 2013. Before that, her senior Legal Aid NSW roles included Director Grants and Solicitor Advocate, Criminal Law Division. Her previous experience includes working in private practice and government.

Annmarie has been a member of the Law Society's Criminal Law Committee since 2001. She is a member of the Public Interest Advocacy Centre Board.

Achievements this year include the Legal Aid NSW contribution to the Productivity Commission *Inquiry into Access to Justice Arrangements*. In proceedings before the Commission on 3 June 2014, Commissioner MacRae commented:

'...we have been very, very grateful for all the assistance you [Legal Aid NSW] have given us. I know there is a lot of behind the scenes work between our staff and your staff and it really is very much appreciated.'



CLARE HAMILTON
B Bus (Accounting) CPA

Executive Director
Finance
(Senior Officer Grade 2)

| | |
|--------------------|----------|
| Budget total: | \$254.5M |
| Total staff (FTE): | 15 |
| Total actual: | 15 |

Clare was appointed to this position in 2008.

Clare's experience over 30 years includes senior finance and corporate services roles in a diverse range of NSW public sector agencies.

Clare has consistently met financial targets in difficult funding climates, and has a record of successfully implementing change in Finance and other corporate services areas.

This year, Clare led her team through a restructure process to better align Finance functions. She also introduced Finance partnering so the team could provide more support to other areas of Legal Aid NSW, and implemented a number of improvements, streamlining work practices and increasing service delivery efficiency by the Finance team.



VICKI LEAVER
BA Dip Ed

Executive Director
People and Organisational Strategy
(Senior Officer Grade 2)

| | |
|--------------------|--------|
| Budget total: | \$1.8M |
| Total staff (FTE): | 17.4 |
| Total actual: | 19 |

Vicki was appointed as the Executive Director, People and Organisational Development in July 2011.

Vicki has held senior roles in the public and private sectors.

This year Vicki's team has successfully led a number of organisational initiatives to strengthen the health and wellbeing of staff.

This included introducing a blended management development program and regular roadshows to offices across NSW.

Vicki's team was also responsible for supporting the implementation of the *Government Sector Employment Act 2013* and workforce planning initiatives.



WAYNE GALE
BA (Computing)

MCom (Accounting)
Executive Director
Information Technology Services and Records
(Senior Officer Grade 2)

| | |
|--------------------|--------|
| Budget total: | \$2.9M |
| Total staff (FTE): | 32.02 |
| Total actual: | 33 |

Wayne was appointed to his position in January 2007.

Wayne's career in information technology spans 28 years including senior roles both in the private sector providing information technology services and solutions to Government, as well as working directly in the government sector.

This year Wayne and his team completed a number of initiatives in the area of mobile technology, including a new mobile app, improvements to our website for use with mobile devices, and the acquisition and rollout of iPads to many Legal Aid NSW lawyers.

Wayne successfully coordinated our program of work through the year to ensure Legal Aid NSW met the requirements of the NSW Government Digital Information Security Policy.

Wayne oversaw a number of infrastructure upgrades as well as planning towards our migration to the NSW Government data centres in the near future.

Corporate governance

Governance framework

The Legal Aid Commission of NSW is established under the *Legal Aid Commission Act 1979* to improve access to justice for socially and economically disadvantaged members of our community. It is an independent statutory body.

The Legal Aid Commission Staff Agency, a Division of the Government Service, provides personnel services to the Legal Aid Commission of NSW at cost. The Legal Aid Commission of NSW does not employ staff directly.

A Memorandum of Understanding between the two organisations nominates their respective responsibilities.

Collectively, the Legal Aid Commission of NSW and the The Legal Aid Commission Staff Agency are referred to as Legal Aid NSW.

Our governance structure ensures that the business objectives of Legal Aid NSW are met in an ethical and effective manner. See chart below.

Board and management roles and responsibilities

Legal Aid NSW has a Board that is responsible for establishing broad policies and strategic plans for Legal Aid NSW. The Chief Executive Officer is a member of the Board. A list of Board members appears on page 62.

The daily management of Legal Aid NSW is overseen by the Chief Executive Officer, with assistance from the Deputy CEO and eight Executive Directors.

The CEO has a performance agreement with the Attorney General (see Appendix 1). The Deputy CEO and Executive Directors (Senior Executive Service) have performance agreements with the CEO.

Our work is supported by a range of plans and policies to establish procedural requirements, standards and priorities. These include the Legal Aid NSW Plan, Code of Conduct, legal aid guidelines and means tests, Corruption and Fraud Prevention Plan and Business Continuity Plan.

Corporate planning involves staff and Board members

A new Legal Aid NSW Plan was developed for 2014–2015 with input from staff and the Legal Aid NSW Board. The plan retains the four objectives from the previous year. Service measures and time frames ensure efficient internal monitoring and delivery of the plan's actions. Progress against the actions is reviewed by the Executive every quarter and by the Board of Legal Aid NSW every six months.

The Legal Aid NSW Plan 2014–2015 is available under the *About Us* section on the Legal Aid NSW website.

The Diversity Action Plan 2014–2015 is developed using the same Objectives as the Legal Aid NSW Plan, ensuring that our key plans work in synergy and that there is consistency in the delivery of our objectives.

New starters are trained in ethics

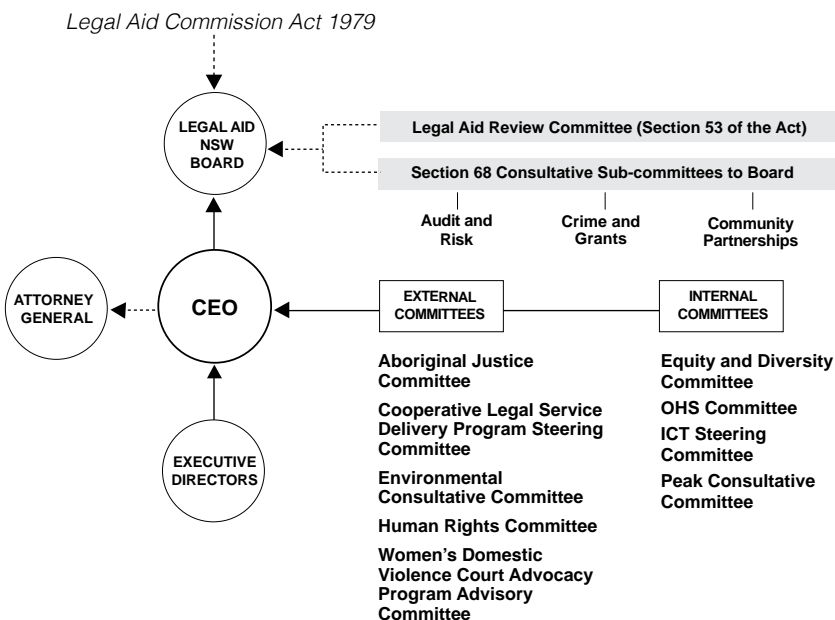
Legal Aid NSW is committed to acting ethically at all times. The Legal Aid NSW Code of Conduct provides an ethical framework for the decisions, actions and behaviour of all our staff and identifies the principles underlying appropriate conduct and the minimum standards of behaviour expected of staff. All new starters must read and sign the Code of Conduct before commencing work at Legal Aid NSW. It is an integral component of our induction training program.

In addition, all our lawyers are bound by professional practice standards, comply with mandatory continuing professional development requirements and have access to a range of skills development training courses.

Financial performance

Legal Aid NSW has a strong financial focus, robust budgets and clear, concise reporting to internal and external stakeholders. Detailed monthly financial reports are prepared for the Audit and Risk Committee and the Board. A commentary including detailed analysis is also provided. The Executive Director, Finance provides expert advice at Audit and Risk Committee and Board meetings.

Corporate Governance framework



Our corporate governance framework guides us in fulfilling our legislative objectives and ensures we honour our commitment to the community.

Identifying and managing risk

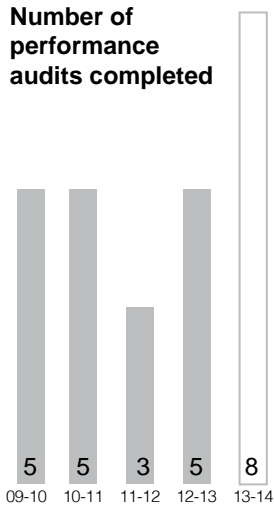
Legal Aid NSW regularly conducts a risk assessment of its activities covering both strategic and operational risks.

The risk assessment is used to prepare the Internal Audit Plan.

The Internal Audit Plan also includes provision for additional audits should circumstances change during the course of the year. The preparation of the risk assessment is based upon a methodology recognising inherent risk and control effectiveness.

Each audit has a stated objective and scope of activity. All audit recommendations to improve controls require a management response detailing the action that will be taken to implement the recommendations, the designated responsible officer and an identified completion date for implementation.

Number of performance audits completed



Presentation of the Audit Plan and regular reports on the progress of audits and the implementation of audit recommendations are included on the agenda of the Audit and Risk Committee. The Audit Plan is based on a three-year risk assessment covering the period 2013–2016.

Eight internal audits were conducted—more than the annual requirement.

Report from the Audit and Risk Committee 2013-2014

The primary objective of the Audit and Risk Committee is to advise the Board, including the Chief Executive Officer, concerning financial reporting practices, business ethics, policies and practices, accounting policies and internal controls.

Accordingly, the Committee oversees a range of activities, including the financial performance of Legal Aid NSW and the internal audit function.

During the year, the Committee comprised three members. Two members (Phil Bickerstaff and Lyn Baker) were independent members and one member (Kylie Beckhouse) was a non-independent executive member. The Chief Executive Officer, the Deputy Chief Executive Officer Operations and Chief Audit Executive, and the Executive Director Finance also attend each meeting. Representatives from the Audit Office attended some meetings.

The Committee met on 6 occasions in 2013-2014 and reviewed a range of matters including:

- Monthly Financial Results;
- Internal Audit Plan for 2013-2014;
- End of Year Financial Statements;
- Updates on Internal Audits and the implementation of recommendations;
- Board papers with financial implications; and
- Updated Risk Assessment and three year Internal Audit Plan.

The following internal audits were completed during the year:

- *Public Authorities (Financial Arrangements) Act 1987*;
- Work Health and Safety;
- CASES System and Performance Review;
- Allocation of Legal Aid NSW Work;
- Management Reporting Effectiveness;
- Salary Overpayment Process;
- Payroll;
- ISO27001 Information Security Pre-assessment Report

Philip Bickerstaff M Comm
Independent Chair

22 September 2014

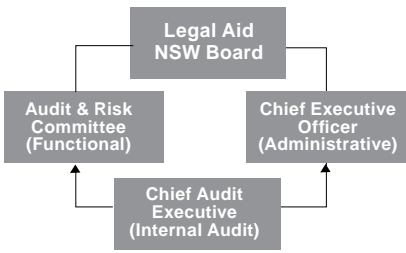
Up to six audits are scheduled for each of the three years. However, during 2013-2014, eight internal audits were conducted.

Legal Aid NSW may undertake additional audits to address current issues and developments that are unforeseen by a settled three year plan. This provides the Audit and Risk Committee with appropriate flexibility and responsiveness.

Risk management process

Whilst risk management and internal controls are overseen by the Audit and Risk Committee, primary responsibility for managing risk and internal controls rests with line managers, who are required to ensure that an effective control environment operates within their area of responsibility.

Risk management process



Internal Audit and Risk Management Statement for Legal Aid NSW 2013-2014

I, William Grant, am of the opinion that Legal Aid NSW has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, William Grant, am of the opinion that the Audit and Risk Committee for Legal Aid NSW is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and Members of the Audit and Risk Committee are:

- Philip Bickerstaff, Independent Chair (3 year appointment)
- Lyn Baker, Independent Member (3 year appointment)
- Kylie Beckhouse, Non-Independent Member (3 year appointment)

I, William Grant, declare that this Internal Audit and Risk Management Statement is made on behalf of the following controlled entity: Legal Aid Commission Staff Agency.

Legal Aid NSW has outsourced internal audit services for reasons of economy, given the relatively small size of Legal Aid NSW, access to specialist expertise and because it subjects our systems to best practice review standards. These processes provide a level of assurance that enables the senior management of Legal Aid NSW to understand, manage and satisfactorily control risk exposures.

William Grant
Chief Executive Officer

2 October 2014

Information security

During 2013-2014 Legal Aid NSW developed and implemented an Information Security Management System (ISMS) as part of a program of work coordinated by the Executive Director IT Services and Records toward compliance with the NSW Government Digital information Security Policy. In particular:

- a suite of core ISMS policies, frameworks and manuals were developed;
- information Security Governance arrangements were established, overseen by the Information and Communications Technology Steering Committee;
- an initial risk assessment exercise was undertaken with key business stakeholders, with information security risks identified and treatment plans agreed;
- an information security internal audit was undertaken in April 2014 and will be undertaken annually in the future;
- the inaugural annual Information Security Management Review was held in April 2014 where a range of information security related topics including review of the internal audit and risk assessments were discussed; and
- initial training and awareness activities were undertaken targeting all staff to ensure they are aware of their responsibilities around information security.

A new Information and Communications Technology Acceptable Usage Policy was launched during the year, providing all staff with easy to understand guidance on their responsibilities in protecting our sensitive information.

During April and May 2014 we also specifically raised the awareness of information security responsibilities with staff through our *Table Talk* corporate communications program and through the introduction of a new information security resources page on our intranet as well as a single page tip sheet on keeping our information secure.

Legal Aid NSW sought certification of its Information Security Management System against the internal standard ISO/IEC 27001:2013 Information Technology – Security Techniques – Information Security Management Systems Requirements. In 2013–2014, we were successful in achieving that certification for our centralised ICT operations as well as all our business areas throughout our Central Sydney location, with a broadening of scope to encompass regional locations planned through 2014-2015.

Business continuity

We have a Business Continuity Management Plan that is activated when a risk event renders Legal Aid NSW unable to continue to provide services from a regional office or a metropolitan office – including Central Sydney.

Legal Aid NSW commenced a comprehensive review of this Plan in 2013-2014. It will be completed early in 2014-2015.

The Plan addresses a range of actions that are required to manage the situation, including a recovery management team to oversee the recovery process.

Our Information Technology disaster recovery site provides an alternative site to host business systems and is tested on a regular basis.

Fraud and corruption processes

Legal Aid NSW is committed to conducting business with honesty and transparency. Our Corruption and Fraud Prevention Plan outlines the approach adopted to prevent fraud and other corrupt behaviour.

The Plan addresses a number of controls, including responsibility structure, risk assessment, reporting systems, investigation standards and conduct and disciplinary standards.

The Plan complements other related documents such as the Code of Conduct and Protected Disclosure Policy.

Legal Aid NSW digital information security annual attestation statement for 2013-2014

I, William Grant, am of the opinion that Legal Aid NSW had an Information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector, with the following qualifications:

- Legal Aid NSW has an information classification system in place and work is in progress to transition to the new information and labelling scheme as required by the Policy by 31 December 2014
- Legal Aid NSW is in the process of reviewing its Business Continuity Management Framework which will ensure full compliance with the Policy by 31 December 2014

I, William Grant, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of Legal Aid NSW are adequate for the foreseeable future.

I, William Grant, am of the opinion that all Public Sector Agencies, or part thereof, under the control of Legal Aid NSW with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the Digital Information Security Policy for the NSW Public Sector.

I, William Grant, am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, certified compliance with ISO/IEC 27001:2013 Information technology - Security techniques - Information security management systems - Requirements had been maintained by all or part of Legal Aid NSW and all or part of any Public Sector Agencies under its control.



William Grant
Chief Executive Officer

29 August 2014

Legislative compliance

Significant cases

Under s 47 of the *Legal Aid Commission Act 1979* (NSW), where an order for costs is made against a legally assisted person, Legal Aid NSW is required to pay the whole of those costs (unless one of the stated exceptions apply). The legally assisted person is not liable for the payment of any of those costs.

In *Wende v Horwath* (NSW) Pty Limited [2014] NSWCA 170 Mr Wende applied for and was granted legal aid for proceedings in the Supreme Court. Mr Wende was one of three plaintiffs all of whom were business partners. The plaintiffs lost and a costs order was made against them.

The applicants argued that because they were business partners, the application for legal aid successfully made by Mr Wende had the effect of an application made by all three partners and that the resultant grant of legal aid existed for the benefit of all of them, so that the exemption from liability for costs effected by s 47(2)(b) of the *Legal Aid Commission Act 1979* operated to the benefit of all.

The Court of Appeal held that the protection from an adverse costs order conferred by s 47 of the *Legal Aid Commission Act 1979* (NSW) on a legally assisted person does not extend to persons with whom the person is in partnership.

Legislative amendments

Consequential amendments to the *Legal Aid Commission Act 1979* were made relating to the enactment of the *Government Sector Employment Act 2013*.

➤ The year ahead

Complete the new Business Continuity Management Plan.

Improve our Information Security Management System and provide training to staff.

Finalise the transition to the recently introduced New South Wales Government Information Classification requirements

Introduce a new Code of Conduct in line with Public Service Commission guidelines.

Conduct six internal audits in accordance with the Audit Plan.

➤ Key challenge

Ensure that relevant information is classified in line with government requirements.

Corporate governance

Public interest disclosures

Legal Aid NSW has complied with our six-monthly reporting obligations under the *Public Interest Disclosures Act 1994*. There was one public interest disclosure made during 2013-2014.

| Public interest disclosures (PIDs) 2013-2014 | No. |
|--|-----|
| Public officials who have made a PID | 1 |
| PIDs received by Legal Aid NSW | |
| - Corrupt conduct | 1 |
| - Maladministration | 0 |
| - Serious and substantial waste of public money | 0 |
| - Government information contraventions | 0 |
| PIDs finalised by Legal Aid NSW | 1 |
| Types of PIDs | |
| PIDs made by public officials in performing their day-to-day functions as public officials | 1 |
| PIDs made under a statutory or other legal obligation | 0 |
| All other PIDs | 0 |

Public accountability

We are accountable to the public through an appeals system that guarantees procedural fairness and an open and efficient complaints process.

Appealing decisions

Six independent Legal Aid Review Committees (LARC) determine appeals relating to legal aid applications and grants of legal aid that have been refused. They are established under

the *Legal Aid Commission Act 1979* to ensure our clients have fair and equitable access to legal aid services. Committee members are appointed for a period of up to two years, and are eligible for reappointment.

This year the review committees held 65 meetings and three teleconferences. The committees allowed appeals in 122 of 1,467 matters submitted, compared to 90 appeals allowed out of 1,165 last year. See *chart 1*.

The percentage of appeals submitted for criminal, civil and family matters have each increased proportionately to the previous year's result.

Appeal trends over five years

The average number of appeals submitted each year over the past five years is 1,313. See *chart 2*.

Service review – greater efficiency

LARC now has an online training module for all committee members and Legal Aid NSW staff in relation to the appeal processes and procedures.

LARC successfully piloted and implemented the use of iPads for LARC meetings in 2013–2014,

reducing the cost and resource intensity of the previous paper-based system. Information on how to appeal to LARC can be found in the *Get legal help > Apply for legal aid* section of the Legal Aid NSW website.

Complaints handling

Improving complaints handling continues to be a focus area for Legal Aid NSW. In 2013-2014 we started to implement the recommendations from the KPMG independent audit.

One of the key actions was the appointment of a Complaints and Client Services Project Officer in January 2014. The Project Officer is reviewing all aspects of our complaints handling and how this informs quality service across the organisation.

Progress on the project this year included:

- draft complaints handling policy;
- centralised complaints recording process;
- changes to complaint data and categories to improve reporting of information;
- Legal Aid NSW website complaint page replaced with a 'Feedback' page which includes a new online complaints form for suggestions, complaints and compliments; and
- introduction of regular reporting of complaints data to the Executive.

Complaints data

We received 316 complaints in 2013-2014 and 246 inquiries from third parties querying another person's eligibility for a grant of aid. Previously grant eligibility issues were included in our annual report as part of the complaints data. This year they are reported as inquiries as they are not complaints about a Legal Aid NSW service.

The introduction of the new data collection process now allows us to report on the complaint outcomes.

Chart 2
Appeals and outcomes
5 year trend

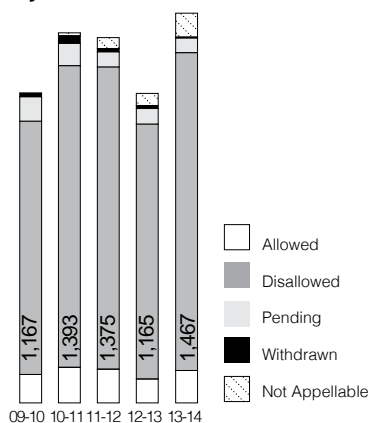


Chart 1 Total Appeals and Outcomes by law type 2013-2014

| Law Type | Allowed | Disallowed | Pending | Withdrawn | Not Appellable | Total Appeals | Appeals Allowed % |
|--------------|------------|--------------|-----------|-----------|----------------|---------------|-------------------|
| Family | 80 | 844 | 34 | 3 | 1 | 962 | 8.3 |
| Criminal | 36 | 184 | 15 | 1 | 89 | 325 | 11.1 |
| Civil | 6 | 168 | 6 | 0 | 0 | 180 | 3.3 |
| TOTAL | 122 | 1,196 | 55 | 4 | 90 | 1,467 | 8.11 |

| Complaints type | No. |
|---|------------|
| Grants – refusals | 50 |
| Inhouse (Customer service) | 37 |
| Inhouse lawyer | 61 |
| Staff (other than inhouse lawyer) | 7 |
| Policy and/or administrative processes | 29 |
| Private practitioner (conduct) | 57 |
| Private practitioner (Fees) | 13 |
| Independent Children's Lawyer (conduct) | 19 |
| Mediator | 6 |
| Other | 37 |
| Total | 316 |

| Outcome | No. |
|---|------------|
| Complaint – upheld | 16 |
| Complaint – partially upheld | 9 |
| Complaint – not upheld | 148 |
| Referred to other body | 16 |
| Response to Minister's office or Community Relations Unit | 52 |
| Referred to Legal Aid NSW Professional Practices Branch | 3 |
| Complaint – unknown outcome (eg s25/26) | 72 |
| Total | 316 |

➤ The year ahead

Conduct training on appeal processes and procedures for all Legal Aid NSW staff and LARC Committee members.

Review data recording and administrative procedures in relation to LARC appeals, in consultation with all relevant parties.

Implement complaints handling policy by training staff.

Use complaints data more effectively to identify service improvement issues.

➤ Key challenge

Improving the complaints handling culture across the organisation by effectively implementing the key messages of the new complaints handling policy.

Privacy

The revised Privacy Management Plan launched in August 2013 explains how we manage personal information under the *Privacy and Personal Information Protection Act 1998* and *Health Records and Information Privacy Act 2002*.

Factsheets for staff dealing with privacy, information handling and access to external agency data have been revised. No applications for internal review were received during 2013-2014.

Right to information

The *Government Information (Public Access) Act 2009* ("GIPA Act") provides for a regime of open government information, encouraging the release of information.

We continued to make information about legal aid and other services, including policy documents, available on our website.

We also dealt with informal and formal applications for access to information. The number of formal applications was 17. Details of the applications dealt with under the GIPA Act are provided in Appendix 9.

Most requests continued to be from clients seeking access to material from their own files and applicants for legal aid seeking to understand how their applications were determined.

However, there were also a number of matters raising complex legal issues, including legal professional privilege.

There was one internal review and two external reviews by the Information and Privacy Commission. There were also two new applications for external review to the Administrative Decisions Tribunal (now NSW Civil and Administrative Tribunal).

Compliance with the requirements of the GIPA Act continues to place demands on staff time and resources.

➤ The year ahead

Provide training to authorised officers and other staff on providing information under the GIPA Act.

➤ Key challenge

Ensuring that staff are made aware of their information handling obligations, within the constraints of limited resources.

The continuing operation of Legal Aid NSW depends upon strong financial management. This year, we introduced Finance partnering to improve support provided to other areas of Legal Aid NSW. We also implemented a number of process improvements.

| In this section | Key results | | Key challenge for the year ahead |
|--------------------------|----------------|----------|--|
| 73 Financial overview | Total revenue | \$247.7M | Continuing to operate within budget and maintain high quality services to clients. |
| 74 Financial performance | Total expenses | \$243.9M | |
| 75 Financial statements | Net equity | \$32.0M | |
| | Surplus | \$3.5M | |

Financial overview

Funding

Legal Aid NSW receives its income as a grant from the Department of Justice. The grant comprises income mainly from NSW Government and Commonwealth Government. In addition income is received from the Public Purpose Fund, interest and client contributions.

Total income for 2013–2014 was \$247.7 million and expenditure was \$243.9 million.

Funding from the NSW Government was \$117.3 million.

Funding from the Commonwealth Government under the National Partnership Agreement was \$63.7 million. This represents a 1.8% increase on 2012–2013.

Key developments

There was an operating surplus of \$3.5 million, which is a variance to budget of \$3.9 million.

We ended the year with net equity of \$32.0 million.

Payments of \$93 million were made to private lawyers, who provide legal aid services to our clients in partnership with Legal Aid NSW. These payments include disbursements for other professional services.

PRIORITY: EXCELLENCE IN LEGAL SERVICES

Improving the way we work

This year, we introduced Finance partnering to improve support provided to other areas of Legal Aid NSW. We also implemented a number of process improvements.

➤ The year ahead

Continue the process improvement program.

➤ Key challenge

Continuing to operate within budget and maintain high quality services to clients.

Payment of accounts

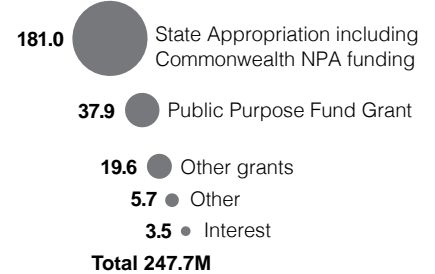
We paid all accounts on time and were not required to pay penalty interest on any account.

Credit card certification

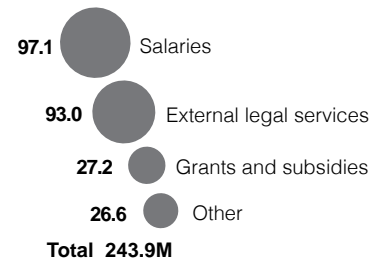
In accordance with Treasurer's Direction 205.01, it is certified that credit card usage by Legal Aid NSW officers has been in accordance with the appropriate government policies, Premier's Memoranda and Treasurer's Directions, and meets best practice guidelines issued by Treasury.

Total expenditure was \$243.9 million.

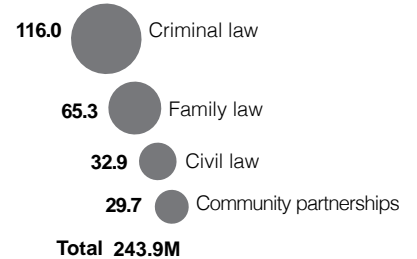
Where our money came from (\$M)



How we spent our money (\$M)



How we spent our money by program (\$M)



Financial summary

Financial performance

The financial result for Legal Aid NSW was a surplus of \$3.5 million which is \$3.9 million above the budgeted deficit of \$0.4 million.

Income

Total income for 2013-2014 was \$247.7 million and expenditure was \$243.9 million.

Funding from the NSW Government was \$117.3 million.

Funding from the Commonwealth Government under the National Partnership Agreement was \$63.7 million.

Funding from other sources includes \$37.9 million from the Public Purpose Fund, \$19.6 million from Other Grants Received, \$3.5 million from Interest, and \$5.7 million from Other Sources.

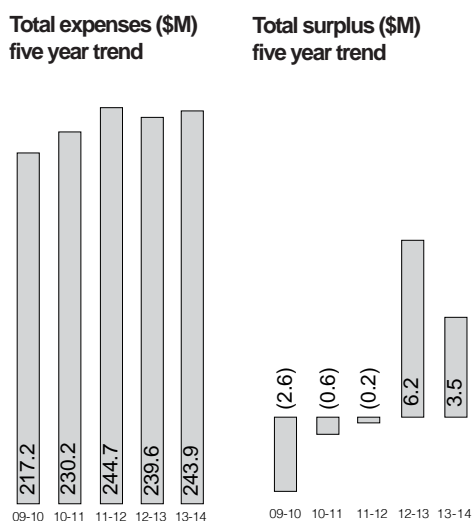
Expenses

Our major expenses were:

- employee related expenses of \$97.1 million (\$94.7 million in 2012-2013); and
- payments to private lawyers of \$93.0 million (\$94.3 million in 2012-2013).

Total expenses for Legal Aid NSW are estimated at \$271.1 million in 2014-2015, an increase of 9.7% on the 2013-2014 budget.

The increase mainly relates to the increase in Employee Related Expenses of \$8.4 million, Grants and Subsidies of \$3.8 million and Payments to private lawyers of \$10.0 million.



Budget outline 2014-2015

| Operating statement | (\$M) |
|--|-------|
| Revenue (including government contributions) | 267.7 |
| Expenditure | 271.1 |
| Other Gains/Losses | (0.2) |
| Net Result | (3.5) |

| Balance sheet | (\$M) |
|-------------------------|-------|
| Current Assets | 85.6 |
| Non Current Assets | 14.4 |
| Total Assets | 100.0 |
| Current Liabilities | 67.0 |
| Non Current Liabilities | 3.8 |
| Total Liabilities | 70.8 |
| Net Assets | 29.2 |
| Equity | 29.2 |

Legal Aid Commission of NSW

The Legal Aid Commission of NSW (Legal Aid NSW) economic entity consists of two separate reporting entities; being the Legal Aid Commission (a statutory body) and the Legal Aid Commission Staff Agency (a Government Department). The Legal Aid Commission Staff Agency provides personnel services to the Legal Aid Commission.

Contents

| | |
|--|-----|
| Statement by Members of the Board | 76 |
| Independent Auditor's Report | 77 |
| Statement of Comprehensive Income | 79 |
| Statement of Financial Position | 80 |
| Statement of Changes in Equity | 81 |
| Statement of Cash Flows | 82 |
| Service Group Statements | 83 |
| Notes to the financial statements for the year ended 30 June 2014 | |
| 1. (a)–(i) Summary of significant accounting policies | 85 |
| 2. Expenses | 90 |
| 3. Revenue | 91 |
| 4. Gains/(loss) on disposal | 93 |
| 5. Other gains/(losses) | 93 |
| 6. Service groups/activities of Legal Aid NSW | 93 |
| 7. Current assets—cash and cash equivalents | 93 |
| 8. Current/non-current assets receivables | 94 |
| 9. Non-current assets —plant and equipment | 94 |
| 10. Intangible assets | 95 |
| 11. Current liabilities - payables | 95 |
| 12. Current/non-current liabilities—provisions | 96 |
| 13. Non-current liability—other | 96 |
| 14. Superannuation fund information | 97 |
| 15. Commitments for expenditure | 103 |
| 16. Contingent liabilities and contingent assets | 104 |
| 17. Budget review | 104 |
| 18. Reconciliation of cash flows from operating activities to net result | 104 |
| 19. Trust funds | 104 |
| 20. Financial instruments | 105 |
| 21. Events after reporting period | 108 |

Statement by Members of the Board

LEGAL AID COMMISSION OF NEW SOUTH WALES

Pursuant to Section 41C(1B) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the Board of the Legal Aid Commission of NSW, we declare on behalf of the Legal Aid Commission of NSW that in our opinion:

1. The financial statements have been prepared in accordance with the requirements of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulations 2010*, Financial Reporting Code for NSW General Government Sector Entities issued by the Treasurer, and applicable Australian Accounting Standards (which include Australian Accounting Interpretations).
2. The accompanying financial statements exhibit a true and fair view of the financial position of the Legal Aid Commission of NSW as at 30 June 2014 and transactions for the year then ended.
3. There are no circumstances that render any particulars included in the financial statements to be misleading or inaccurate.



Craig Smith
Chair



Steve O'Connor
Acting Chief Executive Officer

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Legal Aid Commission of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Legal Aid Commission of New South Wales (the Commission), which comprise the statements of financial position as at 30 June 2014, the statements of comprehensive income, the statements of changes in equity, the statements of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Commission and the consolidated entity. The consolidated entity comprises the Commission and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission and the consolidated entity as at 30 June 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Commission or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



David Daniels
Director, Financial Audit Services

22 September 2014
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

Statement of Comprehensive Income for the year ended 30 June 2014

| | Notes | Consolidated | | Parent | | |
|--|-------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | Actual 2014 \$'000 | Budget 2014 \$'000 | Actual 2013 \$'000 | Actual 2014 \$'000 | Actual 2013 \$'000 |
| Expenses excluding losses | | | | | | |
| Operating expenses: | | | | | | |
| Employee related | 2(a) | 97,131 | 94,478 | 94,734 | 407 | 168 |
| Personnel Services | 2(a) | 0 | 0 | 0 | 94,092 | 76,641 |
| Other operating expenses | 2(b) | 21,379 | 19,990 | 19,487 | 21,379 | 19,487 |
| Depreciation and amortisation | 2(c) | 5,090 | 4,500 | 5,654 | 5,090 | 5,654 |
| Grants and subsidies | 2(d) | 27,229 | 24,556 | 25,419 | 27,229 | 25,419 |
| Finance costs | 2(e) | 67 | 0 | 25 | 67 | 25 |
| Other Expenses | 2(f) | 92,988 | 103,657 | 94,300 | 92,988 | 94,300 |
| Total Expenses excluding losses | | 243,884 | 247,181 | 239,619 | 241,252 | 221,694 |
| Revenue | | | | | | |
| Sale of goods and services | 3(a) | 5,251 | 4,148 | 5,498 | 5,251 | 5,498 |
| Investment revenue | 3(b) | 3,469 | 2,985 | 2,904 | 3,469 | 2,904 |
| Grants and contributions | 3(c) | 238,485 | 239,468 | 237,396 | 238,485 | 237,396 |
| Other revenue | 3(d) | 469 | 318 | 422 | 469 | 422 |
| Total Revenue | | 247,674 | 246,919 | 246,220 | 247,674 | 246,220 |
| Gain/(loss) on disposal | 4 | (11) | 35 | 65 | (11) | 65 |
| Other Gains/(losses) | 5 | (275) | (200) | (424) | (275) | (424) |
| Net result | 18 | 3,504 | (427) | 6,242 | 6,136 | 24,167 |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified to net result | | | | | | |
| Superannuation actuarial gains/(losses) | | 2,632 | 0 | 17,925 | 0 | 0 |
| Total other comprehensive income for the year | | 2,632 | 0 | 17,925 | 0 | 0 |
| TOTAL COMPREHENSIVE INCOME | | 6,136 | (427) | 24,167 | 6,136 | 24,167 |

The accompanying notes form part of these financial statements

Financial statements

Statement of Financial Position for the year ended 30 June 2014

| | Notes | Consolidated | | | | Parent | | |
|--------------------------------------|-------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
| | | Actual 2014 \$'000 | Budget 2014 \$'000 | Actual 2013 \$'000 | 01 July 2012 \$'000 | Actual 2014 \$'000 | Actual 2013 \$'000 | 01 July 2012 \$'000 |
| ASSETS | | | | | | | | |
| Current Assets | | | | | | | | |
| Cash and cash equivalents | 7 | 86,082 | 78,056 | 82,574 | 79,308 | 86,082 | 82,574 | 79,308 |
| Receivables | 8 | 3,677 | 4,799 | 3,863 | 4,801 | 3,677 | 3,863 | 4,801 |
| Total Current Assets | | 89,759 | 82,855 | 86,437 | 84,109 | 89,759 | 86,437 | 84,109 |
| Non-Current Assets | | | | | | | | |
| Receivables | 8 | 2,290 | 2,221 | 1,867 | 2,221 | 2,290 | 1,867 | 2,221 |
| Plant and equipment | 9 | 11,393 | 12,201 | 10,567 | 10,040 | 11,393 | 10,567 | 10,040 |
| Intangible assets | 10 | 2,884 | 892 | 3,021 | 4,530 | 2,884 | 3,021 | 4,530 |
| Total Non-Current Assets | | 16,567 | 15,314 | 15,455 | 16,791 | 16,567 | 15,455 | 16,791 |
| Total Assets | | 106,326 | 98,169 | 101,892 | 100,900 | 106,326 | 101,892 | 100,900 |
| LIABILITIES | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Payables | 11 | 13,981 | 15,229 | 14,640 | 21,645 | 13,981 | 14,640 | 21,645 |
| Provisions | 12 | 55,132 | 65,398 | 57,561 | 73,056 | 55,132 | 57,561 | 73,056 |
| Total Current Liabilities | | 69,113 | 80,627 | 72,201 | 94,701 | 69,113 | 72,201 | 94,701 |
| Non-Current Liabilities | | | | | | | | |
| Provisions | 12 | 4,947 | 4,450 | 3,555 | 4,450 | 4,947 | 3,555 | 4,450 |
| Other | | 268 | 54 | 274 | 54 | 268 | 274 | 54 |
| Total Non-Current Liabilities | | 5,215 | 4,504 | 3,829 | 4,504 | 5,215 | 3,829 | 4,504 |
| Total Liabilities | | 74,328 | 85,131 | 76,030 | 99,205 | 74,328 | 76,030 | 99,205 |
| Net Assets | | 31,998 | 13,038 | 25,862 | 1,695 | 31,998 | 25,862 | 1,695 |
| EQUITY | | | | | | | | |
| Accumulated Funds | | 31,998 | 13,038 | 25,862 | 1,695 | 31,998 | 25,862 | 1,695 |
| Total Equity | | 31,998 | 13,038 | 25,862 | 1,695 | 31,998 | 25,862 | 1,695 |

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2014

| | Notes | Consolidated | | Parent | |
|--|-------|--------------------------|---------------|--------------------------|---------------|
| | | Accumulated Funds \$'000 | Total \$'000 | Accumulated Funds \$'000 | Total \$'000 |
| Balance at 1 July 2013 | | 25,862 | 25,862 | 25,862 | 25,862 |
| Changes in accounting policy | | 0 | 0 | 0 | 0 |
| Correction of errors | | 0 | 0 | 0 | 0 |
| Restated total equity at 1 July 2013 | | 25,862 | 25,862 | 25,862 | 25,862 |
| Net Result for the year | | 3,504 | 3,504 | 6,136 | 6,136 |
| Other comprehensive income: | | | | | |
| Net increase/(decrease) in plant and equipment | | 0 | 0 | 0 | 0 |
| Changes in restoration liability | | 0 | 0 | 0 | 0 |
| Superannuation actuarial gains/(losses) | 14 | 2,632 | 2,632 | 0 | 0 |
| Total other comprehensive income | | 2,632 | 2,632 | 0 | 0 |
| Total comprehensive income for the year | | 6,136 | 6,136 | 6,136 | 6,136 |
| Balance at 30 June 2014 | | 31,998 | 31,998 | 31,998 | 31,998 |
| Balance at 1 July 2012 | | 8,385 | 8,385 | 8,385 | 8,385 |
| Changes in accounting policy | | (6,690) | (6,690) | (6,690) | (6,690) |
| Correction of errors | | 0 | 0 | 0 | 0 |
| Restated total equity at 1 July 2012 | | 1,695 | 1,695 | 1,695 | 1,695 |
| Net Result for the year | | 6,242 | 6,242 | 24,167 | 24,167 |
| Other comprehensive income: | | | | | |
| Net increase/(decrease) in plant and equipment | | 0 | 0 | 0 | 0 |
| Changes in restoration liability | | 0 | 0 | 0 | 0 |
| Superannuation actuarial (losses)/gains | 14 | 17,925 | 17,925 | 0 | 0 |
| Total other comprehensive income | | 17,925 | 17,925 | 0 | 0 |
| Total comprehensive income for the year | | 24,167 | 24,167 | 24,167 | 24,167 |
| Balance at 30 June 2013 | | 25,862 | 25,862 | 25,862 | 25,862 |

The accompanying notes form part of these financial statements

Financial statements

Statement of Cash Flows for the year ended 30 June 2014

| | Notes | Consolidated | | Parent | | |
|---|-------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | Actual 2014 \$'000 | Budget 2014 \$'000 | Actual 2013 \$'000 | Actual 2014 \$'000 | Actual 2013 \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Employee related | | (96,999) | (95,111) | (93,083) | (407) | (168) |
| Grants and subsidies | | (29,952) | (24,556) | (25,419) | (29,952) | (25,419) |
| Personnel services | | 0 | 0 | 0 | (96,592) | (92,915) |
| Other | | (135,196) | (138,230) | (135,064) | (135,196) | (135,064) |
| Total Payments | | <u>(262,147)</u> | <u>(257,897)</u> | <u>(253,567)</u> | <u>(262,147)</u> | <u>(253,567)</u> |
| Receipts | | | | | | |
| Sale of goods and services | | 5,539 | 3,948 | 5,160 | 5,539 | 5,160 |
| Grants and contributions | | 245,401 | 201,583 | 252,374 | 245,401 | 252,374 |
| Interest received | | 3,469 | 2,985 | 3,134 | 3,469 | 3,134 |
| Other | | 15,576 | 52,786 | 436 | 15,576 | 436 |
| Total Receipts | | <u>269,985</u> | <u>261,302</u> | <u>261,104</u> | <u>269,985</u> | <u>261,104</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 18 | <u>7,838</u> | <u>3,405</u> | <u>7,537</u> | <u>7,838</u> | <u>7,537</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Proceeds from sale of plant and equipment | | 10 | 35 | 80 | 10 | 80 |
| Purchases of plant and equipment | | (4,340) | (4,350) | (4,351) | (4,340) | (4,351) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | <u>(4,330)</u> | <u>(4,315)</u> | <u>(4,271)</u> | <u>(4,330)</u> | <u>(4,271)</u> |
| NET INCREASE/(DECREASE) IN CASH | | 3,508 | (910) | 3,266 | 3,508 | 3,266 |
| Opening cash and cash equivalents | | 82,574 | 78,966 | 79,308 | 82,574 | 79,308 |
| CLOSING CASH AND CASH EQUIVALENTS | 7 | <u>86,082</u> | <u>78,056</u> | <u>82,574</u> | <u>86,082</u> | <u>82,574</u> |

The accompanying notes form part of these financial statements

Service Group Statements for the year ended 30 June 2014

Supplementary Financial Statements

(The Service Group Statement applies to both Parent and Consolidated Entities)

| AGENCY EXPENSES AND REVENUES | Service Group 1* Criminal Law Services | | Service Group 2* Civil Law Services | | Service Group 3* Family Law Services | | Service Group 4* Community Partnerships | | Not Attributable** | | Total | | |
|---|---|------------------|--|-----------------|---|-----------------|--|-----------------|--------------------|----------------|----------------|----------------|--|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | |
| Expenses excluding losses | | | | | | | | | | | | | |
| Operating expenses: | | | | | | | | | | | | | |
| - Employee related/ Personnel services | 46,156 | 46,567 | 21,269 | 19,540 | 27,521 | 26,598 | 2,185 | 2,029 | 0 | 0 | 97,131 | 94,734 | |
| - Other Operating expenses | 9,511 | 9,179 | 4,657 | 4,188 | 6,373 | 5,568 | 838 | 552 | 0 | 0 | 21,379 | 19,487 | |
| Depreciation and amortisation | 2,413 | 2,723 | 1,098 | 1,263 | 1,431 | 1,588 | 148 | 80 | 0 | 0 | 5,090 | 5,654 | |
| Grants and subsidies | 101 | 24 | 539 | 368 | 234 | 90 | 26,355 | 24,937 | 0 | 0 | 27,229 | 25,419 | |
| Finance costs | 34 | 12 | 16 | 6 | 17 | 7 | 0 | 0 | 0 | 0 | 67 | 25 | |
| Other expenses | 57,833 | 60,961 | 5,327 | 6,041 | 29,675 | 27,182 | 153 | 116 | 0 | 0 | 92,988 | 94,300 | |
| Total Expenses excluding losses | 116,048 | 119,466 | 32,906 | 31,406 | 65,251 | 61,033 | 29,679 | 27,714 | 0 | 0 | 243,884 | 239,619 | |
| Revenue | | | | | | | | | | | | | |
| Sale of goods and services | 1,565 | 2,798 | 2,369 | 1,349 | 1,317 | 1,351 | 0 | 0 | 0 | 0 | 5,251 | 5,498 | |
| Investment income | 2,353 | 2,059 | 444 | 356 | 672 | 489 | 0 | 0 | 0 | 0 | 3,469 | 2,904 | |
| Grants and contributions | 3,548 | 4,610 | 2,564 | 852 | 2,950 | 167 | 10,509 | 9,006 | 218,914 | 222,761 | 238,485 | 237,396 | |
| Other revenue | 167 | 190 | 232 | 117 | 66 | 100 | 4 | 15 | 0 | 0 | 469 | 422 | |
| Total Retained Revenue | 7,633 | 9,657 | 5,609 | 2,674 | 5,005 | 2,107 | 10,513 | 9,021 | 218,914 | 222,761 | 247,674 | 246,220 | |
| Gain / (Loss) on disposal of non current assets | (6) | 45 | (3) | 11 | (2) | 9 | 0 | 0 | 0 | 0 | (11) | 65 | |
| Other gains / (losses) | (251) | (180) | (36) | (126) | 12 | (118) | 0 | 0 | 0 | 0 | (275) | (424) | |
| Net result | (108,672) | (109,944) | (27,336) | (28,847) | (60,236) | (59,035) | (19,166) | (18,693) | 218,914 | 222,761 | 3,504 | 6,242 | |
| Other Comprehensive Income | | | | | | | | | | | | | |
| Other - actuarial gains/(losses) | 1,248 | 8,852 | 568 | 3,660 | 739 | 5,173 | 77 | 240 | 0 | 0 | 2,632 | 17,925 | |
| Total Other Comprehensive Income | 1,248 | 8,852 | 568 | 3,660 | 739 | 5,173 | 77 | 240 | 0 | 0 | 2,632 | 17,925 | |
| TOTAL COMPREHENSIVE INCOME | (107,424) | (101,092) | (26,768) | (25,187) | (59,497) | (53,862) | (19,089) | (18,453) | 218,914 | 222,761 | 6,136 | 24,167 | |

*The name and purpose of each Service Group is summarised in Note 6.

** Appropriations are made on an agency basis and not to individual service groups. Consequently, government contributions must be included in the 'Not Attributable' column. Cluster grant funding is non attributable to individual service groups.

Service Group Statements for the year ended 30 June 2014

(The Service Group Statement applies to both Parent and Consolidated Entities)

| AGENCY ASSETS AND LIABILITIES | Service Group 1* Criminal Law Services | | Service Group 2* Civil Law Services | | Service Group 3* Family Law Services | | Service Group 4* Community Partnerships | | Not Attributable** | | Total | |
|--------------------------------------|---|-----------------|--|-----------------|---|-----------------|--|----------------|--------------------|---------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Current Assets | | | | | | | | | | | | |
| Cash and cash equivalents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 86,082 | 82,574 | 86,082 | 82,574 |
| Receivables | 1,635 | 2,118 | 1,218 | 847 | 822 | 876 | 2 | 22 | 3,677 | 3,863 | 3,677 | 3,863 |
| Total Current Assets | 1,635 | 2,118 | 1,218 | 847 | 822 | 876 | 2 | 22 | 86,082 | 82,574 | 89,759 | 86,437 |
| Non Current Assets | | | | | | | | | | | | |
| Receivables | 1,018 | 1,080 | 759 | 382 | 512 | 395 | 1 | 10 | 0 | 0 | 2,290 | 1,867 |
| Plant and equipment | 5,414 | 5,194 | 2,495 | 2,180 | 3,228 | 2,967 | 256 | 226 | 0 | 0 | 11,393 | 10,567 |
| Intangible assets | 1,370 | 1,485 | 632 | 623 | 817 | 848 | 65 | 65 | 0 | 0 | 2,884 | 3,021 |
| Total Non-Current Assets | 7,802 | 7,759 | 3,885 | 3,185 | 4,557 | 4,210 | 322 | 301 | 0 | 0 | 16,567 | 15,455 |
| Total Assets | 9,437 | 9,877 | 5,104 | 4,032 | 5,380 | 5,086 | 324 | 323 | 86,082 | 82,574 | 106,326 | 101,892 |
| Current Liabilities | | | | | | | | | | | | |
| Payables | 7,503 | 8,210 | 2,066 | 2,075 | 4,202 | 4,168 | 210 | 187 | 0 | 0 | 13,981 | 14,640 |
| Provisions | 26,198 | 28,295 | 12,072 | 11,872 | 15,621 | 16,161 | 1,240 | 1,233 | 0 | 0 | 55,132 | 57,561 |
| Total Current Liabilities | 33,701 | 36,505 | 14,138 | 13,947 | 19,823 | 20,329 | 1,450 | 1,420 | 0 | 0 | 69,113 | 72,201 |
| Non Current Liabilities | | | | | | | | | | | | |
| Provisions | 2,351 | 1,748 | 1,083 | 733 | 1,402 | 998 | 111 | 76 | 0 | 0 | 4,947 | 3,555 |
| Other | 127 | 134 | 59 | 57 | 76 | 77 | 6 | 6 | 0 | 0 | 268 | 274 |
| Total Non Current Liabilities | 2,478 | 1,882 | 1,142 | 790 | 1,478 | 1,075 | 117 | 82 | 0 | 0 | 5,215 | 3,829 |
| Total Liabilities | 36,179 | 38,387 | 15,280 | 14,737 | 21,301 | 21,404 | 1,567 | 1,502 | 0 | 0 | 74,328 | 76,030 |
| Net Assets | (26,742) | (28,510) | (10,177) | (10,705) | (15,921) | (16,318) | (1,244) | (1,179) | 86,082 | 82,574 | 31,998 | 25,862 |

*The name and purpose of each Service Group is summarised in Note 6. ** Cluster grant funding are made on an agency basis and not to individual service groups. Consequently, cluster grant funding is included in the 'Not Attributable' column

Notes to the Financial Statements for the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Legal Aid Commission of NSW, as a reporting entity, comprises all entities under its control, namely, the Legal Aid Commission Staff Agency. Transactions relating to the Legal Aid Commission Trust Account are not included in the financial statements of the Legal Aid Commission of NSW, as the Legal Aid Commission of NSW does not control or use these funds for the achievement of its objectives.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, namely, Legal Aid Commission Staff Agency, all inter-entity transactions and balances have been eliminated.

The Legal Aid Commission of NSW is a NSW statutory authority. The Legal Aid Commission of NSW is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts. The consolidated financial statements for the year ended 30 June 2014 were authorised for issue by the Chair and the Acting Chief Executive Officer on 18 September 2014.

(b) Basis of Preparation

The Legal Aid Commission of NSW's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations).
- the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2010; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Plant and equipment and intangible assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

The consolidated and parent entity financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Administered Activities

The Legal Aid Commission of NSW does not administer any activities on behalf of the Crown Entity.

(e) Insurance

The Legal Aid Commission of NSW's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past experience.

(f) Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by the Legal Aid Commission of NSW as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary Appropriations and Contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the entity obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are now accounted for as liabilities rather than revenue. The Legal Aid Commission of NSW had no liability to the Consolidated Fund as at 30 June 2014 (2012–2013: \$NIL).

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

(ii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date)

(iii) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

(h) Assets

(i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Legal Aid Commission of NSW. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation Thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network or group costing more than \$5,000) are capitalised.

(iii) Revaluation of Plant and Equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement, and AASB 116 Property, Plant and Equipment.

The Legal Aid Commission of NSW's plant and equipment are non-specialised assets with short useful lives and are measured at depreciated historical cost, as a surrogate for fair value.

(iv) Impairment of Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of Plant and Equipment

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Legal Aid Commission of NSW. Leasehold improvements are amortised over the unexpired period of the lease or estimated useful life whichever is the shorter. Refer Notes 2(c) and 9.

Applicable depreciation rates for each class of depreciable assets are listed below:

| | % |
|--|---|
| Computer Equipment | 25 |
| Computer Replacement Projects | 25 |
| Office Equipment | 15 |
| Leasehold Improvements (includes Furniture and Fittings) | 10 or the term of lease, whichever is the shorter |

(vi) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(vii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated

(viii) Leased Assets

The Legal Aid Commission of NSW does not have any finance leases for its leased assets. Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred. Refer to Note 15(b).

(ix) Intangible Assets

The Legal Aid Commission of NSW recognises intangible assets only if it is probable that future economic benefits will flow to the Legal Aid Commission of NSW and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

Notes to the Financial Statements for the year ended 30 June 2014

The useful lives of intangible assets are assessed to be finite. As there is no active market for the Legal Aid Commission of NSW's intangible assets, the assets are carried at cost less any accumulated amortisation. The Legal Aid Commission of NSW's intangible assets are amortised using the straight line method over a period of 4 years. Refer Note 2(c) and 10.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(x) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xi) Impairment of Financial Assets

An allowance for impairment is established for the Legal Aid Commission of NSW's receivables where there is objective evidence that the Legal Aid Commission of NSW will not be able to collect all amounts due.

The amount of any impairment loss is recognised in the net result for the year. Any reversals of impairment losses are reversed through the net result for the year where there is objective evidence.

The actuarial firm Finity Consulting Pty Limited was engaged to undertake the calculation of the impairment of the "Sales of Goods and Services" component of Receivables for 2013–2014.

(xii) Trust Funds

The Legal Aid Commission of NSW receives monies in a trustee capacity for trusts as set out in Note 19. As the Legal Aid Commission of NSW performs a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Legal Aid Commission of NSW's own objectives, they are not brought to account in the financial statements.

(xiii) Other Assets

Other Assets are recognised on a cost basis.

(xiv) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers the financial asset:

- where substantially all the risks and rewards have been transferred, or
- where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the entity's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(i) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Accrual of Estimated Legal Expenses

The Legal Aid Commission of NSW accrues the estimated net cost of work in progress by external legal practitioners who have not submitted claims to the Legal Aid Commission of NSW at balance date. The estimation is based on all files finalised in the past which are analysed to determine an average cost of the matter type, average period for finalisation and payment profile. By comparing the payments expected to have been made on each file at balance date with the average for that matter type, a value of the work in progress for which claims have not been submitted is estimated and accrued.

The actuarial firm Finity Consulting Pty Limited has been engaged to undertake the calculation of the accrual of estimated legal expenses for the Legal Aid Commission of NSW.

(iii) Personnel Services

To enable the Legal Aid Commission of NSW to carry out its functions, all personnel service requirements are provided by Legal Aid Commission Staff Agency which is a special purpose service entity that is a Division of the Government of New South Wales. The personnel service is charged at cost.

(a) Employee Benefits and other Provisions

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of payroll tax, fringe benefits tax and workers' compensation insurance premiums which are consequential to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(b) Long Service Leave and Superannuation

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits using a shorthand measurement technique based on valuation factors provided by Mercer (Australia) Pty Ltd in 2012–2013.

The Agency's superannuation position is calculated based on economic assumptions determined by the independent actuary, Pillar Administration, as advised by the SAS Trustee Corporation (STC). All Fund assets are invested by STC at arm's length through independent fund managers. Any variation between the Agency's gross superannuation liability and employer reserve account balance is recognised in the Statement of Financial Position as an unfunded liability or prepaid contribution. Refer Notes 2(a), and 14.

Actuarial gains and losses are recognised immediately in other comprehensive income in the year in which they occur.

(iv) Other Provisions

Other provisions exist when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted at 2.5%, which reflects the current market assessments of the time value of money and the risks specific to the liability.

(j) Equity and Reserves

(i) Asset Revaluation Surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of plant and equipment as discussed in note 1(h)(iii).

(ii) Accumulated Funds

The category accumulated funds includes all current and prior period retained funds.

(iii) Reserve Accounts

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. asset revaluation reserve and foreign currency translation reserve).

(k) Budgeted Amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

(l) Comparative Information - general

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(m) Changes in accounting policy, including new or revised Australian Accounting Standards

Effective for the first time in 2013–2014

The accounting policies applied in 2013–2014 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013–2014 AASB 119. The impact of this Standard in the period of initial application is as follows.

The main changes to accounting policy as a result of changes to AASB 119 'Employee Benefits' are:

- The interest income component has replaced the expected return on assets. Interest income is calculated using a different discount rate to expected return on assets, which has led to an increase to the expense reported in the Statement of Comprehensive Income.
- The standard does not allow investment credits to be netted off against the superannuation contributions tax. This has changed the calculation of the defined benefits liability/asset presented in the statement of financial position. As a result the Defined Benefit liability and the expense related to the Defined Benefit Cost have increased.

Changes to Accounting Standard AASB 119 Employee Benefits, has resulted in the previous year's (2013) defined benefits superannuation expenditure and actuarial gains being restated in the Statement of comprehensive income, Statement of changes to equity, Service Group Statements, and the respective Notes to the Financial Statements as follows:

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2013 Restated | 2013 Original | 2013 Restated | 2013 Original |
| Statement of Comprehensive income | | | | |
| Operating expenses - Employee related | 94,734 | 91,371 | | |
| Operating expenses - Personnel services | | | 76,641 | 80,152 |
| Revenue - Other revenue | 422 | 1,554 | 422 | 1,554 |
| Other comprehensive income - Superannuation actuarial gains | 17,925 | 11,051 | | |
| Statement of changes in equity | | | | |
| Net result for the year (2013) | 6,242 | 10,737 | | |
| Superannuation actuarial gain | 17,925 | 11,051 | | |
| Service Group Statements | | | | |
| Current Liabilities - Provisions | 57,561 | 53,250 | 57,561 | 53,250 |

Impact on total comprehensive income for the year ended 30 June 2014 as a result of AASB 119

| | Consolidated | | Parent | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2014 Restated | 2014 Original | 2014 Restated | 2014 Original |
| Statement of Comprehensive income | | | | |
| Operating expenses - Employee related | 97,131 | 96,595 | | |
| Operating expenses - Personnel services | | | 94,092 | 94,173 |
| Other comprehensive income - Superannuation actuarial gains | 2,632 | 2,015 | | |

Issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The following new Accounting Standards and Interpretations have not yet been adopted and are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interest in Other Entities
- AASB 124 Related Party Disclosure
- AASB 127 Separate Financial Statements
- AASB 1031 Materiality
- AASB 2012-3 regarding offsetting financial assets and financial liabilities

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Legal Aid Commission of NSW.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|---|----------------|----------------|----------------|----------------|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 |
| 2 EXPENSES | | | | |
| (a) Employee related expenses and personnel services | | | | |
| Employee related expenses | | | | |
| Salaries and wages (including recreation leave) | 81,086 | 77,495 | - | - |
| Superannuation - defined benefit plans * | 2,790 | 3,363 | - | - |
| Superannuation - defined contribution plans | 6,338 | 5,920 | - | - |
| Long service leave | 1,018 | 1,959 | - | - |
| Workers' compensation insurance | 795 | 1,011 | - | - |
| Payroll tax and fringe benefits tax | 4,697 | 4,818 | - | - |
| Agency staff costs | 407 | 168 | 407 | 168 |
| Total | 97,131 | 94,734 | 407 | 168 |

The Legal Aid Commission of NSW does not employ staff that are directly involved in day-to-day servicing or maintenance. Employee related expenses of \$0.23m were capitalised to fixed assets in 2013-2014 (2012-2013: \$0.03m).

*Refer Note 14. Superannuation actuarial gains of \$2.632m (2012-2013: actuarial gain of \$17.925m) are recognised in the 'Statement of Changes in Equity'.

*In 2013-2014 Superannuation Defined Benefit Plans returned an expense of \$2.79m (2012-2013: \$3.36)

Total superannuation loss, including actuarial gains recognised in the 'Statement of Comprehensive Income' is \$0.16m (2012-2013: \$14.56m gain).

Personnel services

| | | | | |
|--|----------|----------|---------------|---------------|
| Personnel services provided by the Legal Aid Commission Staff Agency | - | - | 94,092 | 76,641 |
| Total | - | - | 94,092 | 76,641 |

(b) Other operating expenses

Other operating expenses include the following:

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Operating lease rental expense - minimum lease payments | 8,382 | 8,185 | 8,382 | 8,185 |
| Telephone | 357 | 293 | 357 | 293 |
| Library resources | 833 | 827 | 833 | 827 |
| Consultants | 89 | 214 | 89 | 214 |
| Contractors | 1,216 | 638 | 1,216 | 638 |
| Stationery, stores and provisions | 450 | 423 | 450 | 423 |
| Computer running costs | 2,711 | 2,582 | 2,711 | 2,582 |
| Printing | 572 | 432 | 572 | 432 |
| Records management | 603 | 617 | 603 | 617 |
| Travel | 1,153 | 970 | 1,153 | 970 |
| Interpreters' fees | 64 | 41 | 64 | 41 |
| Postage | 451 | 435 | 451 | 435 |
| Cleaning | 405 | 390 | 405 | 390 |
| Practicing certificates | 364 | 312 | 364 | 312 |
| Electricity and gas | 515 | 492 | 515 | 492 |
| Insurance | 123 | 114 | 123 | 114 |
| Auditor's remuneration - audit of financial statements | 136 | 134 | 136 | 134 |
| Auditor's remuneration - Audit of IAAAS | 2 | 2 | 2 | 2 |
| Internal audit and audit of Trust Account | 200 | 116 | 200 | 116 |
| Courier and freight | 91 | 76 | 91 | 76 |
| Maintenance | 364 | 492 | 364 | 492 |
| Other | 2,298 | 1,703 | 2,298 | 1,703 |
| Total | 21,379 | 19,487 | 21,379 | 19,487 |

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|---|---------------|---------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (c) Depreciation and amortisation expenses | | | | |
| Depreciation | | | | |
| Leasehold Improvements | 2,260 | 1,970 | 2,260 | 1,970 |
| Plant and Equipment | 1,534 | 1,020 | 1,534 | 1,020 |
| Total | 3,794 | 2,990 | 3,794 | 2,990 |
| Amortisation | | | | |
| Software | 1,296 | 2,664 | 1,296 | 2,664 |
| Total | 1,296 | 2,664 | 1,296 | 2,664 |
| Total | 5,090 | 5,654 | 5,090 | 5,654 |
| (d) Grants and subsidies | | | | |
| Women's Domestic Violence Court Advocacy Programme | 8,173 | 7,314 | 8,173 | 7,314 |
| Community Legal Centres | 17,878 | 17,354 | 17,878 | 17,354 |
| Cooperative Legal Service Delivery Program | 304 | 269 | 304 | 269 |
| Work Development Order | 270 | 270 | 270 | 270 |
| ALS Field Officer Training | 265 | 132 | 265 | 132 |
| Law and Justice Foundation | 293 | - | 293 | - |
| Tenants Union | 35 | - | 35 | - |
| Other | 11 | 80 | 11 | 80 |
| Total | 27,229 | 25,419 | 27,229 | 25,419 |
| Grants to Community Legal Centres are funded by way of specific Commonwealth and discretionary State funds. | | | | |
| (e) Finance costs | | | | |
| Unwinding of discount rate | 67 | 25 | 67 | 25 |
| Total | 67 | 25 | 67 | 25 |
| (f) Other expenses | | | | |
| Solicitor services provided by private practitioners | 60,302 | 60,327 | 60,302 | 60,327 |
| Barrister services provided by private practitioners | 20,453 | 20,340 | 20,453 | 20,340 |
| Disbursements | 12,233 | 13,634 | 12,233 | 13,634 |
| Total | 92,988 | 94,300 | 92,988 | 94,300 |
| Includes an estimate of the net cost of work in progress by external legal practitioners who have provided services but not submitted an invoice to Legal Aid Commission of NSW at the end of the reporting period. | | | | |
| 3 REVENUE | | | | |
| (a) Sale of goods and services | | | | |
| Rendering of services | | | | |
| Criminal Law | 1,565 | 2,798 | 1,565 | 2,798 |
| Family Law | 1,317 | 1,351 | 1,317 | 1,351 |
| Civil Law | 2,369 | 1,349 | 2,369 | 1,349 |
| Total | 5,251 | 5,498 | 5,251 | 5,498 |

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|--|----------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (b) Investment revenue | | | | |
| Interest on outstanding accounts | 91 | 85 | 91 | 85 |
| Interest on cash assets | 3,378 | 2,819 | 3,378 | 2,819 |
| Total | 3,469 | 2,904 | 3,469 | 2,904 |
| (c) Grants and contributions | | | | |
| Cluster Agency recurrent contribution | 177,429 | 176,684 | 177,429 | 176,684 |
| Cluster Agency capital contribution | 3,600 | 3,600 | 3,600 | 3,600 |
| Law Society Public Purpose Fund ¹ | 37,885 | 42,477 | 37,885 | 42,477 |
| Commonwealth Government Community Partnerships base grants ² | 9,439 | 8,810 | 9,439 | 8,810 |
| Other grants and contributions ³ | 10,132 | 5,825 | 10,132 | 5,825 |
| Total | 238,485 | 237,396 | 238,485 | 237,396 |
| ¹ This fund provided a grant of \$34.82m (\$40.11m in 2012-2013) to provide legal aid services in State matters. | | | | |
| Other specific grants from this fund include: | | | | |
| Community Legal Centres | 1,387 | - | 1,387 | - |
| Children's Court Assistance Scheme | 228 | 253 | 228 | 253 |
| Homeless Persons | 504 | 560 | 504 | 560 |
| Older Persons Legal Service | 582 | 646 | 582 | 646 |
| Aboriginal Legal Access Program | 369 | 378 | 369 | 378 |
| Financial Hardship/Mortgage Stress | - | 533 | - | 533 |
| Total | 3,070 | 2,370 | 3,070 | 2,370 |
| ² \$7.723m in Community Partnerships base grants plus additional Community Partnerships funding of \$1.363m, and a further \$0.353 SACS ERO funding, totalling \$9.439m (2012-2013 \$8.81m), received from the Commonwealth Government were earmarked for distribution to various Community Legal Centres. The amount of the grant to individual Community Legal Centres is determined by the Commonwealth. | | | | |
| ³ Other Grants and contributions include: | | | | |
| Part of the Commonwealth Government Community Partnerships base grants used to meet administrative costs | 174 | 110 | 174 | 110 |
| State Department of Juvenile Justice for the Juvenile Justice Visiting Legal Service | 194 | 189 | 194 | 189 |
| State Attorney General's Department - Video Conferencing Facilities | 107 | 156 | 107 | 156 |
| Commonwealth Government special funding for expensive criminal cases | 3,139 | 4,104 | 3,139 | 4,104 |
| Homelessness Action Plan | 755 | 622 | 755 | 622 |
| Collaboration Funding | 4,581 | - | 4,581 | - |
| Court Advocacy Services | 592 | - | 592 | - |
| Framework for Reform | 303 | - | 303 | - |
| Bail Court Training | 100 | - | 100 | - |
| Aboriginal Women Leaving Custody Project | 127 | - | 127 | 1 |
| Other | 60 | 644 | 60 | 644 |
| Total | 10,132 | 5,825 | 10,132 | 5,826 |

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|--------------------------|--------------|------------|------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (d) Other revenue | | | | |
| Miscellaneous | 469 | 422 | 469 | 422 |
| Total | 469 | 422 | 469 | 422 |

* Refer to Notes 1(i)(iii)(b), 2(a) & 15

4 GAIN/(LOSS) ON DISPOSAL

| | | | | |
|--|-------------|-----------|-------------|-----------|
| Gain/(Loss) on disposal of plant and equipment | | | | |
| Proceeds from disposal | 10 | 80 | 10 | 80 |
| Less: Written down value of assets disposed | 21 | 15 | 21 | 15 |
| Total | (11) | 65 | (11) | 65 |

5 OTHER GAINS / (LOSSES)

| | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Impairment gain/(loss) on receivables | (275) | (926) | (275) | (926) |
| Gain/(loss) on make good provision | - | 502 | - | 502 |
| Total | (275) | (424) | (275) | (424) |

6 SERVICE GROUPS / ACTIVITIES OF LEGAL AID NSW**Service Group 1 - Criminal Law Services**

This service group covers the provision of legal assistance and counsel to those facing criminal charges. This assistance ranges from advice, information and duty services for more minor criminal law matters, through to representation by barristers in extended and complex trials where clients who are found guilty may face very heavy penalties.

Service Group 2 - Civil Law Services

This service group covers the provision of legal services in matters such as housing, mental health, consumer and human rights law. The assistance ranges from relatively straightforward advice and information services, through to legal representation in lengthy and complex court cases.

Service Group 3 - Family Law Services

This service group covers the provision of assistance to families in dispute over areas such as separation, divorce and parenting arrangements. It also assists in matters where the State seeks to take children thought to be at risk of abuse and neglect into care.

Service Group 4 - Community Partnerships

This service group covers funding of community organisations for specific purposes. It includes providing legal assistance to disadvantaged people undertaking law reform activities, and providing specialised court-based assistance for women and children seeking legal protection from domestic violence.

7 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

| | | | | |
|--------------------------|---------------|---------------|---------------|---------------|
| Cash at bank and on hand | 86,082 | 82,574 | 86,082 | 82,574 |
| Short term deposits | - | - | - | - |
| Total Cash | 86,082 | 82,574 | 86,082 | 82,574 |

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at bank and short term deposits.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Cash and cash equivalents (per Statement of Financial Position) | 86,082 | 82,574 | 86,082 | 82,574 |
| Closing cash and cash equivalents (per Statement of Cash Flows) | 86,082 | 82,574 | 86,082 | 82,574 |

Refer Note 20 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

The Legal Aid Commission of NSW has a business credit card facility of \$0.040m (2012-2013: \$0.040m), which is the total of the credit limit for all issued credit cards. The balance in this facility is cleared monthly.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 |
| 8 CURRENT / NON-CURRENT ASSETS - RECEIVABLES | | | | |
| Current | | | | |
| Sale of goods and services | 1,537 | 1,267 | 1,537 | 1,267 |
| Less: Allowance for impairment | (395) | (350) | (395) | (350) |
| | <u>1,142</u> | <u>917</u> | <u>1,142</u> | <u>917</u> |
| Other debtors | 13 | 210 | 13 | 210 |
| GST recoverable from Australian Taxation Office | 2,017 | 2,206 | 2,017 | 2,206 |
| Prepayments | 505 | 530 | 505 | 530 |
| Total Current | <u>3,677</u> | <u>3,863</u> | <u>3,677</u> | <u>3,863</u> |
| Non-Current | | | | |
| Sale of goods and services | 2,787 | 2,462 | 2,787 | 2,462 |
| Less: Allowance for impairment | (497) | (595) | (497) | (595) |
| Total Non-Current | <u>2,290</u> | <u>1,867</u> | <u>2,290</u> | <u>1,867</u> |
| Movement in the allowance for impairment | | | | |
| Balance at 1 July | 945 | 412 | 945 | 412 |
| Amounts written off during the year | (339) | (408) | (339) | (408) |
| Amounts recovered during the year | (12) | (14) | (12) | (14) |
| Increase/(decrease) in allowance | 298 | 955 | 298 | 955 |
| Balance at 30 June | <u>892</u> | <u>945</u> | <u>892</u> | <u>945</u> |
| Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 20. | | | | |
| Receivables from the sale of goods and services (both current and non-current) in the amount of \$2.54m (2012-2013: \$2.42m) are secured by way of caveat. | | | | |
| 9 NON-CURRENT ASSETS - PLANT AND EQUIPMENT | | | | |
| At 1 July - fair value | | | | |
| Gross Carrying Amount | 28,586 | 26,861 | 28,586 | 26,861 |
| Less: Accumulated depreciation and impairment | (18,019) | (16,821) | (18,019) | (16,821) |
| Net Carrying Amount at Fair Value | <u>10,567</u> | <u>10,040</u> | <u>10,567</u> | <u>10,040</u> |
| At 30 June - fair value | | | | |
| Gross Carrying Amount | 29,659 | 28,586 | 29,659 | 28,586 |
| Less: Accumulated depreciation and impairment | (18,266) | (18,019) | (18,266) | (18,019) |
| Net Carrying Amount at Fair Value | <u>11,393</u> | <u>10,567</u> | <u>11,393</u> | <u>10,567</u> |
| Reconciliation | | | | |
| A reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current reporting period is set out below. | | | | |
| Net carrying amount at start of year | 10,567 | 10,040 | 10,567 | 10,040 |
| Additions | 4,619 | 3,532 | 4,619 | 3,532 |
| Disposals | (20) | (15) | (20) | (15) |
| Transfers | 21 | - | 21 | 0 |
| Depreciation expense | (3,794) | (2,990) | (3,794) | (2,990) |
| Net carrying amount at end of year | <u>11,393</u> | <u>10,567</u> | <u>11,393</u> | <u>10,567</u> |
| Refer Notes 1(h) & 2(c). | | | | |

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|--|---------------|---------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 10 INTANGIBLE ASSETS | | | | |
| At 1 July - fair value | | | | |
| Cost (gross carrying amount) | 12,410 | 11,255 | 12,410 | 11,255 |
| Less: Accumulated amortisation and impairment | (9,389) | (6,725) | (9,389) | (6,725) |
| Net Carrying Amount at Fair Value | 3,021 | 4,530 | 3,021 | 4,530 |
| At 30 June - fair value | | | | |
| Cost (gross carrying amount) | 13,516 | 12,410 | 13,516 | 12,410 |
| Less: Accumulated amortisation and impairment | (10,632) | (9,389) | (10,632) | (9,389) |
| Net Carrying Amount at Fair Value | 2,884 | 3,021 | 2,884 | 3,021 |
| Reconciliation | | | | |
| A reconciliation of the carrying amounts of intangible assets at the beginning and end of the current reporting period is set out below. | | | | |
| Net carrying amount at start of year | 3,021 | 4,530 | 3,021 | 4,530 |
| Additions | 1,180 | 1,155 | 1,180 | 1,155 |
| Disposals | - | - | 0 | 0 |
| Transfers | (21) | - | (21) | 0 |
| Amortisation (recognised in "depreciation and amortisation") | (1,296) | (2,664) | (1,296) | (2,664) |
| Net carrying amount at end of year | 2,884 | 3,021 | 2,884 | 3,021 |
| Refer Notes 1(h) & 2(c). | | | | |
| 11 CURRENT LIABILITIES - PAYABLES | | | | |
| Accrued salaries, wages and on-costs | 2,311 | 2,157 | - | - |
| Legal Aid Commission Staff Agency - accrued salaries, wages and on-costs | - | - | 2,311 | 2,157 |
| Creditors - Legal | 792 | 431 | 792 | 431 |
| Creditors - Administrative | 1,876 | 2,098 | 1,876 | 2,098 |
| Accrual of estimated legal expenses ¹ | 9,002 | 9,954 | 9,002 | 9,954 |
| Total | 13,981 | 14,640 | 13,981 | 14,640 |

¹Being accrual of the estimated net cost of work in progress by external legal practitioners who have not submitted claims to the Legal Aid Commission of NSW at the end of the reporting period. Refer to Notes 1(i)(ii) & 2(f).

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

| | Consolidated | | Parent | |
|---|----------------|----------------|----------------|----------------|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 |
| 12 CURRENT / NON-CURRENT LIABILITIES - PROVISIONS | | | | |
| Current | | | | |
| Employee benefits and related on-costs | | | | |
| Provision for recreation leave to be taken within 12 months | 7,326 | 6,184 | - | - |
| Provision for recreation leave to be taken after 12 months | 129 | 1,381 | - | - |
| Provision for long service leave to be taken within 12 months | 2,033 | 2,021 | - | - |
| Provision for long service leave to be taken after 12 months | 11,537 | 12,868 | - | - |
| Provision for related on-costs | 4,515 | 3,993 | - | - |
| Superannuation Liability (Refer Note 14) | 29,592 | 31,114 | - | - |
| Payable to the Legal Aid Commission Staff Agency - Superannuation | - | - | 29,592 | 31,114 |
| Legal Aid Commission Staff Agency - provision for personnel services | - | - | 25,540 | 26,447 |
| Total Current | 55,132 | 57,561 | 55,132 | 57,561 |
| Non-Current | | | | |
| Employee benefits and related on-costs | | | | |
| Provision for long service leave | 1,021 | 1,121 | - | - |
| Provision for related on-costs | 251 | 222 | - | - |
| Legal Aid Commission Staff Agency - provision for personnel services | - | - | 1,272 | 1,343 |
| | 1,272 | 1,343 | 1,272 | 1,343 |
| Other Provisions | | | | |
| Restoration costs | 3,675 | 2,212 | 3,675 | 2,212 |
| | 3,675 | 2,212 | 3,675 | 2,212 |
| Restoration costs refers to the present value of estimated cost of make good obligations (in accordance with AASB 137) that will arise when existing office accommodation leases expire. The provision is adjusted annually for unwinding and changes in discount rates. Any cost variations in make good expenses at the time of implementation will be recognised in the Statement of Comprehensive Income. | | | | |
| Total Non-Current Provisions | 4,947 | 3,555 | 4,947 | 3,555 |
| Aggregate employee benefits and related on-costs | | | | |
| Provisions - current | 55,132 | 57,561 | - | - |
| Provisions - non-current | 1,272 | 1,343 | - | - |
| Accrued salaries, wages and on-costs (Note 11) | 2,311 | 2,157 | - | - |
| | 58,715 | 61,061 | - | - |
| Movements in provisions (other than employee benefits) | | | | |
| Restoration Provision | | | | |
| Carrying amount at start of financial year | 2,212 | 2,414 | 2,212 | 2,414 |
| Additional provisions recognised | 1,460 | 335 | 1,460 | 335 |
| Amounts used | (64) | (60) | (64) | (60) |
| Unused amounts reversed | - | (502) | - | (502) |
| Unwinding / change in the discount rate | 67 | 25 | 67 | 25 |
| Carrying amount at end of financial year | 3,675 | 2,212 | 3,675 | 2,212 |
| 13 NON-CURRENT LIABILITY - OTHER | | | | |
| Lease incentive liability | 268 | 274 | 268 | 274 |
| Total Non Current Liability - Other | 268 | 274 | 268 | 274 |

Notes to the Financial Statements for the year ended 30 June 2014

14 SUPERANNUATION FUND INFORMATION

The following information has been provided by the Scheme actuary:

| | SASS | SANCS | SSS | TOTAL |
|---|--------------------------|-------------------------|--------------------------|---------------------------|
| | 30 Jun-14 | 30 Jun-14 | 30 Jun-14 | 30 Jun-14 |
| Member Numbers | | | | |
| Contributors | 64 | 88 | 24 | 176 |
| Deferred benefits | 0 | 0 | 4 | 4 |
| Pensioners | 0 | 0 | 52 | 52 |
| Pensions fully commuted | 0 | 0 | 13 | 13 |
| Superannuation Position for AASB 119 purposes | | | | |
| Accrued liability (Note 1) | A\$ 26,263,321 | A\$ 5,444,244 | A\$ 84,706,391 | A\$ 116,413,957 |
| Estimated reserve account balance | (26,757,391) | (6,172,979) | (53,891,691) | (86,822,061) |
| 1. Deficit/(surplus) | (494,070) | (728,735) | 30,814,700 | 29,591,896 |
| 2. Future Service Liability (Note 2) | 4,392,551 | 1,665,858 | 1,797,487 | 7,855,896 |
| 3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero) | 0 | 0 | 0 | 0 |
| 4. Net (asset)/liability to be recognised in statement of financial position (1. + 3.) | (494,070) | (728,735) | 30,814,700 | 29,591,896 |

Note 1:

The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

Nature of the benefits provided by the fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Scheme Act 1987*, and their associated regulations.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** - The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Notes to the Financial Statements for the year ended 30 June 2014

| | SASS | SANCS | SSS | Total |
|--|-------------------|-------------------|-------------------|--------------------|
| | Financial | Financial | Financial | Financial |
| | Year to 30 | Year to 30 | Year to 30 | Year to 30 |
| | June 2014 | June 2014 | June 2014 | June 2014 |
| Reconciliation of the Net Defined Benefit Liability/(Asset) | A\$ | A\$ | A\$ | A\$ |
| Net Defined Benefit Liability/(Asset) at start of year | (105,354) | (404,163) | 31,623,200 | 31,113,683 |
| Current service cost | 1,036,779 | 235,818 | 367,314 | 1,639,911 |
| Net Interest on the net defined benefit liability/(asset) | (21,257) | (19,856) | 1,191,505 | 1,150,392 |
| Past service cost | 0 | 0 | 0 | 0 |
| (Gains)/losses arising from settlements | 0 | 0 | 0 | 0 |
| Actual return on Fund assets less Interest income | (2,689,785) | (499,071) | (5,088,335) | (8,277,191) |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 0 | (0) | (0) | (0) |
| Actuarial (gains)/losses arising from changes in financial assumptions | 814,720 | 295,689 | 3,399,087 | 4,509,496 |
| Actuarial (gains)/losses arising from liability experience | 1,378,898 | (100,438) | (142,449) | 1,136,011 |
| Adjustment for effect of asset ceiling | 0 | 0 | 0 | 0 |
| Employer contributions | (908,071) | (236,714) | (535,621) | (1,680,406) |
| Net Defined Benefit Liability/(Asset) at end of year | (494,070) | (728,735) | 30,814,700 | 29,591,896 |
| Reconciliation of the Fair Value of Fund Assets | | | | |
| Fair value of Fund assets at beginning of the year | 25,155,176 | 5,807,524 | 48,821,477 | 79,784,177 |
| Interest income | 912,806 | 211,186 | 1,817,083 | 2,941,075 |
| Actual return on Fund assets less Interest income | 2,687,521 | 498,500 | 5,087,490 | 8,273,511 |
| Employer contributions | 908,071 | 236,714 | 535,621 | 1,680,406 |
| Contributions by participants | 433,857 | 0 | 340,120 | 773,977 |
| Benefits paid | (3,193,180) | (674,169) | (2,796,238) | (6,663,588) |
| Taxes, premiums & expenses paid | (146,859) | 93,224 | 86,138 | 32,503 |
| Transfers in | 0 | 0 | 0 | 0 |
| Contributions to accumulation section | 0 | 0 | 0 | 0 |
| Settlements | 0 | 0 | 0 | 0 |
| Exchange rate changes | 0 | 0 | 0 | 0 |
| Fair value of Fund assets at end of the year | 26,757,391 | 6,172,979 | 53,891,691 | 86,822,061 |
| Reconciliation of the Defined Benefit Obligation | | | | |
| Present value of defined benefit obligations at beginning of the year | 25,049,822 | 5,403,361 | 80,444,677 | 110,897,860 |
| Current service cost | 1,036,779 | 235,818 | 367,314 | 1,639,911 |
| Interest cost | 889,285 | 190,759 | 3,007,743 | 4,087,787 |
| Contributions by participants | 433,857 | 0 | 340,120 | 773,977 |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 0 | (0) | (0) | (0) |
| Actuarial (gains)/losses arising from changes in financial assumptions | 814,720 | 295,689 | 3,399,087 | 4,509,496 |
| Actuarial (gains)/losses arising from liability experience | 1,378,898 | (100,438) | (142,449) | 1,136,011 |
| Benefits paid | (3,193,180) | (674,169) | (2,796,238) | (6,663,588) |
| Taxes, premiums & expenses paid | (146,859) | 93,224 | 86,138 | 32,503 |
| Transfers in | 0 | 0 | 0 | 0 |
| Contributions to accumulation section | 0 | 0 | 0 | 0 |
| Past service cost | 0 | 0 | 0 | 0 |
| Settlements | 0 | 0 | 0 | 0 |
| Exchange rate changes | 0 | 0 | 0 | 0 |
| Present value of defined benefit obligations at end of the year | 26,263,321 | 5,444,244 | 84,706,391 | 116,413,957 |

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

Reconciliation of the effect of the Asset Ceiling

| | SASS Financial Year to 30 June 2014 A\$ | SANCS Financial Year to 30 June 2014 A\$ | SSS Financial Year to 30 June 2014 A\$ | Total Financial Year to 30 June 2014 A\$ |
|--|--|---|---|---|
| Adjustment for effect of asset ceiling at beginning of the year | 0 | 0 | 0 | 0 |
| Change in the effect of asset ceiling | 0 | 0 | 0 | 0 |
| Adjustment for effect of asset ceiling at end of the year | 0 | 0 | 0 | 0 |

Fair value of Fund assets

All Pooled Fund assets are invested by STC at arm's length through independent fund managers and assets are not separately invested for each entity. As such, the disclosures below relate to total assets of the Pooled Fund.

| Asset category | Total (A\$'000) | Quoted prices in active markets for identical assets Level 1 (A\$'000) | Significant observable inputs Level 2 (A\$'000) | Unobservable inputs Level 3 (A\$'000) |
|------------------------------|-------------------|---|---|--|
| Short Term Securities | 2,452,755 | 1,572,615 | 880,140 | - |
| Australian Fixed Interest | 2,365,014 | 10,928 | 2,354,086 | - |
| International Fixed Interest | 880,529 | - | 880,529 | - |
| Australian Equities | 11,738,636 | 11,494,549 | 241,423 | 2,664 |
| International Equities | 10,953,329 | 8,172,677 | 2,780,531 | 121 |
| Property | 3,272,986 | 894,113 | 692,296 | 1,686,577 |
| Alternatives | 6,329,410 | 565,401 | 4,897,152 | 866,857 |
| Total | 37,992,659 | 22,710,283 | 12,726,157 | 2,556,219 |

The percentage invested in each asset class at the reporting date is:

| As at | 30-Jun-14 |
|------------------------------|---------------|
| Short Term Securities | 6.5% |
| Australian Fixed Interest | 6.2% |
| International Fixed Interest | 2.3% |
| Australian Equities | 30.9% |
| International Equities | 28.8% |
| Property | 8.6% |
| Alternatives | 16.7% |
| Total | 100.0% |

*Additional to the assets disclosed above, at 30 June 2014 Pooled Fund has provisions for receivables/(payables) estimated to be around \$2.2 billion, giving an estimated assets totalling around \$40.2 billion.

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this levels are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

Notes to the Financial Statements for the year ended 30 June 2014

Fair value of entity's own financial instruments**The disclosures below relate to total assets of the Pooled Fund.**

The fair value of the Pooled Fund assets include as at 30 June 2014 of \$173.9 million in NSW government bonds.

Significant Actuarial Assumptions at the Reporting Date

| As at | 30-Jun-14 |
|---|--|
| Discount rate | 3.57% pa |
| Salary increase rate (excluding promotional increases) | 2.27% pa to 30 June 2015, then 2.5% pa to 30 June 2018, 3.0% pa from 1 July 2018 to 30 June 2023, and 3.5% pa thereafter |
| Rate of CPI increase | 2.5% pa |
| Pensioner mortality | as per the 2012 Actuarial Investigation of the Pooled Fund |

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2014 under several scenarios is presented below.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

| | Base Case | Scenario A -1.0% discount rate | Scenario B +1.0% discount rate |
|--------------------------------------|------------------|--|--|
| Discount rate | 3.57% | 2.57% | 4.57% |
| Rate of CPI increase | as above | as above | as above |
| Salary inflation rate | as above | as above | as above |
| Defined benefit obligation (A\$'000) | 116,413,957 | 133,362,971 | 102,720,522 |
| | Base Case | Scenario C +0.5% rate of CPI increase | Scenario D -0.5% rate of CPI increase |
| Discount rate | as above | as above | as above |
| Rate of CPI increase | 2.5% | 3.0% | 2.0% |
| Salary inflation rate | as above | as above | as above |
| Defined benefit obligation (A\$'000) | 116,413,957 | 123,274,116 | 110,198,264 |
| | Base Case | Scenario E +0.5% salary increase rate | Scenario F -0.5% salary increase rate |
| Discount rate | as above | as above | as above |
| Rate of CPI increase | as above | as above | as above |
| Salary inflation rate | as above | above rates plus 0.5% pa | above rates less 0.5% pa |
| Defined benefit obligation (A\$'000) | 116,413,957 | 117,582,528 | 115,279,861 |

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

| | Base Case | Scenario G +5% pensioner mortality rates | Scenario H -5% pensioner mortality rates |
|--------------------------------------|-------------|--|--|
| Defined benefit obligation (A\$'000) | 116,413,957 | 115,473,920 | 117,408,655 |

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

We are not aware of any asset and liability matching strategies currently adopted by the Plan.

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2012. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Surplus/deficit

The following is a summary of the 30 June 2014 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

| | SASS 30 Jun 2014 A\$ | SANCS 30 Jun 2014 A\$ | SSS 30 Jun 2014 A\$ | Total 30Jun 2014 A\$ |
|---------------------------------|----------------------------|-----------------------------|---------------------------|----------------------------|
| Accrued benefits | 23,865,674 | 4,680,614 | 45,697,599 | 74,243,887 |
| Net market value of Fund assets | (26,757,391) | (6,172,979) | (53,891,691) | (86,822,061) |
| Net (surplus)/deficit | (2,891,717) | (1,492,365) | (8,194,091) | (12,578,173) |

Contribution recommendations

Recommended contribution rates for the entity are:

| SASS | SANCS | SSS |
|----------------------------------|-----------------|----------------------------------|
| multiple of member contributions | % member salary | multiple of member contributions |
| 1.9 | 2.5 | 1.6 |

Economic assumptions

The economic assumptions adopted for the 30 June 2012 actuarial investigation of the Pooled Fund are:

Weighted-Average Assumptions

| | |
|--|---|
| Expected rate of return on Fund assets backing current pension liabilities | 8.3% pa |
| Expected rate of return on Fund assets backing other liabilities | 7.3% pa |
| Expected salary increase rate | SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) to 30 June 2018, then 4.0% pa thereafter |
| Expected rate of CPI increase | 2.5% pa |

Notes to the Financial Statements for the year ended 30 June 2014

| <i>Expected contributions</i> | SASS | SANCS | SSS | Total |
|---------------------------------|--------------|--------------|--------------|--------------|
| | Financial | Financial | Financial | Financial |
| | Year to | Year to | Year to | Year to |
| | 30 June 2014 | 30 June 2014 | 30 June 2014 | 30 June 2014 |
| | A\$ | A\$ | A\$ | A\$ |
| Expected employer contributions | 824,328 | 220,168 | 544,192 | 1,588,688 |

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 13.1 years.

Profit and Loss Impact

| | | | | |
|-----------------------------|------------------|----------------|------------------|------------------|
| Current service cost | 1,036,779 | 235,818 | 367,314 | 1,639,911 |
| Net interest | (21,257) | (19,856) | 1,191,505 | 1,150,392 |
| Past service cost | 0 | 0 | 0 | 0 |
| (Gains)/Loss on settlement | 0 | 0 | 0 | 0 |
| Defined benefit cost | 1,015,522 | 215,963 | 1,558,819 | 2,790,303 |

Other Comprehensive Income

| | | | | |
|--|------------------|------------------|--------------------|--------------------|
| Actuarial (gains) losses on liabilities | 2,193,618 | 195,251 | 3,256,638 | 5,645,507 |
| Actual return on Fund assets less Interest income | (2,689,785) | (499,071) | (5,088,335) | (8,277,191) |
| Adjustment for effect of asset ceiling | 0 | 0 | 0 | 0 |
| Total remeasurement in Other Comprehensive Income | (496,167) | (303,820) | (1,831,697) | (2,631,684) |

15 COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

Aggregate capital expenditure contracted for at balance date and not provided for:

| | Consolidated | | Parent | |
|------------------------------|--------------|-----------|-----------|-----------|
| | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Not later than one year | 44 | 26 | 44 | 26 |
| Total (including GST) | 44 | 26 | 44 | 26 |

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Not later than one year | 10,387 | 8,284 | 10,387 | 8,284 |
| Later than one year and not later than 5 years | 18,765 | 23,087 | 18,765 | 23,087 |
| Later than 5 years | - | - | - | - |
| Total (including GST) | 29,152 | 31,371 | 29,152 | 31,371 |

The operating lease commitments above relate to the rental of office accommodation and motor vehicles. Lease periods range from 1 - 5 years. Rental accommodation is indexed by either CPI, market or fixed annual increments.

The total commitments in (a) & (b) above include input tax credits of \$2.65m (2012-2013:\$2.85m) that are expected to be recoverable from the Australian Taxation Office.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

16 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the date of this report, there is no current litigation involving the Legal Aid Commission of NSW from which a contingent liability or contingent asset may arise (2012-2013: Contingent Liability \$6,400).

17 BUDGET REVIEW

Net Result

The Net Result is favourable to budget by \$3.9m.

This result is mainly due to delays in the implementation of Commonwealth programs that will be completed in 2014-2015.

Assets and Liabilities

Current assets are \$6.9m higher than budget primarily due to a higher than budgeted cash balance (\$8.0m), partially offset by a lower Current Receivables balance (\$1.1m).

Liabilities are \$10.8m lower than budget, mainly as a result of a net decrease in Provisions (\$9.9m) and a decrease in Payables (\$1.0m).

Cash Flows

Net Cash Flows from Operating Activities were \$4.4m higher than budget. This was due to Total Payments being higher than budget by \$4.3m and Total Receipts being higher than budget by \$8.7m.

The variance in Total Payments is made up of higher than budget payments in Employee Related (\$1.9m) and Grants and Subsidies (\$5.4m) partially offset by lower than budget payments for Other (\$3.0m).

The variance in Total Receipts is primarily made up of additional Commonwealth funding (\$4.6m) and additional CLC funding (\$1.4m).

The budget for Other contains the expected revenue from the Public Purpose Fund due to NSW Treasury classification, however the actual amounts for these are contained in Grants and Contributions.

| | Consolidated | | Parent | |
|--|--------------|--------|--------|--------|
| | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 |

18 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income

| | | | | |
|---|--------------|--------------|--------------|---------------|
| Net cash generated/(used) on operating activities | 7,838 | 7,537 | 7,838 | 7,537 |
| Depreciation and amortisation | (5,090) | (5,654) | (5,090) | (5,654) |
| Decrease / (increase) in provisions | 1,037 | 16,390 | 1,037 | 16,390 |
| Decrease / (increase) in other liabilities | 6 | (220) | 6 | (220) |
| Decrease / (increase) in creditors | 659 | 7,005 | 659 | 7,005 |
| Actuarial (gains)/losses on superannuation | (2,632) | (17,925) | - | - |
| Increase / (decrease) in prepayments and other assets | 237 | (1,292) | 237 | (1,292) |
| Net Gain/(Loss) on disposal of plant and equipment | (11) | 65 | (11) | 65 |
| Net Gain/(Loss) on other - Lease make good | 1,460 | 336 | 1,460 | 336 |
| Net Result | 3,504 | 6,242 | 6,136 | 24,167 |

19 TRUST FUNDS

The Legal Aid Commission of NSW administers, but does not control the funds in the following trust:

| | 2014 | 2013 |
|--|--------|--------|
| | \$'000 | \$'000 |

Legal Aid Commission Trust Account¹

| | | |
|---|------------|--------------|
| Cash balance at the beginning of the financial year | 1,756 | 885 |
| Add: Receipts | 2,909 | 3,565 |
| Less: Expenditure | (3,744) | (2,694) |
| Cash balance at the end of the financial year | 921 | 1,756 |

Notes to the Financial Statements for the year ended 30 June 2014

As the Legal Aid Commission of NSW performs only a custodial role in respect of trust monies, and because the monies cannot be used for the achievement of its objectives; that is, the definition criteria for assets is not met, trust funds are not brought to account in the financial statements, but are shown in the notes for information purposes. Refer to Note 1(h)(xii).

1 Pursuant to Section 64A of the *Legal Aid Commission Act 1979*, a Legal Aid Commission Trust Account is maintained for verdict and settlement moneys held on behalf of legally aided persons represented by Commission in-house practitioners. The Legal Aid Commission of NSW may recover some costs upon finalisation of these matters.

20 FINANCIAL INSTRUMENTS

The principal financial instruments of the Legal Aid Commission of NSW are outlined below. These financial instruments arise directly from the operations of the Legal Aid Commission of NSW or are required to finance the operations of the Legal Aid Commission of NSW. The Legal Aid Commission of NSW does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The main risks arising from financial instruments for the Legal Aid Commission of NSW are outlined below, together with the objectives of the Legal Aid Commission of NSW, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Board and Audit and Risk Committee has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Legal Aid Commission of NSW, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors on a continuous basis.

| (a) Financial Instrument Categories | Note | Category | Carrying Amount 2014 \$'000 | Carrying Amount 2013 \$'000 |
|-------------------------------------|------|---|--------------------------------------|--------------------------------------|
| Financial Assets | | | | |
| Class: | | | | |
| Cash & Cash equivalents | 7 | n/a | 86,082 | 82,574 |
| Receivables ¹ | 8 | Receivables (at amortised cost) | 3,445 | 2,994 |
| Financial Liabilities | | | | |
| Class: | | | | |
| Payables ² | 11 | Financial Liabilities measured at amortised cost | 12,710 | 13,555 |

¹Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

²Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

Financial statements

(b) Credit Risk

Credit risk arises when there is the possibility of the debtors of the Legal Aid Commission of NSW defaulting on their contractual obligations, resulting in a financial loss to the Legal Aid Commission of NSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance or impairment).

Credit risk arises from the financial assets of the Legal Aid Commission of NSW, including cash, receivables and authority deposits. The Legal Aid Commission of NSW has secured a portion of its receivables by way of caveat. The Legal Aid Commission of NSW has not granted any financial guarantees.

Credit risk associated with the financial assets of the Legal Aid Commission of NSW, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and the Legal Aid Commission of NSW funds that are held in advance accounts and the general operating bank account. Interest is earned on the daily balances of the bank accounts. Refer Note 7. The average rate of interest earned on bank accounts was 3.37% (2012-2013: 3.25%)

Receivables

All receivables are recognised as amounts receivable at reporting date. Collectability of trade debts is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Legal Aid Commission of NSW will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). The carrying amount approximates fair value. Interest is charged on overdue trade debtors' accounts under section 71A of the *Legal Aid Commission Act 1979* as amended and applicable interest rates were as follows:

- Overdue debt (Section 71A of *Legal Aid Commission Act*)
01/07/2013 - 31/12/2013 - 4.38%
01/01/2014 - 30/06/2014 - 4.25%
- Local Court judgements (Section 101 of *Civil Procedure Act 2005*)
01/07/2013 - 31/12/2013 - 8.75%
01/01/2014 - 30/06/2014 - 8.50%
- Family Court judgements (Section 117B of *Family Law Act*)
01/07/2013 - 31/12/2013 - 8.75%
01/01/2014 - 30/06/2014 - 8.50%

Based on past experience, debtors that are not past due (2014: \$0.715m 2013: \$0.36m;) and not less than 1 month past due (2014: \$0.740m 2013: \$0.41m) are not considered impaired and together these represent 19.19% of the total debtors (2013: 21.49%). The only financial assets that are past due or impaired are "Sales of Goods and Services" in the "Receivables" category of the Statement of Financial Position.

| | Total \$'000 | Past due but not impaired ^{1,2} \$'000 | Considered impaired ^{1,2} \$'000 |
|-----------------------------|-----------------|---|---|
| 2014 | | | |
| < 3 months overdue | 142 | 95 | 47 |
| 3 months - 6 months overdue | 69 | 3 | 66 |
| > 6 months overdue | 2,920 | 2,372 | 548 |
| 2013 | | | |
| < 3 months overdue | 406 | 142 | 264 |
| 3 months - 6 months overdue | 178 | 76 | 102 |
| > 6 months overdue | 1,968 | 191 | 1,777 |

¹Each column in the table reports 'gross receivables'

²The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not necessarily reconcile to the receivables total recognised in the Statement of Financial Position.

Authority Deposits

In financial year 2012-2013 funds on deposits with NSW TCorp were transferred to Legal Aid NSW General Bank account. Therefore there were no deposits at balance date.

(c) Liquidity risk

Liquidity risk is the risk that the Legal Aid Commission of NSW will be unable to meet its payment obligations when they fall due. The exposure of the Legal Aid Commission of NSW to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made within 14 days from the date of the receipt of the invoice. The Legal Aid Commission of NSW did not incur any penalty interest for late payment of claims.

The table below summarises the maturity profile of the financial liabilities of the Legal Aid Commission of NSW, together with the interest rate exposure.

| Maturity analysis and interest rate exposure of financial liabilities: | Consolidated | | Parent | |
|--|----------------|----------------|----------------|----------------|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 |
| Payables: | | | | |
| Weighted Average Effective Interest Rate | - | - | - | - |
| Nominal Amount ¹ | 12,710 | 13,555 | 12,710 | 13,555 |
| Fixed Interest Rate | - | - | - | - |
| Variable Interest Rate | - | - | - | - |
| Non-interest bearing | - | - | - | - |
| Maturity Dates <1 year | 12,710 | 13,555 | 12,710 | 13,555 |
| Maturity Dates 1-5 years | - | - | - | - |
| Maturity Dates > 5 years | - | - | - | - |

¹The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the Statement of Financial Position.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The exposure to market risk of the Legal Aid Commission of NSW is minimal. The Legal Aid Commission of NSW has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect of profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Legal Aid Commission of NSW operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the reporting date. The analysis is performed on the same basis for 2013. The analysis assumes that all other variables remain constant.

Interest rate risk

The Legal Aid Commission of NSW does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The exposure of the Legal Aid Commission of NSW to interest risk is set out below.

Financial statements

| | | | \$'000 | | |
|------------------------------|--------------------|---------------|--------|--------------|--------|
| | Carrying Amount | -1% Profit | Equity | 1% Profit | Equity |
| 2014 | | | | | |
| Financial assets | | | | | |
| Cash & cash equivalents | 86,082 | (861) | (861) | 861 | 861 |
| Receivables | 3,445 | (34) | (34) | 34 | 34 |
| Financial liabilities | | | | | |
| Payables | 12,710 | (127) | (127) | 127 | 127 |
| 2013 | | | | | |
| Financial assets | | | | | |
| Cash & cash equivalents | 82,574 | (826) | (826) | 826 | 826 |
| Receivables | 2,994 | (30) | (30) | 30 | 30 |
| Financial liabilities | | | | | |
| Payables | 13,555 | (136) | (136) | 136 | 136 |

(e) Fair value measurement

Financial instruments are recognised at amortised cost, which approximate fair value because of their short-term nature.

21 EVENTS AFTER REPORTING PERIOD

No events have occurred subsequent to the reporting date, which will materially affect the financial statements.

END OF AUDITED FINANCIAL STATEMENTS

Legal Aid Commission Staff Agency

The Legal Aid Commission Staff Agency provides personnel services to the Legal Aid Commission (statutory corporation).

Contents

| | |
|---|-----|
| Statement by Chief Executive Officer | 110 |
| Independent Auditor's Report | 111 |
| Statement of Comprehensive Income | 113 |
| Statement of Financial Position | 114 |
| Statement of Changes in Equity | 115 |
| Statement of Cash Flows | 116 |
| Notes to the financial statements for the year ended 30 June 2014 | |
| 1. (a)–(i) Summary of significant accounting policies | 117 |
| 2. Expenses | 119 |
| 3. Revenue | 119 |
| 4. Programs/activities of the office | 119 |
| 5. Current/non-current assets—receivables | 119 |
| 6. Current liabilities—payables | 120 |
| 7. Current/non current liabilities—provisions | 120 |
| 8. Superannuation fund information | 120 |
| 9. Reconciliation of cash flows from operating activities to the net result | 127 |
| 10. Contingent liabilities and contingent assets | 127 |
| 11. Commitments for expenditure | 128 |
| 12. Financial instruments | 128 |
| 13. After balance date events | 129 |
| Other information | 130 |
| 1. Payment performance | 130 |
| 2. Annual reporting legislation requirements | 130 |

Statement by Chief Executive Officer

LEGAL AID COMMISSION STAFF AGENCY

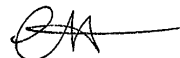
Statement by Chief Executive Officer

Pursuant to Section 41C(1B) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the Board of the Legal Aid Commission of NSW, we declare on behalf of the Legal Aid Commission of NSW that in our opinion:

1. The financial statements have been prepared in accordance with the requirements of the *Public Finance and Audit Act 1983*, Public Finance and Audit Regulations 2010, applicable Australian Accounting Standards (which include Australian Accounting Interpretations), and specific directions issued by the Treasurer.
2. The accompanying financial statements exhibit a true and fair view of the financial position of the Legal Aid Commission Staff Agency as at 30 June 2014 and transactions for the year then ended.
3. There are no circumstances that render any particulars included in the financial statements to be misleading or inaccurate.



Steve O'Connor
Acting Chief Executive Officer



Clare Hamilton
Executive Director Finance

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Legal Aid Commission Staff Agency

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Legal Aid Commission Staff Agency (the Agency), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Agency as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer (CEO) is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the CEO determines is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the CEO, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Agency
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Daniels
Director, Financial Audit Services

22 September 2014
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

Statement of comprehensive income for the year ended 30 June 2014

| | Notes | Actual 2014 \$'000 | Actual 2013 \$'000 |
|--|-------|--------------------------|--------------------------|
| Revenue | | | |
| Personnel services | 3 | 94,504 | 76,800 |
| Total Revenue | | 94,504 | 76,800 |
| Expenses | | | |
| Employee related | 2(a) | 96,949 | 94,599 |
| Other operating expenses | 2(b) | 187 | 126 |
| Total Expenses | | 97,136 | 94,725 |
| NET RESULT | 9 | (2,632) | (17,925) |
| Superannuation actuarial gains/(losses) | | 2,632 | 17,925 |
| Total other comprehensive Income for the year | | 2,632 | 17,925 |
| TOTAL COMPREHENSIVE INCOME | | 0 | 0 |

The accompanying notes form part of these financial statements

Financial statements

Statement of financial position as at 30 June 2014

| | Notes | Actual 2014 \$'000 | Actual 2013 \$'000 | 01 July 2012 \$'000 |
|--------------------------------------|-------|--------------------------|--------------------------|------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Receivables | 5 | 57,443 | 59,718 | 72,908 |
| Total Current Assets | | 57,443 | 59,718 | 72,908 |
| Non Current Assets | | | | |
| Receivables | 5 | 1,272 | 1,343 | 2,036 |
| Total Non-Current Assets | | 1,272 | 1,343 | 2,036 |
| Total Assets | | 58,715 | 61,061 | 74,944 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Payables | 6 | 2,311 | 2,157 | 2,231 |
| Provisions | 7 | 55,132 | 57,561 | 70,677 |
| Total Current Liabilities | | 57,443 | 59,718 | 72,908 |
| Non Current Liabilities | | | | |
| Provisions | 7 | 1,272 | 1,343 | 2,036 |
| Total Non Current Liabilities | | 1,272 | 1,343 | 2,036 |
| Total Liabilities | | 58,715 | 61,061 | 74,944 |
| Net Assets | | 0 | 0 | 0 |
| EQUITY | | | | |
| Accumulated funds | | 0 | 0 | 0 |

The accompanying notes form part of these financial statements

Statement of changes in equity for the year ended 30 June 2014

| | Notes | Accumulated Funds \$'000 | Total \$'000 |
|--|-------|--------------------------------|-----------------|
| Balance at 1 July 2013 | | | |
| Changes in accounting policy | | 0 | 0 |
| Correction of errors | | 0 | 0 |
| Restated total equity at 1 July 2013 | | <u>0</u> | <u>0</u> |
| Net result for the Year | | <u>(2,632)</u> | <u>(2,632)</u> |
| Other Comprehensive income: | | | |
| Net increase/(decrease) in plant and equipment | | 0 | 0 |
| Changes in restoration liability | | 0 | 0 |
| Superannuation actuarial gains/(losses) | 8 | 2,632 | 2,632 |
| Total other comprehensive income | | <u>2,632</u> | <u>2,632</u> |
| Total comprehensive income for the year | | <u>0</u> | <u>0</u> |
| Balance at 30 June 2014 | | <u>0</u> | <u>0</u> |
| Balance at 1 July 2012 | | 0 | 0 |
| Changes in accounting policy | | 0 | 0 |
| Correction of errors | | 0 | 0 |
| Restated total equity at 1 July 2012 | | <u>0</u> | <u>0</u> |
| Net result for the Year | | <u>(17,925)</u> | <u>(17,925)</u> |
| Other Comprehensive income: | | | |
| Net increase/(decrease) in plant and equipment | | 0 | 0 |
| Changes in restoration liability | | 0 | 0 |
| Superannuation actuarial gains/(losses) | 8 | 17,925 | 17,925 |
| Total other comprehensive income | | <u>17,925</u> | <u>17,925</u> |
| Total comprehensive income for the year | | <u>0</u> | <u>0</u> |
| Balance at 30 June 2013 | | <u>0</u> | <u>0</u> |

The accompanying notes form part of these financial statements

Statement of cash flows for the year ended 30 June 2014

| | Notes | Actual 2014 \$'000 | Actual 2013 \$'000 |
|---|-------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee Related | | (99,295) | (93,263) |
| Total Payments | | <u>(99,295)</u> | <u>(93,263)</u> |
| Receipts | | | |
| Legal Aid Commission - personnel services | | 99,295 | 93,263 |
| Total Receipts | | <u>99,295</u> | <u>93,263</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 9 | <u><u>0</u></u> | <u><u>0</u></u> |
| NET INCREASE/(DECREASE) IN CASH | | 0 | 0 |
| Opening cash and cash equivalents | | 0 | 0 |
| CLOSING CASH AND CASH EQUIVALENTS | | <u><u>0</u></u> | <u><u>0</u></u> |

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Legal Aid Commission Staff Agency (the Agency) is a Division of the Government Service, established pursuant to the *Government Sector Employment Act 2013*. The Agency was previously known as Office of the Legal Aid Commission of NSW. The Agency is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the Legal Aid Commission of New South Wales Accounts. It is domiciled in Australia and its principal office is at 323 Castlereagh Street, Haymarket, Sydney.

The Agency's objective is to provide personnel services to the Legal Aid Commission of New South Wales, the parent entity, at cost. The financial statements were authorised for issue by the Acting Chief Executive Officer on 18 September 2014.

(b) Basis of Preparation

The Agency's financial statements are prepared in accordance with the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, and *Public Finance and Audit Regulation 2010*, and specific directions issued by the Treasurer.

The financial statements are prepared in accordance with the historical cost convention and the financial statements do not take into account changing money values or current valuations.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information. Judgements, key assumptions and estimates are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

(e) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in the active market.

Receivables are recognised initially at fair value, usually based on transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the Net Result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment is established where there is objective evidence that a receivable may not be collectable. The amount of any impairment loss is recognised in the Net Result for the year.

(f) Payables

These amounts represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(g) Employee Benefits and other Provisions

Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits. Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, fringe benefits tax and workers' compensation insurance premiums which are consequential to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

Superannuation and leave liabilities are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits* using a shorthand measurement technique based on valuation factors provided by Mercer (Australia) Pty Ltd in 2012–2013.

The Agency's superannuation position is calculated based on economic assumptions determined by the independent actuary, Pillar Administration, as advised by the SAS Trustee Corporation (STC). All Fund assets are invested by STC at arm's length through independent fund managers. Any variation between the Agency's gross superannuation liability and employer reserve account balance is recognised in the Statement of Financial Position as an unfunded liability or prepaid contribution. Refer Notes 2, 7 & 8.

(h) Comparative Information - General

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(i) New Australian Accounting Standards issued but not effective

(i) Issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The following new Accounting Standards and Interpretations have not yet been adopted and are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interest in Other Entities
- AASB 124 Related Party Disclosure
- AASB 127 Separate Financial Statements
- AASB 1031 Materiality
- AASB 2012–2013 regarding offsetting financial assets and financial liabilities

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Agency.

(ii) Effective for the first time in 2013–2014:

Changes to Accounting Standard AASB 119 Employee Benefits, has resulted in the previous year's (2013) defined benefits superannuation expenditure and actuarial gains being restated in the Statement of comprehensive income, Statement of changes to equity, and the respective Notes to the Financial Statements.

In the Statement of comprehensive income the Employee related 2013 reinstated cost is \$94.6m (originally \$90.1m) and the Superannuation actuarial gain reinstated to \$17.925m (originally \$11.051m). In the Statement of Changes in equity the 2013 Net result, as well as the Superannuation actuarial gain are both reinstated to \$17.925m (originally \$11.051m).

Impact on total comprehensive income for the year ended 30 June 2014 as a result of AASB 119 the 2014 Statement of comprehensive income Employee related costs is \$94.5 (originally \$94.6) and the Superannuation actuarial gain is \$2.6m (originally \$2.0m).

Notes to the Financial Statements for the year ended 30 June 2014

| | 2014 | 2013 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| 2 EXPENSES | | |
| a) Employee related expenses | | |
| Salaries and wages (including recreation leave) | 81,311 | 77,528 |
| Superannuation - defined benefit plans* | 2,790 | 3,363 |
| Superannuation - defined contribution plans | 6,338 | 5,920 |
| Long service leave | 1,018 | 1,960 |
| Workers' compensation insurance | 795 | 1,010 |
| Payroll tax and fringe benefits tax | 4,697 | 4,818 |
| Total | 96,949 | 94,599 |

The Agency does not employ staff that are directly involved in day-to-day servicing or maintenance. Audit fees of \$2,200 (2012–2013: \$2,100) are paid on the Agency's behalf by the Parent entity, the Legal Aid Commission of NSW.

*Refer Note 8. Superannuation actuarial gains of \$2.6m (2012–2013: actuarial gains of \$17.925m) are recognised in the 'Statement of Changes in Equity'.

(b) Other operating expenses

| | | |
|--------------|------------|------------|
| Other | 187 | 126 |
| Total | 187 | 126 |

3 REVENUE**Rendering of services**

| | | |
|----------------------------|---------------|---------------|
| Personnel services revenue | 94,504 | 76,800 |
| Total | 94,504 | 76,800 |

The Agency provides personnel services to the Legal Aid Commission of NSW in terms of the *Government Sector Employment Act 2013* (GSE Act) at cost.

4 PROGRAMS ACTIVITIES OF THE AGENCY

The Agency provides personnel services to the Legal Aid Commission of NSW so that the Commission may deliver legal services to eligible persons under Commonwealth law and State legislation and undertake community legal education and provide advice to the socially and economically disadvantaged.

5 CURRENT / NON-CURRENT ASSETS - RECEIVABLES**Current**

| | | |
|--|---------------|---------------|
| Legal Aid Commission of NSW- accrued salaries, wages and on-costs ¹ | 2,311 | 2,157 |
| Legal Aid Commission of NSW- provision for employee benefits ¹ | 25,540 | 26,447 |
| Receivable from the Legal Aid Commission of NSW - Superannuation liability | 29,592 | 31,114 |
| Total Current | 57,443 | 59,718 |

Non- Current

| | | |
|--|--------------|--------------|
| Legal Aid Commission of NSW - provision for employee benefits ¹ | 1,272 | 1,343 |
| Total Non-Current | 1,272 | 1,343 |

¹All expenses incurred by the Agency in providing personnel services to the Legal Aid Commission of NSW are recovered from the Commission as they are incurred at cost. Current and non-current employee benefits are measured in accordance with AASB 119 and include recreation leave, long service leave, superannuation and related on-costs. Refer Note 7.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

| | 2014 | 2013 |
|---|----------------------|----------------------|
| | \$'000 | \$'000 |
| 6 CURRENT LIABILITIES - PAYABLES | | |
| Current | | |
| Accrued salaries, wages and on-costs | 2,311 | 2,157 |
| Total Current | <u>2,311</u> | <u>2,157</u> |
| 7 CURRENT / NON CURRENT LIABILITIES - PROVISIONS | | |
| Current | | |
| Employee benefits and related on-costs | | |
| Provision for recreation leave to be taken within 12 months | 7,326 | 6,184 |
| Provision for recreation leave to be taken after 12 months | 129 | 1,381 |
| Provision for long service leave to be taken within 12 months | 2,033 | 2,021 |
| Provision for long service leave to be taken after 12 months | 11,537 | 12,868 |
| Provision for related on-costs | 4,515 | 3,993 |
| Superannuation Liability (Refer Note 8) | 29,592 | 31,114 |
| Total Current | <u>55,132</u> | <u>57,561</u> |
| Non-Current | | |
| Employee benefits and related on-costs | | |
| Provision for long service leave | 1,021 | 1,121 |
| Provision for related on-costs | 251 | 222 |
| Total Non-Current | <u>1,272</u> | <u>1,343</u> |
| Aggregate employee benefits and related on-costs | | |
| Provisions - current | 55,132 | 57,561 |
| Provisions - non-current | 1,272 | 1,343 |
| Accrued salaries, wages and on-costs (Note 6) | 2,311 | 2,157 |
| | <u>58,715</u> | <u>61,061</u> |

8 SUPERANNUATION FUND INFORMATION

The following information has been provided by the Scheme actuary:

| | SASS | SANCS | SSS | TOTAL |
|-------------------------|-------------|-------------|-------------|-------------|
| | 30 Jun 2014 | 30 Jun 2014 | 30 Jun 2014 | 30 Jun 2014 |
| Member Numbers | | | | |
| Contributors | 64 | 88 | 24 | 176 |
| Deferred benefits | 0 | 0 | 4 | 4 |
| Pensioners | 0 | 0 | 52 | 52 |
| Pensions fully commuted | 0 | 0 | 13 | 13 |

Notes to the Financial Statements for the year ended 30 June 2014

| | SASS A\$ | SANCS A\$ | SSS A\$ | TOTAL A\$ |
|--|--------------|--------------|--------------|--------------|
| | 30 Jun 2014 | 30 Jun 2014 | 30 Jun 2014 | 30 Jun 2014 |
| Superannuation Position for AASB 119 purposes | | | | |
| Accrued liability (Note 1) | 26,263,321 | 5,444,244 | 84,706,391 | 116,413,957 |
| Estimated reserve account balance | (26,757,391) | (6,172,979) | (53,891,691) | (86,822,061) |
| 1. Deficit/(surplus) | (494,070) | (728,735) | 30,814,700 | 29,591,896 |
| 2. Future Service Liability (Note 2) | 4,392,551 | 1,665,858 | 1,797,487 | 7,855,896 |
| 3. Surplus in excess of recovery available from schemes (- 1.- 2. and subject to a minimum of zero) | 0 | 0 | 0 | 0 |
| 4. Net (asset)/liability to be recognised in statement of financial position (1. + 3.) | (494,070) | (728,735) | 30,814,700 | 29,591,896 |

Note 1:

The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the surplus in excess of recovery is zero, no asset ceiling limit is imposed.

Nature of the benefits provided by the fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the Schemes are closed to new members.

All the Schemes are closed to new members.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Scheme Act 1987*, and their associated regulations.

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** – The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Reconciliation of the Net Defined Benefit Liability/(Asset)

| | SASS Financial Year to 30 June 2014 A\$ | SANCS Financial Year to 30 June 2014 A\$ | SSS Financial Year to 30 June 2014 A\$ | Total Financial Year to 30 June 2014 A\$ |
|--|--|---|---|---|
| Net Defined Benefit Liability/(Asset) at start of year | (105,354) | (404,163) | 31,623,200 | 31,113,683 |
| Current service cost | 1,036,779 | 235,818 | 367,314 | 1,639,911 |
| Net Interest on the net defined benefit liability/ (asset) | (21,257) | (19,856) | 1,191,505 | 1,150,392 |
| Past service cost | 0 | 0 | 0 | 0 |
| (Gains)/losses arising from settlements | 0 | 0 | 0 | 0 |
| Actual return on Fund assets less Interest income | (2,689,785) | (499,071) | (5,088,335) | (8,277,191) |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 0 | (0) | (0) | (0) |
| Actuarial (gains)/losses arising from changes in financial assumptions | 814,720 | 295,689 | 3,399,087 | 4,509,496 |
| Actuarial (gains)/losses arising from liability experience | 1,378,898 | (100,438) | (142,449) | 1,136,011 |
| Adjustment for effect of asset ceiling | 0 | 0 | 0 | 0 |
| Employer contributions | (908,071) | (236,714) | (535,621) | (1,680,406) |
| Net Defined Benefit Liability/(Asset) at end of year | (494,070) | (728,735) | 30,814,700 | 29,591,896 |

Notes to the Financial Statements for the year ended 30 June 2014

Reconciliation of the Fair Value of Fund Assets

| | SASS | SANCS | SSS | Total |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Financial Year to 30 June 2014 | Financial Year to 30 June 2014 | Financial Year to 30 June 2014 | Financial Year to 30 June 2014 |
| | A\$ | A\$ | A\$ | A\$ |
| <i>Fair value of Fund assets at beginning of the year</i> | 25,155,176 | 5,807,524 | 48,821,477 | 79,784,177 |
| Interest income | 912,806 | 211,186 | 1,817,083 | 2,941,075 |
| Actual return on Fund assets less Interest income | 2,687,521 | 498,500 | 5,087,490 | 8,273,511 |
| Employer contributions | 908,071 | 236,714 | 535,621 | 1,680,406 |
| Contributions by participants | 433,857 | 0 | 340,120 | 773,977 |
| Benefits paid | (3,193,180) | (674,169) | (2,796,238) | (6,663,588) |
| Taxes, premiums & expenses paid | (146,859) | 93,224 | 86,138 | 32,503 |
| Transfers in | 0 | 0 | 0 | 0 |
| Contributions to accumulation section | 0 | 0 | 0 | 0 |
| Settlements | 0 | 0 | 0 | 0 |
| Exchange rate changes | 0 | 0 | 0 | 0 |
| <i>Fair value of Fund assets at end of the year</i> | 26,757,391 | 6,172,979 | 53,891,691 | 86,822,061 |

Reconciliation of the Defined Benefit Obligation

| | | | | |
|---|-------------------|------------------|-------------------|--------------------|
| <i>Present value of defined benefit obligations at beginning of the year</i> | 25,049,822 | 5,403,361 | 80,444,677 | 110,897,860 |
| Current service cost | 1,036,779 | 235,818 | 367,314 | 1,639,911 |
| Interest cost | 889,285 | 190,759 | 3,007,743 | 4,087,787 |
| Contributions by participants | 433,857 | 0 | 340,120 | 773,977 |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 0 | (0) | (0) | (0) |
| Actuarial (gains)/losses arising from changes in financial assumptions | 814,720 | 295,689 | 3,399,087 | 4,509,496 |
| Actuarial (gains)/losses arising from liability experience | 1,378,898 | (100,438) | (142,449) | 1,136,011 |
| Benefits paid | (3,193,180) | (674,169) | (2,796,238) | (6,663,588) |
| Taxes, premiums & expenses paid | (146,859) | 93,224 | 86,138 | 32,503 |
| Transfers in | 0 | 0 | 0 | 0 |
| Contributions to accumulation section | 0 | 0 | 0 | 0 |
| Past service cost | 0 | 0 | 0 | 0 |
| Settlements | 0 | 0 | 0 | 0 |
| Exchange rate changes | 0 | 0 | 0 | 0 |
| <i>Present value of defined benefit obligations at end of the year</i> | 26,263,321 | 5,444,244 | 84,706,391 | 116,413,957 |

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

Reconciliation of the effect of the Asset Ceiling

| | SASS Financial Year to 30 June 2014 | SANCS Financial Year to 30 June 2014 | SSS Financial Year to 30 June 2014 | Total Financial Year to 30 June 2014 |
|--|---|--|--|--|
| | A\$ | A\$ | A\$ | A\$ |
| Adjustment for effect of asset ceiling at beginning of the year | 0 | 0 | 0 | 0 |
| Change in the effect of asset ceiling | 0 | 0 | 0 | 0 |
| Adjustment for effect of asset ceiling at end of the year | 0 | 0 | 0 | 0 |

Fair value of Fund assets

All Pooled Fund assets are invested by STC at arm's length through independent fund managers and assets are not separately invested for each entity. As such, the disclosures below relate to total assets of the Pooled Fund.

| Asset category | Total (A\$'000) Level 1 (A\$'000) | Quoted prices in active markets for identical assets | Significant observable inputs Level 2 (A\$'000) | Unobservable inputs Level 3 (A\$'000) |
|------------------------------|--------------------------------------|--|---|---|
| Short Term Securities | 2,452,755 | 1,572,615 | 880,140 | 0 |
| Australian Fixed Interest | 2,365,014 | 10,928 | 2,354,086 | 0 |
| International Fixed Interest | 880,529 | 0 | 880,529 | 0 |
| Australian Equities | 11,738,636 | 11,494,549 | 241,423 | 2,664 |
| International Equities | 10,953,329 | 8,172,677 | 2,780,531 | 121 |
| Property | 3,272,986 | 894,113 | 692,296 | 1,686,577 |
| Alternatives | 6,329,410 | 565,401 | 4,897,152 | 866,857 |
| Total | 37,992,659 | 22,710,283 | 12,726,157 | 2,556,219 |

The percentage invested in each asset class at the reporting date is:

| As at | 30 Jun 2014 |
|------------------------------|-------------|
| Short Term Securities | 6.5% |
| Australian Fixed Interest | 6.2% |
| International Fixed Interest | 2.3% |
| Australian Equities | 30.9% |
| International Equities | 28.8% |
| Property | 8.6% |
| Alternatives | 16.7% |
| Total | 100% |

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this levels are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

Notes to the Financial Statements for the year ended 30 June 2014

Fair value of entity's own financial instruments

The fair value of the Pooled Fund assets include as at 30 June 2014 of \$173.9 million in NSW government bonds.

Significant Actuarial Assumptions at the Reporting Date

| As at | 30 Jun 2014 |
|--|--|
| Discount rate | 3.57% pa |
| Salary increase rate (excluding promotional increases) | 2.27% pa to 30 June 2015, then 2.5% pa to 30 June 2018, 3.0% pa from 1 July 2018 to 30 June 2023, and 3.5% pa thereafter |
| Rate of CPI increase | 2.5% pa |
| Pensioner mortality | as per the 2012 Actuarial Investigation of the Pooled Fund |

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2014 under several scenarios is presented below.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

| | Base Case | Scenario A -1.0% discount rate | Scenario B discount rate+1.0% |
|--------------------------------------|-------------|--|--|
| Discount rate | 3.57% | 2.57% | 4.57% |
| Rate of CPI increase | as above | as above | as above |
| Salary inflation rate | as above | as above | as above |
| Defined benefit obligation (A\$'000) | 116,413,957 | 133,362,971 | 102,720,522 |
| | Base Case | Scenario C +0.5% rate of CPI increase | Scenario D -0.5% rate of CPI increase |
| Discount rate | as above | as above | as above |
| Rate of CPI increase | 2.5% | 3.0% | 2.0% |
| Salary inflation rate | as above | as above | as above |
| Defined benefit obligation (A\$'000) | 116,413,957 | 123,274,116 | 110,198,264 |
| | Base Case | Scenario E +0.5% salary increase rate | Scenario F -0.5% salary increase rate |
| Discount rate | as above | as above | as above |
| Rate of CPI increase | as above | as above | as above |
| Salary inflation rate | as above | above rates plus 0.5% pa | above rates less 0.5% pa |
| Defined benefit obligation (A\$'000) | 116,413,957 | 117,582,528 | 115,279,861 |
| | Base Case | Scenario G +5% pensioner mortality rates | Scenario H -5% pensioner mortality rates |
| Defined benefit obligation (A\$'000) | 116,413,957 | 115,473,920 | 117,408,655 |

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

We are not aware of any asset and liability matching strategies currently adopted by the Plan.

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2012. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Surplus/deficit

The following is a summary of the 30 June 2014 financial position of the Fund calculated in accordance with AAS 25 Financial Reporting by Superannuation Plans:

| | SASS | SANCS | SSS | Total |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 30 Jun 2014 | 30 Jun 2014 | 30 Jun 2014 | 30 Jun 2014 |
| | A\$ | A\$ | A\$ | A\$ |
| Accrued benefits | 23,865,674 | 4,680,614 | 45,697,599 | 74,243,887 |
| Net market value of Fund assets | (26,757,391) | (6,172,979) | (53,891,691) | (86,822,061) |
| Net (surplus)/deficit | (2,891,717) | (1,492,365) | (8,194,091) | (12,578,173) |

Contribution recommendations

Recommended contribution rates for the entity are:

| SASS multiple of member contributions | SANCS% member salary | SSS multiple of member contributions |
|--|---------------------------------|---|
| 1.9 | 2.5 | 1.6 |

Economic assumptions

The economic assumptions adopted for the 30 June 2012 actuarial investigation of the Pooled Fund are:

Weighted-Average Assumptions

| | |
|--|---|
| Expected rate of return on Fund assets backing current pension liabilities | 8.3% pa |
| Expected rate of return on Fund assets backing other liabilities | 7.3% pa |
| Expected salary increase rate | SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) to 30 June 2018, then 4.0% pa thereafter |
| Expected rate of CPI increase | 2.5% pa |

Notes to the Financial Statements for the year ended 30 June 2014

Expected contributions

| | SASS Financial Year to 30 June 2015 | SANCS Financial Year to 30 June 2015 | SSS Financial Year to 30 June 2015 | Total Financial Year to 30 June 2015 |
|---------------------------------|--|---|---|---|
| | A\$ | A\$ | A\$ | A\$ |
| Expected employer contributions | 824,328 | 220,168 | 544,192 | 1,588,688 |

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 13.1 years.

Profit and Loss Impact

| | | | | |
|-----------------------------|------------------|----------------|------------------|------------------|
| Current service cost | 1,036,779 | 235,818 | 367,314 | 1,639,911 |
| Net interest | (21,257) | (19,856) | 1,191,505 | 1,150,392 |
| Past service cost | 0 | 0 | 0 | 0 |
| (Gains)/Loss on settlement | 0 | 0 | 0 | 0 |
| Defined benefit cost | 1,015,522 | 215,963 | 1,558,819 | 2,790,303 |

Other Comprehensive Income

| | | | | |
|--|------------------|------------------|--------------------|--------------------|
| Actuarial (gains) losses on liabilities | 2,193,618 | 195,251 | 3,256,638 | 5,645,507 |
| Actual return on Fund assets less Interest income | (2,689,785) | (499,071) | (5,088,335) | (8,277,191) |
| Adjustment for effect of asset ceiling | 0 | 0 | 0 | 0 |
| Total remeasurement in Other Comprehensive Income | (496,167) | (303,820) | (1,831,697) | (2,631,684) |

9 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO THE NET RESULT

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income:

| | 2014 \$'000 | 2013 \$'000 |
|--|------------------------------|------------------------------|
| Net cash from operating activities | - | - |
| (Increase) / decrease in provisions | (132) | (4,116) |
| (Increase) /decrease in creditors | (154) | 74 |
| (Decrease) /increase in prepayments and other assets | (2,346) | (13,883) |
| Net Result | (2,632) | (17,925) |

10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Agency has no contingent liabilities or assets at 30 June 2014 (2012–2013: nil).

Financial statements

Notes to the Financial Statements for the year ended 30 June 2014

11 COMMITMENTS FOR EXPENDITURE

The Agency did not have any expenditure commitments in 2013–2014 (2012–2013: nil).

12 FINANCIAL INSTRUMENTS

The Agency's principal financial instruments are outlined below. These financial instruments arise directly from the Agency's operations or are required to finance the Agency's operations. The Agency does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

| (a) Financial Instrument Categories | Note | Category | Carrying Amount | Carrying Amount |
|-------------------------------------|------|--|-----------------|-----------------|
| | | | 2014 \$'000 | 2013 \$'000 |
| Financial Assets | | | | |
| Class: | | | | |
| Receivables ¹ | 5 | Receivables (at amortised cost) | 2,311 | 2,157 |
| Financial Liabilities | | | | |
| Class: | | | | |
| Payables ² | 6 | Financial Liabilities measured at amortised cost | 2,311 | 2,157 |

¹Excludes statutory receivables and prepayments (i.e.. not within scope of AASB 7)

²Excludes statutory payables and unearned revenue (i.e.. not within scope of AASB7)

(b) Credit Risk

Credit risk arises when there is the possibility of the Agency's debtors defaulting on their contractual obligations, resulting in a financial loss to the Agency. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance or impairment).

(c) Liquidity risk

Liquidity risk is the risk that the Agency will be unable to meet its payment obligations when they fall due. The Agency's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made within 14 days from the date of the receipt of the invoice. The Agency did not incur any penalty interest for late payment of claims.

The table below summarises the maturity profile of the Agency's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities:

| Payables: | 2014 \$'000 | 2014 \$'000 |
|--|----------------|----------------|
| Weighted Average Effective Interest Rate | - | - |
| Nominal Amount ¹ | 2,311 | 2,157 |
| Fixed Interest Rate | - | - |
| Variable Interest Rate | - | - |
| Non-interest bearing | - | - |
| Maturity Dates <1 year | 2,311 | 2,157 |
| Maturity Dates 1-5 years | - | - |
| Maturity Dates > 5 years | - | - |

¹The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the 'Statement of Financial Position'.

Notes to the Financial Statements for the year ended 30 June 2014

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Agency's exposure to market risk is minimal. The Agency has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

The Agency does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Agency's exposure to interest rate risk is set out below.

| | | -1% | \$'000 | 1% | |
|------------------------------|--------------------|--------|--------|--------|--------|
| | Carrying Amount | Profit | Equity | Profit | Equity |
| 2014 | | | | | |
| <i>Financial assets</i> | | | | | |
| Receivables | 2,311 | (23) | (23) | 23 | 23 |
| <i>Financial liabilities</i> | | | | | |
| Payables | 2,311 | (22) | (22) | 22 | 22 |
| 2013 | | | | | |
| <i>Financial assets</i> | | | | | |
| Receivables | 2,157 | (22) | (22) | 22 | 22 |
| <i>Financial liabilities</i> | | | | | |
| Payables | 2,157 | (22) | (22) | 22 | 22 |

(e) Fair value measurement

Financial instruments are recognised at amortised cost, which approximate fair value because of their short-term nature.

13 AFTER BALANCE DATE EVENTS

No events have occurred subsequent to the reporting date, which will materially affect the financial statements.

END OF AUDITED FINANCIAL STATEMENTS

Other information

1 Payment Performance

(a) Payment to Creditors

Legal Aid NSW processed 98.90 of invoices received within 30 days during 2013–2014 compared to 98.97 in 2012–2013

| Period | 2013–2014 | | 2012–2013 | |
|----------------|----------------|-------------|----------------|---------------|
| | Invoices | % | Invoices | % |
| Within 30 days | 130,451 | 98.90% | 132,870 | 98.97 |
| Over 30 days | 1,455 | 1.10% | 1,384 | 1.03 |
| Total | 131,906 | 100% | 134,254 | 100.00 |

Accounts paid within 30 days by quarter is as follows:

| Quarter | Target % | Achieved % | Amount paid within 30 days \$'000 | Total Amount Paid \$'000 |
|-----------|----------|------------|-----------------------------------|--------------------------|
| September | 100.00 | 96.81% | 39,907 | 41,220 |
| December | 100.00 | 100.00% | 40,880 | 40,880 |
| March | 100.00 | 97.30% | 37,040 | 38,069 |
| June | 100.00 | 97.76% | 41,712 | 42,667 |

(b) Ageing of Creditors

Aged Creditors analysis at end of each quarter is as follows:

| Quarter | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
|-----------|---------|-----------|------------|------------|-----------|
| | Current | < 30 Days | 31–60 Days | 61–90 Days | > 90 Days |
| September | 477 | 6 | 0 | 0 | 0 |
| December | 215 | 86 | 0 | 0 | 0 |
| March | 611 | 53 | 0 | 23 | 0 |
| June | 637 | 135 | 11 | 1 | 9 |

2 Annual reporting legislation requirements

The *Legal Aid Commission Act 1979* prescribes the method by which Legal Aid NSW is to administer its finances. The Act provides for the establishment of a Legal Aid Fund for legal and administrative payments, and the maintenance of a separate account for monies received for and on behalf of legally assisted persons represented by private practitioners and those represented by Legal Aid NSW solicitors.

Overseas visits

There were no overseas visits made by staff during the year.

Consultancies

Consultancies equal to or more than \$50,000: Nil

Consultancies less than \$50,000

Legal Aid NSW engaged 5 consultants, whose individual cost was less than \$50,000 during 2013–2014.

The total cost of these consultancies was \$89,000.

Charitable and Deductible Gift

Recipient Institution

Legal Aid NSW is a Charitable Institution and a Deductible Gift Recipient institution under the *Income Tax Assessment Act 1997*. Gifts to Legal Aid NSW of monies or property with a value of \$2, or more, may be claimed by the donor as a tax deduction.

Unclaimed Monies

Pursuant to Section 14 of the *Public Finance and Audit Act 1983*, all unclaimed monies are forwarded to the Treasury for credit to the Consolidated Fund and are available for refund from that account. No unclaimed amounts have been held in the accounts of Legal Aid NSW.

Risk Management

Legal Aid NSW maintains insurance policies for motor vehicles, workers compensation, miscellaneous property and public liability with the NSW Treasury Managed Fund. The 2013–2014 deposit premium for worker's compensation insurance decreased by 35.2% to \$633,257 (2012–2013 \$977,063) whilst the deposit premium for motor vehicles decreased by 11.3% to \$41,650 (2012–2013 \$46,970).

Workers Compensation

Of the 11 workers compensation claims lodged in the 2013–2014 reporting period, one of the injuries occurred in the 2012–2013 reporting period. Figures and costs incurred by this claim has been included in the 2013–2014 figures.

Of the total 11 claims lodged in the 2013–2014 reporting period, nine claims were accepted, one claim was declined and one claim remains under investigation.

The cost incurred to 30 June 2014 of new claims reported in 2013–2014 was \$53,593 compared to \$133,656 in 2012–2013, a decrease of \$80,063 or 59.90%.

The number of accepted claims (includes claims accepted under provisional liability), decreased from 10 in 2012–2013 to nine in this reporting period.

Of the accepted claims in this reporting period, there were five fall/slip and three body stress (e.g. Repetitive Strain Injury) claims amounting to \$50,217 or 93.70% of the total cost of claims.

There was a decrease in psychological injuries (e.g.: Post Traumatic Stress Disorder, Anxiety Disorders and Depression) lodged in the 2013–2014 reporting period from five in the 2012–2013 reporting period to two. Of the two psychological claims lodged in the 2013–2014 reporting period, one claim was declined and the other claim remains under investigation. Costs incurred by these psychological claims amounted to \$2,904 or 5.42% of the total cost of claims for 2013–2014.

The number of full time equivalent (FTE) (on average) staff for this financial year is 903.91, an increase of 32.66 from 871.25 in 2012–2013. This equates to an average claim cost of \$59.29 per staff member compared to \$153.41 per staff member in 2012–2013.

Investment Performance

Legal Aid NSW is authorised under section 65 of the *Legal Aid Commission Act 1979* to invest funds that are not immediately required. The avenues of investment are restricted to any securities approved by the Treasurer on the recommendation of the Minister. Legal Aid NSW provides for its daily expenditure needs via an on-call bank account. Legal Aid NSW's current banker is the Westpac Banking Corporation. The average yield obtained from this account was 3.35% (3.25% in 2012–2013).

Motor vehicle claims

The number of motor vehicle claims in 2013–2014 was 15 (27 in 2012–2013) which incurred a net cost of \$28,537 (\$43,753 in 2012–2013). The average number of vehicles in the Legal Aid NSW fleet in 2013–14 was 59 (52 in 2012–2013) which results in an average claim cost per vehicle of \$484 compared to \$841 in 2012–2013.

Contents

| | |
|---|------------|
| Appendix 1 | 133 |
| CEO's performance statement and committee membership | |
| Appendix 2 | 134 |
| Human resources information | |
| Appendix 3 | 135 |
| Workforce diversity groups | |
| Appendix 4 | 136 |
| Learning and development | |
| Appendix 5 | 137 |
| Women's Domestic Violence Court Advocacy Program funding | |
| Appendix 6 | 138 |
| Community Legal Centres Program funding | |
| Appendix 7 | 139 |
| Legal practice operational statistics | |
| Appendix 8 | 143 |
| Law reform submissions | |
| Appendix 9 | 144 |
| Government Information (<i>Public Access Act 2009</i>) | |
| Appendix 10 | 146 |
| Diversity Action Plan | |
| Appendix 11 | 147 |
| Private law firm expenditure | |

Appendix 1 CEO's performance statement and committee membership

The NSW Attorney General has formally indicated his satisfaction with the CEO's performance. Bill Grant has ensured that Legal Aid NSW continues to be an innovative, creative and forward thinking organisation, with a strong focus on service delivery for our clients.

Bill Grant's achievements in 2013–2014 included:

- Adopting a rigorous and strategic approach to meeting budget savings. Savings initiatives were delivered carefully and sensitively and issues and concerns were managed and resolved early.
- Developing strategic responses to increased demand for legal aid services across the criminal justice sector through establishing a Committals Monitoring Committee, chairing a working group of justice sector agencies to address increased demand in the criminal justice system, and supporting the Chief Judge of the District Court in regional call overs to reduce backlog and delay of trials.
- Playing a strong role in building collaborative working relationships with heads of jurisdictions, private lawyers and leaders across the justice cluster.
- Active participation in the Police and Justice cluster, including working with agencies to introduce the new *Bail Act 2013* and a Protected Admissions Procedure for young people to reduce their appearances in court.
- Exceeding the performance benchmarks of the National Partnership Agreement with the Commonwealth Government in all areas, including increasing early intervention services by 80% and total services by 32% since the agreement commenced in 2009–2010.
- Making a substantial contribution to the Productivity Commission's Inquiry into Justice and the review of the National Partnership Agreement on Legal Assistance Services. Both these reviews noted the innovative work that Legal Aid NSW is doing to improve access to justice.
- Improving access to Legal Aid NSW services for Aboriginal people through the introduction of targeted services, the provision of cultural awareness training, and the employment of Aboriginal staff, who now make up 5.7% of Legal Aid NSW staff.
- Introducing duty and advice services at the NSW Civil and Administrative Tribunal and the Social Security Appeals Tribunal to provide services in consumer, discrimination and social security matters.
- Overseeing the expansion of the Work and Development Order scheme. A total of \$24.8 million in outstanding fines debt has been cleared since the program commenced in 2009, with \$14 million of this cleared in 2013–14. In June 2014, there were 1,442 approved WDO sponsor locations across NSW, a 61% increase since June 2013.
- Implementing a pilot service for AVO defendants at Burwood Local Court which was evaluated by the Bureau of Crime Statistics and Research.
- Introducing a *Law Check-up* tool to improve identification of legal problems and referral to legal services by community workers.
- Initiating a High Service Users Project targeting young people with complex needs, who are repeat users of Legal Aid NSW services.
- Establishing five web conferencing partnerships in rural NSW to enhance the delivery of legal services.
- Establishing new legal outreach services in Centrelink offices in South West Sydney and Maitland to assist clients experiencing financial hardship.
- Supporting staff through the introduction of a Management Development Program and the establishment of a Health and Safety Committee
- Supporting the introduction of the National Disability Insurance Scheme through providing legal advice, community legal education, and running complex or novel cases in the Administrative Appeals Tribunal.

CEO's membership on key committees

External boards and committees

- Criminal Justice Strategy Working Group
- Justice Cluster Leadership Group
- LawAccess NSW Board
- Law Week Board
- Legal Information Access Centre Advisory Board
- NSW Legal Assistance Forum (Chair)
- National Legal Aid
- National Legal Assistance Advisory Board
- National Partnership Agreement Review Advisory Committee

Internal Legal Aid NSW committees

- Aboriginal Justice Committee
- Audit and Risk Committee
- Domestic and Family Violence Committee (Chair)
- Equity and Diversity Committee (Chair)
- Information and Communications Technology (ICT) Steering Committee (Chair)

Appendices

Appendix 2 Human resources information

Central Sydney/Regional

| FTE Staff as at 30 June 2014 | | Effective Full-time FTE Staff as at 30 June 2014 | |
|------------------------------|---------------|--|---------------|
| Central Sydney | 499.73 | CEO/SES | 4 |
| Regional offices | 404.18 | Lawyers | 464.92 |
| Total Staff FTE | 903.91 | Administrative staff | 434.99 |
| | | Total Staff FTE | 903.91 |

Number of actual staff by employment type

| | 2011–2012 | 2012–2013 | 2013–2014 |
|---------------------|------------|------------|------------|
| Ongoing Full Time | 586 | 586 | 585 |
| Ongoing Part-time | 154 | 161 | 165 |
| Temporary Full Time | 166 | 161 | 191 |
| Temporary Part-time | 54 | 41 | 44 |
| Contract SES | 5 | 5 | 4 |
| Non – SES | 0 | 0 | 0 |
| Casual | 0 | 5 | 5 |
| Other | 0 | 0 | 0 |
| Total | 965 | 959 | 994 |

Number of actual staff by area of work

| | Central Sydney | Regional | Total |
|----------------|----------------|------------|------------|
| Lawyers | 239 | 270 | 509 |
| Administrative | 302 | 183 | 485 |
| Total | 541 | 453 | 994 |

Number of executive roles

| Band | Male | Female | Range | Average Remuneration |
|----------------------------------|----------|----------|-----------------------|----------------------|
| Band 4 (Secretary) | | | \$422,501 – \$488,100 | 0 |
| Band 3 (Chief Executive Officer) | 1 | | \$299,751 – \$422,500 | \$336,850 |
| Band 2 (Executive Director) | 1 | | \$238,301 – \$299,750 | \$259,820 |
| Band 1 (Director) | 3 | 6 | \$167,100 – \$238,300 | \$177,179 |
| Total | 5 | 6 | | |

Notes:

2.26% of the Legal Aid NSW employee related payment in 2013–2014 was related to senior executives.

Bill Grant, CEO of Legal Aid NSW, annual remuneration: \$336,850.

Appendix 3 Workforce diversity groups

Number of actual staff in different workforce diversity groups

| | 2011–2012 | 2012–2013 | 2013–2014 |
|--|------------|------------|------------|
| Men | 256 | 257 | 263 |
| Women | 709 | 702 | 731 |
| Aboriginal people | 41 | 41 | 45 |
| People from racial, ethnic, ethno-religious minority groups | 193 | 153 | 157 |
| People whose first language is not English | 145 | 61 | 65 |
| People with a disability | 52 | 37 | 35 |
| People with a disability requiring a work-related adjustment | 20 | 19 | 14 |
| Total | 965 | 959 | 994 |

Parliamentary annual report tables

Table 1: Trends in the representation of workforce diversity groups

| WORKFORCE DIVERSITY GROUP | Benchmark or target (%) | % Total staff | | |
|---|-------------------------|---------------|------|------|
| | | 2012 | 2013 | 2014 |
| Women | 50 | 74.2 | 73.3 | 74.0 |
| Aboriginal people and Torres Strait Islanders | 2.6 | 4.4 | 5.0 | 5.7 |
| People whose first language spoken as a child was not English | 19.0 | 14.9 | 6.3 | 6.3 |
| People with a disability | N/A | 5.3 | 5.7 | 5.1 |
| People with a disability requiring a work-related adjustment | 1.5 | 2.0 | 2.0 | 1.7 |

Table 2: Trends in the distribution of workforce diversity groups

| WORKFORCE DIVERSITY GROUP | Benchmark or target (%) | Distribution index | | |
|---|-------------------------|--------------------|------|------|
| | | 2012 | 2013 | 2014 |
| Women | 100 | 88 | 88 | 89 |
| Aboriginal people & Torres Strait Islanders | 100 | 83 | 81 | 86 |
| People whose first language spoken as a child was not English | 100 | 99 | 94 | 96 |
| People with a disability | 100 | 99 | 102 | 102 |
| People with a disability requiring a work-related adjustment | 100 | 95 | 100 | N/A |

Notes:

Staff numbers as at 30 June 2014.

Excludes casual staff.

A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diverse group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diverse group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diverse group is less concentrated at lower salary levels.

The Distribution Index is not calculated where Workforce Diverse group or non-Workforce Diverse group numbers are less than 20.

Appendices

Appendix 4 Learning and development

| | Legal Aid NSW staff | Private lawyers | Other (including non-profit) | Total |
|---|---------------------|-----------------|---|--------------|
| Internal conferences | | | | |
| Civil Law Inhouse | 124 | 0 | 7 | 131 |
| Criminal Law | 359 | 230 | 27 | 616 |
| Family Law | 220 | 127 | 472 | 819 |
| Total | 703 | 357 | 506 | 1,566 |
| Internal legal seminars | | | | |
| Generic CPD* | | | | |
| Face-to-Face | 81 | 100 | 26 | 207 |
| Online | 18 | 117 | 17 | 152 |
| Civil Law CPD | | | | |
| Face-to-Face | 231 | 36 | 52 | 319 |
| Online | 17 | 33 | 13 | 63 |
| Crime CPD | | | | |
| Face-to-Face | 357 | 483 | 69 | 909 |
| Online | 120 | 70 | 9 | 199 |
| Family CPD | | | | |
| Face-to-Face | 96 | 61 | 12 | 169 |
| Online | 4 | 0 | 0 | 4 |
| Total | 924 | 900 | 198 | 2,022 |
| Internal training sessions | | | | |
| Business Skills | | | | |
| Face-to-Face | 465 | 17 | 61 | 543 |
| Online | 278 | 9 | 9 | 296 |
| Customer Service | | | | |
| Face-to-Face | 185 | 25 | 50 | 260 |
| Online | 13 | 0 | 3 | 16 |
| Health and Wellbeing | | | | |
| Face-to-Face | 119 | 5 | 17 | 141 |
| Online | 72 | 0 | 2 | 74 |
| Leadership and Management | | | | |
| Face-to-Face | 279 | 0 | 112 | 391 |
| Online | 179 | 0 | | 179 |
| Team and Culture | | | | |
| Face-to-Face | 25 | 0 | 4 | 29 |
| Online | 116 | 0 | 0 | 116 |
| Total | 1,731 | 56 | 258 | 2,045 |
| Lawyers attending Legal Aid NSW training | | | | |
| Legal Aid NSW lawyers | | | | 3,306 |
| Private lawyers | | | | 1,313 |
| Total internal seminars, conferences and training sessions | | | | |
| | | | Internal Seminars and Conferences | 3,588 |
| | | | Internal Training Sessions (face-to-face) | 1,364 |
| | | | Online sessions | 1,099 |
| | | | TOTAL | 6,051 |

*CPD Continuing Professional Development

Appendix 5 Women's Domestic Violence Court Advocacy Program funding¹

As part of the program, we provided funding to 28 Women's Domestic Violence Court Advocacy Services (WDVCASs).

| WDVCAS | Service Provider | Total Payments (\$) |
|---|---|---------------------|
| Blue Mountains ² | Blue Mountains Women's Health and Resource Centre Inc | 220,246 |
| Burwood | Burwood Community Welfare Services Inc | 244,025 |
| Central Coast | Central Coast Domestic Violence Court Advocacy Service Inc | 322,973 |
| Central West | Housing Plus | 191,553 |
| Far South Coast | Southern Women's Group Inc | 194,026 |
| Far West | Far West Community Legal Centre Inc | 193,526 |
| Hunter | Hunter Women's Domestic Violence Court Service Inc | 401,201 |
| Hunter Valley ³ | Carrie's Place Domestic Violence and Homelessness Services Inc | 271,876 |
| Illawarra | Wollongong Women's Information Service Inc | 315,320 |
| Macarthur ⁴ | Macarthur Legal Centre | 547,855 |
| Macquarie | Macquarie Legal Centre Inc | 295,136 |
| Mid-North Coast | Mid-Coast Women's Domestic Violence Court Advocacy Inc | 242,039 |
| New England ⁵ | The Women's Shelter Armidale Inc / Tamworth Family Support Services Inc | 201,620 |
| North Coast | Warrina Women and Children's Refuge Co-operative Society Ltd | 336,685 |
| North West | Inverell Refuge Centre | 179,680 |
| North West Sydney | Hawkesbury Nepean Community Legal Centre | 303,762 |
| Northern Rivers | Northern Rivers Community Legal Centre | 352,484 |
| Northern Sydney ⁶ | CatholicCare Broken Bay | 283,775 |
| Riverina ⁷ | Linking Communities Network Ltd | 181,165 |
| South Coast | YWCA NSW | 199,158 |
| South Eastern | Molonglo Women's and Children's Services | 187,509 |
| South West Sydney | South West Sydney Legal Centre Inc | 387,524 |
| Southern | Women's Centre for Health and Wellbeing (Albury-Wodonga) Inc | 175,540 |
| Southern Sydney | Sutherland Shire Family Services Inc | 387,435 |
| Sydney | Redfern Legal Centre Inc | 434,531 |
| Wagga Wagga ⁸ | Wagga Wagga Family Support Services Inc | 498,512 |
| Western | Dubbo Emergency Accommodation Project Inc | 323,132 |
| Western Sydney | Penrith Women's Health Centre Inc | 347,152 |
| WDVCAS NSW Inc Chairperson | Macarthur Legal Centre | 6,037 |
| WDVCAS Aboriginal Specialist Worker Network Chairperson | Hawkesbury Nepean Community Legal Centre | 6,037 |
| WDVCAS Culturally and Linguistically Diverse Specialist Worker Network Chairperson ⁹ | Macarthur Legal Centre/ Wollongong Women's Information Service Inc | 6,037 |
| WDVCAS NSW Inc | Peak body for Women's Domestic Violence Court Advocacy Services | 93,439 |
| Total | | 8,330,990 |

Notes:

- WDVCAP funding in 2013/14 included \$128,000 from the NSW Treasury to assist with the cost of wage increases associated with the Social and Community Services (SACS) Modern Award Equal Remuneration Order.
- Blue Mountains WDVCAS received a one-off supplementary payment of \$27,000 (GST exclusive) in 2013/14 to meet increased service delivery levels.
- Service Provider changed its name from Carrie's Place Women's and Children's Services to Carrie's Place Domestic Violence and Homelessness Services Inc on 17 April 2014.
- As part of the Domestic Violence Justice Strategy (DVJS) implementation process, the Department of Justice provides funding to expand WDVCAS service provision in Wagga Wagga and Campbelltown to include case management and case tracking functions in 2013/15. In 2013/14, this funding totalled \$271,331 (GST exclusive) for Macarthur WDVCAS.
- Service Provider for New England WDVCAS was transferred from The Women's Shelter Armidale Inc to Tamworth Family Support Services Inc on 1 October 2013.
- Service Provider changed its name from Centacare Catholic Family Services, Diocese of Broken Bay to CatholicCare, Diocese of Broken Bay in March 2013.
- Service Provider changed its name from Kulkuna Cottage Women's Refuge Ltd to Linking Communities Network Ltd on 22 May 2014.
- As part of the Domestic Violence Justice Strategy (DVJS) implementation process, the Department of Justice provides funding to expand WDVCAS service provision in Wagga Wagga and Campbelltown to include case management and case tracking functions in 2013/15. In 2013/14, this funding totalled \$280,565 (GST exclusive) for Wagga Wagga WDVCAS.
- Chairperson of the culturally diverse Specialist Worker Network was transferred from an employee of Macarthur Legal Centre to an employee of Wollongong Women's Information Service Inc on 1 October 2013.

Appendices

Appendix 6 Community Legal Centres Program funding

We provided funding to 36 community legal centres across New South Wales.

| Community Legal Centre | Commonwealth Funding (\$) | State Funding (\$) | Public Purpose Fund Funding (\$) | Total Payments (\$) |
|--|---------------------------|--------------------|----------------------------------|---------------------|
| Australian Centre for Disability Law | 236,633 | 41,266 | 88,488 | 366,387 |
| Central Coast Community Legal Centre | 484,476 | 18,544 | 184,739 | 687,759 |
| Community Legal Centres NSW | 70,000 | 294,829 | 112,680 | 477,509 |
| Court Support Scheme | 35,257 | 6,585 | 5,091 | 46,933 |
| Domestic Violence Advocacy Service | 0 | 461,677 | 0 | 461,677 |
| Elizabeth Evatt Community Legal Service | 181,459 | 187,858 | 99,329 | 468,647 |
| Environmental Defender's Office | 255,072 | 201,885 | 0 | 456,957 |
| Far West Community Legal Centre | 357,422 | 0 | 68,248 | 425,670 |
| Financial Rights Legal Centre | 724,225 | 138,881 | 0 | 863,106 |
| Hawkesbury/ Nepean Community Legal Centre | 208,364 | 134,892 | 150,547 | 493,804 |
| HIV/AIDS Legal Centre | 91,177 | 90,362 | 136,495 | 318,034 |
| Hume Riverina Community Legal Service | 0 | 0 | 76,648 | 76,648 |
| Hunter Community Legal Centre | 581,064 | 269,397 | 0 | 850,461 |
| Illawarra Legal Centre | 453,408 | 212,379 | 102,132 | 767,919 |
| Immigration Advice & Rights Centre | 104,284 | 255,965 | 0 | 360,248 |
| Inner City Legal Centre | 166,521 | 170,625 | 72,992 | 410,139 |
| Intellectual Disability Rights Service | 0 | 0 | 104,997 | 104,997 |
| Kingsford Legal Centre | 276,609 | 137,217 | 0 | 413,826 |
| Macarthur Legal Centre | 295,889 | 209,390 | 102,132 | 607,411 |
| Macquarie Legal Centre | 479,477 | 291,820 | 203,653 | 974,950 |
| Marrickville Legal Centre | 372,849 | 303,704 | 0 | 676,553 |
| Mid North Coast Community Legal Centre | 330,599 | 120,902 | 0 | 451,501 |
| Mt Druitt and Area Community Legal Centre | 220,286 | 18,520 | 0 | 238,806 |
| North and North West Community Legal Service | 277,550 | 18,616 | 104,997 | 401,163 |
| Northern Rivers Community Legal Centre | 489,848 | 53,243 | 156,215 | 699,306 |
| Public Interest Advocacy Centre | 121,934 | 129,510 | 0 | 251,444 |
| Redfern Legal Centre | 217,656 | 265,063 | 0 | 482,719 |
| Refugee Advice and Casework Service | 0 | 0 | 104,997 | 104,997 |
| Shoalcoast Community Legal Centre | 423,993 | 238,655 | 51,218 | 713,866 |
| South West Sydney Community Legal Centre | 429,525 | 250,153 | 0 | 679,677 |
| Tenants' Union of NSW | 80,711 | 129,200 | 0 | 209,911 |
| The Aged-care Rights Service | 110,800 | 2,636 | 194,578 | 308,014 |
| Welfare Rights Centre | 344,305 | 130,415 | 0 | 474,719 |
| Western NSW Community Legal Centre | 361,840 | 53,543 | 104,997 | 520,380 |
| Wirringa Baiya Aboriginal Women's Legal Centre | 0 | 495,257 | 104,997 | 600,254 |
| Women's Legal Services NSW | 1,040,744 | 342,042 | 0 | 1,382,786 |
| Grants for interpreter services | 0 | 48,973 | 0 | 48,973 |
| Total allocation | 9,823,978 | 5,724,004 | 2,330,169 | 17,878,151 |

Notes:

- The Commonwealth payments to Illawarra Legal Centre have been reduced by \$36,164 to recognise payment for a sub-contracting arrangement that the Centre has with the Early Intervention Unit of Legal Aid NSW to provide legal services at Wollongong Family Relationship Centre.
- The Commonwealth funding also includes \$313,000 in non-recurrent funding for 2013-14 only for Australian Centre for Disability Law (ACDL), CLCNSW, Environmental Defender's Office (EDO) and projects at Marrickville and Macquarie Legal Centres. An additional \$110,000 in one-off funding was paid directly by the Commonwealth Attorney-General's Department to ACDL and is not included in this table.
- The Commonwealth funding for Central Coast includes \$50,000 project grant provided by Legal Aid NSW under the Legal Aid NSW/CLC Partnerships Program. Other funding provided by Legal Aid NSW from its Commonwealth allocation is included above for CLCNSW and Financial Rights Legal Centre (formerly Consumer Credit Legal Centre).
- The Commonwealth funding for Women's Legal Services includes funding which was paid by the Department of Prime Minister and Cabinet for the Indigenous Women's Program after the administration of that portfolio moved from Attorney-General's Department. From 1 July 2014 this funding will not be administered through the CLC Program.
- The Commonwealth Attorney-General's Department is yet to provide final funding allocation for the Social and Community Services Equal Remuneration Order (SACS ERO) for one CLC. The State Government funding is inclusive of SACS ERO and there is no SACS ERO funding paid on PPF grants.
- The PPF grants exclude grants to CLCNSW (Sector Development), the Environmental Defender's Office and Public Interest Advocacy Centre which are administered directly by the PPF.

Appendix 7 Legal practice operational statistics

| LEGAL AID NSW TOTALS | 2011–2012 | 2012–2013 | % CHANGE FROM PREVIOUS YEAR | 2013–2014 | % CHANGE FROM PREVIOUS YEAR |
|---------------------------------------|------------------|------------------|------------------------------------|------------------|------------------------------------|
| Case Matters | | | | | |
| Applications Received | 47,443 | 46,759 | -1.4 | 44,715 | -4.4 |
| Applications Refused | 8,906 | 9,150 | 2.7 | 9,280 | 1.4 |
| Inhouse Grants | 12,819 | 12,613 | -1.6 | 11,138 | -11.7 |
| Assigned Grants | 25,932 | 25,387 | -2.1 | 24,634 | -3.0 |
| Total Case Grants | 38,751 | 38,000 | -1.9 | 35,772 | -5.9 |
| Grant Rate | 81.3 | 80.6 | -0.9 | 79.4 | -1.5 |
| Applications Determined | 47,657 | 47,150 | -1.1 | 45,052 | -4.4 |
| Applications Undetermined at year end | 1,517 | 1,205 | -20.6 | 1,011 | -16.1 |
| Grants Finalised | 27,318 | 43,111 | 57.8 | 24,006 | -44.3 |
| Current Grants on Hand at year end | 60,966 | 52,724 | -13.5 | 64,749 | 22.8 |
| Duty Services | | | | | |
| Inhouse Duty Services | 108,198 | 107,352 | -0.8 | 111,132 | 3.5 |
| Assigned Duty Services | 63,546 | 64,836 | 2.0 | 60,633 | -6.5 |
| Total Duty Services | 171,744 | 172,188 | 0.3 | 171,765 | -0.2 |
| Other Services | | | | | |
| Advice | 86,271 | 92,854 | 7.6 | 98,939 | 6.6 |
| Minor assistance | 25,076 | 35,865 | 43.0 | 41,790 | 16.5 |
| Information | 609,299 | 633,743 | 4.0 | 654,958 | 3.3 |
| Total Other Services | 720,646 | 762,462 | 5.8 | 795,687 | 4.4 |
| Total Client Services | 931,141 | 972,650 | 4.5 | 1,003,224 | 3.1 |

CRIMINAL LAW TOTALS

| | | | | | |
|---------------------------------------|----------------|----------------|-------------|----------------|--------------|
| Case Matters | | | | | |
| Applications Received | 26,856 | 27,012 | 0.6 | 25,432 | -5.8 |
| Applications Refused | 3,257 | 3,518 | 8.0 | 4,184 | 18.9 |
| Inhouse Grants | 9,110 | 9,228 | 1.3 | 8,194 | -11.2 |
| Assigned Grants | 14,655 | 14,666 | 0.1 | 13,015 | -11.3 |
| Total Case Grants | 23,765 | 23,894 | 0.5 | 21,209 | -11.2 |
| Grant Rate | 87.9 | 87.2 | -0.9 | 83.5 | -4.2 |
| Applications Determined | 27,022 | 27,412 | 1.4 | 25,393 | -7.4 |
| Applications Undetermined at year end | 686 | 314 | -54.2 | 384 | 22.3 |
| Grants Finalised | 18,567 | 24,759 | 33.3 | 16,207 | -34.5 |
| Current Grants on Hand at year end | 25,223 | 24,108 | -4.4 | 29,275 | 21.4 |
| Duty Services | | | | | |
| Inhouse Duty Services | 97,777 | 97,356 | -0.4 | 101,343 | 4.1 |
| Assigned Duty Services | 51,857 | 52,177 | 0.6 | 47,332 | -9.3 |
| Total Duty Services | 149,634 | 149,533 | -0.1 | 148,675 | -0.6 |
| Other Services | | | | | |
| Advice | 29,015 | 29,789 | 2.7 | 28,408 | -4.6 |
| Minor assistance | 3,294 | 4,817 | 46.2 | 4,246 | -11.9 |
| Information | 268,846 | 296,655 | 10.3 | 317,938 | 7.2 |
| Total Other Services | 301,155 | 331,261 | 10.0 | 350,592 | 5.8 |
| Total Client Services | 474,554 | 504,688 | 6.3 | 520,476 | 3.1 |

Appendices

Appendix 7 Legal practice operational statistics

| FAMILY LAW TOTALS | 2011–2012 | 2012–2013 | % CHANGE FROM PREVIOUS YEAR | 2013–2014 | % CHANGE FROM PREVIOUS YEAR |
|---------------------------------------|------------------|------------------|------------------------------------|------------------|------------------------------------|
| Case Matters | | | | | |
| Applications Received | 17,603 | 17,381 | -1.3 | 17,251 | -0.7 |
| Applications Refused | 4,506 | 4,595 | 2.0 | 4,209 | -8.4 |
| Inhouse Grants | 2,777 | 2,594 | -6.6 | 2,219 | -14.5 |
| Assigned Grants | 10,332 | 10,134 | -1.9 | 11,101 | 9.5 |
| Total Case Grants | 13,109 | 12,728 | -2.9 | 13,320 | 4.7 |
| Grant Rate | 74.4 | 73.5 | -1.3 | 76.0 | 3.4 |
| Applications Determined | 17,615 | 17,323 | -1.7 | 17,529 | 1.2 |
| Applications Undetermined at year end | 679 | 762 | 12.2 | 582 | -23.6 |
| Grants Finalised | 7,309 | 16,704 | 128.5 | 6,711 | -59.8 |
| Current Grants on Hand at year end | 32,201 | 25,344 | -21.3 | 32,034 | 26.4 |
| Duty Services | | | | | |
| Inhouse Duty Services | 6,766 | 7,253 | 7.2 | 7,096 | -2.2 |
| Assigned Duty Services | 1,865 | 1,966 | 5.4 | 2,268 | 15.4 |
| Total Duty Services | 8,631 | 9,219 | 6.8 | 9,364 | 1.6 |
| Other Services | | | | | |
| Advice | 30,320 | 30,138 | -0.6 | 30,133 | 0.0 |
| Minor assistance | 10,968 | 14,761 | 34.6 | 16,927 | 14.7 |
| Information | 147,424 | 146,259 | -0.8 | 141,814 | -3.0 |
| Total Other Services | 188,712 | 191,158 | 1.3 | 188,874 | -1.2 |
| Total Client Services | 210,452 | 213,105 | 1.3 | 211,558 | -0.7 |

CIVIL LAW TOTALS

| | | | | | |
|---------------------------------------|----------------|----------------|--------------|----------------|-------------|
| Case Matters | | | | | |
| Applications Received | 2,984 | 2,366 | -20.7 | 2,032 | -14.1 |
| Applications Refused | 1,143 | 1,037 | -9.3 | 887 | -14.5 |
| Inhouse Grants | 932 | 790 | -15.2 | 725 | -8.3 |
| Assigned Grants | 945 | 588 | -37.8 | 518 | -11.9 |
| Total Case Grants | 1,877 | 1,378 | -26.6 | 1,243 | -9.8 |
| Grant Rate | 62.2 | 57.1 | -8.2 | 58.4 | 2.3 |
| Applications Determined | 3,020 | 2,415 | -20.0 | 2,130 | -11.8 |
| Applications Undetermined at year end | 152 | 129 | -15.1 | 45 | -65.1 |
| Grants Finalised | 1,442 | 1,648 | 14.3 | 1,088 | -34.0 |
| Current Grants on Hand at year end | 3,542 | 3,272 | -7.6 | 3,440 | 5.1 |
| Duty Services | | | | | |
| Inhouse Duty Services | 3,655 | 2,743 | -25.0 | 2,693 | -1.8 |
| Assigned Duty Services | 9,824 | 10,693 | 8.8 | 11,033 | 3.2 |
| Total Duty Services | 13,479 | 13,436 | -0.3 | 13,726 | 2.2 |
| Other Services | | | | | |
| Advice | 26,936 | 32,927 | 22.2 | 40,398 | 22.7 |
| Minor assistance | 10,814 | 16,287 | 50.6 | 20,617 | 26.6 |
| Information | 193,029 | 190,829 | -1.1 | 195,206 | 2.3 |
| Total Other Services | 230,779 | 240,043 | 4.0 | 256,221 | 6.7 |
| Total Client Services | 246,135 | 254,857 | 3.5 | 271,190 | 6.4 |

Commonwealth and state allocation of legal aid services

| | State Matter | State Matter | Commonwealth Matter | Commonwealth Matter | Total |
|----------------------------|----------------|--------------|---------------------|---------------------|------------------|
| Family Law | | | | | |
| Grants | 4,465 | 33.5 | 8,855 | 66.5 | 13,320 |
| Duty Appearances | 3,562 | 38.0 | 5,802 | 62.0 | 9,364 |
| Advice | 2,818 | 9.4 | 27,315 | 90.6 | 30,133 |
| Minor assistance | 1,271 | 7.5 | 15,656 | 92.5 | 16,927 |
| Information Services | 18,522 | 13.1 | 123,292 | 86.9 | 141,814 |
| Total | 30,638 | 14.5 | 180,920 | 85.5 | 211,558 |
| Criminal Law | | | | | |
| Grants | 20,746 | 97.8 | 463 | 2.2 | 21,209 |
| Duty Services | 146,154 | 98.3 | 2,521 | 1.7 | 148,675 |
| Advice | 27,908 | 98.2 | 500 | 1.8 | 28,408 |
| Minor assistance | 4,223 | 99.5 | 23 | 0.5 | 4,246 |
| Information Services | 298,407 | 93.9 | 19,531 | 6.1 | 317,938 |
| Total | 497,438 | 95.6 | 23,038 | 4.4 | 520,476 |
| Civil Law | | | | | |
| Grants | 971 | 78.1 | 272 | 21.9 | 1,243 |
| Duty Services | 13,726 | 100.0 | - | 0.0 | 13,726 |
| Advice | 26,236 | 64.9 | 14,162 | 35.1 | 40,398 |
| Minor assistance | 12,667 | 61.4 | 7,950 | 38.6 | 20,617 |
| Information Services | 145,824 | 74.7 | 49,382 | 25.3 | 195,206 |
| Total | 199,424 | 73.5 | 71,766 | 26.5 | 271,190 |
| Legal Aid NSW Total | | | | | |
| Grants | 26,182 | 73.2 | 9,590 | 26.8 | 35,772 |
| Duty Services | 163,442 | 95.2 | 8,323 | 4.8 | 171,765 |
| Advice | 56,962 | 57.6 | 41,977 | 42.4 | 98,939 |
| Minor assistance | 18,161 | 43.5 | 23,629 | 56.5 | 41,790 |
| Information Services | 462,753 | 70.7 | 192,205 | 29.3 | 654,958 |
| Total | 727,500 | 72.5 | 275,724 | 27.5 | 1,003,224 |

Family law conferences

| | 2011–2012 | 2012–2013 | % change from previous year | 2013–2014 | % change from previous year |
|-----------------------|-----------|-----------|-----------------------------|-----------|-----------------------------|
| Number of conferences | 2,667 | 2,665 | -0.1 | 2,726 | 2.3 |
| Agreements reached | 2,110 | 2,134 | 1.1 | 2,173 | 1.8 |
| Agreement rate | 79.1 | 80.1 | 1.2 | 79.7 | -0.5 |

Appendices

Appendix 7 Legal practice operational statistics

Inhouse and private lawyer allocations of legal work

| | Inhouse lawyer | Inhouse lawyer % | Private lawyer | Private lawyer % | Total |
|----------------------------|----------------|------------------|----------------|------------------|----------------|
| Family Law | | | | | |
| Duty Services | 7,096 | 75.8 | 2,268 | 24.2 | 9,364 |
| Grants of Legal Aid | 2,219 | 16.7 | 11,101 | 83.3 | 13,320 |
| Total | 9,315 | 41.1 | 13,369 | 58.9 | 22,684 |
| Criminal Law | | | | | |
| Duty Services | 101,343 | 68.2 | 47,332 | 31.8 | 148,675 |
| Grants of Legal Aid | 8,194 | 38.6 | 13,015 | 61.4 | 21,209 |
| Total | 109,537 | 64.5 | 60,347 | 35.5 | 169,884 |
| Civil Law | | | | | |
| Duty Services | 2,693 | 19.6 | 11,033 | 80.4 | 13,726 |
| Grants of Legal Aid | 725 | 58.3 | 518 | 41.7 | 1,243 |
| Total | 3,418 | 22.8 | 11,551 | 77.2 | 14,969 |
| Legal Aid NSW Total | | | | | |
| Duty Services | 111,132 | 64.7 | 60,633 | 35.3 | 171,765 |
| Grants of Legal Aid | 11,138 | 31.1 | 24,634 | 68.9 | 35,772 |
| Total | 122,270 | 58.9 | 85,267 | 41.1 | 207,537 |

Community Legal Education*

| | 2011–2012 | 2012–2013 | %change from previous year | 2013–2014 | % change from previous year |
|--------------|--------------|--------------|----------------------------|--------------|-----------------------------|
| Criminal Law | 421 | 755 | 79.3 | 785 | 4.0 |
| Family Law | 915 | 774 | -15.4 | 1,084 | 40.1 |
| Civil Law | 875 | 986 | 12.7 | 1,291 | 30.9 |
| Total | 2,211 | 2,515 | 13.7 | 3,160 | 25.6 |

Note:

*The tables at pages 139-142 do not include these services.

Appendix 8 Law reform submissions

In 2013–2014, Legal Aid NSW made 26 law reform submissions to a range of government and non-government bodies about issues that impact upon our clients and our organisation.

Criminal law submissions

- Amendments to the *Jury Act 1977* (NSW) (NSW Department of Police and Justice) May 2014
- Consorting (NSW Ombudsman) February 2014
- Parole – three submissions in response to question papers 1, 2, 3, 4, 5 and 6 (NSW Law Reform Commission) November 2013 to February 2014
- Inquiry into Sentencing Child Sexual Assault Offenders (NSW Parliament) February 2014
- Encouraging Appropriate Early Guilty Pleas (NSW Law Reform Commission) January 2014
- The Partial Defence of Provocation – exposure Draft Bill (NSW Department of Attorney General and Justice) November 2013
- Child Safe Institutions – Issues Paper 3 (Royal Commission into Institutional Responses to Child Sexual Assault) October 2013
- Priority Consideration of Standard Non-Parole Periods for Child Sexual Assault Offences (NSW Sentencing Council) October 2013
- Standard Minimum Non-Parole Periods (NSW Sentencing Council) October 2013
- Review of the *Child Protection (Offenders Registration) Act 2000* (NSW Ministry for Police and Emergency Services) August 2013
- Criminal Appeals (NSW Law Reform Commission) August 2013
- Inquiry into the Introduction of a New Strangulation Offence (NSW Department of Attorney General and Justice) July 2013
- Driver Licence Disqualification Reform (Legislative Assembly Committee on Law and Safety) July 2013

Civil law submissions

- Natural Disaster Funding Arrangements (Productivity Commission) June 2014
- Inquiry into Debt Recovery in NSW (NSW Parliament) May 2014
- Social, Public and Affordable Housing Inquiry (NSW Parliament) March 2014
- Civil Litigation – Issues Paper 5 (Royal Commission into Institutional Responses to Child Sexual Abuse) March 2014
- Financial System Inquiry (Australian Government) March 2014
- Inquiry into Access to Justice Arrangements (Productivity Commission) February 2014
- Pregnancy and Return to Work National Review (Australian Human Rights Commission) February 2014
- Victorian Betrayal of Trust Report (NSW Department of Attorney General and Justice) January 2014
- Review of Chapter 9A of the *Coroners Act 2009* (Department of Attorney General and Justice) December 2013
- Review of the Investigation and Oversight of Police Critical Incidents (Ministry of Police and Emergency Services) October 2013

Family law submission

- Change of a child's name by parent with sole responsibility (NSW Department of Attorney General and Justice) January 2014

Appendices

Appendix 9 Right to Information

Obligations under the *Government Information (Public Access) Act 2009*

1. Review of proactive release program – Clause 7(a)

Under Section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made available to the public. This review must be undertaken at least once every 12 months. Our agency's program for the proactive release of information involves providing information on the Legal Aid NSW website. During the reporting period, we uploaded additional documents to the site and will continue to update the site regularly.

2. Number of access applications received – Clause 7(b)

During the reporting period, our agency received a total of 17 formal access applications (including withdrawn applications but not invalid applications).

3. Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, our agency refused a total of 4 formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, one was refused in full, and three were refused in part.

4. Statistical information about access applications – Clause 7(d) and Schedule 2

TABLE A: Applications by Applicant Type and Outcome*

GIPA Application Outcome

| Applicant Type | Access granted in full | Access granted in part | Access refused in full | Application withdrawn | Information already available | Information not held | Refuse to deal with application | Grand Total |
|--|------------------------|------------------------|------------------------|-----------------------|-------------------------------|----------------------|---------------------------------|-------------|
| Member of the public (other) | 5 | 6 | 2 | 1 | 1 | 0 | 1 | 16 |
| Not for profit organisations or community groups | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Grand Total | 5 | 6 | 2 | 1 | 1 | 1 | 1 | 17 |

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

TABLE B: Applications by Application Type and Outcome

GIPA Application Outcome

| GIPA Application Type | Access granted in full | Access granted in part | Access refused in full | Application withdrawn | Information already available | Information not held | Refuse to deal with application | Grand Total |
|--|------------------------|------------------------|------------------------|-----------------------|-------------------------------|----------------------|---------------------------------|-------------|
| Access application (other than personal information application) | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| Partly personal information application and partly other | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Personal information application* | 5 | 3 | 1 | | | | 1 | 10 |
| Grand Total | 5 | 6 | 2 | 1 | 1 | 1 | 1 | 17 |

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

TABLE C: Invalid applications

No of applications

| Reason for invalidity | No of applications |
|--|--------------------|
| Not comply with formal requirements (s41 GIPA) | 0 |
| For excluded information of the agency (s43 GIPA) | 0 |
| Application contravenes restraint order (s110 of the Act) | 0 |
| Total number of invalid applications received | 2 |
| invalid applications that subsequently became valid applications | 1 |

TABLE D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the GIPA Act**Number of times consideration used***

| | |
|---|---|
| Overriding secrecy laws | 0 |
| Cabinet information | 0 |
| Executive Council information | 0 |
| Contempt | 0 |
| Legal professional privilege | 4 |
| Excluded information | 0 |
| Documents affecting law enforcement and public safety | 0 |
| Transport safety | 0 |
| Adoption | 0 |
| Care and protection of children | 0 |
| Ministerial code of conduct | 0 |
| Aboriginal and environmental heritage | 0 |

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is recorded (but only once per application). This also applies in relation to Table E.

TABLE E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act**Number of occasions when application not successful**

| | |
|--|---|
| Responsible and effective government | 1 |
| Law enforcement and security | 0 |
| Individual rights, judicial processes and natural justice | 3 |
| Business interests of agencies and other persons | 2 |
| Environment, culture, economy and general matters | 0 |
| Secrecy provisions | 0 |
| Exempt documents under interstate Freedom of Information legislation | 0 |

TABLE F: Timeliness**Number of applications**

| | |
|--|-----------|
| Decided within the statutory timeframe (20days + any extensions) | 15 |
| Suspended pending further information from applicant | 1 |
| Not decided within time (deemed refusal) | 1 |
| Grand Total | 17 |

TABLE G: Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)**Decision varied****Decision upheld****Total**

| | | | |
|--|----------|----------|----------|
| Internal review | 0 | 1 | 1 |
| Review by Information Commissioner | 0 | 0 | 0 |
| Internal review following recommendation under section 93 of Act | 0 | 0 | 0 |
| Review by ADT | 0 | 1 | 1 |
| Total | 0 | 2 | 2 |

TABLE H: Applications for review under Part 5 of the Act (by type of applicant)**Number of applications for review**

| | |
|---|---|
| Applications by access applicants | 2 |
| Applications by persons to whom information the subject of access application relates (see section 54 of the Act) | 0 |

Appendices

Appendix 10 Diversity Action Plan

The Diversity Action Plan 2013–2014 is an inclusive plan that targets a broad range of people including people with disability, people from culturally diverse backgrounds, older and younger people, those living in rural and regional areas and gender diverse people. The plan was developed against the four objectives of the Legal Aid NSW Plan. Multicultural matters and disability-related matters are subject to mandatory reporting. The reporting below follows requirements in the Community Relations Commission's Multicultural Policies and Services Program (MPSP) Multicultural Framework, and Ageing, Disability and Home Care's Guidelines for Disability Action Planning. Actions from the Diversity Action Plan 2013–2014 for multicultural and disability achievements are reported below.

| Multicultural | | These achievements are reported against the activity areas of the MPSP |
|---|--|---|
| Activity areas | What we achieved | |
| Planning and evaluation | <ul style="list-style-type: none"> Developed maps of SEIFA disadvantage for Legal Aid NSW offices highlighting locations with the highest rates of socio-economic disadvantage to assist in more targeted planning for services Reviewed the Policy and Guidelines on the use of interpreters and translators | |
| Capacity building and resourcing | <ul style="list-style-type: none"> Produced <i>Working with new and emerging communities: A guide</i>, aimed at Legal Aid NSW staff and community workers Developed resources to assist staff and private lawyers using the Translating and Interpreting Service | |
| Programs and services | N/A | |
| Building potential through partnerships | N/A | |
| Disability | | These achievements are reported against the outcome areas for government agencies providing universal services under the Guidelines for Disability Action Planning |
| Outcome areas | What we achieved | |
| Identifying and removing barriers to services for people with disability | <ul style="list-style-type: none"> Reviewed and updated the Legal Aid NSW policy for <i>Communicating with people who are deaf, hearing and speech impaired</i> Trained staff on how to work effectively with the National Relay Service Conducted five training sessions in grants procedures for private lawyers which included information about obtaining grants for clients with exceptional circumstances due to disability. Amended document templates and processes in project planning and change control procedures to include accessibility issues Conducted four advice clinics, three telephone advice sessions and three community legal education sessions for the Northern Sydney Local Health District as part of a pilot medico-legal partnership aimed at enhancing the access to legal services for older clients with mental health issues | |
| Providing information and services in a range of accessible formats | <ul style="list-style-type: none"> Implemented text-to-speech software on the Legal Aid NSW website to assist people with vision impairment or literacy issues Developed three new video resources for clients in Auslan Reviewed Legal Aid NSW website for accessibility and implemented improvements | |
| Increasing employment participation of people with a disability in the NSW public sector | <ul style="list-style-type: none"> Reviewed the <i>Disclosing Disability in the Workplace</i> policy Participated in the PACE mentoring program for students and jobseekers with disability Developed guidelines for placement of people with disability in work training arrangements Developed a new statement for use in job advertisements that is inclusive of cultural diversity, people with disability and Aboriginal and Torres Strait Islander people | |
| Other diversity actions | | These achievements are reported against Legal Aid NSW Plan objectives |
| Outcome areas | What we achieved | |
| To promote access to justice through early intervention and prevention and better targeting of legal assistance to disadvantaged people | <ul style="list-style-type: none"> Developed maps of SEIFA disadvantage for Legal Aid NSW offices highlighting locations with the highest rates of socio-economic disadvantage to assist in more targeted planning for services Delivered 72 community legal education workshops on legal issues for older people, young people and people in rural and regional areas | |
| To support and develop our people and improve our systems to meet organisational goals | <ul style="list-style-type: none"> Conducted training for child representatives on working with children from diverse backgrounds Celebrated and supported the diversity of our staff through targeted events Implemented the <i>NSW Carers (Recognition) Act 2010</i> within Legal Aid NSW | |
| To build strong, effective service partnerships to respond to the legal and non legal needs of our clients | <ul style="list-style-type: none"> Conducted training to develop the skills of community workers in the Women's Domestic Violence Court Assistance Service to assist clients complete applications for legal aid Delivered five pilot legal literacy workshops for women prisoners in partnership with Corrective Services NSW and Community Legal Centres | |

Note:

The actions reported here are those extracted from the *Diversity Action Plan 2013–2014* only. Other actions for multicultural and disability-related matters are on page 25.

Appendix 11 Private law firm expenditure

Expenditure across the private law firms which received the highest aggregate payments for legal aid services 2013-2014

| | Firm name | Case payments | Number of case files on which payments made | Duty payments (\$) | Number of duty services provided | Total amount paid * (\$) |
|----|--|----------------------|--|---------------------------|---|---------------------------------|
| 1 | Blair Criminal Lawyers Pty Limited | 991,451 | 122 | 0 | N/A | 991,451 |
| 2 | Marsdens | 874,018 | 400 | 8,688 | 120 | 882,706 |
| 3 | Blue Water Legal | 661,954 | 356 | 23,438 | 203 | 685,392 |
| 4 | Hadden Kemp Solicitors Pty Ltd | 582,825 | 376 | 79,482 | 335 | 662,306 |
| 5 | Tim Mara Solicitor With Rafton Family Lawyers Parramatta | 586,174 | 297 | 12,563 | 53 | 598,737 |
| 6 | Mahony Family Lawyers | 449,434 | 294 | 43,863 | 367 | 493,297 |
| 7 | O'Brien Winter Partners Pty Ltd | 372,034 | 207 | 102,488 | 1,127 | 474,522 |
| 8 | O'Brien Solicitors | 415,561 | 140 | 54,713 | 532 | 470,273 |
| 9 | Mark Rumore | 447,758 | 66 | 0 | N/A | 447,758 |
| 10 | Nyman Gibson Stewart | 439,645 | 143 | 975 | N/A | 440,620 |
| 11 | Mark Whelan Lawyer Pty Ltd | 422,617 | 112 | 4,475 | 13 | 427,092 |
| 12 | Verekers Lawyers | 417,003 | 200 | 9,225 | 55 | 426,228 |
| 13 | Heenan & Company | 385,177 | 76 | 23,250 | 201 | 408,427 |
| 14 | Gonzalez & Co | 396,194 | 183 | 5,850 | 26 | 402,044 |
| 15 | Universal Law | 325,022 | 164 | 57,663 | 452 | 382,685 |
| 16 | Firth Scott Lawyers Pty Ltd | 349,758 | 200 | 27,688 | 224 | 377,445 |
| 17 | Macquarie Lawyers (Burwood) | 375,358 | 71 | 0 | N/A | 375,358 |
| 18 | Douglass & Ford Criminal Law | 327,309 | 288 | 46,313 | 286 | 373,621 |
| 19 | Rice More & Gibson | 320,560 | 192 | 50,287 | 207 | 370,847 |
| 20 | Barron Law | 321,054 | 212 | 47,625 | 516 | 368,679 |

Note:

Individual cases vary in duration and complexity and individual firms vary in size and capacity to undertake legal aid services.

*These figures include disbursements as well as legal costs which can include counsel's fees and expert reports.

Index

Note: Entries in bold are reported in accordance with the Annual Reports (Departments) Regulation 2010, Annual Reports (Statutory Bodies) Regulation 2010 and the Commonwealth, State, and Territory Disability Agreement.

- A**
- Aboriginal and Torres Strait Islander people
 - consumer rights 21
 - cultural awareness training 52
 - family law practice 31
 - partnerships with 47
 - services to 4, 14, 20
 - staff 53
 - women leaving custody 24
 - Aboriginal Cultural Competency workshops 45
 - Aboriginal Legal Service (ALS) (NSW/ACT) Ltd 36, 47
 - accountability 70–71
 - advocacy training 52
 - annual report format** 1
 - appeals 70
 - audio visual links (AVL) 57
 - Audit and Risk Committee** 67
 - auditing compliance 39
 - Auditor's Report 77–78
- B**
- Back Up Duty Scheme 38
 - Bail Act 2013* 44
 - bail laws 26, 44
 - benchmarks 11
 - Blue Mountains bushfires 29
 - Board 9, 60–61
 - Bulk Debt Project 29
 - Business Continuity Management Plan 69
 - business hours** *back cover*
 - business intelligence reporting 57
 - business systems 56
- C**
- career management 52
 - cash flows 82, 116
 - CEO
 - performance statement 133
 - report 4–5
 - Chair's report 2–3
 - child representation 45
 - Children's Civil Law Service 22
 - Children's Legal Service 22
 - children's services 22, 37, 45
 - civil law
 - practice 28–30, 140
 - reform 34
 - Client Assessment and Referral Service (CARS) 24–25
 - clients
 - needs 19
 - profile 9
 - services to 7, 14, 16–17, 18–34
 - committees**, Board 61, 67
 - Commonwealth benchmarks 11
 - Commonwealth Crime Unit 26
 - Community Legal Centres (CLCs) 36, 40, 138
 - community legal education 14, 16
 - Community Legal Education (CLE) Management System 56
 - Community Legal Education (CLE) program 33, 142
 - community programs 2, 40–41
 - complaints handling 70–71
 - consultants** 130
 - consumer dispute resolution 29
 - Cooperative Legal Service Delivery (CLSD) Program 36, 42–43
 - corporate governance 9, 59–71
 - corporate planning 66
 - cost recovery 56
 - court services for defendants 20
 - credit card certification** 73
 - criminal law
 - practice 26–27, 139
 - professional development 51
 - reform 34
 - custody, leaving 24
 - cyberbullying 22–23
- D**
- debt 29
 - digital information security 68
 - disability insurance 28
 - disadvantaged communities 20–22
 - discrimination 28
 - dispute resolution 29
 - diversity
 - clients 25–26, 146
 - workplace 51, 135
 - Diversity Action Plan** 25–26, 146
 - domestic violence 41, 45, 137
 - duty advice service 19
 - duty lawyer services 16
- E**
- early intervention 4, 22–23
 - eligibility for legal aid 55
 - Employment Law Service 29
 - energy savings** 58
 - environmental responsibility** 58
 - ethics 66
 - Evidence Act* 52
 - expenditure 73
 - expenses 74
 - external dispute resolution (EDR) 29
 - external study 52
- F**
- families
 - dispute resolution service 17, 31
 - services to 37
 - family law
 - practice 31, 45, 140, 141
 - reform 34
 - fees 55
 - finance 9
 - financial management 6
 - financial performance 66
 - financial position 80, 114
 - financial statements**
 - the Commission 75–108
 - Legal Aid Commission Staff Agency 109–131
 - financial summary 72–74
 - finances debt 24
 - freedom of information** 71, 144–145
 - funding
 - Community Legal Centres Program 138
 - domestic violence advocacy 41
 - new projects 40
 - pressures 2
 - sources 73
 - WDVCAP 137
- G**
- governance** 9, 59–71
 - Grants Division 37
- H**
- Health and Safety Committee 49
 - health and wellbeing**
 - legal problems and 24
 - staff 49–50
 - highlights 6–7
 - history 8
 - home repossession prevention 22
 - human resources** *see* staff

- I**
- immigration services 29
 - income 74, 79, 113
 - Information and Communications Technology (ICT) Strategic Plan 57
 - Information Management Governance Framework 57
 - information security 68
 - information services 16
 - information technology 57
 - Inquiry into Access to Justice Arrangements* 12
 - insurance**, disability 28
 - integrating services 24–25
 - Internal Audit and Risk Management Statement 68
- J**
- justice forums 45–46
- K**
- key performance indicators 10
 - Kids in care* booklets 43
- L**
- Law and Justice Foundation of NSW 24, 45
 - Law Check-Up* 24
 - law reform 34, 143
 - LawAccess NSW 36
 - lawyers
 - panels 38–39
 - private 36, 37–39, 142
 - Learning Management System (LMS) 51
 - legal advice 16
 - Legal Aid Commission Act 1979* (NSW) 66, 69
 - Legal Aid Commission Staff Agency 109–131
 - Legal Aid Plan 7, 13
 - legal practice operational statistics 140–142
 - legal representation 17
 - legislation** 9, 66
 - Legislative and Policy Framework for Private Lawyer Panels 38
 - legislative compliance 69–70
 - letter of submission** inside cover
 - library services 56
 - litigation 30
- M**
- management 48–58
 - governance 9, 59–71
 - staff *see* staff
 - management reporting 56
 - management team 64–65
 - Managers' Conference 52
 - mediation 14, 23
 - minor assistance services 14
 - mobile technology 57
- N**
- National Disability Insurance Scheme 28
 - National Legal Aid (NLA) 36, 46
 - National Partnership Agreement 11
 - NSW Legal Assistance Forum (NLAF) 36, 46
- O**
- objectives *inside front cover*
 - online learning 52
 - online management development 51
 - organisational structure** 63
 - outreach services 14, 19
- P**
- panel lawyers 38–39
 - partnerships with other agencies 5, 35–47
 - performance measurement 9–12, 14–15, 56
 - policy changes 55
 - premises 57
 - prisoner sentences 21, 26
 - privacy** 71
 - private lawyers 36, 37–39, 142, 147
 - professional development 52–53, 136
 - Professional Practices Branch (PPB) 38
 - public interest disclosures 70
 - public sector reform 54
 - publications 16, 43
- R**
- rapid response 29
 - Reconciliation Action Plan 20
 - Regional Outreach Clinic Program (ROCP) 44
 - regional partnerships 42–46
 - reporting 40, 55, 56
 - Review of the National Partnership on Legal Assistance Services* (NPA Review) 11
 - reviews 55
 - right to information** 71, 144–145
 - risk management** 3, 66–68
- S**
- safety, staff 57
 - savings targets 5
 - scrutiny 55
 - security 57
 - senior management 64–65
 - service delivery targets 2, 10
 - service integration 24–25
 - Settlement Services International 21
 - specialist services 17
 - staff 49–53
 - Aboriginal 53
 - diversity 51, 135
 - health and wellbeing 49
 - management 54
 - profile 9, 134
 - security and safety 57
 - support 5
 - training 52–53, 136
 - structure 9
- T**
- technology 20
 - training
 - Aboriginal staff 53
 - criminal lawyers 51
 - partners 44–45
 - staff 52–53, 136
- U**
- unfair dismissal 29
 - unpaid wages 29
- V**
- values *inside front cover*
- W**
- waste reduction** 58
 - web resources 44
 - Women's Domestic Violence Court Advocacy Program (WDVCAP) 41, 137
 - workers compensation 50
 - workforce *see* staff
 - workplace diversity 51, 135
- Y**
- youth services 17, 37

Offices

Office hours: Central Sydney: 8.30am to 5.30pm.
All other offices: 9.00am to 5.00pm

CENTRAL SYDNEY

323 Castlereagh St
SYDNEY NSW 2000
PO Box K847
HAYMARKET NSW 1238
Tel: 9219 5000
TTY: 9219 5126

Metropolitan Offices

BANKSTOWN

Level 8 Civic Tower
66–72 Rickard Rd
BANKSTOWN 2200
Tel: 9707 4555

BLACKTOWN

Suite 36–37
'Kildare Court' Level 2
13–17 Kildare Rd
BLACKTOWN 2148
Tel: 9621 4800

BURWOOD

Level 4
74–76 Burwood Rd
BURWOOD 2134
Tel: 9747 6155
TTY: 9747 0214

CAMPBELLTOWN

Suite 1 Level 4
171–179 Queen St
CAMPBELLTOWN 2560
Tel: 4628 2922

FAIRFIELD

Suite 1 Level 2
25 Smart St
FAIRFIELD 2165
Tel: 9727 3777

LIVERPOOL

Level 4 Interdell Centre
47 Scott St
LIVERPOOL 2170
Tel: 9601 1200

PARRAMATTA

Civil & Family Law

Level 5
91 Phillip St
PARRAMATTA 2150
Tel: 9891 1600

PARRAMATTA

Criminal Law

Parramatta Justice Precinct
Level 1
160 Marsden St
PARRAMATTA 2150
Tel: 8688 3800
TTY: 9687 7538

PENRITH

95 Henry St
PENRITH 2750
Tel: 4732 3077

SUTHERLAND

Ground floor
3–5 Stapleton Ave
SUTHERLAND 2232
Tel: 9521 3733

Regional Offices

COFFS HARBOUR

41 Little St
COFFS HARBOUR 2450
Tel: 6651 7899

DUBBO

64 Talbragar St
DUBBO 2830
Tel: 6885 4233

GOSFORD

92–100 Donnison St
GOSFORD 2250
Tel: 4324 5611

LISMORE

Suite 6 Level 4
29 Molesworth St
LISMORE 2480
Tel: 6621 2082

NEWCASTLE

Level 2
51–55 Bolton St
NEWCASTLE 2300
Tel: 4929 5482

NOWRA

Level 2
59 Berry St
NOWRA 2541
Tel: 4422 4351

ORANGE

Suite 4
95 Byng St
ORANGE 2800
Tel: 6362 8022

TAMWORTH

Level 1
424–426 Peel St
TAMWORTH 2340
Tel: 6766 6322

WAGGA WAGGA

Ground floor
74–76 Fitzmaurice St
WAGGA WAGGA 2650
Tel: 6921 6588

WOLLONGONG

Ground floor
73 Church St
WOLLONGONG 2500
Tel: 4228 8299

Produced by the Communications Unit of
Legal Aid NSW. This report is also available for
viewing at www.legalaid.nsw.gov.au > Publications >
Annual report

Unless otherwise indicated, photography by Penny Clay.