

LEGAL COSTS COMMITTEE


ANNUAL REPORT

2020 - 2021

16 September 2021

LEGAL COSTS COMMITTEE ANNUAL REPORT

In accordance with the *Financial Management Act* 2006, I submit to the Honourable John Quigley MLA, Attorney General for the State of Western Australia, for information and presentation to Parliament, the Annual Report of the Legal Costs Committee of Western Australia for the period 1 July 2020 to 30 June 2021.



Clare Thompson

CHAIR

LEGAL COSTS COMMITTEE

The Legal Costs Committee was first established following the proclamation of the *Acts Amendment (Legal Practitioners, Costs and Taxation) Act 1987* on 12 February 1988. Subsequently, the Legal Costs Committee's jurisdiction was reaffirmed by the *Legal Practice Act 2003* and more recently, by Division 9 of Part 10 of the *Legal Profession Act 2008 (Act)*. The Legal Costs Committee is responsible under the Act for making determinations for the remuneration of legal practitioners in respect of the matters specified under Division 5 of Part 10 of the Act, as well as other legislation, in the following areas of legal practice:

- ◆ Non-contentious business carried out by legal practitioners;
- ◆ Supreme Court of Western Australia;
- ◆ District Court of Western Australia;
- ◆ Magistrates Courts;
- ◆ Official Prosecutions (Accused's Costs);
- ◆ Public Notaries;
- ◆ Family Court of Western Australia; and
- ◆ State Administrative Tribunal.

Before the establishment of the Legal Costs Committee, costs and scales of fees, except for a scale for the Court of Petty Sessions in the period prior to the establishment of the Magistrates Court, and that for Public Notaries, were set by the Judges of the Courts, or by the Under Secretary for Law, as the case required.

Since the proclamation of the *Acts Amendment (Legal Practitioners, Costs and Taxation) Act 1987*, the scope of work undertaken by the Legal Costs Committee has changed in that by virtue of the *Magistrates Court Act 2004* and the *Magistrates Court (Civil Proceedings) Act 2004*, the Local Court and Court of Petty Sessions ceased to exist and were replaced by the Magistrates Court exercising both civil and criminal jurisdiction. In 2009 the Family Court of Western Australia and the State Administrative Tribunal were included as additional jurisdictions requiring determinations. In 2016, Magistrates exercising Family Law jurisdiction was recognised as necessitating a separate determination. In 2020 the continued promulgation of a separate determination for costs associated with appeals to the District Court was discontinued.

During the period 1 July 2020 to 30 June 2021, the Legal Costs Committee comprised:

Ms CH Thompson, Barrister, Francis Burt Chambers, as Chair;

Mr BW Ashdown, Barrister, John Toohey Chambers;

Mr M Cocker, Retired State Public Servant;

Mr M Curwood SC, Barrister, Francis Burt Chambers;

Dr J Dudley, Governance Consultant; and

Ms A Gaffney, Chartered Accountant.

<i>Title</i>	<i>Member Name</i>	Type of remuneration	Period of membership	Term of Appointment / Tenure	Base Salary/Sitting Fee	Gross/actual remuneration for the financial year
Chair	Clare Thompson	Salary	18 years	3 years	\$15,350.00	\$16,808.25
Member	Brendan Ashdown	Salary	5 years	3 years	\$6,140.00	\$6,723.30
Member	Marcus Cocker	Salary	19 years	3 years	\$6,140.00	\$6,723.30
Member	Matthew Curwood	Salary	12 years	3 years	\$6,140.00	\$6,723.30
Member	Janice Dudley	Salary	16 years	3 years	\$6,140.00	\$6,723.30
Member	Angela Gaffney	Salary	27 years	3 years	\$6,140.00	\$6,723.30
Total					\$46,050.00	\$50,424.75

The Committee normally meets on a monthly basis, as its business requires, and in the 2020/2021 financial year, the Committee met on eight occasions.

1. Determinations – 2020/2021 Financial Year

The Legal Costs Committee completed four reviews resulting in the publication of the determinations listed below.

- (a) *Legal Profession (Magistrates Court) (Civil) Determination (No. 2) 2020;*
- (b) *Legal Profession (Solicitors Costs) Determination 2021;*
- (c) *Legal Profession (Non-Contentious Probate Costs) Determination 2021; and*
- (d) *Legal Profession (Public Notaries) Determination 2021.*

2. Determinations anticipated in 2021/2022 Financial Year

The Legal Costs Committee anticipates that it will complete reviews of the following determinations during the next financial year:

- (a) *Legal Profession (Supreme and District Courts) (Contentious Business) Determination 2020;*
- (b) *Legal Profession (Supreme and District Courts) (Criminal) Determination 2020;*
- (c) *Legal Profession (Family Court) Determination 2020;*
- (d) *Legal Profession (Magistrates Court) (Civil) Determination (No. 2) 2020;*
- (e) *Legal Profession (Magistrates Court) (Criminal) Determination 2020;*
- (f) *Legal Profession (Magistrates Court) (Family Law) Determination 2020;*
- (g) *Legal Profession (Official Prosecutions) (Accused's Costs) Determination 2020; and*
- (h) *Legal Profession (State Administrative Tribunal) Determination 2020.*

3. Performance Measures

<i>OUTPUT</i>	2020/21		
	<i>TARGET</i>	<i>ACTUAL</i>	<i>VARIANCE</i>
<i>Quantity</i>	3	4	1
<i>Quality</i>	Not Assessed	Not Assessed	N/A
<i>Timeliness</i>	In accordance with statutory requirements.		
<i>Cost</i> (Average cost per determination)	\$41,308	\$35,080	\$6,228

4. Accounts and Performance Indicators

The financial statements and performance indicators for the year ended 30 June 2021 are attached.

5. Report on Operations

The Legal Costs Committee does not employ staff nor does it have its own premises. The facilities used by the Committee comply with the requirements listed under the *Financial Management Act 2006* and are provided by the Department of Justice.

6. General Comments

The Legal Costs Committee again notes that the Effectiveness Indicator and the Efficiency Indicator, if taken in isolation in any given financial year, can give rise to a distorted assessment of the Committee's effectiveness and efficiency. The Committee suggests a period of at least three consecutive financial years, over which the relative indicator results are averaged, is likely to produce a more accurate assessment of those outcomes.

I would like to record the Committee's appreciation for the continued assistance of those who made submissions to the Committee in the 2021 year, in respect of the Committee's reviews and the ongoing work of the Committee. Magistrate Darge's assistance with the drafting of the *Legal Profession (Magistrates Court) (Civil) Determination (No. 2) 2020* was greatly appreciated.

7. Executive Assistance

The Legal Costs Committee wishes to record its appreciation of the assistance provided during the year by Mr Alek Jakobson of the Department of Justice. Mr Jakobson has offered the Committee and myself in particular, great assistance with the administration of the Committee and publication of our notices, reports and determinations.

The Legal Costs Committee continues to rely very heavily on the willingness of its members to undertake the administrative and drafting functions which are an essential part of ensuring the Committee fulfils its statutory obligations.



Clare Thompson

CHAIR

16 September 2021

LEGAL COSTS COMMITTEE
BUDGET ESTIMATES FOR 2021 / 22

In accordance with the *Financial Management Act 2006* and pursuant to Treasurer's Instructions the budget estimates for the Legal Costs Committee for the 2021/22 financial year, as submitted to the Honourable Attorney General, are as follows:

LEGAL COSTS COMMITTEE	
BUDGETED STATEMENT OF FINANCIAL PERFORMANCE	
COST OF SERVICES	\$
Expenses	
Board members fees & entitlements	50,425
Other expenses	18,995
Secretarial and Management support	70,901
	<hr/>
Total cost of services	140,321
INCOME FROM STATE GOVERNMENT	
Service appropriations (grants from DotAG)	65,000
Resources received free of charges	70,901
	<hr/>
Total income from State Government	135,901
	<hr/>
SURPLUS / (DEFICIT) FOR THE PERIOD	(4,420)
	<hr/>



Auditor General

INDEPENDENT AUDITOR'S OPINION

2021

Legal Costs Committee

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Legal Costs Committee (Committee) which comprise:

- the Statement of Financial Position at 30 June 2021, and 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.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Legal Costs Committee for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Committee in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Committee for the financial statements

The Committee is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Committee.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Legal Costs Committee. The controls exercised by the Committee are those policies and procedures established by the Committee to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Legal Costs Committee are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

The Committee's responsibilities

The Committee is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Legal Costs Committee for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicator and key efficiency indicator that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Legal Costs Committee are relevant and appropriate to assist users to assess the Committee's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Committee's responsibilities for the key performance indicators

The Committee is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control it determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Committee is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Committee is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Legal Costs Committee for the year ended 30 June 2021 included on the Committee's website. The Committee's management is responsible for the integrity of the Committee's website. This audit does not provide assurance on the integrity of the Committee's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
10 September 2021

Legal Costs Committee

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the reporting period ended 30 June 2021

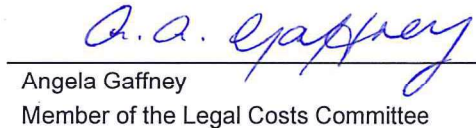
The accompanying financial statements of the Legal Costs Committee have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2021 and the financial position as at 30 June 2021.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Clare Thompson
Chair of the Legal Costs Committee

7 September 2021



Angela Gaffney
Member of the Legal Costs Committee

7 September 2021



John Deery
Chief Finance Officer

7 September 2021



Legal Costs Committee

The Committee has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2021, which provides users with the information about the Committee's stewardship of resources entrusted to it. The financial information is presented in the following structure:

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**Legal Costs Committee
Statement of Comprehensive Income**

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
COST OF SERVICES			
Expenses			
Board member fees and entitlements	2.1	50,425	50,425
Secretarial and management support	3.1	70,901	53,145
Other expenses	2.2	18,995	18,802
Total cost of services		140,321	122,372
NET COST OF SERVICES		140,321	122,372
Income from State Government	3.1		
Income received from other public sector entities		65,000	65,000
Resources received		70,901	53,145
Total income from State Government		135,901	118,145
DEFICIT FOR THE PERIOD		(4,420)	(4,227)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(4,420)	(4,227)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



**Legal Costs Committee
Statement of Financial Position**

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5.1	4,000	18,372
Receivables	4.1	234	564
Other current assets	4.2	40	40
Total Current Assets		4,274	18,976
TOTAL ASSETS		4,274	18,976
LIABILITIES			
Current Liabilities			
Payables	4.3	83	10,365
Total Current Liabilities		83	10,365
TOTAL LIABILITIES		83	10,365
NET ASSETS		4,191	8,611
EQUITY			
Contributed equity	7.8	39,335	39,335
Accumulated deficit		(35,144)	(30,724)
TOTAL EQUITY		4,191	8,611

The Statement of Financial Position should be read in conjunction with the accompanying notes.



**Legal Costs Committee
Statement of Changes in Equity**

For the year ended 30 June 2021

	Note	Contributed equity \$	Accumulated deficit \$	Total equity \$
Balance at 1 July 2019	7.8	39,335	(26,497)	12,838
Deficit		-	(4,227)	(4,227)
Balance at 30 June 2020		39,335	(30,724)	8,611
Balance at 1 July 2020		39,335	(30,724)	8,611
Deficit		-	(4,420)	(4,420)
Balance at 30 June 2021		39,335	(35,144)	4,191

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

**Legal Costs Committee
Statement of Cash Flows**

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM STATE GOVERNMENT			
Funds from other public sector entities		65,000	65,000
Net cash provided by State Government		<u>65,000</u>	<u>65,000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to members		(50,425)	(50,425)
Payments to suppliers (inc. GST)		(31,173)	(12,805)
Receipts			
GST receipts from taxation authority		2,226	1,721
Net cash (used in)/ provided by operating activities		<u>(14,372)</u>	<u>3,491</u>
Net (decrease)/ increase in cash and cash equivalents		(14,372)	3,491
Cash and cash equivalents at the beginning of the period		18,372	14,881
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.1	<u><u>4,000</u></u>	<u><u>18,372</u></u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The Legal Costs Committee ('the Committee') is an independent statutory authority established under the *Legal Profession Act 2008*. The Committee is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Members of the Committee on 7 September 2021.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AASs) – Reduced Disclosure Requirements
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and the Instructions take precedence over AASs. Several AASs are modified by the TI's to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Committee's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Committee in achieving its objectives and the relevant notes are:

	Notes
Board members fees and entitlements	2.1
Other expenditure	2.2

2.1 Board members fees and entitlements

	2021	2020
	\$	\$
Board member fees	46,050	46,050
Superannuation - defined contribution plans	4,375	4,375
	<u>50,425</u>	<u>50,425</u>

Superannuation:

Superannuation is the amount recognised in the profit or loss of the Statement of Comprehensive income and comprises employer contributions paid to the West State Superannuation Scheme, the Government Employees Superannuation Board (GESB), or other Super Guarantee:

	2021	2020
	\$	\$
West State Superannuation Scheme	2,625	2,625
GESB	583	583
Other Super Funds	1,167	1,167
	<u>4,375</u>	<u>4,375</u>

2.2 Other expenditure

	2021	2020
	\$	\$
Advertising expenses	4,391	2,659
Notice publication expenses	3,694	5,405
Audit Fees	9,947	9,947
Other expenditure	963	791
	<u>18,995</u>	<u>18,802</u>

Other operating expenses:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Committee obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Committee and the relevant notes are:

	Notes
Income from State Government	3.1

3.1 Income from State Government

	2021	2020
	\$	\$
Income received from other public sector entities during the period:		
Service grant from the Department of Justice	65,000	65,000
Total grants and subsidies	<u>65,000</u>	<u>65,000</u>
Resources received from other public sector entities during the period:		
Secretarial and management support from Department of Justice	70,901	53,145
Total resources received	<u>70,901</u>	<u>53,145</u>
Total Income from State Government	<u>135,901</u>	<u>118,145</u>

Income from other public sector entities:

Income from other public sector entities are recognised as income when the Agency has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Agency receives the funds.

Resources received from other public sector entities:

Resources received free of charge or for nominal cost are recognised as income equivalent to the fair value of the services that can be reliably determined and which would have been purchased if not donated.

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

4. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Committee's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes
Receivables	4.1
Other assets	4.2
Payables	4.3

4.1 Receivables

	2021	2020
	\$	\$
<u>Current</u>		
GST receivable	234	564
Balance at end of period	234	564

4.2 Other assets

	2021	2020
	\$	\$
<u>Current</u>		
Prepayments	40	40
Balance at end of period	40	40

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

4.3 Payables

	2021	2020
	\$	\$
<u>Current</u>		
Trades payables	83	10,365
Balance at end of period	83	10,365

Payables are recognised when the Committee becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 20 days.

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

5. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Committee:

	Notes
Cash and cash equivalents	5.1

5.1 Cash and cash equivalents

	2021	2020
	\$	\$
Cash and cash equivalents	4,000	18,372
Balance at end of period	4,000	18,372

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash on hand.

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

6. Financial instruments and contingencies

	Notes
Financial instruments	6.1
Contingent assets and liabilities	6.2

6.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2021	2020
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	4,000	18,372
Total financial assets	4,000	18,372
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost ^(a)	83	10,365
Total financial liability	83	10,365

^(a) The amount of financial liabilities at amortised cost excludes GST payable to the Australian Taxation Office (statutory payable).

6.2 Contingent assets and liabilities

There were no contingent assets and contingent liabilities as at 30 June 2021 (2020: nil).

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

7. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	7.1
Correction of prior period errors/ changes in accounting policy	7.2
Key management personnel	7.3
Related parties	7.4
Related bodies	7.5
Affiliated bodies	7.6
Remuneration of Auditors	7.7
Equity	7.8
Supplementary financial information	7.9

7.1 Events occurring after the end of the reporting period

There were no events occurring after the end of the reporting period.

7.2 Correction of prior period errors/ changes in accounting policy

There were no correction of prior period errors or changes in accounting policy in the reporting period.

7.3 Key management personnel

The Committee has determined key management personnel to include Cabinet Ministers and members of the Committee. However, the Committee is not obligated to compensate Ministers and therefore disclosures in relation to Minister's compensation may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the Committee for the reporting period are presented within the following bands:

	2021	2020
Compensation Band (\$)		
10,001 – 20,000	1	1
0 – 10,000	5	5
	2021	2020
	\$	\$
Total compensation of senior officers	<u>50,425</u>	<u>50,425</u>

Total compensation includes the superannuation expense incurred by the Committee in respect of its members.

Legal Costs Committee

NOTES TO THE FINANCIAL STATEMENTS

7.4 Related party transactions

The Committee is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Committee include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board.

Material transactions with other related parties

Outside of normal citizen type transactions with the Committee, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

7.5 Related bodies

The Committee had no related bodies during the financial year (2020: nil).

7.6 Affiliated bodies

The Committee had no affiliated bodies during the financial year (2020: nil).

7.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2021	2020
	\$	\$
Auditing the accounts, financial statements and key performance indicators	10,100	9,947

7.8 Equity

The Government holds the equity interest in the Committee on behalf of the community. Equity represents the residual interest in the net assets of the Committee.

	2021	2020
	\$	\$
Contributed equity		
Balance at start of period	39,335	39,335
Balance at end of period	<u>39,335</u>	<u>39,335</u>
Accumulated deficit		
Balance at start of period	(30,724)	(26,497)
Deficit	(4,420)	(4,227)
Balance at end of period	<u>(35,144)</u>	<u>(30,724)</u>
Total Equity at end of period	<u>4,191</u>	<u>8,611</u>

7.9 Supplementary financial information

There were no losses of public moneys or other public property through theft or default during the financial year (2020: nil).

There were no write offs of public money or other public property during the financial year (2020: nil).

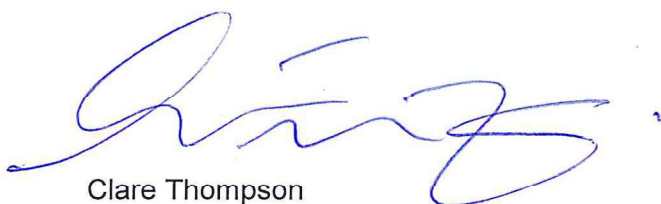
There were no gifts of public property during the financial year (2020: nil).

LEGAL COSTS COMMITTEE

AUDITED KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2021

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Legal Costs Committee's performance, and fairly represent the performance of the Legal Costs Committee for the financial year ended 30 June 2021.



Clare Thompson
Chair of the Legal Costs Committee

7th September 2021



Angela Gaffney
Member of the Legal Costs Committee

7th September 2021



LEGAL COSTS COMMITTEE
KEY PERFORMANCE INDICATORS

2020 - 2021

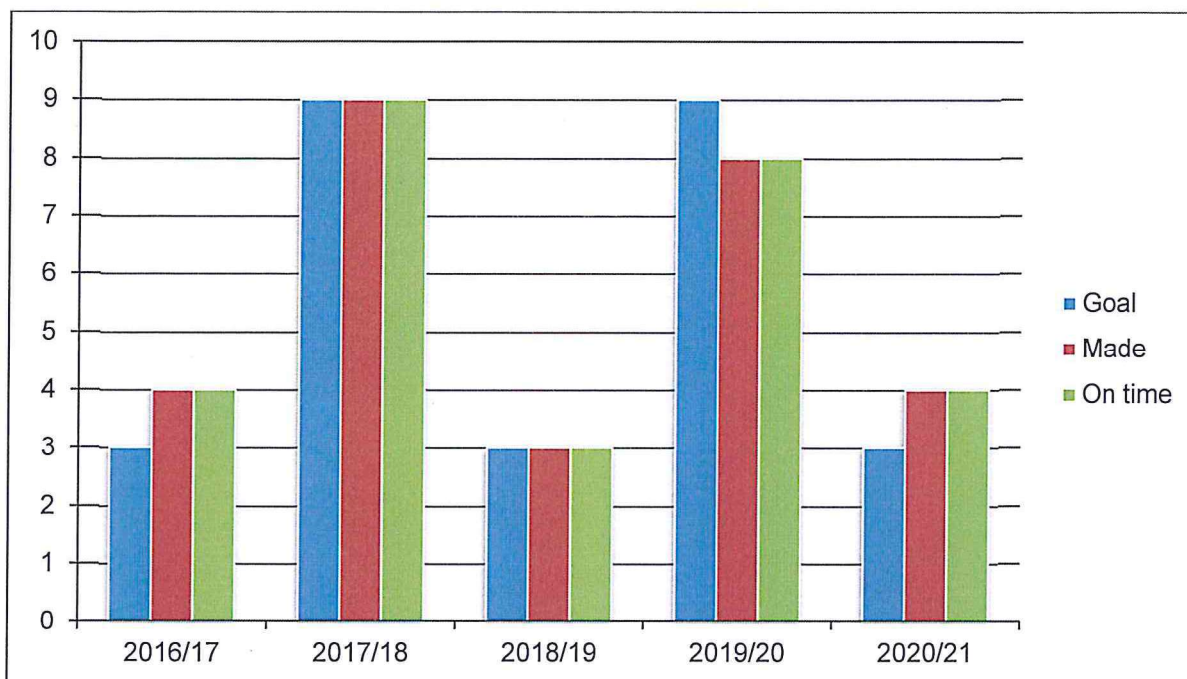
Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's service and desired outcome, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcome	Service
<p>Results-Based Service Delivery:</p> <p>Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.</p>	<p>In accordance with section 276 of the <i>Legal Profession Act 2008</i>, to review each determination in force at least once in the period of two years in the following jurisdictions:</p> <ul style="list-style-type: none"> “ Supreme and District Courts (Contentious Business) “ Supreme & District Courts (Criminal) “ Magistrates Court (Civil) “ Magistrates Court (Criminal) “ Magistrates Court (Family Law) “ Probate Costs “ Solicitors Costs “ Official Prosecutions (Accused's Costs) “ Public Notaries “ State Administrative Tribunal “ Family Court of Western Australia 	<p>1. Review of determination</p>

KEY EFFECTIVENESS INDICATOR

The Key Effectiveness Indicator means the extent to which Legal Costs Committee determinations are completed in accordance with established deadlines.

Performance Measure: The number of Determinations made during the year and completed on time.



In the 2020/21 year three determinations were due for review, compared to the nine non-contentious business determinations which were reviewed in 2019/20. This variation will occur every year because the Committee has for many years adopted the practice of reviewing all contentious determinations concurrently in one year, and all non-contentious determinations concurrently in the next year, so that the rates for similar types of work undertaken by legal practitioners remain comparable regardless of the court in which that work is undertaken.

The Legal Costs Committee made and completed the following determinations during the financial year ended 30 June 2021:

- (a) *Legal Profession (Magistrates Court) (Civil) Determination (No. 2) 2020;*
- (b) *Legal Profession (Solicitors Costs) Determination 2021;*
- (c) *Legal Profession (Non-Contentious Probate Costs) Determination 2021; and*
- (d) *Legal Profession (Public Notaries) Determination 2021.*

The Legal Costs Committee does not employ staff but the administrative function is undertaken as a service provided free of charge by staff from the Department of Justice. Hence, the Legal Costs Committee considers that the development of further effectiveness indicators would not be meaningful or relevant.

KEY EFFICIENCY INDICATOR

Key Efficiency Indicator measures cost per determination.

Cost per Determination

Year	Target		Actual		Variance to target	
	Cost	Number	Cost	Number	Cost	Number
2020/21	\$41,308	3	\$35,080	4	\$6,228	1
2019/20	\$13,769	9	\$15,296	8	(\$1,527)	0
2018/19	\$42,961	3	\$38,986	3	(\$3,975)	0
2017/18	\$14,045	9	\$13,238	9	(\$807)	0
2016/17	\$42,557	3	\$31,273	4	(\$11,284)	1

The cost per determination is calculated based on the total cost of services for the Legal Costs Committee in a given year divided by the number of determinations completed in that year.

The cost per determination is higher than the previous year due to significant variance between the number of determinations undertaken in 2019/20 and 2020/21.

In the 2021 year the Committee undertook one additional review, being the review which resulted in the *Legal Profession (Magistrates Court) (Civil) Determination (No. 2) 2020*. This came about because of new information given to the Committee in June 2020, at the time the Committee was finalising its reviews of the contentious business determinations in the 2020 year. We became aware that changes to civil procedure in the Magistrates Court which had just come into operation, meant that the review culminating in the *Legal Profession (Magistrates Court) (Civil) Determination 2020* would be inadequate to accommodate the full range of civil procedure in the Magistrates Court. The Committee was faced with a choice of withholding the *Legal Profession (Magistrates Court) (Civil) Determination 2020* and therefore not meeting its statutory obligation of reviewing each determination within 2 years of its promulgation, and in doing so disadvantaging lawyers and their clients, or promulgating the *Legal Profession (Magistrates Court) (Civil) Determination 2020* and immediately commencing a review of it to take into account the changes in civil procedure. The Committee chose the latter path as being least disruptive to the legal profession, the Court and clients of legal services.