

Crown Solicitor's Office



Annual Report 2024-25



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This annual report was produced in-house by NSW Crown Solicitor's Office. There were no external production costs. The annual report is available in electronic format on the NSW Crown Solicitor's Office website.

Acknowledgement of Country

The NSW Crown Solicitor's Office acknowledges the Traditional Custodians of the land on which we live and work. In particular, we acknowledge and pay respect to the Gadigal people of the Eora Nation as the Traditional Custodians of the land on which our office sits.

We pay our deepest respects to Elders past and present. We recognise the stories, traditions, and living cultures of Aboriginal and Torres Strait Islander peoples. We commit to fostering a culture of learning from, and working with, Aboriginal and Torres Strait Islander peoples in the spirit of reconciliation.



Letter to the Attorney General

31 October 2025

The Hon. Michael Daley, MP
Attorney General
52 Martin Place
SYDNEY NSW 2000

Dear Attorney General

I am pleased to submit for presentation to Parliament the annual report of the NSW Crown Solicitor's Office (CSO) for the period 1 July 2024 to 30 June 2025.

The report has been prepared in accordance with the *Government Sector Finance Act 2018* Division 7.3.

The CSO has self-assessed as a group 1 agency and has prepared this annual report in accordance with TPG25-10a Group 1 – Annual Report.

I extend my sincere thanks to all employees for their dedication and professionalism throughout the year, which has enabled the Crown Solicitor's Office to continue delivering high-quality legal services to the State and its agencies for the benefit of the people of New South Wales.

Yours faithfully

A handwritten signature in black ink that reads "Karen Smith". The signature is fluid and cursive, with the first name "Karen" and the last name "Smith" clearly distinguishable.

Karen Smith
Crown Solicitor

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Overview

Who we are

The NSW Crown Solicitor's Office (CSO) sits within the Communities and Justice portfolio and is related to the Department of Communities and Justice. The NSW Crown Solicitor is the head of the agency and the solicitor on the record for legal proceedings when representing the State, agencies, or Ministers.

The CSO is a public service executive agency under the *Government Sector Employment Act 2013*.

Agency aims and objectives

The CSO's principal objective is to advise and represent NSW Government agencies to support them in delivering the government's policies, programs, and projects in a lawful, effective, and efficient manner for the people of NSW. Our aims are to:

- deliver high-quality, cost-effective legal services
- provide exceptional customer service to our clients – the NSW Government and its agencies
- foster a culture of continuous improvement in the way we work.

Services

The CSO provides legal services to the NSW Government and its agencies.

Core legal work

Premier's Memorandum 2016-04 directs that the Crown Solicitor must be engaged by government agencies (subject to that Memorandum) for 'core legal work.'

A matter constitutes core legal work when the best interests of the Government as a whole require a single source of authoritative legal advice and central management, or the matter relates to the statutory or common law functions of the Attorney General.

The Crown Solicitor's legal fees and disbursements for core legal work are met from the Attorney General's Legal Fund, unless some other source of funding is

available, such as the Treasury Managed Fund.

Core legal work is charged at cost-recovery rates, and accounts for approximately 70% of the CSO's fee revenue.

Non-core legal work

The CSO delivers non-core legal work to government agencies, primarily through legal services panel arrangements, including:

- Insurance and Care NSW (icare) Legal Services Panel (CSO appointed from 1 July 2021)
- NSW Government Legal Services Panel (CSO sits alongside the new panel, inception 1 July 2021).

Non-core work is charged at competitive rates and on equal terms with private sector law firms.

Clients

Under s 44 of the *Legal Profession Uniform Law Application Act 2014*, the Crown Solicitor may act as solicitor for:

- the State of NSW
- a person suing or being sued on behalf of the State of NSW
- a Minister of the Crown acting in his or her official capacity
- a body established by an Act or other law of NSW
- an officer or employee of the Public Service or any other service of the State of NSW or of a body established by an Act or other law of NSW
- a person holding office under an Act or other law of NSW or because of the person's appointment to that office by the Governor or a Minister of the Crown
- any other person or body, or any other class of persons or bodies, approved by the Attorney General.

The Crown Solicitor does not provide legal services to members of the public.

Management and structure

Senior legal executives

The most senior legal executives of the CSO are the Crown Solicitor and 3 Assistant Crown Solicitors.

Crown Solicitor

Karen Smith has held the role of Crown Solicitor since April 2019. Karen is a senior government lawyer with expertise in public sector governance, administrative and criminal law, and the development of complex legislative proposals.

Qualifications: Bachelor of Economics, Bachelor of Laws, Master of Laws.

Assistant Crown Solicitors

Michael Granziera leads the Public Law division.

Qualifications: Bachelor of Arts, Bachelor of Laws (Hons), Master of Laws.

Richard Kelly leads the Civil Law and Commercial Strategy division.

Qualifications: Bachelor of Economics, Bachelor of Laws.

Naomi Malhotra leads the Inquiries and Criminal Law division.

Qualifications: Bachelor of Arts, Bachelor of Laws (Hons).

Executive Committee

The CSO Executive Committee focuses on strategic leadership, delivery of the organisation's strategic priorities, and financial and organisational performance.

The committee is headed by the Crown Solicitor and comprises the Assistant Crown Solicitors and the leaders of the Corporate Services division.

Organisational functions and services

The CSO has four divisions: the Corporate Services division plus three legal divisions made up of specialised legal practice groups. In addition, the Crown Solicitor leads a small Government Law practice group focussed on significant government legal issues, including those related to Parliament and executive power. Refer to the [organisational chart](#) in this report.

Up to 30 April 2025, the CSO seconded a team of legal officers and support staff to The Cabinet Office to assist the Commissioner in the Special Commission of Inquiry into Healthcare Funding. This team was led by Acting Director, Patrick Mullane.

The CSO also maintained a standalone internal team of legal officers and support staff to represent NSW Health agencies in the Special Commission of Inquiry. This team was led by Director, Lucy Pinnock.

Corporate Services division

This division has four teams reporting directly to the Crown Solicitor:

- Finance and Support Services, led by Director, Anna Brennan
- Information Management and Technology, led by Director, David Schneider
- People and Culture, led by Director, Jane Francis
- Legal Operations, led by Manager, Leanne Holden.

Civil Law and Commercial Strategy division

Public Interest and Protection

Specialises in highly sensitive and complex matters for the State, including public interest immunity claims, charitable trusts, and adult guardianship and non-employment related discrimination matters.

Acting Director: Erica Berki.

Torts (Justice/Law Enforcement Agencies)

Undertakes all aspects of the defence and settlement of civil claims, specialising in claims for intentional torts involving law enforcement and justice agencies, and historical abuse claims.

Director: Helen Maamary.

Torts (Service/Regulatory Agencies)

Specialises in the defence and settlement of civil claims, with a focus on personal injury and negligence actions against Health and other NSW service agencies. Appears for agencies in coronial inquests.

Acting Director: Denise Aydin.

Inquiries and Criminal Law division

Inquiries

Specialises in coronial inquests, royal commissions and other forms of inquiry, and matters concerning investigatory powers and procedures.

Director: Alana McCarthy.

Public Safety and Justice

Provides advice and conducts proceedings including in relation to post-sentence supervision and detention of high-risk offenders, reviews of convictions and appeals, applications for apprehended domestic violence orders, and allegations of contempt of court.

Director: Brett Thomson.

Regulatory and Environment

Conducts summary prosecutions for environmental and other regulatory offences, and advises regulators on issues including enforcement, criminal law and procedure, and evidence.

Director: Claudia Pendlebury.

THRO

Conducts proceedings in post-sentence supervision and detention applications of high risk offenders, extensions of the status of forensic patients, conditional and unconditional release applications of forensic patients, parole and reviews of segregation and protective custody directions.

Director: Enzo Camporeale.

Public Law division

Child Protection

Specialises in child protection law in the State and federal jurisdictions, contested and non-contested adoptions, and statutory wills for children.

Director: Nick Mitrevski.

Employment Law and Industrial Relations

Manages all aspects of employment law and industrial relations in both State and federal jurisdictions, including in relation to workplace discrimination, licensing, and work, health, and safety obligations.

Director: Christina Ray.

Property and Native Title

Provides advice and representation in native title and Aboriginal land rights matters, as well as property transactions and representation and advice regarding Crown land, compulsory acquisitions and land valuation appeal matters.

Director: Cheryl Drummy.

Public Law and Commercial (Advisory)

Specialises in constitutional law, statutory interpretation, public finance law, administrative and commercial law advice, contractual drafting, and intellectual property.

Director: Jeremy Southwood.

Public Law and Commercial (Dispute Resolution)

Provides advice and representation in administrative law litigation (judicial and merits review), revenue appeals, information law, and commercial dispute resolution.

Director: Kiri Mattes.

Strategy

Strategic objectives and outcomes

Delivering an efficient and effective legal system

The CSO's principal objective is to advise and represent NSW Government agencies to support them in delivering the State's policies, programs, and projects in a lawful, effective, and efficient manner.

We do so by contributing to the delivery of an efficient and effective legal system for the NSW Government through the provision of high quality and cost-effective legal services to clients.

In 2024-25, we continued to:

- identify growth opportunities in legal areas of importance for the NSW Government that align to the CSO's current and growing areas of expertise
- review and enhance legal support services, including implementing a new legal support structure with new law clerk and paralegal roles in July 2024
- build cross-team collaboration and information sharing practices between practice areas and subject matter experts within the CSO to enhance capability
- raise the profile of the CSO within the NSW Government sector, including through delivering low- and no-cost educational seminars to NSW Government solicitors and employees, knowledge-sharing on our website and social media, and distributing targeted publications on legal topics of relevance to NSW Government agencies.

Priority areas

The CSO continued to drive actions to deliver on 3 priority areas in 2024-25:

- **Growing non-core revenue** while controlling costs and ensuring staff wellbeing.
- Ensuring all **core legal work is performed cost effectively** in accordance with the core legal work guidelines.
- Supporting our people so that we have a **healthy, safe and inclusive workforce**.

Growing non-core revenue

The CSO competes with the private sector for non-core legal work. Greater use of the CSO by NSW government agencies for this work will retain more government legal expenditure within the NSW public sector. Concurrent management of costs by the CSO will, over time, deliver increased margins and increased annual distribution to NSW Treasury.

Increased surplus will enable the CSO to offer more opportunities to our employees through the creation of additional roles and career development opportunities as we grow.

Cost-effective core legal work

Delivery of core legal work by the CSO is subject to the same internal productivity targets and fiscal disciplines as non-core work. We will continue to explore opportunities for continuous improvement of operational efficiency.

The Attorney General's Legal Fund allocated \$82.8 million for the CSO in 2024-25. An additional \$7.3 million was allocated for the CSO's engagement on the Bondi Junction Inquest, which related to the deaths of seven people during an incident at Bondi Junction in April 2024.

The CSO worked on two other significant inquiries in 2024-25: the Special Commission of Inquiry into Healthcare Funding was funded through The Cabinet Office (\$6.2 million net GST), and the Inquiry into Greyhound Racing NSW through the Department of Creative Industries, Tourism, Hospitality and Sport (\$2.2 million net GST).

A healthy, safe, and inclusive workforce

The CSO uses the annual NSW Government sector People Matter Employee Survey (PMES) results as a key measure of employee wellbeing and inclusion.

In the 2024 PMES, our employee engagement score was 70, up from 68 in 2023 and 7 above the sector average. Our overall wellbeing score was 67, up from 58 in 2023 and 5 above the sector average. Our overall diversity and inclusion score was 76, up from 73 in 2023 and 10 above the sector average.

Following the 2024 PMES results, the CSO Executive Committee prioritised wellbeing as the focus of our PMES action plan. We targeted two key areas – reducing burnout, and psychosocial risk prevention – and continued to deliver on our Wellbeing Action Plan (2022-2025) objectives to:

- support early detection of risks to mental and physical health that may be caused by personal or professional responsibilities
- support a culture that removes the stigma around seeking help, especially in relation to mental health.

We continued to deliver against our Belonging and Inclusion Action Plan (2023-2027) to embed a diverse workforce, build cultural and inclusive leadership capability to respect and accommodate differences, and create a culturally safe and inclusive working environment.

We launched our first Reflect Reconciliation Action Plan, formalising our commitment to and setting a clear pathway for our ongoing contribution to progressing reconciliation across our organisation and the wider community.

The CSO's strategic business plan ensures we continue to prioritise our achievements towards both plans.

Operations and performance

Delivering legal services to the State of NSW

The CSO contributes to the delivery of an efficient and effective legal system through the provision of high quality and cost-effective legal services to its NSW Government clients.

Key metrics

New instructions

The CSO accepted 4,318 new instructions in 2024-25. This is broadly comparable with 4,545 in 2023-24.

Active matters

The CSO had 6,889 active matters in 2024-25, slightly above last year's 6,516. 60% of these matters were core work; 40% cent were non-core work.

Exceeding NSW Government equitable briefing targets

The CSO briefs barristers on behalf of clients. In 2024-25, we continued to exceed the targets set out in the NSW Government Equitable Briefing Policy for Women Barristers for both the number and value of briefs to women barristers.

The target for junior women barristers is 30% of all briefs and/or 30% of the value of all brief fees paid. The CSO achieved 37% for the number of briefs, and 36% for the value of briefs.

The target for senior women barristers is 20% of all briefs and/or 20% of the value of all brief fees paid. The CSO achieved 36% for the number of briefs, and 42% for the value of briefs.

Significant work

Commissions and inquiries

The CSO continued to act in two significant commissions of inquiry that delivered their final reports in 2024-25.

We acted for the State of NSW in the Royal Commission into Defence and Veteran Suicide (established in April 2019), which provided its final report to the Commonwealth Governor-General in September 2024. The final report set out 122 recommendations calling for structural reform, independent oversight, and improved legal safeguards to protect current and former personnel.

The Special Commission of Inquiry (SCOI) into Healthcare Funding commenced in August 2023 and delivered its report in April 2025.

A team of CSO legal officers and support personnel represented NSW Health senior executives, administrators, and clinical and operational staff appearing as witnesses across NSW.

The CSO also seconded a team to The Cabinet Office to assist the Commissioner in conducting the inquiry.

The report of the SCOI made 41 recommendations across 12 key areas including workforce, education and training, funding and procurement processes to enhance service delivery, equity, and sustainability across the state's public health system.

Coronial inquests

In 2024-25, the CSO received 84 new instructions to assist Coroners in coronial inquests. These included 15 proceedings involving deaths in custody and 23 involving deaths resulting from police operations under s 23 of the *Coroners Act 2009*.

We also acted as solicitor assisting the coroner in 91 inquest hearings at the Coroners Court of NSW, and in 23 inquest hearings in regional centres across NSW. These hearings included 10 matters falling within the State Coroner's First Nations Protocol, and the inquest examining the incident that occurred

at Bondi Junction on 13 April 2024, which resulted in the deaths of seven people.

The Bondi Junction inquest was heard by the State Coroner from 28 April to 30 May 2025, with over 50 witnesses called to give evidence. It examined a range of issues including the services available to persons suffering significant long-term mental illness, and the interoperability of emergency services responding to multiple casualty incidents.

High-risk offenders

The CSO acted for the Attorney General and State of NSW in over 40 Supreme Court applications for orders concerning offenders under the *Crimes (High Risk Offenders) Act 2006* and the *Terrorism (High Risk Offenders) Act 2017* (THRO Act).

State of New South Wales v Liddington (Final) [2025] NSWSC 417 was an application under the THRO Act in which the Crown Solicitor acted for the State, seeking an extended supervision order in respect of a right-wing extremist, Mr Liddington.

Following a preliminary and a final hearing, his Honour Justice Coleman found that there was a real and unacceptable risk that if Mr Liddington were not subject to intensive supervision and monitoring, he posed an unacceptable risk of committing a serious terrorism offence.

His Honour made a 12-month extended supervision order, having regard to several factors including Mr Liddington's historical adherence to violent extremist right-wing ideology, his associations with other individuals and organisations espousing similar beliefs, and his demonstrated continued adherence to that ideology.

Forensic patients

The CSO acted in 10 applications concerning forensic patients under the *Mental Health and Cognitive Impairment Forensic Provisions Act 2020* (MHCIFP Act).

In *KP v Minister for Mental Health [2025] NSWCA 69*, the Crown Solicitor represented the Minister in the Court of Appeal in an appeal by a forensic patient against a decision of the Mental Health Review Tribunal to revoke his conditional release and order his detention without an apprehension order under s 109 of the MHCIFP Act.

The Court dismissed the appeal and found that the Tribunal did have power to revoke the patient's release and order his detention. In doing so, the Court affirmed the correctness of the Minister's interpretation of the relevant sections of the Act and held that ss 79 and 81 provide broad discretionary powers to manage forensic patients.

Regulatory offences

The CSO appeared on behalf of government agencies and statutory authorities in approximately 80 prosecutions for regulatory offences in the Local and District Courts of NSW, and the Land and Environment Court NSW. These included criminal offences arising in the context of electoral matters, fisheries and water management, tobacco enforcement, early childhood education and care compliance and civil law enforcement.

The CSO acted for the prosecutor, Grant Barnes, Chief Regulatory Officer, Natural Resource Access Regulator (NRAR), in Local Court proceedings against the Green Leaf Australia Group Pty Ltd company and its director, Xiuming Lin (*Natural Resources Access Regulator v Green Leaf Australia Group Pty Limited; Natural Resources Access Regulator v Xiuming Lin [2024] NSWLC 2*).

The company and the director were charged with 16 offences under ss 91B and 91E of the *Water Management Act 2000* (NSW). The offences related to the construction (including, in some cases, the clearing of wetlands) and use of dams without authorisation.

The defendants were found guilty of 12 of the charges (4 charges laid in the alternative were dismissed). Magistrate Nash found the offending was committed recklessly, for financial gain, and caused actual environmental harm and that two offences caused cultural harm.

His Honour fined the company \$224,000 and Mr Lin \$71,250 – the highest total fine secured in a Local Court prosecution since NRAR was established in 2018 – with an order to undertake certain rectification works to dewater and remove some of the unauthorised dams.

The CSO later acted for Grant Barnes in the NSW Land and Environment Court to successfully defend appeals against conviction from Green Leaf (decision handed down 2 October 2025).

Constitutional and administrative law

The CSO acted for the State of NSW in its appeal to the High Court in *NSW v Wojciechowska* [2025] HCA 27.

The High Court allowed the State's appeal, finding that the NSW Civil and Administrative Tribunal (NCAT) exercises administrative rather than judicial power when conducting administrative review under the *Privacy and Personal Information Protection Act 1998*, including where an applicant seeks an order for compensation under that Act.

As a result, the High Court found that NCAT has jurisdiction to determine claims for compensation made by applicants who are residents of other states, as the determination of those claims does not involve an impermissible exercise of Commonwealth judicial power by NCAT.

We acted for the appellant in *Commissioner of Corrective Services v Hamzy* [2024] NSWCA 240, in which the Court of Appeal upheld the Commissioner's appeal.

The Court of Appeal found that the failure of the Supreme Court at first instance to have regard to evidence of the Acting Commissioner regarding the provision of computer access was an error that vitiated the decision below.

The CSO acted for the Commissioner of Police and the Coroner in "**Officer A**", a **pseudonym v State Coroner of New South Wales** [2024] NSWSC 1531.

In those proceedings, a police officer sought to discharge a non-publication order made by the Coroner during the inquest into the Lindt Café siege that required him to be referred to as 'Officer A', so that he could be identified by his name.

We advised the State of NSW (through the Treasury) in relation to an appeal brought in *Mayfield Development Corporation Pty Ltd v NSW Ports Operations Hold Co Pty Ltd* [2025] FCAFC 43.

The Full Federal Court upheld the decision of the Federal Court at first instance that the NSW Ports parties were protected by derivative Crown immunity in respect of a claim that they had contravened section 45 of the *Competition and Consumer Act 2010* (Cth). The decision is being appealed to the High Court.

Employment and industrial relations

The CSO acted for the Industrial Relations Secretary in the State Wage Case 2024. The Full Bench of the Industrial Relations Commission made a new set of Award Making Principles that operate to guide the exercise of the Commission's discretion when making or varying state awards.

The CSO also acted for the Industrial Relations Secretary in *Fire Brigade Employees' Union v Industrial Relations Secretary (on behalf of Fire and Rescue NSW)* [2025] NSWIRComm 1063, which was the first arbitrated case in which the Award Making Principles were applied.

The case was of significance to the sector insofar as the Commission found that it was appropriate to include a one-off 'reset' where below-trend wage increases combined with significantly above-trend inflation caused a substantial fall in real wages in the past, as happened after the COVID-19 crisis.

State revenue

The CSO acted for the Chief Commissioner of State Revenue in the Court of Appeal in *Chief Commissioner of State Revenue v Uber Australia Pty Ltd* [2025] NSWCA 172.

The Court of Appeal allowed the Chief Commissioner's appeal, finding that payments made by Uber to drivers were taxable for payroll tax purposes on the basis those payments were 'for or in relation to the performance of work' within s 35 of the *Payroll Tax Act 2007*.

The CSO also acted for the Chief Commissioner of State Revenue in the Court of Appeal in *Conexa Sydney Holdings Pty Ltd v Chief Commissioner of State Revenue* [2025] NSWCA 20.

The Court of Appeal dismissed the appellant's appeal, finding that the appellant's interest in a pipeline was an interest in land for the purposes of the landholder duty provisions in ch 4 of the *Duties Act 1997*.

Privacy and GIPA Act matters

The CSO managed more than 50 privacy matters in 2024-25, including advices and appearances in the NSW Civil and Administrative Tribunal (NCAT) and the High Court.

The CSO acted for clients in over 75 matters involving the Government Information (Public Access) Act 2009, including provision of advice regarding that Act and appearances in NCAT.

Child protection

The CSO acted for the Secretary, Department of Communities and Justice (DCJ), in complex care and protection proceedings in various NSW courts and tribunals and in proceedings before the Commonwealth jurisdiction.

Two matters in the Court of Appeal resulted in new key authorities for proceedings involving children and young persons.

In *Shapkin v Secretary, Department of Communities and Justice* [2025] NSWCA 71, the Court established an exception to the general limitation in Supreme Court proceedings on the intervention of an independent children's representative, where their appearance advanced the fair and efficient administration of justice.

Shapkin v Secretary, Department of Communities and Justice [2025] NSWCA 87 clarified the test regarding the joinder of parties in proceedings under the *Children and Young Persons (Care and Protection) Act 1998*, which had been unsettled since 2022. The decision provides useful guidance on the factors that should be considered in resolving a joinder application, to facilitate the Act's primary objective of making orders in the best interests of the child or young person.

The CSO also acted at the request of the Ministry of Health on behalf of local health districts relating to urgent *parens patriae* applicants seeking orders for urgent medical treatment.

Re YL [2025] NSWSC 75 concerned a 7-year-old (YL) who had a brain tumour that required urgent surgical treatment. YL and his family are Jehovah's Witnesses and did not consent to the use of blood products during YL's treatment.

We were instructed to make an application to the Supreme Court, pursuant to the Court's *parens patriae* jurisdiction, seeking authorisation for the use of blood products.

An urgent application was prepared and listed before Justice Williams, the Equity Duty Judge. An order was made authorising the use of blood products, and YL was operated on the following day.

Native title and Aboriginal land rights

The CSO advised and represented the Attorney General in 19 new native title claims (by native title holders and non-claimants) and 15 new Aboriginal land claim appeals, while continuing to provide a large volume of advice to agencies about the effect of (or their responsibilities with regard to) native title and Aboriginal land rights over land.

The CSO acted for the Attorney General in *La Perouse Local Aboriginal Land Council v Quarry Street Pty Ltd* [2025] HCA 32.

A majority of the High Court affirmed the position that 'use' of land for the purposes of s 36(1)(b) of the *Aboriginal Land Rights Act 1983* requires the relevant land to be physically deployed for a purpose, with the mere existence of a lease not sufficient for the land to cease being claimable Crown land:

Property law

The CSO supported agencies in over 30 land purchases, provided advice and engaged in the negotiation of over 50 leases, lodged over 110 caveats for NSW Courts for security of bail, and provided PEXA services across Government.

We acted for agencies in bespoke and complex property transactions and in novel property law proceedings concerning issues such as adverse possession and compulsory acquisition.

We also advised and appeared for the Valuer General in over 70 land valuation appeals.

Delivering value-adding services

Education and training

The CSO provided a range of no-cost and low-cost education and training sessions to NSW Government solicitors and other professionals in 2024-25.

Our legal expertise and insights assisted agency staff to make informed decisions about their matters and operations, reduce risk, and manage compliance with relevant legislation.

CPD Conference

More than 1,500 NSW Government solicitors joined our annual CPD Conference in March 2025, either online or in person.

Conference sessions were designed to support the legal continuing professional development (CPD) requirements for practising NSW Government solicitors.

Topics covered all required CPD fields: substantive law, ethics and professional responsibility; practice management and business skills; professional skills.

CPD Conference sessions in 2024-25:

- Citizens, officials, lawyers, and the new code of ethics and conduct for NSW government sector employees
- Government agencies' engagement with special inquiries
- Understanding and managing psychosocial risks in the workplace
- Public law – a year in review
- Native title and Aboriginal land claims
- New statutory tort: invasions of privacy.

The CSO also delivered standalone seminars on topics including: consent, guardianship, and capacity; coronial inquests; artificial intelligence in healthcare; and recent privacy law and GIPA Act decisions.

CPD library

The CSO maintained its secure online Client Centre, offering registered members of the NSW Government sector free access to our archive of CPD seminar video recordings and other CPD resources.

GIPA Act and NSW privacy legislation training

The CSO continued to offer training sessions to NSW Government employees on the *Government Information (Public Access) Act 2009* (GIPA Act) and NSW privacy legislation, assisting agencies to understand and meet their obligations under the relevant legislation.

Training offered in 2024-25:

- Introduction to the GIPA Act – full day training (August 2024 and April 2025)
- Advanced GIPA Act training – full day training (September 2024 and June 2025)
- Introduction to NSW privacy law (September 2024 and April 2025)
- Advanced NSW privacy law training (October 2024 and June 2025).

The CSO also provided tailored training sessions to specific agencies.

NSW Government solicitors' induction

The CSO continued to offer its low-cost NSW government solicitors' induction training video package to members of the NSW public sector.

Each hour-long video introduces solicitors new to the NSW Government sector to key public law concepts, processes, and NSW legislation:

- Advice writing in practice
- An introduction to advice writing
- Courtroom basics
- Courtroom basics (advocacy)
- Ethics and Model Litigant Policy
- Government information sharing
- Government sector legislation
- Managing mental health as a NSW Government lawyer
- Overview of NSW Government and the role of a government lawyer
- Sources of power and decision-making
- Statutory interpretation
- Subpoenas and public interest immunity
- The legislative process.

Legal updates and insights

The CSO kept clients informed of significant legal developments in 2024-25.

Following the passage of the Privacy and Other Legislation Amendment Bill 2024 by the Commonwealth Parliament in November 2024, the CSO published a legal alert to raise awareness of the introduction of a new statutory tort to provide redress for serious invasions of privacy. The statutory tort for serious invasions of privacy entered Australian law on 10 June 2025.

Our *Regulatory and Environment Insights* newsletter addressed limitation periods for offences under the *Water Management Act 2000* (NSW), with reference to *Natural Resources Access Regulator v Littore* [2024] NSWLEC 53.

Secondments

The CSO continued to cultivate knowledge sharing and relationship building between the CSO and client agencies through secondments and reverse secondments.

During 2024-25, 37 CSO employees participated in secondments to other NSW Government agencies in both legal and administrative roles. Twenty-seven reverse secondments were in place during the financial year, in both legal and administrative roles.

Additionally, 32 legal officers and legal support staff were on secondment to The Cabinet Office to assist the Commissioner in the Special Commission of Inquiry into Healthcare Funding during 2024-25. The inquiry commenced in August 2023 and delivered its report in April 2025.

Performance targets and metrics

The CSO operates to deliver high quality, efficient and effective legal services to the State of NSW.

Our performance for FY2025 was measured against two key indicators agreed with NSW Treasury:

- Employee utilisation: solicitors' average daily billable hours (adjusted for any write-offs or discounts applied prior to invoicing)
- Percentage of clients rating the CSO's legal services as better than or equal to that of other law firms they use: based on responses to the CSO's annual client survey question, 'Overall, how do you rate the CSO's legal services compared with other law firms you use?'

Additionally, we forecast a distributable operating surplus in accordance with TPG21-10 Capital Structure and Financial Distribution Policy for Government Businesses.

We track the number of new matters opened each financial year as a guide only.

Table 1 Performance targets

Measure	2023-24 Budget	2023-24 Actual	2024-25 Budget	2024-25 Actual
Net surplus	\$0.6M	\$3.9M	\$1.6M	\$5.3M
New matters	n/a	4,545	n/a	4,318
Employee utilisation (Solicitors' average daily billable hours)	4.7 hrs	4.6 hrs	4.7 hrs	4.9 hrs
% of clients rating the CSO's legal services as better than or equal to that of other law firms they use	85%	93%	85%	85%

Management and accountability

Senior executives

Number by band and gender

Table 2 Senior executives by band and gender

Band (CSO senior executive role)	2023-24 Female	2023-24 Male	2024-25 Female	2024-25 Male
Band 4 – Secretary level	N/A	N/A	N/A	N/A
Band 3 (Crown Solicitor – agency head)	1	0	1	0
Band 2 (CSO Assistant Crown Solicitor)	1	2	1	2
Band 1 (CSO Director and Special Counsel)	22	7	18	7
Total	24	9	20	9

Average total remuneration package

Table 3 Senior executive total average remuneration

Band (CSO role)	2023-24	2024-25
Band 4 – Secretary level	N/A	N/A
Band 3 (Crown Solicitor – agency head)	\$509,176	\$509,176
Band 2 (CSO Assistant Crown Solicitor)	\$316,724	\$322,750
Band 1 (CSO Director and Special Counsel)	\$238,060	\$241,607

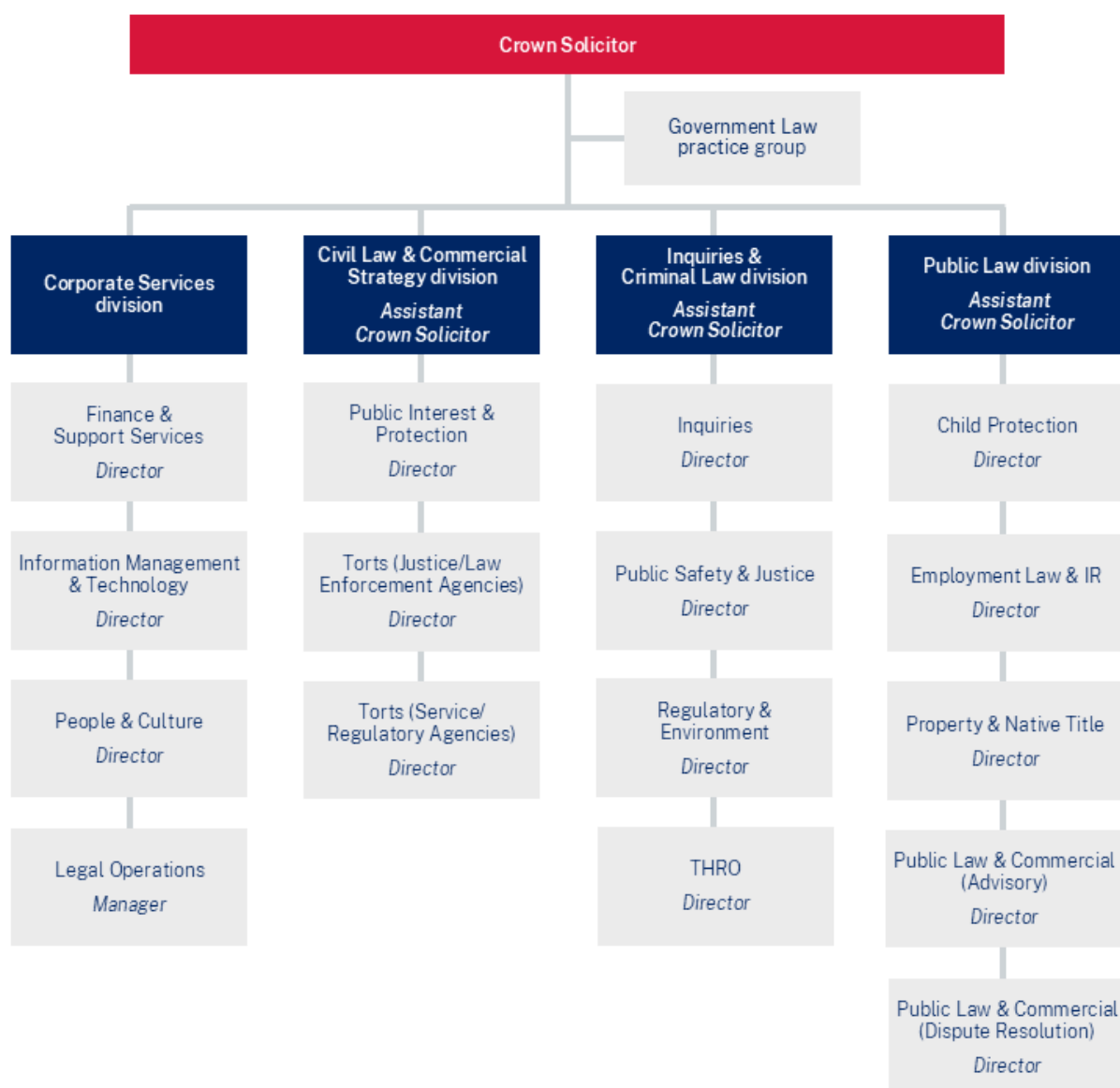
Percentage of total employee-related expenditure

The percentage of total employee-related expenditure in 2024-25 associated with senior executives was 10.5%, compared with 12.2% for 2023-24.

Organisational chart

The organisational chart below depicts the functional responsibilities at the CSO, as described in the 'Organisational functions and services' section of this report.

Figure 1 Organisational chart



People

Officers and employees by category

The tables below show employee numbers by ANZSCO occupation codes. The figures are estimates compiled from the Annual Workforce Profile, and do not include agency staff.

Full-time equivalent (FTE)

Table 4 Employee FTE

Employment classification	2023-24	2024-25
Managers	8.9	9
Professionals	308.2	333.1
Technicians and Trades Workers	0.6	1
Clerical and Administrative Workers	139.3	160.5

Headcount

Table 5 Employee headcount

Employment classification	2023-24	2024-25
Managers	9	9
Professionals	347	362
Technicians and Trades Workers	1	1
Clerical and Administrative Workers	165	194

Consultants

There was no consultant expenditure during 2024-25.

International travel

There was no international travel undertaken by CSO officers or employees in 2024-25.

Governance requirements

Privacy and Personal Information Protection Act 1998

The CSO is a separate agency for the purposes of the *Privacy and Personal Information Protection Act 1998* (PIIP Act). No agencies have been prescribed by regulation for the purposes of s. 4B(1)(a) of the Act. In compliance with the provisions of the PIIP Act, the CSO has a Privacy Management Plan.

The CSO received 4 requests for internal review under the PIIP Act during the 2024-25 financial year. One of those requests was made outside the required timeframe and did not otherwise meet the requirements in s 53(3) of the PIIP Act and, accordingly, no internal review was undertaken in respect of it.

Government Information (Public Access) Act 2009

For the 2024-25 period, the CSO was declared not to be a separate agency, but was taken to be part of, and included in, the Department of Communities and Justice (DCJ) under clause 13 of Schedule 3 to the Government Information (Public Access) Regulation 2018, made pursuant to clause 6 of Schedule 4 to the *Government Information (Public Access) Act 2009* (GIPA Act).

Accordingly, the CSO did not exercise functions in relation to GIPA Act applications; these were dealt with by DCJ.

In June 2025, the Government Information (Public Access) Amendment (Crown Solicitor's Office) Regulation 2025 amended the Government Information (Public Access) Regulation 2018 so that, from 1 July 2025, the CSO will no longer be taken to be part of and included in the DCJ for the purposes of the GIPA Act. As a result, the Act will apply to the Crown Solicitor's Office in the same way it applies to other Public Service agencies.

Legal change

Significant judicial decisions and legislative changes affecting clients of the CSO are referenced elsewhere in this report.

Risk management and insurance activities

Risk management activities

The CSO maintains a Risk Management Framework and internal audit function, in addition to having independent Audit and Risk Committee oversight, to comply with the Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08).

Enterprise risk management framework

The CSO's Risk Management Framework governs the approach of the office to risk management. The Framework is based on the Department of Communities and Justice's framework and is designed to conform to TPP20-08 (which is consistent with AS ISO 31000:2018 Risk management – Guidelines).

Our Executive team continually reviews the CSO's risk register to identify new and emerging risks. Controls are applied and monitored for each identified risk and formal risk treatment plans are required for risks rated high or critical.

Risk management is also included as part of the CSO project management framework, specifically in relation to projects under the information and communication technology strategic plan.

Fraud and corruption control framework

The CSO's Fraud and Corruption Control Framework sets out the CSO's approach to prevention and detection of fraud and corruption and procedures for responding to and reporting of actual, suspected, or alleged incidents. The requirements apply to all staff, volunteers, consultants, contractors, and outsourced service providers performing work for the CSO.

The framework also outlines key roles and responsibilities in relation to controlling fraud and corruption.

Business continuity framework

The CSO's Business Continuity Framework provides guidance on how the CSO will recover and maintain services following a critical disruptive event.

The framework outlines how the CSO prepares, responds to, and recovers from a disruption. The CSO's Business Continuity Plan is reviewed and tested regularly, with established governance committees ready to respond to a disruptive event.

Cyber security

The CSO has cyber security policies and procedures and embeds cyber security into risk management practices and assurance processes. Each year, the CSO undertakes a formal cyber security maturity self-assessment, and we provide an annual attestation to Cyber Security NSW.

The CSO has a suite of information security policies to provide oversight and guidance to CSO staff. The CSO maintains a Cyber Security Incident Response Plan and provides cyber security training to staff, developed under the NSW Cyber Security Policy (DCS-2021-02).

The NSW Cyber Security Policy recognises the growing need for effective cyber security. Ensuring the security of agency data is paramount as government services are increasingly delivered through digital channels. Those accessing CSO services or operating within CSO ICT environment need to be confident that the digital services they use are stable, secure, and resilient to cyber-attack.

Internal audit

The CSO's Internal Audit Plan is based on the CSO's Risk Register and typical financial controls risks, alongside input from the CSO's Chief Audit Executive at the Department of Communities and Justice.

Further risk management measures in place at the CSO include the Legislative Compliance Management Policy, which provides the principles and tools to ensure operations are conducted in accordance with legal and NSW Government policy requirements, and the Register of Material Legislation.

Additionally, the CSO Staff Manual, a central directory of current policies accessible to all staff, includes policies covering key areas such as Code of Conduct, Public Interest Disclosures, Managing Gifts and Benefits and supervision requirements.

Insurance activities

The Treasury Managed Fund (TMF), a government-wide self-insurance scheme managed by icare's Insurance for NSW on behalf of the NSW Treasury, provides full workers' compensation, property, liability, and miscellaneous insurance cover to the CSO.

On behalf of icare, QBE Insurance provided workers' compensation and Gallagher Bassett provided General Lines insurance claims management service for the CSO during 2024-25.

The CSO monitors its claims on an ongoing basis, with a focus on work health and safety and claims management, with the aim of reducing the number and value of workers' compensation insurance claims.

Risk management policies and procedures are continually reviewed to enhance the CSO's risk management profile and reduce future premiums.

Internal audit and risk management

Internal audit and risk management attestation statement– page 1 of 1

Internal Audit and Risk Management Attestation Statement for the 2024-2025 Financial Year for the Crown Solicitor's Office

I, Karen Smith am of the opinion that the Crown Solicitor's Office has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

The independent chair and members of the Audit and Risk Committee are:

- Independent Chair 1, Jan McClelland, 1 August 2024 to 31 July 2027 (*1 February 2024 to 31 July 2024 appointed as an Independent Member for a six-month transition period prior to being appointed as the Independent Chair*)
- *Independent Chair 2, Carolyn Burlew, 1 August 2019 to 31 July 2024
- Independent Member 1, Ian Gillespie, 14 July 2021 to 13 July 2028
- Independent Member 2, Malcolm Clinch, 1 August 2024 to 31 July 2028
- Independent Member 3, Sally Pearce, 1 August 2024 to 31 July 2027
- Independent Member 4, Jennifer Palmer, 1 August 2024 to 31 July 2027
- Independent Member 5, Christine Feldmanis, 1 August 2019 to 31 July 2024
- Independent Member 6, Abby Bloom, 1 August 2019 to 31 July 2024

***Note:** Former Independent Chair, Carolyn Burlew's contract ended on 31 July 2024. Carolyn was on leave in July and hence did not attend any meetings in FY2024-25.

Shared Arrangements

I, Karen Smith advise that the Crown Solicitor's Office has entered into an approved shared arrangement with the following agencies:

- Department of Communities and Justice
- Legal Profession Admission Board
- Office of the Ageing and Disability Commissioner

The resources shared include the Audit and Risk Committee, the Chief Audit Executive and the internal audit functions. The shared Audit and Risk Committee is a Principal Department Led Shared Audit and Risk Committee.



Karen Smith
Crown Solicitor
Crown Solicitor's Office
29 September 2025

Agency Contact:
Lakshmi Satyanarayana
Director Internal Audit and Chief Audit Executive
Contact: cae@dcj.nsw.gov.au

Sustainability

Work health and safety

Policies, procedures and supports

Policies and procedures

The following policies and procedures are in place at the CSO:

- Emergency management
- Ergonomic assessments
- First aid procedures and notifiable incidents
- Managing non-work-related injuries and health conditions
- Remote working checklist
- Reporting incidents and injury
- Respectful workplaces policy and reporting procedure
- Risk management and risk assessments.

Health and wellbeing supports

The CSO remains committed to providing supportive and proactive wellbeing health and safety work practices.

Responding to the results of the 2024 People Matters Employee Survey, we identified wellbeing as a priority area for action – specifically, psychosocial risk prevention and reducing burnout.

We commenced targeted initiatives to assist in addressing burnout, vicarious trauma, and compassion fatigue, including delivering psychosocial awareness training to our leaders, managers and supervisors.

Other training provided in 2024-25 included:

- managing vicarious trauma and compassion fatigue
- managing exposure to sensitive material
- dealing with vulnerable clients and stakeholders
- managing challenging interactions
- manual handling and ergonomics
- manual handling.

The CSO expanded its Proactive Wellbeing Supervision Program from high-risk legal teams to all legal teams. The program, run by FBG Group, takes a preventative and

proactive approach to support mental health and wellbeing.

We also continued working with TELUS Health to provide the Employee Assistance Program (EAP). This program gives all CSO employees and their close family members free and private access to counselling, coaching, and other support services. Managers and supervisors can also get confidential help with workplace issues or challenges.

TELUS Health also offered targeted support to people in legal teams managing complex and highly sensitive legal matters.

We offered free influenza vaccinations to employees as part of our annual commitment to minimise the risk of influenza transmission.

We continued to share our monthly Wellbeing Connection newsletter to all employees, providing information and resources about relevant health and wellbeing topics.

Wellbeing Working Group

The CSO Wellbeing Working Group, comprising representatives from across the office, met quarterly throughout 2024-25.

The group delivered awareness-raising events and communications, including for the Sydney Gay and Lesbian Mardi Gras, Pink Ribbon Day, Australia's Biggest Morning Tea, and R U OK? Day.

Prosecutions, incidents and claims

The CSO had no prosecutions under *Work Health and Safety Act 2011* (WHS Act) in 2024-25. There were none the previous year.

There were no notifiable incidents to SafeWork NSW under the WHS Act in 2024-25. There were none the previous year.

The CSO had no reportable workers compensation claims in 2024-25. There were no claims in 2023-24.

Workforce diversity achievements

The CSO recognises belonging and inclusion as foundational to our organisational culture.

We continued our commitment to building a more diverse workforce, developing new Inclusion and Wellbeing Partner role. This role has responsibility for leading our Inclusion and Wellbeing team and driving the strategy and implementation of deliverables across inclusion and wellbeing. The role was filled in April 2025.

We created a Diversity Dashboard to view and report on key diversity metrics using workforce data to track and measure our progress.

Inclusion action plan

We continued to deliver on our 2023–2027 Inclusion Action Plan, which is underpinned by our Belonging and Inclusion Framework.

The action plan has 3 areas of focus:

- Attract, recruit, and retain a talented and diverse workforce.
- Build cultural and inclusive leadership capability to respect and accommodate differences.
- Create a culturally safe and inclusive working environment where diversity is celebrated and valued as essential to our success.

The action plan focuses on creating a more inclusive workplace that better represents the diversity of the NSW community, where everyone feels respected and valued for who they are.

Our staff-led Inclusion Working Group plays a key role in helping to progress our action plan.

Inclusion Working Group

The CSO Inclusion Working Group is a forum for employees with lived experience and their allies to connect with one another. It aims to foster dialogue around diversity, workplace inclusion and belonging, and advice and advocacy.

The working group delivered events and awareness raising activities throughout 2024-25. Our key events were:

- Fostering inclusion in the workplace – a panel discussion (November 2024)
- Diversity in the Law, delivered in partnership with the Office of the Director of Public Prosecutions (March 2025).

Cultural and linguistic diversity

We continued to partner with CareerSeekers, a non-profit organisation supporting Australia's humanitarian entrants into professional careers, to provide a 16-week internship to a law student from a culturally and linguistically diverse background to gain practical legal experience in one of our legal practice groups.

Reconciliation

The CSO launched its first Reflect Reconciliation Action Plan (RAP), in partnership with Reconciliation Australia, in May 2025. Our RAP formalises and sets out our commitments to progressing reconciliation across our organisation and the wider community.

As part of our ongoing commitment to improve cultural awareness, we delivered the Public Service Commission's trauma-informed e-learning program, 'Everyone's Business – Learning about Stolen Generations' to CSO employees. We complemented this e-learning with facilitated in-person training for specific teams.

We continued to offer engaging in-person training workshops to employees on how to deliver an authentic Acknowledgement of Country, facilitated by trainers from Acknowledge This! We also partnered with IndigenousX to pilot their Race and Racism program.

RAP Working Group

The CSO RAP Working Group continued to foster a diverse and inclusive environment by delivering events and training session for our people.

The working group delivered activities throughout NAIDOC week to celebrate Aboriginal and Torres Strait Islander history, culture, and achievements, including screening the Australian film, *Ten Canoes*, and sharing examples of contemporary First Nations writing.

We partnered with the Office of the Director of Public Prosecutions to deliver an afternoon of activities for National Reconciliation Week to celebrate and develop a deeper understanding of and respect for our First Nations cultures.

Aboriginal and Torres Strait Islander employment

The CSO continued programs and activities to increase the representation of Aboriginal and Torres Strait Islander people in our workforce, including by:

- providing a 16-week internship program for two Aboriginal and Torres Strait Islander law students to gain practical legal experience in one of our legal practice groups, through our partnership with CareerTrackers
- filling two graduate solicitor roles in our 2024 Graduate Development Program through targeted advertising for Aboriginal and Torres Strait Islander persons.

We established the CSO's First Nations Employee Network to provide support and cultural safety for Aboriginal and Torres Strait Islander employees.

People with disability

The CSO maintained its silver membership with the Australian Disability Network (ADN) throughout 2024-25.

Through ADN's Stepping into Law Program, we provided a 16-week paid internship to 2 law students with disability.

Under the terms of the *Disability Inclusion Act* 2014, the CSO is not required to have a Disability Inclusion Action Plan. However, we commenced the ADN's Access and Inclusion Index self-assessment, which will form the basis of our Disability Inclusion Action Plan.

We apply the Department of Communities and Justice's Reasonable Adjustments Guidelines to ensure that our employees with disability can work to their full potential and have equitable access to opportunities for development within the office.

Key workforce diversity strategies for 2025-26

With the introduction of the CSO's new Inclusion and Wellbeing Partner role in April 2025, we commenced a formal review of our inclusion work plans. This review will shape our direction for the 2025-26, which will include the development of a broader Inclusion and Wellbeing strategy and updated action plans.

Proposed activities for 2025-26 to support our diversity strategy include:

- updating our current Wellbeing Action Plan 2022-25
- completing the Australian Disability Network Access and Inclusion Index, and using the report and recommendations from this to create the CSO Disability Inclusion Action Plan
- developing a cultural learning plan to ensure our learning offerings provide the knowledge needed to achieve our inclusion and wellbeing goals
- developing an intern support program to ensure that we are providing appropriate support and relevant and appropriate career opportunities
- developing a carers support and information hub.

Workforce diversity statistics

Representation of employees in diversity groups

Table 6 Representation of employees in diversity groups

Diversity group	Benchmark/ target	2022-23	2023-24	2024-25
Women	50.0%	74.2%	77.0%	76.5%
Aboriginal and/or and Torres Strait Islander people	3.0%	0.4%	0.6%	0.9%
People whose first spoken language was not English	23.2%	11.7%	11.1%	10.8%
People with disability	5.6%	3.0%	3.4%	3.4%
People with disability requiring work-related adjustment	N/A	1.4%	1.1%	0.7%

Notes:

- The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
- The target of 3% employment for Aboriginal and/or and Torres Strait Islander people is set by the NSW Public Sector Aboriginal Employment Strategy 2019-25 and applies to all non-executive salary levels.
- A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language spoken as a child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Distribution of employees in diversity groups

Table 7 Distribution of employees in diversity groups

Diversity group	Benchmark/ target	2022-23	2023-24	2024-25
Women	100	376	402	433
Aboriginal and/or Torres Strait Islander people	100	2	3	5
People whose first language spoken was not English	100	59	58	61
People with disability	100	8	18	20
People with disability requiring work-related adjustment	100	7	6	4

Note: A Distribution Index of 100 indicates that the centre of the distribution of the workforce diversity group across salary levels is equivalent to that of other employees. Values less than 100 mean that the workforce diversity group tends to be more concentrated at lower salary levels than is the case for other employees. 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 diversity group is less concentrated at lower salary levels. The Distribution Index is not calculated where workforce diversity group or non-workforce diversity group numbers are less than 20.

Modern Slavery Act reporting

There were no issues raised by the NSW Anti-slavery Commissioner (ASC) during 2024-25 concerning the CSO's operations.

The CSO took reasonable steps during the reporting period, in line with the NSW ASC's Guidance on Reasonable Steps (GRS), to identify, analyse, and improve transparency over salient modern slavery risks across the range of operational and procurement activities to ensure that goods and services procured by and for the agency during 2024-25 were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018*.

We engaged with internal stakeholders, including stakeholders with responsibility for procurement, to assess modern slavery risks and compliance requirements. We updated our induction handbook to include a basic introduction to modern slavery risks and appropriate responses when encountering information or complaints related to modern slavery, to build staff awareness and procurement practices.

Other actions:

- formalised a Modern Slavery Risk Management Plan, which assign accountability for performance against high-level targets to specific roles and operationalises the commitments made in the CSO Modern Slavery Policy – the plan will be subject to periodic discussion and regular review
- conducted a Salient Modern Slavery Risk Assessment and identified next steps for evaluation and engagement with suppliers in the 'heightened' risk category.
- continued utilising the NSW Anti-slavery Commissioner's Inherent Risk Identification Tool (IRIT), in accordance with the GRS, to assess our procurement spend to identify and map modern slavery risks at the supply-chain level
- adopted model contract clauses as the standard NSW Procurement contracts and agreements were updated.

The CSO did not develop supplier capabilities relating to modern slavery risks during 2024-25, but we are considering appropriate steps to develop such capabilities.

There were no complaints lodged during the reporting period that related to modern slavery associated with CSO operations or the goods or services procured by CSO.

No modern slavery harms or deficient modern slavery risk management practices were reported in 2024-25.

The CSO did not withdraw from any supplier relationships or business partners in connection to modern slavery risks. We had no cause to terminate any procurement contracts or arrangements on modern slavery grounds during the reporting period.

Financial performance

Summary of financial performance

The CSO achieved a net surplus of \$5.3 million for 2024-25. This was \$3.7 million higher than the budgeted \$1.6 million.

The office will make a distribution payment of \$4.9 million from the distributable operating surplus, as approved by the Treasurer.

Revenue of \$108.1 million was \$21.8 million higher than the budget of \$86.3 million, and \$16.7 million higher than 2023-24. The increase is attributable to increased work volumes, including the growth of non-core work and large-scale inquiries.

Employee-related expenses were \$9.9 million higher than budget due to the increased volume of work.

The CSO continues to recruit appropriately qualified staff and contractors to ensure that sufficient resources are available to meet client demand whilst maintaining target productivity measures.

Financial statements

The CSO's financial statements, including the independent auditor's report, are set out on the following pages.

Crown Solicitor's Office

Annual Financial Statements

for the year ended 30 June 2025



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Crown Solicitor's Office

Financial Statements for the year ended 30 June 2025

Statement by the Crown Solicitor

Pursuant to division 7.2, section 7.6(4) of the Government Sector Finance Act 2018 (GSF Act), I state that:

- (a) The accompanying financial statements have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the GSF Act, the Government Sector Finance Regulation 2024 and the Treasurer's directions, issued under the GSF Act,
- (b) present fairly the agency's financial position, financial performance and cash flows.



Karen Smith
Crown Solicitor
29 September 2025

Independent Auditor's Report

**INDEPENDENT AUDITOR'S REPORT**

Crown Solicitor's Office

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Crown Solicitor's Office (the Office), which comprise the Statement by the Crown Solicitor, the Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Office's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Independent Auditor's Report (continued)

Crown Solicitor's Responsibilities for the Financial Statements

The Crown Solicitor is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Crown Solicitor's responsibility also includes such internal control as the Crown Solicitor determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Crown Solicitor is responsible for assessing the Office's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

The scope of my audit does not include, nor provide assurance:

- that the Office carried out its activities effectively, efficiently and economically
- on 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 which may have been hyperlinked to/from the financial statements.



Jan-Michael Perez
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

2 October 2025
SYDNEY

Start of Audited Financial Statements

Statement of Comprehensive Income

For the year ended 30 June 2025

	Notes	Actual 2025 \$'000	Budget 2025 \$'000	Actual 2024 \$'000
Expenses excluding losses				
Employee-related expenses	2(a)	75,820	65,953	65,550
Operating expenses	2(b)	17,480	14,630	15,471
Depreciation and amortisation	2(c)	9,061	4,132	6,457
Finance costs	2(d)	157	-	-
Total expenses excluding losses		102,518	84,715	87,478
Revenue				
Sale of goods and services from contracts with customers	3(a)	107,937	86,082	89,996
Investment revenue	3(b)	-	-	1,243
Other revenue		72	-	86
Acceptance by the Crown of employee benefits	3(c)	81	256	61
Total revenue		108,090	86,338	91,386
Operating result		5,572	1,623	3,908
Losses on disposal		(317)	-	(1)
Net result from continuing operations		5,255	1,623	3,907
Total comprehensive income		5,255	1,623	3,907

The accompanying Notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2025

	Notes	Actual 2025 \$'000	Budget 2025 \$'000	Actual 2024 \$'000
Assets				
Current assets				
Cash and cash equivalents	6	37,471	26,534	31,962
Receivables	7	31,852	26,754	26,735
Contract assets	8	9,873	6,352	7,506
Other current assets	12	9,919	9,095	9,102
Total current assets		89,115	68,735	75,305
Non-current assets				
Plant and equipment	9			
- Plant and equipment		595	760	720
- Leasehold improvements		3,606	5,915	7,168
Total plant and equipment		4,201	6,675	7,888
Intangible assets	11	3,540	7,980	8,038
Other non-current assets	12	1,102	899	1,011
Total non-current assets		8,843	15,554	16,937
Total assets		97,958	84,289	92,242
Liabilities				
Current liabilities				
Payables	13	9,928	6,377	10,489
Provisions	15	29,233	18,102	19,986
Total current liabilities		39,161	24,479	30,475
Non-current liabilities				
Provisions	15	1,264	2,912	4,571
Total non-current liabilities		1,264	2,912	4,571
Total liabilities		40,425	27,391	35,046
Net assets		57,533	56,898	57,196
Equity				
Accumulated funds	16	57,533	56,898	57,196
Total equity		57,533	56,898	57,196

The accompanying Notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2025

	Notes	Accumulated funds \$'000
Balance at 1 July 2024		57,196
Net result for the year		5,255
Other comprehensive income		-
Total other comprehensive income		-
Total comprehensive income for the year		5,255
Transactions with owners in their capacity as owners		
Distribution payable to the Crown	4	(4,918)
Balance at 30 June 2025		57,533

		Accumulated funds \$'000
Balance at 1 July 2023		55,474
Net result for the year		3,907
Other comprehensive income		-
Total other comprehensive income		-
Total comprehensive income for the year		3,907
Transactions with owners in their capacity as owners		
Distribution payable to the Crown	4	(2,185)
Balance at 30 June 2024		57,196

The accompanying Notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2025

	Notes	Actual 2025 \$'000	Budget 2025 \$'000	Actual 2024 \$'000
Cash flows from operating activities				
Payments				
Employee related		(74,719)	(65,697)	(64,397)
Suppliers for goods and services		(18,131)	(15,021)	(12,688)
Total payments		(92,850)	(80,718)	(77,085)
Receipts				
Legal fees from clients		100,805	86,082	89,015
Interest received		-	-	1,243
Other		72	-	85
Total receipts		100,877	86,082	90,343
Net cash flows from operating activities	20	8,027	5,364	13,258
Cash flows from investing activities				
Purchase of plant and equipment		(276)	(961)	(661)
Purchase of intangible assets		(57)	(300)	(725)
Net cash flows from investing activities		(333)	(1,261)	(1,386)
Cash flows from financing activities				
Financial distribution to the Crown	4	(2,185)	(2,185)	(2,778)
Net cash flows from financing activities		(2,185)	(2,185)	(2,778)
Net increase in cash and cash equivalents		5,509	1,918	9,094
Opening cash and cash equivalents		31,962	24,616	22,868
Closing cash and cash equivalents	6	37,471	26,534	31,962

The accompanying Notes form part of these financial statements.

1. Statement of material accounting policy information

(a) Reporting entity

The Crown Solicitor's Office (CSO) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. Although the CSO is managed under the Commercial Policy Framework and is required to deliver a surplus from non-core work for which it competes with the private sector, see Note 4, the majority of the CSO's revenue is from core legal work delivered on a cost recovery basis only. Accordingly, the CSO is classified as a not-for-profit entity (as profit is not its principal objective). The CSO has no cash generating units.

These financial statements for the year ended 30 June 2025 have been authorised for issue by the Crown Solicitor on the date the accompanying statement was signed.

(b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- Applicable Australian Accounting Standards (AAS) (which include Australian Accounting interpretations);
- The requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the GSF Act.

Plant and equipment are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations that 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, which is the CSO's presentation and functional currency.

The financial statements have been prepared on a going concern basis.

(c) Statement of compliance

The Financial Statements and Notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Accounting for the Goods and Services Tax (GST)

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

- amount of GST incurred by the CSO as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition 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.

1. Statement of material accounting policy information (cont'd)

(e) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(f) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments made to the original budget (eg adjustment for transfer of functions between entities as a result of Administrative Arrangement Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed on the primary financial statements explained in Note 19.

(g) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) *Effective for the first time in 2024-25*

The accounting policies applied in 2024-25 are consistent with those of the previous financial year. Amendments and interpretations apply for the first time in 2024-25, however have been assessed by CSO and do not have a material impact on the financial statements.

(ii) *Issued but not yet effective*

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

The following new AAS have not been applied and are not yet effective, as per NSW Treasury Policy and Guidelines TPG25-02 *Mandates of options and major policy decisions under Australian Accounting Standards*:

AASB 17 *Insurance Contracts*

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*

AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*

AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*

AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

AASB 2024-4B *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*.

The CSO has assessed the impact of the new standards and interpretations on issue but not yet effective where relevant and considers the impact to be not material.

1. Statement of material accounting policy information (cont'd)

(h) Impact of climate-related matters on financial reporting for 2024-25

CSO has no assets or liabilities which are likely to be affected by write-offs or impairments.

CSO does not anticipate any material climate-related financial risks or opportunities over the reporting period. CSO is monitoring developments in climate-related matters for future impacts on revenue and costs.

2. Expenses excluding losses

(a) Employee-related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages (including annual leave)	63,247	55,109
Superannuation - defined benefit plans	77	58
Superannuation - defined contribution plans	6,380	5,220
Long service leave	1,682	1,436
Workers compensation insurance	579	448
Payroll tax and fringe benefit tax	3,855	3,279
	75,820	65,550

Refer to Note 19 for explanation of major variances between amounts disclosed for each financial year.

(b) Operating expenses

	2025	2024
	\$'000	\$'000
Auditor's remuneration		
- audit of the financial statements	83	81
- audit of the Trust Account	12	11
Computer services and equipment	1,488	850
Consultants	-	-
Contractors	992	1,413
Efficiency dividend	1,812	1,768
Fees – archive	353	382
Fees – shared services agreement	2,682	2,370
Insurance	150	130
Occupancy management fees	127	410
Outgoings and cleaning	274	247
Printing	298	219
Professional fees and membership	220	218
Publications and subscriptions	878	544
Relocation costs	661	-
Rent expense	5,769	5,628
Repairs and routine maintenance	97	91
Security	141	128
Staff training	392	344
Telephone and data	254	70
Other operating expenses	797	567
	17,480	15,471

2. Expenses excluding losses (cont'd)

Recognition and measurement

Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The CSO'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 claims experience.

Fees – shared services agreement

Shared services charges from the Department of Communities and Justice in the areas of payroll, information and technology systems support and library services are recognised as expenses as incurred over the agreement duration.

Rent expense

From 1 July 2023, accommodation charges are recognised as expenses as incurred over the agreement duration.

(c) Depreciation and amortisation

	2025 \$'000	2024 \$'000
Depreciation		
Plant and equipment	380	380
Leasehold improvements	4,762	3,584
Total depreciation	5,142	3,964
Amortisation		
Intangible assets	3,919	2,493
Total amortisation	3,919	2,493
Total depreciation and amortisation	9,061	6,457

Refer to Notes 9, 10 and 11 for recognition and measurement policies on depreciation and amortisation.

(d) Finance costs

	2025 \$'000	2024 \$'000
Unwinding of discount and effect of changes in discount rate on make good provisions	157	-
	157	-

Recognition and measurement

Finance costs consist of the unwinding of the discount rate for the make good provision.

3. Revenue

Recognition and measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer as defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed in the following paragraphs below.

(a) Sale of goods and services from contracts with customers

	2025	2024
	\$'000	\$'000
Rendering of services – legal fees from contracts with customers	107,937	89,996
	107,937	89,996

Refer to Note 19 for explanation of major variances between amounts disclosed for each financial year.

Recognition and measurement

The CSO’s primary revenue-generating activity is the provision of legal services to NSW Government agencies and other approved bodies.

Revenue from rendering of services is recognised when the CSO satisfies performance obligations by transferring the promised legal services. The CSO typically satisfies its performance obligations over time as services are rendered and time is incurred. It is assessed that another legal firm would not have to substantially re-perform the work completed by the CSO to date, as the client effectively gains control of the services as the CSO performs its obligations. The CSO’s performance under a contract does not create an asset with an alternative use to the CSO due to the highly specialised nature of the work it performs.

Revenue is recognised under the output method. The CSO recognises the revenue to which it has a right to invoice, in the amount that corresponds directly with the value to the client of the CSO’s performance completed to date. Revenue is recognised as time is incurred. Payments are typically due once accrued fees reach \$3,500 or more, or every three months, whichever comes first.

The revenue is measured using the applicable hourly rate specified in the contracts. No element of financing is deemed present as payments are due when service is provided.

The CSO pays disbursements on behalf of clients, while providing legal services. No economic benefits flow to the CSO as the amounts are reimbursed at cost. As a result, legal disbursements are not recognised in the CSO’s Statement of Comprehensive Income.

CSO clients and funding panels may receive funding under appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Act for that year.

3. Revenue (cont'd)

(b) Investment revenue

	2025	2024
	\$'000	\$'000
Interest income	-	1,243
	-	1,243

Recognition and measurement

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses). With effect from 1 July 2024, interest income is paid directly to the Treasurer in accordance with TD23-18 *Management of Cash, Banking and Payments*.

(c) Acceptance by the Crown of employee benefits

The following liabilities and/or expenses have been assumed by the Crown:

	2025	2024
	\$'000	\$'000
Superannuation – defined benefit	81	61
	81	61

Refer to Note 15 for recognition and measurement policies on employee benefits

4. Financial distribution to the Crown in right of the State of NSW ('Crown')

As a government business operating under the Commercial Policy Framework, the CSO is required to make a financial distribution to owners. The CSO provides for the financial distribution on the basis of a payout ratio of 70% of the CSO's forecast distributable operating surplus for the year as at 30 April. This is the forecast net operating surplus before adjustments for material non-cash items. The operating surplus is generated mainly from legal work for which the CSO competes against the private sector. This distribution is in accordance with TPG21-10 *Capital Structure and Financial Distribution Policy for Government Businesses*. The amount due is recognised in the year to which it relates, even though payment is made in the following year. A provision for a distribution payment of \$4.918m (2023-24: \$2.185m) has been recognised this year in accordance with the Treasurer's approval.

5. Disaggregated disclosure statements

The CSO has one major activity – the provision of legal services to the NSW Government. The Crown Solicitor must be engaged by government agencies to perform core legal services described in Premier's Memorandum 2016-04 *NSW Government Core Legal Work Guidelines*. The CSO also competes with the private legal profession for non-core (general) legal work.

The expenses, revenues, assets and liabilities of this activity are presented in these financial statements.

6. Current assets – cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash at bank and on hand	37,471	31,962
	37,471	31,962

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised are the same in both the Statement of Financial Position and Statement of Cash Flows.

Refer Note 22 for details regarding credit risk and market risk arising from financial instruments.

CSO has a business credit card facility of \$0.15m (2023-24: \$0.15m) with Citibank, which is the total of the credit limit for all issued physical and virtual credit cards. The balance in this facility is cleared monthly.

7. Current assets – receivables

	2025	2024
	\$'000	\$'000
Current receivables		
Trade receivables from contracts with customers	28,235	24,316
Less: Allowance for expected credit losses		
- Trade receivables from contracts with customers	-	-
	28,235	24,316
Prepayments	1,179	603
Secondment income receivable	168	18
Recoverable disbursements	2,217	1,764
GST recoverable from the Australian Taxation Office	12	-
Long service leave recoverable	41	34
	31,852	26,735

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in Note 22.

7. Current assets – receivables (cont'd)

Recognition and measurement

The CSO recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when it becomes a party to the contractual provisions of the instrument, the CSO considers:

- Whether it has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

The CSO assessed the loss allowance for receivables as at 30 June 2025 and 30 June 2024 to be \$nil.

Subsequent measurement

The CSO holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

Receivables are subject to an annual review for impairment. The CSO recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the CSO expects to receive, discounted at the original effective interest rate. The amount of impairment loss is recognised in the net result for the year.

For trade receivables, the CSO applies a simplified approach in calculating ECLs by recognising a loss allowance based on lifetime ECLs at each reporting date. As at 30 June 2025 and 30 June 2024, no impairment is recognised as the credit risk for trade receivables has not increased since initial recognition.

Recoverable disbursements

Recoverable disbursements are legal disbursements incurred on behalf of clients that will be reimbursed at cost by clients and which remain unbilled as at balance date.

8. Contract assets

	2025 \$'000	2024 \$'000
Contract assets – current	10,923	8,333
Less: impairment allowance	(1,050)	(827)
	9,873	7,506
Contract receivables (included in Note 7)	28,235	24,316

Refer to Note 19 for explanation of major variances between amounts disclosed for each financial year.

Recognition and measurement

Contract assets relate to the CSO's right to consideration in exchange for legal services rendered, but not billed at the reporting date in respect of its contracts with clients. Contract assets arise because revenue is recognised as time is incurred while payments are typically due once accrued fees reach \$3,500 or more, or every three months, whichever comes first. Contract assets are assessed annually and not carried at an amount that exceeds its net recoverable amount. The current balance is within normal expectations.

The CSO recognises revenue to which it has a right to invoice, in the amount that corresponds directly with the value to the client of the CSO's performance completed to date therefore no revenue will be recognised in the current year from performance obligations satisfied in previous periods. CSO services are contracted on the basis of a cost estimate not a fixed price and without a fixed time period. Therefore, it is not possible to quantify the transaction price allocated to the remaining performance obligations from contracts with customers.

9. Plant and equipment

	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
At 1 July 2023 – fair value			
Gross carrying amount	1,981	17,894	19,875
Accumulated depreciation and impairment	(1,548)	(8,689)	(10,237)
Net carrying amount	433	9,205	9,638
Year ended 30 June 2024			
Net carrying amount at start of year	433	9,205	9,638
Additions	668	1,547	2,215
Disposals	(1)	-	(1)
Depreciation expense-asset owned	(380)	(3,584)	(3,964)
Net carrying amount	720	7,168	7,888
At 30 June 2024 – fair value			
Gross carrying amount	2,111	19,441	21,552
Accumulated depreciation and impairment	(1,391)	(12,273)	(13,664)
Net carrying amount	720	7,168	7,888
Year ended 30 June 2025			
Net carrying amount at start of year	720	7,168	7,888
Additions	255	1,200	1,455
Depreciation expense-asset owned	(380)	(4,762)	(5,142)
Net carrying amount	595	3,606	4,201
At 30 June 2025 – fair value			
Gross carrying amount	2,255	20,641	22,896
Accumulated depreciation and impairment	(1,660)	(17,035)	(18,695)
Net carrying amount	595	3,606	4,201

Recognition and measurement

Acquisition of plant and equipment

Plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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 price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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 over the period of credit. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

9. Plant and equipment (cont’d)

Capitalisation thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the CSO.

All material identifiable components of assets are depreciated separately over their useful lives.

The depreciation rates used for each class of assets are as follows:	2025 %	2024 %
Computer, voice and data communications equipment	20 – 33	20 – 33
Furniture and fittings	10	10
Other plant and equipment	20	20
Leasehold improvements and make good assets	Over the term of lease	Over the term of lease
Software projects	10% or over the useful life of the asset where that is assessed at < 10 years	10% or over the useful life of the asset where that is assessed at < 10 years

CSO’s leasehold improvement and make good assets are depreciated over the term of the lease. On the recommendation of Property and Development NSW (PDNSW), CSO has signed a commitment to relocate office premises with effect from 1 July 2026. As a result the accounting estimate of the useful economic life of the leasehold improvements and make good assets has reduced from 10 years to 8.25 years. The additional depreciation for leasehold improvements and make good assets is \$1.3m in 2024-25 and is \$1.0m in 2025-26.

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 21-09) and Treasurer’s Direction 'Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

The CSO’s plant and equipment are non-specialised assets with short useful lives. They are measured at depreciated historical cost, which for these assets approximates fair value. The CSO has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end.

Refer to note 22(e)(i) for further information regarding fair value.

9. Plant and equipment (cont'd)

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. Since plant and equipment is carried at fair value, or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material.

The CSO assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the CSO estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent that the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

10. Leases

The CSO leases 6 floors under 6 separate leases at 60-70 Elizabeth St, Sydney. The contracts are for fixed periods of 16 months. The agreements contain a "substitution right" clause for PDNSW to relocate the CSO during the term of the agreement. It is assessed that the clause provides PDNSW with a substantive substitution right. Therefore, these agreements are not accounted for as a lease within the scope of AASB 16.

On the recommendation of Property and Development NSW (PDNSW), CSO has signed a commitment to relocate office premises with effect from 1 July 2026 and details on leasehold improvements and make good can be found in note 9.

The CSO has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new. The CSO currently has no such leases.

11. Intangible assets

	Software \$'000	Total \$'000
At 30 June 2023		
Cost (gross carrying amount)	14,326	14,326
Accumulated amortisation and impairment	(4,520)	(4,520)
Net carrying amount	9,806	9,806
Year ended 30 June 2024		
Net carrying amount at start of year	9,806	9,806
Additions	725	725
Amortisation (recognised in "depreciation and amortisation")	(2,493)	(2,493)
Net carrying amount at end of year	8,038	8,038
At 30 June 2024		
Cost (gross carrying amount)	15,051	15,051
Accumulated amortisation and impairment	(7,013)	(7,013)
Net carrying amount	8,038	8,038
Year ended 30 June 2025		
Net carrying amount at start of year	8,038	8,038
Other movements – reclassification *	(319)	(319)
Additions	57	57
Disposals	(317)	(317)
Amortisation (recognised in 'depreciation and amortisation')	(3,919)	(3,919)
Net carrying amount	3,540	3,540
At 30 June 2025		
Cost (gross carrying amount)	13,706	13,706
Accumulated amortisation and impairment	(10,166)	(10,166)
Net carrying amount	3,540	3,540

* On completion of the Content Manager upgrade it was assessed that it primarily maintained existing functionality rather than improving functionality and therefore has been expensed in the year.

Recognition and measurement

Intangible assets are recognised only if it is probable that future economic benefits will flow to the CSO and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market, the assets are carried at cost less any accumulated amortisation and impairment losses. As there is no active market for CSO's intangible assets they are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

11. Intangible assets (cont'd)

The useful lives of intangible assets are assessed to be finite. The CSO's intangible assets are amortised using the straight-line method over a period ranging from two to ten years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The Elite IT system had been amortised over periods of six to 10 years, however due to the pace and scale of technological change, management has reduced the accounting estimate of the useful economic life of some modules to two to five years. The additional amortisation in this reporting period is \$2.41m in 2024-25 and is \$0.45m in 2025-26.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than the carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

12. Current/non-current assets – other

	2025	2024
	\$'000	\$'000
Crown Acceptance of long service leave liability – current	9,919	9,102
Crown Acceptance of long service leave liability – non-current	1,102	1,011
	11,021	10,113

13. Current liabilities – payables

	2025	2024
	\$'000	\$'000
Accrued salaries, wages and on-costs	2,232	1,695
Creditors	6,789	7,648
Accrued expenses	907	939
GST payable to the Australian Taxation Office	-	207
	9,928	10,489

Details regarding liquidity risk, including maturity analysis of the above payables, are disclosed in Note 22.

Recognition and measurement

Payables represent liabilities for goods and services provided to the CSO and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

14. Changes in liabilities arising from financing activities

	Financial distribution payable \$'000	Total liabilities from financing activities \$'000
Liabilities carried forward as at 1 July 2023	2,778	2,778
Cash flows from financing activities	(2,778)	(2,778)
Provision for distribution to the Crown 30 June 2024	2,185	2,185
Liabilities as at 30 June 2024	2,185	2,185
Liabilities carried forward as at 1 July 2024	2,185	2,185
Cash flows from financing activities	(2,185)	(2,185)
Provision for distribution to the Crown 30 June 2025	4,918	4,918
Liabilities as at 30 June 2025	4,918	4,918

15. Current/non-current liabilities – provisions

	2025 \$'000	2024 \$'000
Current		
<i>Employee benefits and related on-costs</i>		
Annual leave	7,175	6,978
Parental leave	500	300
Long service leave	11,373	10,523
	19,048	17,801
<i>Other provisions</i>		
Distribution to the Crown	4,918	2,185
Make good	4,606	-
Relocation	661	-
	10,185	2,185
Total current provisions	29,233	19,986
Non-current		
<i>Employee benefits and related on-costs</i>		
Long service leave	1,264	1,152
	1,264	1,152
<i>Other provisions</i>		
Make good	-	3,419
	-	3,419
Total non-current provisions	1,264	4,571
Aggregate employee benefits and related on-costs		
Provisions – current	19,048	17,801
Provisions - non-current	1,264	1,152
Accrued salaries, wages and on-costs (Note 13)	2,232	1,695
	22,544	20,648

Movements in provisions (other than employee benefits)

	Distribution payments \$'000	Relocation \$'000	Make good (current) \$'000	Make good (non- current) \$'000
Carrying amount at 1 July 2024	2,185	-	-	3,419
Transfer from non-current to current	-	-	3,419	(3,419)
Additional provisions recognised	4,918	661	1,030	-
Change in the discount rate of make good provision	-	-	157	-
Amounts paid out	(2,185)	-	-	-
Carrying amount at 30 June 2025	4,918	661	4,606	-

15. Current/non-current liabilities – provisions (cont'd)

(a) Annual leave

The liability at 30 June 2025 is based on leave entitlements at 30 June using remuneration rates to be payable post 30 June.

	2025	2024
	\$'000	\$'000
Short term – expected to be settled within 12 months	5,702	5,463
Long term – not expected to be settled within 12 months	1,473	1,515
	7,175	6,978

This calculation is based on the current levels of annual leave taken by staff and the minimum required to be taken to achieve the target of 30 days by June 2025.

(b) Long service leave

The current liability comprises:

	2025	2024
	\$'000	\$'000
Short term – expected to be settled within 12 months	960	1,372
Long term – not expected to be settled within 12 months	10,413	9,151
	11,373	10,523

The CSO contributed \$1.697m (2024: \$1.449m) to the Crown pool account for this financial year including leave entitlement transfers received from other agencies. Reimbursements from the Crown because of payments to staff or transfers of entitlement to other agencies were \$0.795m (2024: \$1.199m).

Recognition and measurement

Employee benefits and related on-costs

Salaries and wages, annual leave and sick leave

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 using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The CSO has assessed the actuarial advice based on the CSO's circumstances and determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the CSO does not expect to settle the liability within 12 months as the CSO does not have the right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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.

15. Current/non-current liabilities – provisions (cont'd)

Long service leave

The CSO contributes to the Agency Funded Crown LSL Pool and these payments are included in employee-related expenses. The amount of payments expected to be made to the employees is recognised as LSL liabilities and the amounts expected to be reimbursed by the Crown as assets.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

Superannuation assumed by the Crown

The CSO's liability for defined benefit superannuation is assumed by the Crown. CSO accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits'. The superannuation expense for the period is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Other provisions

Provisions are recognised when: the CSO 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. When the CSO expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

15. Current/non-current liabilities – provisions (cont'd)

(c) Make good

Make good provisions represent estimated restoration costs that the CSO is obliged to incur to restore premises to an acceptable condition as agreed with the owners of the premises, upon expiry of operating lease arrangements. CSO occupies levels 4-9 of 60-70 Elizabeth Street Sydney. Levels 4-9 have been refurbished and the leases expire on 31 July 2026.

The make good provisions for levels 4-9 have a current liability payable at the expiry of the leases. The provision has been moved from non-current to current as the provision is expected to be settled within the next 12 months. The provision is not discounted as per TPG23-21 *Determining the present value of a provision* and Treasury directives, as there are no one year Commonwealth government bonds to provide a market yield as a discount rate. An increase in the provision due to a change in other assumptions is recognised in the leasehold improvement asset. An increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

(d) Distribution payable to the Crown

A provision for financial distribution to the Crown of \$4.918m (2024: \$2.185m) is made based on the Treasurer's approval dated 30 June 2025 of the Crown Solicitor's recommendation for the 2024-2025 financial year (refer Note 4).

16. Equity

Recognition and measurement

Accumulated funds

The category 'Accumulated funds' includes all current and prior period retained funds.

17. Commitments for expenditure

(a) Capital commitments

	2025 \$'000	2024 \$'000
<i>Aggregate capital expenditure for the purchase of new laptops (2025 & 2024), enhancement of Content Manager system (2025) and the enhancement of the Practice Management System (2024) contracted for at balance date and not yet provided for:</i>		
Within one year	223	53
Later than one year and not later than five years	-	-
Later than five years	-	-
Total (including GST)	223	53

Total commitments for capital expenditure include input tax credits of \$0.020m (2024: \$0.005m) that are expected to be recoverable from the Australian Taxation Office.

18. Contingent liabilities and contingent assets

At the date of this report, there are no current litigations involving the CSO from which a contingent liability or contingent asset may arise (2024: nil).

19. Budget review

Major variances between the original budgeted amounts (as described in 1(f)) and the actual amounts disclosed in the financial statements are explained as follows.

Net result

The net surplus for the year of \$5.255m is \$3.632m higher than budget of \$1.623m. Revenue of \$108.09m is higher than budget of \$86.338m and \$16.704m higher than 2023-24 as a result of increased work volumes, including the growth of non-core work and large scale inquiries.

Employee related expenses are \$9.867m higher than budget as a result of the increased volume of work. CSO continues to recruit appropriately qualified staff and contractors to ensure that sufficient resources are available to meet client demand whilst maintaining target productivity measures.

Operating expenses are \$2.850m higher than budget as a result of increased work volumes.

Depreciation and amortisation is \$4.929m higher than budget due to the accelerated depreciation on leasehold improvements and make good assets arising from a commitment to move offices and on the IT system module that will be decommissioned by 2025.

Finance costs for the year are \$0.157m (2024: nil) due to the unwinding of the discount rate on the make good provision.

Assets and liabilities

Total assets of \$97.958m are higher than budget of \$84.289m. Higher than budgeted revenue and a continued focus on minimising contract assets (unbilled legal work) has resulted in cash and cash equivalents being \$10.937m higher than budget.

Total plant and equipment are below budget by \$2.474m due to the accelerated depreciation on leasehold improvements and make good assets arising from a commitment to move offices.

Total liabilities of \$40.425m are above budget of \$27.391m. Payables are \$3.551m higher than budget due to timing. Current and non-current provisions are \$9.483m higher than budget: the provision for distribution to the Crown Entity is \$3.782m higher than budget due to the net surplus and distribution to the Crown Entity exceeding budget, and the increase in the present valuation of long service leave liability is driven by Commonwealth government bond rate at the reporting date.

Cash flows

Cash and cash equivalents increased by \$5.509m compared to a budgeted increase of \$1.918m. The variance of \$3.591m is due to higher than budgeted revenue.

20. Reconciliation of operating cash flows to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2025 \$'000	2024 \$'000
Net cash flows from operating activities	8,027	13,258
Depreciation and amortisation expense	(9,061)	(6,457)
Increase in provisions	(2,074)	(1,021)
Increase in receivables, prepayments and other assets	5,915	20
Increase in contract assets	2,367	1,154
Decrease/(increase) in payables	398	(3,046)
Net loss on disposal of assets	(317)	(1)
Net result	5,255	3,907

21. Trust funds

The Crown Solicitor operates a Trust Account in accordance with the *Legal Profession Uniform Law Application Regulation 2015*. As the CSO performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the CSO's own objectives, these funds are not recognised in the financial statements. Interest earned on funds held in the Crown Solicitor's Trust Account is retained by NSW Treasury.

	2025 \$'000	2024 \$'000
Cash balance at beginning of financial year	4,562	6,422
Add: Receipts	196,307	155,602
Less: Expenditure	(197,931)	(157,462)
Cash balance at end of financial year	2,938	4,562

22. Financial instruments

The CSO's principal financial instruments are outlined below. These financial instruments arise directly from the CSO's operations. The CSO does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The CSO's main risks arising from financial instruments are outlined below, together with the CSO's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Crown Solicitor 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 CSO, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the CSO on a regular basis.

22. Financial instruments (cont'd)

(a) Financial instrument categories

Class	Note	Category	Carrying amount	
			2025	2024
			\$'000	\$'000
Financial assets				
Cash and cash equivalents	6	Amortised cost	37,471	31,962
Receivables ¹	7	Amortised cost	30,620	26,099
Contract assets ²	8		9,873	7,506
			77,964	65,567
Financial liabilities				
Payables ³	13	Financial liabilities measured at amortised cost	9,822	10,202
			9,822	10,202

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2. While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of the credit risk disclosures.

3. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

The CSO determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the CSO transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the CSO has transferred substantially all the risks and rewards of the asset; or
- the CSO has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the CSO has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the CSO has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the CSO's continuing involvement in the asset. In that case, the CSO also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the CSO has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the CSO could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

22. Financial instruments (cont'd)

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

(i) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the CSO. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the CSO, including cash and receivables. No collateral is held by the CSO. The CSO has not granted any financial guarantees.

The CSO considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the CSO may also consider a financial asset to be in default when internal or external information indicates that the CSO is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the CSO.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables – trade receivables and contract assets

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The CSO applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and expected changes in economic conditions, debtor credit rates and past experience.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The CSO is not materially exposed to concentrations of credit risk to a single debtor or groups of debtors at 30 June 2025. The CSO's debtors are primarily other NSW government entities and credit risk is assessed as very low.

The loss allowance for trade receivables and contract assets as at 30 June 2025 was nil (2024: nil).

22. Financial instruments (cont'd)

Liquidity risk

Liquidity risk is the risk that the CSO will be unable to meet its payment obligations when they fall due. The CSO continuously manages risk through monitoring future cash flows, which coordinates the payment of creditors with cash receipts from debtors.

The CSO has effective billing and debtor management policies and procedures in place to maintain levels of debt within established KPIs and to ensure that work in progress is billed in a timely fashion.

During the current year and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The CSO's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TPG25-04 *NSW Government Faster Payment Terms Policy*. For registered small business suppliers, payment is made within 5 days from date of receipt of a correctly rendered invoice, unless an alternative period is provided. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Interest payments for late payments are at the discretion of the Crown Solicitor.

Interest incurred this year was nil (2023-24: nil) and the rate of interest applied during the year was 0% (2023-24: 0%).

The table below summarises the maturity profile of the CSO's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

		\$'000				Maturity Dates		
		Interest Rate Exposure						
	Weighted average effective interest rate	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
2025								
Payables	-	9,822			9,822	9,822	-	-
		9,822			9,822	9,822	-	-
2024								
Payables	-	10,202	-	-	10,202	10,202	-	-
		10,202	-	-	10,202	10,202	-	-

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the CSO can be required to pay.

22. Financial instruments (cont'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 CSO has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity 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 Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2024. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the CSO's interest bearing assets. The sensitivity analysis is performed based on a reasonably possible change of +/- 1.00 per cent (2024: +/- 1.00%), consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2025 \$'000		2024 \$'000	
	+1.00%	-1.00%	+1.00%	-1.00%
Net result	375	(375)	320	(320)
Equity	375	(375)	320	(320)

(e) Fair value measurement

(i) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The CSO does not hold financial assets and financial liabilities where the fair value differs from carrying amount.

(ii) Fair value recognised in the Statement of Financial Position

Management have assessed that cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

23. Related party disclosures

The CSO's key management personnel compensation was as follows:

Short term employee benefits:

	2025	2024
	\$'000	\$'000
Salaries	1,958	2,070
Other monetary allowances	374	466
Other long-term employee benefits	25	437
Total remuneration	2,357	2,973

The CSO did not enter into any transactions during the year with key management personnel, their close family members or controlled or jointly controlled entities thereof.

The CSO entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the CSO's rendering of services and receiving of services.

The CSO provides legal services to the NSW Government and its agencies. \$73.914m (2024: \$61.25m) of the CSO's fee for service revenue is related to the delivery of services on core legal matters which must be referred to the Crown Solicitor under the Premier's Memorandum 2016-04. This work is funded from the Attorney General's Legal Fund, an appropriation administered jointly by the Secretary, Department of Communities and Justice (DCJ) and the Crown Solicitor, unless an alternative source of funding is available. The remainder of CSO's revenue for services and other revenue is paid by various NSW government agencies or the Treasury Managed Fund.

The CSO receives shared services from DCJ in the areas of payroll, information and technology systems support and library services. The CSO incurred \$2.722m (2024: \$2.51m) in fees to DCJ for these services.

The CSO resides in leased premises and made payments for rent and outgoings due under the lease to Property NSW. These amounts totalled \$6.112m (2024: \$5.906m).

Other transactions with entities that are controlled/jointly controlled or significantly influenced by the NSW Government that are collectively, but not individually, significant include:

- payments to, and reimbursements from, the Long Service Leave pool in relation to CSO employees
- interest revenue received in 2023-24 from the NSW Treasury banking system
- payments to the Museums of History NSW for storage of CSO records
- payments to the NSW Treasury Managed Fund for workers' compensation insurance and other insurances

24. Events after the reporting period

No events have occurred between the financial reporting date and the date of these financial statements that require amendment to these financial statements.

End of audited financial statements.

Compliance index

In the following tables, responses to 'Completed' have the following meanings:

- **Yes:** it is a compliance requirement for the CSO, and the CSO has complied with the requirement
- **No:** it is a compliance requirement for the CSO, and the CSO has not complied with the requirement
- **N/A:** this is not a compliance requirement for the CSO.

Operations and performance

Compliance requirement	Basis for/source of requirement	Completed	Page
Major works	TPG25-10a	N/A	-
Implementation of price determination	Section 18(4), <i>Independent Pricing and Regulatory Tribunal Act 1992</i>	N/A	-

Management and accountability

Compliance requirement	Basis for/source of requirement	Completed	Page
Numbers and remuneration of senior executives	TPG25-10a; Public Service Commission Circular 2014-09	Yes	13
People	TPG25-10a	Yes	15
Consultants	TPG25-10a	Yes	15
International travel	TPG25-10a	Yes	15
<i>Privacy and Personal Information Protection Act 1998</i> (PIPP Act) requirements	TPG25-10a	Yes	16
<i>Government Information (Public Access) Act 2009</i> (GIPA Act) requirements	Section 125(4), (6) of the GIPA Act; Clause 8, Schedule 2 and clause 13, Schedule 3 of the GIPA Regulation	Yes	16
Internal audit and risk management policy attestation	TPP20-08	Yes	18

Sustainability

Compliance requirement	Basis for/source of requirement	Completed	Page
Climate-related financial disclosures	TPG25-10a; TPG24-33	N/A	-
Disability inclusion action plans	<i>Disability Inclusion Act 2014</i>	N/A	22
<i>Modern Slavery Act 2018</i> requirements	<i>Modern Slavery Act 2018</i>	Yes	24
Work health and safety	TPG25-10a	Yes	20
Workforce diversity	Public Service Commission Circular 2014-09	Yes	21, 23

Financial performance

Compliance requirement	Basis for/source of requirement	Completed	Page
Costs and benefits associated with machinery of government changes	TPG25-10a Chapter 11, NSW Machinery of Government Changes Guide	N/A	-

