



LEGAL AID
WESTERN AUSTRALIA

ANNUAL REPORT 2006/07



LEGAL AID
WESTERN AUSTRALIA



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For the Year Ended 30 June 2007 i

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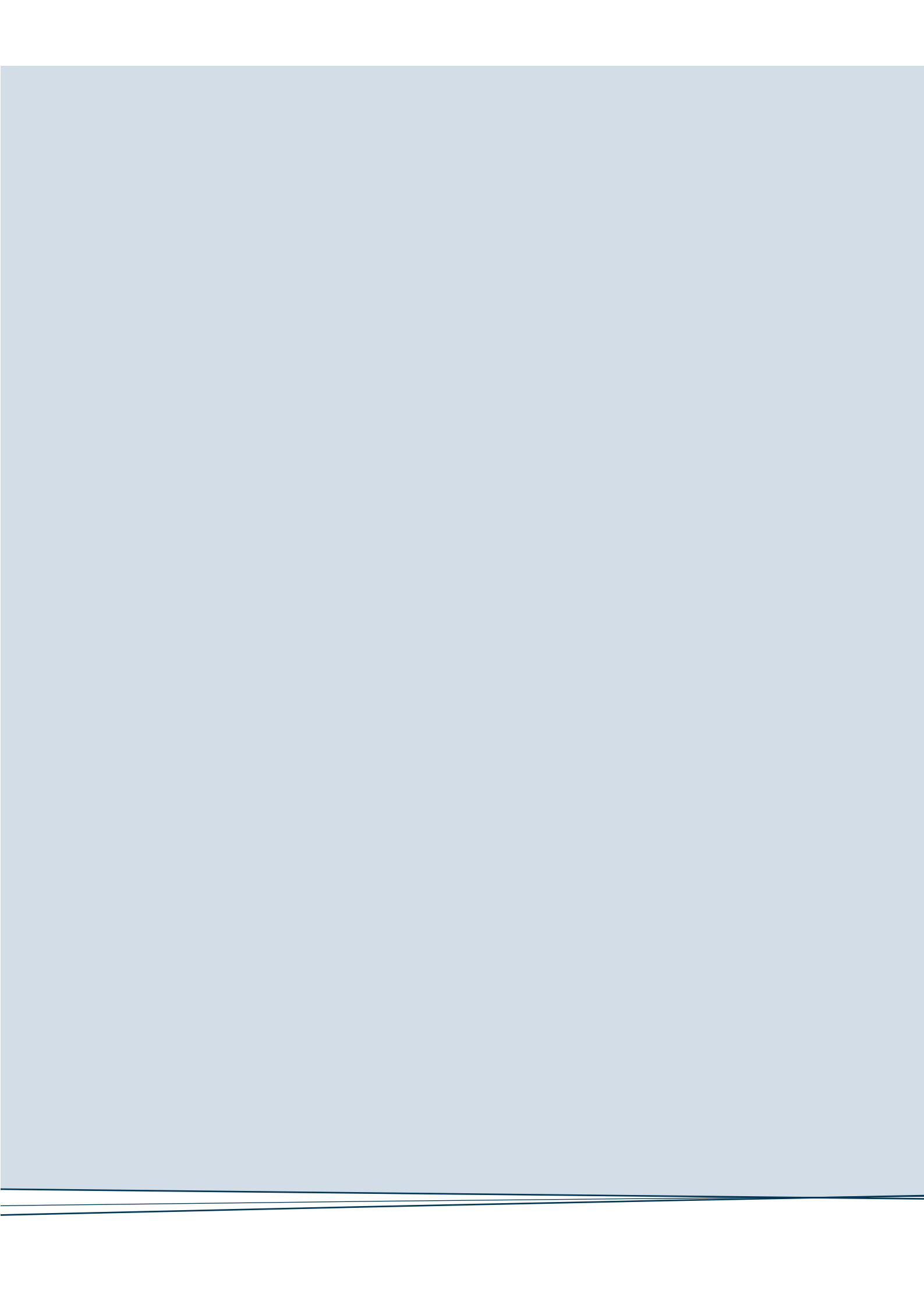
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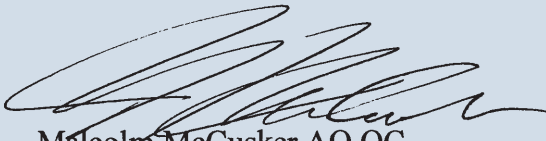


**STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2007**

**HON JIM McGINTY MLA
ATTORNEY GENERAL**

In accordance with section 61 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Legal Aid Commission of Western Australia for the financial year ended 30 June 2007.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and the Legal Aid Commission Act 1976.



Malcolm McCusker AO QC
Chairman
Date: 20 August 2007



George Turnbull
Director
Date: 20 August 2007



CHAIRMAN'S OVERVIEW

I am pleased to present the Legal Aid Commission's Annual Report for 2006/07.

In the past year, Legal Aid assisted more than 39,000 clients, including 17,378 new clients and provided more than 176,000 services. Nearly two-thirds of its funds were used to provide legal representation [See figures 1 and 2] and the remainder was used to provide a range of specialised services as well as services available to the general community, including a free telephone information and advice service and as access to duty lawyers, for a nominal fee, at Courts throughout WA. Independent survey of 798 clients reveals high levels of client satisfaction, providing useful and important information to improve services in the future.

Unfortunately not everyone can be helped with legal representation and while the application approval rate increased from 67% to 71% across all matters, 30% of people seeking assistance for a family law problem and 27% seeking assistance with criminal law matters could not be assisted. [See figure 3]

Funds are limited and decisions on where to allocate resources are regularly reviewed. Financial eligibility, merit tests and policies designed to give assistance where it is most needed, remain at the forefront of our endeavours. The Commission has recently increased the residual value of assets or equity in a home that a person may have, and still qualify for assistance, in response to strong property price growth in WA. Despite the resources boom, and accompanying full employment, which are present day features of our economy, there are many people who remain on low incomes and simply could not afford legal assistance, and would not get it, but for Legal Aid.

It is particularly important that persons accused of a criminal offence, especially if there is a real prospect of a jail sentence, have proper legal representation. Even where, as in many cases, the accused after counselling, decides to plead guilty, justice and fairness demand that all facts relevant to an appropriate sentence are put before the sentencing court, in a plea in mitigation.

As a result of increased State Government funding approved last year, nearly 1,000 additional persons have been assisted this year in serious matters in Magistrates Courts throughout WA.

There is, however, a concern that substantial changes in criminal procedure rules have resulted in criminal lawyers being inadequately paid for the time needed to meet the new requirements. This is a disincentive to lawyers to practise criminal law or, if they do, to

FIGURE 1
Resources by service

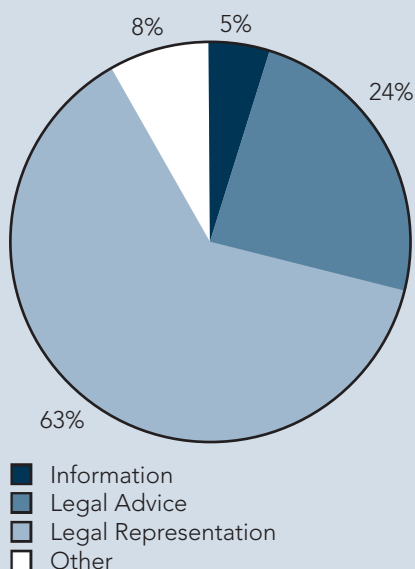


FIGURE 2
Number of services

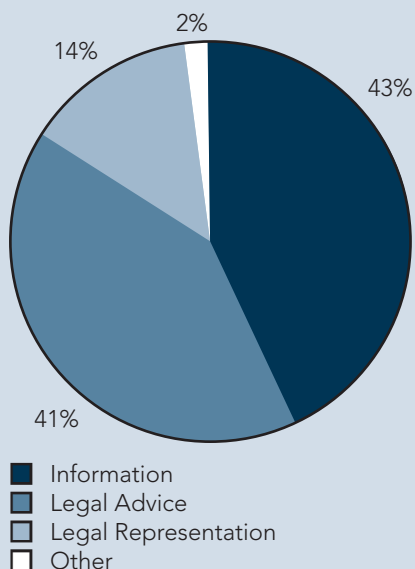
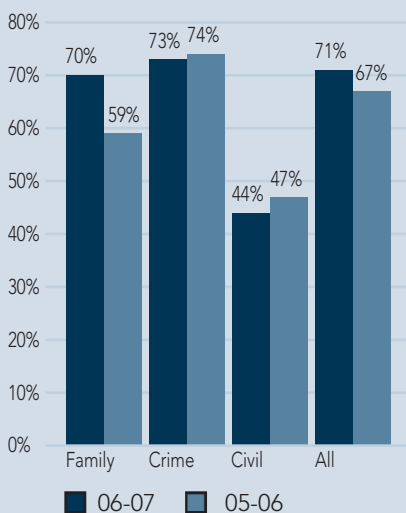


FIGURE 3
Grant Rate by Law Type



provide the same standard of representation given to private fee paying clients. I therefore welcome the support received to date from the Department of Treasury and Finance, to seek solutions to this problem. A related study of family law fee arrangements undertaken at the behest of the Commonwealth Government revealed that the low hourly rate of remuneration, and an insufficient allowance for hours worked, were major disincentives and a reason for practitioner withdrawal from legal aid work nationally.

Private practitioners provided legal representation to 60% of clients; 50% of criminal law clients and more than 78% of family law clients [See table 4 at page 6] and the scheme of legal assistance could not be delivered without their ongoing support and involvement. I would also like to acknowledge the private practitioners providing advice services 'free of charge' or on a 'pro bono basis' to clients on behalf of Legal Aid.

Giving high priority to the provision of legal assistance for children and to persons (usually women) exposed to violence remains a feature of all our family law. In the State arena, recently enacted legislation, major reviews, and more resources for child protection have resulted in a substantial increase in the number of protection applications, to remove children from their families. This has resulted in significantly greater expenditure and levels of assistance for respondent parents to negotiate with the Department (for Child Protection) and in the number of requests from the Family Court for specialist lawyers to

be appointed to assist children. The extent of this new activity, especially in regional areas where there are special challenges for time pressured regional office staff, will be closely monitored.

The implementation, twelve months, ago of the Commonwealth Family Law Amendment (Shared Parental Responsibility) Act 2006, plus further amendments operating from 1 July 2007 requiring parties to mediate their dispute before access to the Court is allowed, along with further changes in child support, and increased funding for non legal service options have caused major changes in the ways families are assisted with far greater requirements for effective tie-up and referral practices within and between agencies.

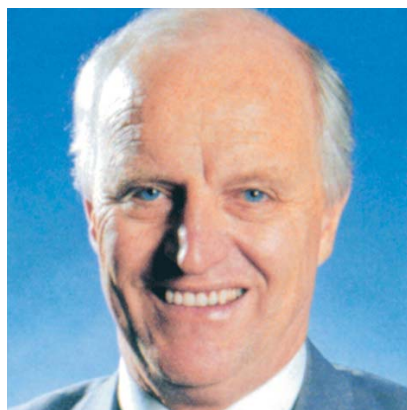
It is pleasing to note the recent announcement that the State of Western Australia and the Commonwealth government have agreed to provide funding for a new Legal Aid office for the East Kimberley to be based in Kununurra. This new office will meet the need for legal assistance, already identified and existing but largely unmet in this area, as well as the expected additional demand likely to result from government initiatives aimed at securing safer and more functional communities.

Legal Aid continues to enjoy strong support from many sectors of the community and from justice agencies because of the practical as well as highly professional way in which it provides legal assistance. The success of legal aid programs depends very much on goodwill and the partnerships sustained with the Aboriginal Legal Service,

Community Legal Centres, staff in the Courts and Tribunals, the Judiciary, the Law Society, the Public Advocate, the WA Police and Welfare authorities, as well as Commonwealth and State governments and counterpart Legal Aid Commissions in other States. Renewing and sustaining these partnerships is vital, and will continue to be a high priority for the Commission and senior management.

Finally, I would like to thank my fellow Board members, in particular Mr Ray Hughes and Mr Patrick Walker for their work on the Audit Committee, and the Director of Legal Aid, Mr George Turnbull, and his enthusiastic and dedicated staff for the professionalism they display and their tireless work throughout the year.

Malcolm McCusker AO QC
Chairman



From left to right Malcolm McCusker AO QC, Raymond Hughes and Rick Cullen

BOARD MEMBERS

Malcolm McCusker AO QC was appointed as Chairman of the Commission in December 1982 and is the Western Australian Attorney General's nominee. After graduating from the University of Western Australia, he returned as a part-time lecturer and helped to devise the content of the final LLB year. Since his admission to practice in 1961, he has appeared as counsel in a wide range of commercial and criminal cases before the District and Supreme Courts, Federal Court, High Court and Privy Council. He was appointed Queen's Counsel in January 1982. In 1989, as special inspector, he conducted an investigation into the collapse of the Rothwells Merchant Bank. In 1992-93 he was Chairman of the Western Australian Constitutional Committee and is currently Chairman of the Advisory Board to the Western Australian Constitutional Centre. Since January 2004 he has been Parliamentary Inspector to the Corruption and Crime

Commission. In 2005 he was appointed an Officer of the Order of Australia, and later received the award of "Citizen of WA" for the Professions. Mr McCusker attended 10 of the 10 Commission meetings held in 2006-07.

Raymond Hughes was appointed in January 1999, and is the current nominee of the Western Australian Attorney General as a person with "administrative experience at a senior level". He has held senior positions with the Western Australian Treasury including that of Assistant Under Treasurer (Finance) and was the Chief Executive Officer of the Western Australian Treasury Corporation before he retired from that position in 2003. He has served on a number of statutory and private corporation boards as Chairman and a Director. Mr Hughes is a member of the Australia Society Certified Practising Accountants and is a member of the Audit Committee. Mr Hughes attended 9 of the 10 Commission meetings held in 2006-07.

Rick Cullen was appointed a Commissioner in January 1995 as a nominee of the Law Society of Western Australia. He is a graduate of the University of Western Australia in Science and Law and since his admission as a lawyer in 1977 has practised in a variety of law areas, concentrating on commercial litigation over the last 10 years. He was a partner of Dwyer Durack from 1989-2004 and has since then become managing partner in Cullen Babington Hughes. He was a Councillor of the Law Society of WA for 13 years and was President of the Society in 1992. He has been a member of the Law Council of Australia's Access to Justice Committee since 1987. Mr Cullen attended 9 of the 10 Commission meetings held in 2006-07.



From left to right Belinda Lonsdale, Lynda Wennstrom and Patrick Walker.

Belinda Lonsdale was appointed a Commissioner in January 2006 as a nominee of the Law Society. She graduated from the University of Western Australia in 1991 with a law degree and again in 1999 with an MBA. Ms Lonsdale was a Senior Associate with Dwyer Durack from 1997 until 2003 where she practised principally in criminal law. In 2003 she went to the Bar and joined Albert Wolff Chambers. She was President of the Criminal Lawyers' Association in 2005 and 2006. In 2006, she was the convenor of the 10th International Criminal Law Congress, held in Perth. In 2007, she was elected to the Council of the Law Society. Ms Lonsdale attended 9 of the 10 Commission meetings held in 2006 – 2007"

Lynda Wennstrom was appointed in August 2004. Ms Wennstrom has been employed at the City of Fremantle since 1987, and is Coordinator of Fremantle Community Legal Centre and Warrawee Women's Refuge. Her initial role was as a welfare rights worker, delivering advocacy in areas such as financial counselling, tenancy and Centrelink. In 1992 she applied for and was appointed Coordinator of FCLC. She has completed many roles in the sector, including serving time as Chairperson and Secretary of the Financial Counsellors Association, Chairperson of the Federation of Community Legal Centres and she is currently Chairperson of No Interest Loans WA (Inc). Ms Wennstrom attended 9 of the 10 Commission meetings held in 2006-07.

Patrick Walker was appointed a Legal Aid Commissioner on 14 December 1999 as a nominee of the Minister for Fair Trading. He was appointed Commissioner for Fair Trading in June 1998. Prior to this, he had extensive local government management experience including holding the positions of Chief Executive Officer at the City of Subiaco and Chief Executive Officer at the Town of Narrogin. He is a former Western Australian President and National Director of the Institute of Municipal Management (IMM). He is a member of the Medical Board of Western Australia and Trustee of the national Travel Compensation Fund. Mr Walker attended 8 of the 10 Commission meetings held in 2006-07.



DIRECTOR'S OVERVIEW

Considerable effort was applied to consolidate new services and to review existing services throughout 2006/07.

Major changes in the practice of family law and the increased availability of non-legal service options for families faced with or undergoing separation have required new approaches and more and better communication with providers offering parenting support and counselling services to families. This trend is set to continue and should result in Legal Aid working more exclusively with highly conflicted families where violence is a reality and resolution of children's issues are complicated. Lawyer assisted mediation available through our family dispute resolution program and the specialised assistance available from practitioners and Independent Children's Lawyers, for high conflict parties before the Family Court, are likely to emerge with a sharper focus in 2007/08 as the full impact of separately funded Family Relationship Centres and the Family Relationship Advice Line are felt into the future.

A major review of client intake procedures (the Client Pathways review) continues to inform our practice and was extended to include examination of the Telephone Information and Advice line (the Infoline

review) earlier this year. Active participation in Family Pathways Networks, supervision and accreditation initiatives for Family Dispute Resolution practitioners and plans to expand the number of family lawyers in regional office have occurred in response to the prevailing environment and in anticipation of negotiations with the Commonwealth during 2007/08 for a new four year funding agreement, to operate from 1 January 2009. Increased flexibility to reach agreements on the distribution of matrimonial assets and liabilities will be targeted as prolongation of disputes about property, continue to impede resolution of children's issues.

The first full year's operation of Legal Aid's new Children's Court protection service has highlighted a need for close co-operation and timely and effective information sharing arrangements with the Department for Child Protection, when children are apprehended into care and protection orders are sought from the court. The State government allocated an additional \$250,000 towards the end of the year, in recognition of the cost pressures faced by Legal Aid in responding to the significant increase in activity that has occurred in this jurisdiction.

Targets for additional legal representation for persons

appearing on serious criminal charges in Magistrate's Court proceedings were met and the presentation of available defences and mitigating circumstances to the Court, by experienced criminal lawyers in these matters, helped with sentencing decisions including the application of non-custodial sentences in deserving cases. We welcome the placement of experienced counsel Mr Brent Meertens in the Police prosecution service and trust his availability will help narrow disputes and assist with early dispensation of matters. We continue to support measures to reduce backlogs and delays in the District Court and as the largest supplier of legal representation for criminal defendants in WA, we look forward to the success of the mediated case management approach being trialled in the Supreme Court.

I am pleased to include in this year's report a short overview of National Legal Aid. The Directors of the eight independent Legal Aid Commissions, one in each of the States and Territories across Australia, combine at a national level to form National Legal Aid (NLA) and its work greatly assists Legal Aid WA. NLA's functions include identifying and actioning matters of national interest, the pooling of resources and

learning from each other. NLA's Best Practice conference took place in Fremantle in May this year and following evidence that disadvantaged groups are particularly vulnerable to legal problems where a common response is to do nothing, NLA recently entered into an agreement with the Law and Justice Foundation of NSW to conduct a national study of unmet legal need and will be focusing on ways to improve access to civil law remedies, for persons in need.

A special examination by the Auditor General of the process for making and managing grants of aid for legal representation, our largest form of expenditure, highlighted some areas where improvements could be made, while also recognising that procedures were operating in a timely manner and I thank his staff for their thought provoking work.

Legal Aid achieved welcome recognition for the first time of its needs to upgrade and replace computing systems and equipment and will receive a modest allocation of capital funding from 2007/08 onwards, for this purpose. Investment in technology solutions to assist in legal service delivery across our vast State and the implementation of modern client management systems is

important for the future health and efficiency of the agency.

I would like to thank the Board for its support and to acknowledge our many external partners particularly Court Welfare workers and Review Committee members for volunteering their time. I would particularly like to acknowledge the hard work and persistence of Legal Aid staff for their work on behalf of clients and their contribution in making Legal Aid WA a successful organisation

George Turnbull
Director of Legal Aid

INCREASED STATE
GOVERNMENT
FUNDING ALLOWED
1000 ADDITIONAL
PERSONS FACING
SERIOUS CHARGES TO
BE ASSISTED

THANK YOU TO
EMMA GARDINER,
KATY MCDOUGALL,
KYLIE KERIN AND
ROSIE MYERS FOR
THEIR ASSISTANCE
IN PRODUCING THIS
YEAR'S ANNUAL
REPORT

SECTION 1 OVERVIEW

THE TOTAL COST OF SERVICES INCREASED BY 9.6% FROM \$37.1 MILLION TO \$40.8 MILLION

STATE FUNDS INCREASED BY 13% TO \$21.4 MILLION

PRIVATE PRACTITIONER EXPENDITURE INCREASED BY 6% TO \$12.6 MILLION

TOTAL APPLICATIONS FOR LEGAL REPRESENTATION INCREASED BY 5%

THE TOTAL NUMBER OF GRANTS FOR LEGAL REPRESENTATION INCREASED BY 11%

EXECUTIVE SUMMARY

The total cost of services increased by 9.6% from \$37.1 million to \$40.8 million with State funds increasing by 13% to \$21.4 million. Commonwealth funds remained static at \$14.1 million with client contribution and fees for legal representation increasing by 28% to \$1.32 million. Expenditure through private practitioners increased by 6% to \$12.6 million. Staff numbers increased by 8% or 22.5 full time equivalents and salaries increased by 10%. A small operating surplus of \$163,751 equivalent to 0.4% of the total cost of services was recorded.

Total activity increased in line with resources. [See Tables 1A & B]. Applications for legal representation in State law matters increased by 11.8%, with 14.6% more grants approved at an improved rate of 72.5%. 7,066 people were provided with legal representation in State law matters up from 6,167 in the previous year. 5,911 were for criminal matters and 942 for family matters, mainly protection matters an increase of 46% on the previous year. [See Table 2] The number of duty lawyer services increased by 6.7% with more than 40,546 services provided in State law matters throughout the State. Minor assistance, legal advice and telephone information services

TABLE 1A
Services other than Legal Representation (State)

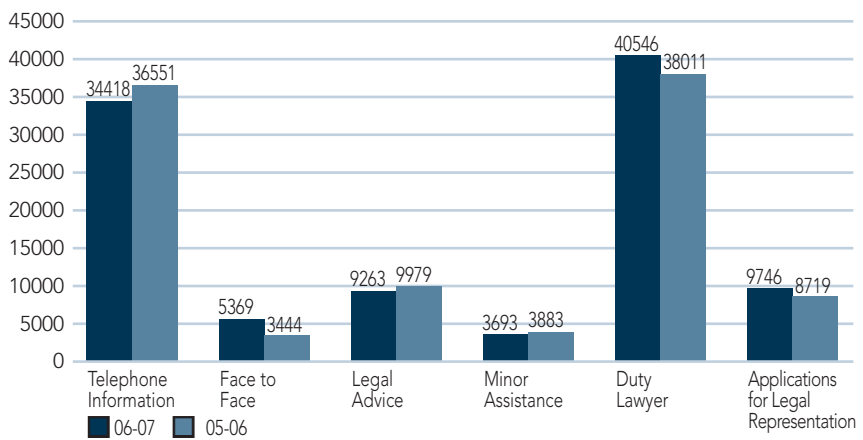
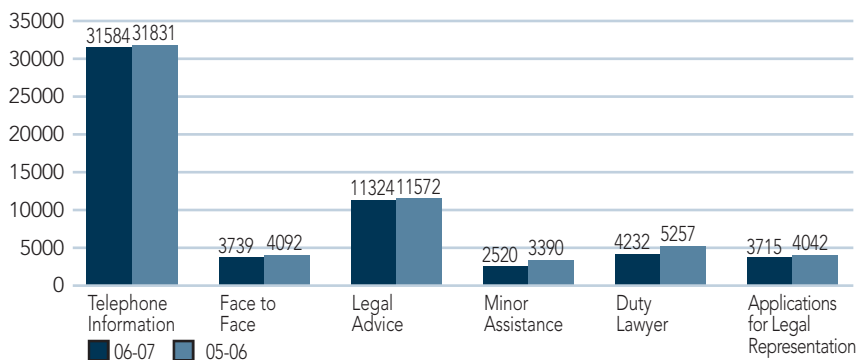


TABLE 1B
Services other than Legal Representation (Commonwealth)



in State law matters were down 4.9%, 7.2% and 5.8% respectively reflecting a new emphasis on Court based assistance.

Applications for legal representation in Commonwealth law matters declined by 8.1% however the number of grants that were approved actually increased by 2.1% with 2,495 persons assisted at a much improved grant rate of 67.2% up from 60.5% the previous year. [See Table 3] Major changes in the law contributed to an uneven pattern of demand throughout the year with the number of telephone information services remaining static despite the introduction of a new Commonwealth Family Relationships Advice line. The number of child support services increased by 12% whereas the number of alternative dispute resolution conferences and minor assistance services both declined by 26%. The number of legal advice and duty lawyer services declined by 2% and 19% respectively, as parties took advantage of other service options available in the community. Legal Aid expects to concentrate its family law service more heavily on high conflict matters in the future as family relationship centres and other mediation services become more accessible in the community.

TABLE 2
Legal Representation - Applications Granted (State)

Legal Representation - Applications Granted	06-07	05-06	Variance from previous year
State			
Family	942	645	46.05%
Crime	5,911	5,255	12.48%
Civil	213	267	-20.22%
Total	7,066	6,167	14.58%
Grant Rate	72.50%		
Comparative Grant Rate 05-06	70.73%		

TABLE 3
Legal Representation - Applications Granted (Commonwealth)

Legal Representation - Applications Granted	06-07	05-06	Variance from previous year
Commonwealth			
Family	2,349	1,990	18.04%
Crime	111	404	-72.52%
Civil	35	50	-30.00%
Total	2,495	2,444	2.09%
Grant Rate	67.16%		
Comparative Grant Rate 05-06	60.47%		

TABLE 4
Applications Granted by Practitioner Type 2006-2007

	Private	% of Grants	Inhouse	% of Grants
Family	2,575	78.24	716	21.76
Crime	3,001	49.83	3,021	50.17
Civil	188	75.80	60	24.20
Total	5,764	60.28	3,797	39.72

THE LEGAL AID COMMISSION OF WESTERN AUSTRALIA WAS ESTABLISHED IN 1978 AS PART OF A JOINT INITIATIVE BETWEEN STATE AND FEDERAL GOVERNMENTS. IT CONSISTED OF THREE OFFICES LOCATED IN PERTH, FREMANTLE AND MIDLAND

LEGAL AID WA HAS SINCE ESTABLISHED SIX REGIONAL OFFICES THROUGHOUT WA, IN ALBANY, BROOME, BUNBURY, GERALDTON, KALGOORLIE AND SOUTH HEDLAND, AS WELL AS A SATELLITE OFFICE ON CHRISTMAS ISLAND.

A NEW OFFICE IS CURRENTLY BEING ESTABLISHED IN KUNNUNURA TO SERVICE THE EAST KIMBERLEY

OPERATIONAL STRUCTURE

Responsible Minister

Attorney General of Western Australia

Enabling Legislation

Legal Aid Commission Act 1976

Accountable Authority

The Legal Aid Commission is the accountable authority and an independent statutory authority operating under the Legal Aid Commission Act 1976. The Board of Commissioners meets monthly and as required and consists of:

- A Chairman, who must be a lawyer with at least seven years experience, appointed on the nomination of the State Attorney General
- Four members, nominated by the State Attorney General, two of whom are lawyers nominated by the Law Society and one (not being a lawyer) who has administrative experience at senior level
- One member, a non-lawyer, nominated by the Minister for Consumer Protection and
- Two members appointed by the Commonwealth Attorney General.

Since April 2000, the Commonwealth Attorney General has declined to replace members whose terms have expired and the Commission has operated without Commonwealth representatives. The Commission meets monthly and as required. 10 meetings were held in 2006-07, including one in Albany. The Chairman receives \$18,600 per annum and ordinary members who are not public servants receive \$7400 per annum, amounts that are comparable to other Legal Aid Commissions.

Director

The Director, George Turnbull is also the Chief Executive Officer and he is responsible for:

- Administering the scheme of legal assistance established by the Act, and
- Providing legal services to assisted persons and arranging and supervising the provision of such services by practitioners who are members of staff.

The Director is also an ex-officio member of the Commission. The Director is appointed by the Governor on the recommendation of the Commission and was reappointed for a further five-year term in May 2007.

Executive

The Director is supported in his role by the General Managers of the Legal Practice and Program Coordination Divisions. Together the Director and these General Managers form the Executive. The Executive ensures the effective management of Legal Aid WA and is responsible for:

- Policy making and organisational strategies
- Planning and budgeting
- Monitoring and evaluating organisational performance
- Ensuring compliance with government reporting and accountability requirements and
- Staff morale and development – achieving a workplace culture that encourages enterprise and values the contribution of staff.

The Executive meets monthly and as required. Other senior officers attend Executive meetings as required.

LEGAL AID COMMISSION

George Turnbull
Director of Legal Aid WA

Legal Practice: provides legal representation pursuant to a grant of aid.

Lex Payne
General Manager

Lee Mather
Acting Solicitor in Charge
Family and Civil

Ron Smith
Solicitor in Charge
Criminal Law

Joy Taylor
Acting Solicitor in Charge
Children's Legal Unit

Solicitors in Charge x 8
Regional Offices
Albany - Graeme Payne
Bunbury - Peter Huxtable
Broome - Vicki Platt
Fremantle - Judy Stevens (Acting)
Kalgoorlie - Andrew Mackey
Midland - Del Zimmermann
South Hedland - Vacant

Jane Stewart
Acting Solicitor in Charge
Magistrates Court Section

Phillipa Harrison
Acting Manager
Child Support Legal Unit

Michael Hovane
Manager
Domestic Violence Legal Unit

Program Coordination: determines what assistance people receive.

Bevan Warner
General Manager

Terry Gaston
Manager
Information

Maureen Kavanagh
Acting Manager
Assignments / Client
Services

Allison Currie
Manager
Community Legal Centre
Funding Program

Max Lewington
Acting Solicitor in Charge
Alternative Dispute Resolution

Colleen Brown
Acting Manager
Development Services

Julie Jackson
Acting Solicitor in Charge
Family Court Services / Children's
Court (Protection) Services

Corporate Services: provides staffing and financial solutions for the agency

Vacant
General Manager

Lee Baker
Acting Manager
Finance

Irene Hughes
Manager
Human Resources

PERFORMANCE MANAGEMENT FRAMEWORK

Funds are limited and determining the extent and type of assistance provided to clients is central to Legal Aid's operations. This involves allocating resources to services that are available to the general community and to services, usually legal representation, that are restricted and managed according to the extent of disadvantage a person is experiencing.

DESIRED OUTCOME:

The right to justice and safety for all people in Western Australia is preserved and enhanced.

In 2006/07 18% of total funding was directed to services accessible to the general community including telephone information at the cost of a local call from anywhere in the State and access to duty lawyers for initial court attendances, whenever and wherever a Magistrate Court sits. 76% of funds were applied to services for specific target groups, including children at risk, families experiencing violence, parents with children that have been apprehended by welfare authorities, persons facing incarceration at the hands of the State, persons with mental illness or an intellectual disability and new arrivals to Australia who may have limited understanding of their rights and obligations under the Australian system of laws. The remaining 6% of funds were passed to not for profit community legal centres, for separate administration and delivery of low cost legal services to disadvantaged members of the community.

OUR VISION:

Is to be recognised as a leader in the coordination and delivery of legal assistance services that

reflect community expectations and are responsive to need.

By pursuing positive relationships, Legal Aid aims to inform and assist other service providers as well as law and policy makers on how access to justice might be enhanced and resources better utilised. At a national level, we work through National Legal Aid (NLA) and with the Australian Legal Assistance Forum (ALAF) to engage governments in practical ways. At the state level we give priority to our relationships with justice agencies, the Courts, community legal centres, the Aboriginal Legal Service and also with agencies providing parenting support and counselling service for families. Information and feedback gathered from these sources are used to plan and adjust services offered by Legal Aid.

OUR MISSION:

Is to ensure the community and target groups have access to and are provided with quality legal services.

This is achieved through the provision of a range of services; including the formulation of priorities and the administration of eligibility and merit tests to enable legal representation to be provided to male and female clients by way of a grant of aid and assignment of cases to in-house or private practitioners.

OUR SERVICES:

FOR THE COMMUNITY

Information and advice

To assist members of the public to identify legal problems, understand the alternatives for resolution and the resources available to

them in pursuing a legal solution. Includes referral to other agencies and is delivered through public counters in all offices and by 1300 information line.

Duty lawyer services

To ensure that members of the public brought before the courts have access to legal advice so that they understand the options available for responding to legal proceedings in which they are involved. Available at all Magistrate court sittings throughout WA.

FOR TARGET GROUPS

Legal advice and Minor assistance

To ensure that priority persons able to self-represent are assisted with advice and practical help, including telephone advocacy, drafting of negotiating letters and the preparation of court documentation. Delivered by lawyers and by paralegal staff under supervision of solicitors at all office locations.

Legal representation

To ensure persons from priority groups are legally represented to the extent that is necessary and commensurate with their particular individual need. Includes assessment and case management for persons who are refused assistance. Includes all services provided pursuant to a grant of aid, including Alternative Dispute Resolution (ADR).

Development services

To ensure priority groups and partner organisations have access to relevant publications, self help kits, community legal education

and knowledge resources sufficient to build their capacity and self-reliance in navigating the justice system. Includes electronic access to some legal aid systems and resources, by partner agencies.

Access and quality are key components of effectiveness. Access is measured by the extent of applications for aid that can be approved. Quality is gauged through independent telephone survey to assess the extent of client satisfaction with seven dimensions or attributes of a quality service. Quality management is also supported by annual certification under the Law Society's Quality Practice Standard involving independent audit of client files and through mechanisms that provide clients with statutory rights of review of administrative decisions concerning them.

OUR PRIORITIES:

The formulation of priorities to target assistance to only those financially eligible persons with the most pressing or severe legal problems, takes many forms. It includes policy prescription by governments and agency-imposed limits on the form and extent of assistance that is provided. In summary, our priorities are:

Children at risk

Children are vulnerable in situations of neglect, when exposed to violence, in negotiations between parents over shared care and in situations of physical or sexual abuse. They may also develop patterns of offending which are injurious to their long-term health and well-being.

Legal Aid prioritises children in its assessment decisions to

approve grants of aid in family law matters, through the provision of a comprehensive legal service for young offenders in the Children's Court and in the specialist services it provides, usually at the request of a Court, to appoint Independent Children's lawyers, to the most difficult custody and child protection cases.

Families, including those experiencing violence.

The stress of separation and pressured to resolve financial issues and children's contact arrangements is a difficult and debilitating experience for many people. The presence or threat of violence in a relationship can make this even more difficult and access to third party assistance from family counsellors, lawyers and the Court, is quite often required.

Legal Aid prioritises families experiencing violence with assistance to obtain Violence Restraining Orders, in managing the safe provision of Alternative Dispute Resolution (ADR) services and through its assessment decisions to approve and continue to fund litigation proceedings in the Family Court.

Persons opposed to the State

Persons threatened with the loss of their children or loss of their liberty at the hands of the State can find themselves at a tremendous disadvantage emotionally, financially and legally. The pursuit of rights before the law for judicial review of the State's case to incarcerate or to remove a child demands an adequate standard of legal representation for persons so affected.

Legal Aid prioritises persons opposed to the State by arranging legal representation for all persons accused of crimes, serious enough to be dealt with by either the District or the Supreme Courts and for many but not all people who appear on serious criminal charges in Magistrate's Courts. Where an appellant is given leave by the Court to appeal a sentence or conviction, funding would ordinarily be approved for the appeal. In protection and care matters, respondent parents would usually be assisted with legal advice and for some negotiations with the Department for Child Protection, around contact and care arrangements for their children.

Persons with special needs.

Persons with mental illness or intellectual disability are vulnerable before the Courts, especially where their condition is not recognised, as they may agree to matters that are not true or for which there are available defences. Persons who are geographically isolated experience some disadvantage and also, persons for whom English is a second language and new arrivals, can sometimes lack understanding of their rights and obligations before the law and may be mistrusting of authorities.

Legal Aid prioritises persons with special needs in its community legal education and capacity building initiatives, in its assessment decisions to approve or refuse legal representation, in the specialist training it makes available to staff, in its regional activities and through its staffing of the mentally impaired defendants list in the Perth Magistrate's Court.

SECTION 2 AGENCY PERFORMANCE

We aim to help people resolve their problems at the earliest opportunity, to avoid unnecessary litigation and to ensure the legal representation that is provided is appropriate and in keeping with community expectations for fairness.

Services are delivered within the justice system and can complement the work of other agencies for example, in the

area of violence prevention and criminal injuries compensation. They can assist the Courts which function best when parties are legally represented, or, they can be countervailing, for instance, by putting the Police and DPP to proof in our criminal justice system or by taking civil action against government agencies, where they have perhaps failed to meet an appropriate standard of

care to an individual claimant.

Time, cost and legal matter type information is reviewed to ensure the efficient use of resources and to distinguish State and Commonwealth expenditures.

PERFORMANCE INDICATORS (see also page 64)

	2005 Actual	2006 Actual	2007 Target	2007 Actual
Percentage of applications approved	65%	67%	68%	71%
Percentage of clients satisfied				
Crime	72%			87%
Family		74%		85%
State Law				
Average cost per call	13	14	15	17
Average cost per face to face information	21	30	32	36
Average cost per duty lawyer service	78	90	92	98
Average cost per legal advice	99	103	108	113
Average cost per minor assistance	203	172	195	187
Average cost per application processed	143	152	156	127
Average cost per legal representation	1,818	1,836	1,915	1,892
Commonwealth Law				
Average cost per call	18	18	19	22
Average cost per face to face information	26	30	32	29
Average cost per duty lawyer service	88	96	90	134
Average cost per legal advice	94	96	95	126
Average cost per minor assistance	178	166	168	185
Average cost per child support minor assistance	1,394	1,363	1,420	1,296
Average cost per application processed	487	440	494	493
Average cost per legal representation	2,716	2,599	2,570	2,861

CHILDREN AT RISK

Children are amongst the most vulnerable members of society and their protection in proceedings before the Family Court and in the Children's Court; where they may confront criminal charges or be removed from their family is a key priority for Legal Aid.

Ensuring children's needs are prioritised occurs in a variety of ways, including:

- Preferring who and for how long legal representation is provided to parties that have been unable to resolve care arrangements for their children, without seeking the assistance of the Family Court;
- The provision of specialised assistance where family violence is a factor. This includes preparation of safety plans, negotiation of supervised contact and child handover arrangements, application for violence restraining orders and safe conduct of mediation where parties are not required to have contact with each other;
- Gathering of expert reports and the appointment of specialist lawyers, at the request of the Court, to impartially represent children's needs in the difficult residence and care matters.
- Providing legal representation for all children charged with a criminal offence;
- Support provided to parents to negotiate with the Department for Child Protection, when children are removed due to concerns of neglect or abuse; and
- The pursuit of claims against the Department for Child

Protection, in circumstances where the Department has failed in its duty to protect children in its care.

These services are delivered by paralegal staff, lawyers, private practitioners and specialist report writers including clinical psychologists and social workers experienced in working with families and children. They are delivered across the State and from Legal Aid's own offices and at the Family Court of WA and the Perth Children's Court. Increasingly, we are seeing closer relationships with other non-legal providers of services for children and are working with all stakeholders in the family law system to ensure it and Legal Aid remains child focused and working in the best interests of children.

Assistance for parties in the Family Court increased by 18% with 2,349 people benefiting from legal representation. This included 331 matters that proceeded to an Alternative Dispute Resolution conference. 4,232 persons received assistance from a duty lawyer and there were approximately 15,000 occasions of service where legal advice or minor assistance was provided, including for child support queries.

WHEN CHILDREN ARE APPREHENDED BY DCP

The Department for Child Protection (DCP) has the responsibility of providing protection for children who may not be safe in their home. In fulfilling this responsibility DCP is required to communicate with the child's parents and to work to a care plan to facilitate a reunification of the family, wherever it is safe and possible



to do so. The decision to remove children from their parents can only be carried out with the consent of the Children's Court and the process for reunification can be complicated and confusing for parents grieving the loss of a child. Legal Aid assists by providing initial advice and assistance to parents to understand the legal process and to negotiate with DCP. The introduction of the Children and Community Services Act on March 1 2006 and subsequent endorsement of the Ford Review recommendations has resulted in significantly more interventions and additional caseload for the Children's Court and Legal Aid. The number of applications approved to assist respondent parents in protection and care matters increased by 46% from 645 to 942.

Assistance is also provided when it becomes apparent in Family Court proceedings that DCP will have some involvement with the family. Due to legal limitations on obtaining Family Court orders when DCP have commenced care and protection proceedings, it is important for parents to be able to access legal advice quickly when it becomes apparent that DCP intervention will or has occurred. Helping parents to understand the legal processes and to undertake the work required of them to ensure that their children can be returned home assists children. This may involve taking part in counselling or parenting courses and improving the home environment. Intervention at an early stage also helps to ensure that correct procedures are followed by DCP and that parents understand the severity of their situation and the need to constructively engage in the process, thereby limiting the potential for costly, adversarial court processes.

ABUSE IN CARE

Unfortunately it can sometimes be the case that children taken into care by DCP are subjected to further abuse while under the Department's protection. DCP has a duty of care to ensure that children suffering harm receive independent legal advice on their rights to a claim for damages. DCP provides special funding to Legal Aid to investigate and advise about possible claims, either through Criminal Injuries Compensation or common law. Many of the cases referred to Legal Aid involve instances of serious sexual or physical abuse. These children, some of whom may have subsequently left the care of DCP, may endure long-term problems such as drug abuse, an inability to engage at school or in the workplace and an inability to maintain stable relationships. Legal Aid staff lawyers currently act for 100 clients, a further 65 clients were referred to private practitioners in 2006/07 on top of the 185 clients referred in previous years. Despite the evidentiary difficulties in prosecuting claims of this nature, some success has been achieved in obtaining criminal injuries compensation awards and a number of writs have been issued to commence common law proceedings.

45% OF SURVEYED CLIENTS SAID THE LEVEL OF CONFLICT IMPROVED AS A RESULT OF RECEIVING HELP FROM LEGAL AID

HIGH CONFLICT PARENTS

Separated parents often feel that they have the best interests of their children in mind. However, in times of conflict it can be difficult to consider a child's needs independently of your own. In matters where there is high degree of conflict, the Family Court may consider it necessary for the child to have their own independent representative to ensure that their needs are being heard and can be catered for. Legal Aid arranges representation for children where the Court requests it and there are allegations of physical, sexual or psychological abuse of the child or the conduct of the parents or some other person having significant contact with the child, is alleged to seriously impinge on the child's welfare. 81% of clients surveyed this year described the level of conflict between themselves and the other party at the time they were being assisted by Legal Aid as medium or high. Of these, 45% said the level of conflict improved as a result of receiving advice or help from Legal Aid. Of the 94% who described the quality of communication between themselves and the other party before they received advice, help or information from Legal Aid as medium or poor, 39% felt this improved as a result of receiving advice from Legal Aid.

Independent Children's Lawyers (ICL) obtain expert reports from psychologists, counselling services, teachers, caregivers, medical staff and supervised contact providers, as well as interviewing the child themselves. The ICL will use this information to assist the court in forming an opinion on how best to cater for the welfare of the child. In court proceedings the ICL is treated as a party to the proceedings and

has the ability to call, examine and cross-examine witnesses. The desired outcome is to ensure that the best interests of the child are adduced and met without exposing the child to unnecessary conflict between the parents or other interested parties. These include the best way of maintaining a meaningful relationship with both parents, living and care arrangements including the time they spend with each parent and deciding how and where handover occurs.

Independent Children's Lawyers were appointed in 425 Family Court cases, a 34% increase on the previous year. These are high cost matters and the results of a four-month pilot undertaken with the Family Court suggest that a doubling of appointments would be sought, if funds were available for this purpose.

CHILDREN AND CRIME

Children over the age of 14, and in some cases between the ages of 10 and 13, are liable for their criminal conduct in the same way as adults are. Most of these matters are dealt with through the Children's Court. All children have access to a team of lawyers who specialise in the Children's Court jurisdiction, with legal representation also available to young adults who have been brought to the Children's Court, to be tried on crimes committed while they were juveniles. While it is widely accepted that children should be responsible for their actions there are serious consequences of having a criminal record, including subsequent recidivist behaviour. Although detention is only meant to be used in the most serious circumstances there are times when children will be detained due to not having a suitable place or responsible person to be released to while on bail. In these cases it is important

to have representation available at the earliest possible time to ensure that children's rights are protected.

The Children's Court has a range of punishments available to it and the purpose of these programs is to bring home to the child the effect that their behaviour has on others, while also helping to address personal and social problems that may be causing their behaviour. Offenders will often disclose information that they may not discuss with parents or other adults. Providing specialised legal practitioners to represent children in criminal matters enables consideration of individual circumstances, causes of offending and the imposition of more appropriate sentences. Children may have parents who want to speak for the child, or they may have no support and personal welfare difficulties that have contributed to their behaviour. They may have difficulty expressing themselves and often have little understanding of the process or possible ramifications of their actions. Assistance for children in these circumstances is a high priority. A total of 7688 services were provided to children in 2006/07.



FIGURE 7
Aid Granted by Gender and Age Type

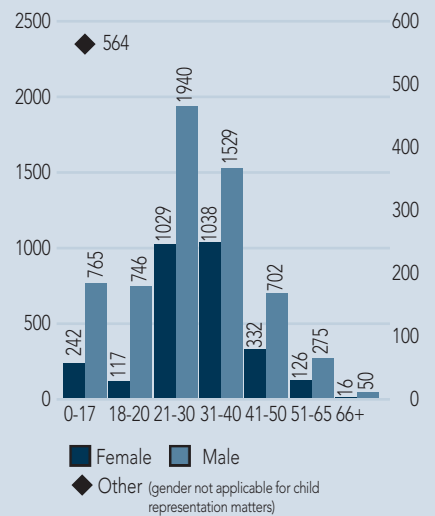
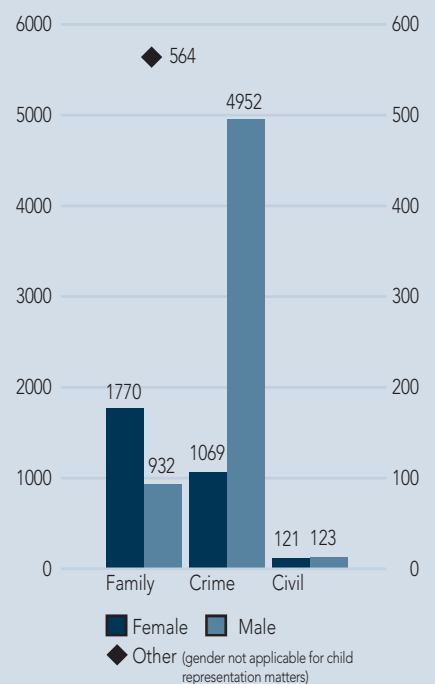


FIGURE 8
Aid Granted by Gender and Law Type





FAMILIES, INCLUDING THOSE EXPERIENCING VIOLENCE

The stress of separation and pressure to resolve financial issues and children's contact arrangements is a difficult and debilitating experience for many people. The presence or threat of violence in a relationship can make this even more difficult. Services for families exposed to violence occur in a variety of ways.

SAFETY AND SUPPORT DURING SEPARATION

Many clients contact Legal Aid while they are preparing to leave a relationship to seek information about their legal status and entitlements. Contact will often occur over the phone or at public counters and may follow referral from another organisation that has assisted with initial separation queries. The decision to leave a relationship is a particularly difficult one. They worry about their safety and that of their children, their lack of financial resources, cultural or religious implications and the possibility of reduced access to their children to the other party. Many minimise violence they may have experienced or feel that they are responsible for it and still have feelings for the perpetrator. Often they do not have family and friends around to support them and suffer from low self-esteem. In some cases where the abuse is emotional, financial, social or sexual, rather than physical, the client doesn't recognise what they are experiencing as domestic violence.

Legal Aid staff provide advice about rights and obligations in relation to children and finances and offer basic safety planning, directing clients to counselling services, women's refuges, health professionals and victim support services as appropriate.

POST SEPARATION

The period of time immediately following separation is always stressful and emotionally difficult, however for victims of domestic violence it is also dangerous. Legal Aid staff work with other agencies, particularly the police, to provide the additional protection and support during this time and where necessary assist clients to obtain and enforce Violence Restraining Orders. After separation has taken place Legal Aid assists eligible clients to put long-term arrangements in place for their children. This may involve initiating Family Court proceedings, making temporary arrangements for the care of children, negotiating a property settlement or establishing child support. Where clients can represent themselves Legal Aid may assist with advice, preparation of negotiation letters and court documents. Where a client cannot represent themselves due to the complexity of the case, language or disability barriers or because the violence has been so severe that the client is not capable of facing the offender the client may receive a grant of aid and be provided with their own solicitor.

In some situations, legal representation may be provided for an Alternative Dispute Resolution conference. An independent Chairperson who controls the interaction between the parties and keeps them focused on the issues in dispute chairs ADR conferences. Purpose built premises ensures the safety of parties and where necessary conferences can be conducted by telephone, via shuttle with the parties located in separate rooms

78% OF SURVEYED ALTERNATIVE DISPUTE RESOLUTION (ADR) CLIENTS WOULD RECOMMEND THE SERVICE TO OTHERS

23% OF SURVEYED FAMILY LAW CLIENTS SAID THAT THEY HAD NOT SEEN THEIR CHILDREN FOR MORE THAN 3 MONTHS

57% OF SURVEYED FAMILY LAW CLIENTS INDICATED THAT THEIR CHILDREN MAINTAINED CONTACT WITH A GRANDPARENT MOST FORTNIGHTS OR MORE OFTEN

51% OF SURVEYED FAMILY LAW CLIENTS ACKNOWLEDGED A HISTORY OF VIOLENCE

or by videoconference. Legal Aid screens all clients carefully before allowing them to participate. A typical agreement arising from an ADR conference might set out children's living arrangements, when they will spend time with each parent, how handover will take place and how decisions about the children will be made.

Although other service providers may offer some form of family mediation to assist people and to help them avoid going to Court, Legal Aid's ADR program is specially attuned to meet the needs of parties where violence and power imbalance is a reality. Each party is provided with their own lawyer to advise them before, during and after the conference, so that parties may focus on children's issues without fear of prejudicing their legal standing or foregoing their fair entitlements.

Of those ADR participants surveyed more than half said that their level of conflict had improved through participation. Of 331 conferences held 77% involved children's issues and more than 80% resulted in full or partial settlement being reached. 82% were satisfied with their experience of ADR and 78% would recommend the service to others.

FAMILY COURT PROCEEDINGS

In circumstances where risk factors are so acute, a person is being denied contact with a child or the need for urgent Court intervention is paramount, parties may receive a grant of aid for legal representation in the Family Court. Legal representation is not open-ended and is regularly reviewed to assess the reasonableness of a party's position. Legal representation is designed to bring the parties before the Court and to achieve information exchange and proposals for the care of children, within case management procedures, established by the Court. In the most intractable disputes and where the Courts' case management procedures have failed to settle the matter, aid may be extend for trial and for judicial decision.

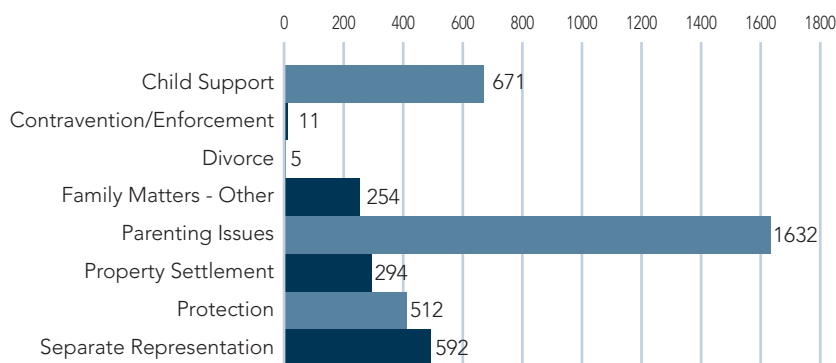
Major changes to the system of family law have recently taken place causing many agencies to review and modify how services are delivered. The first of these changes requires the Court to give consideration to domestic violence when making parenting orders. The court now has as one of two primary considerations the need to protect children from physical or psychological harm and from being subject or exposed to abuse, neglect or family violence. The

second of these changes places a new emphasis on the use of non-litigation processes to resolve disputes involving children. Parties are now required to attempt negotiation and/or mediation before they can commence proceedings in the family court and as of 1 July 2007 will require a certificate from a registered family dispute resolution practitioner, before they may access the Court. Changes to Child Support arrangements have also occurred.

51% of surveyed family law clients acknowledged a history of violence. 23% indicated that they or the other party had not seen their children for more than 3 months and 57% indicated that their children maintained contact with a grandparent most fortnights or more often.



FIGURE 4
Family Law Applications Granted by Matter Group





STATE V. PERSON AND PERSON V. STATE

Persons threatened with the loss of their liberty or the removal of their children at the hands of the State can find themselves at a tremendous disadvantage emotionally, financially and legally. In these circumstances it is important that the actions of the State are tested and that adequate legal representation is available to test the evidence upon which sought after sanctions and penalties are based.

AVAILABILITY OF DUTY LAWYERS

Duty lawyer services are provided at Magistrate's Courts throughout WA to assist people with information about the law and legal advice on the charges they face or the proceedings in which they are involved. 33,033 duty lawyer services were provided to adults. A duty lawyer service also exists for respondent parents at the Perth Children's Court involved in protection and care proceedings initiated by DCP.

In criminal cases that can be finalised in the Magistrates Court a duty lawyer may enter a plea of guilty on a client's behalf, seek an adjournment to another date so that a person can obtain further legal advice or make an application for bail in appropriate circumstances. In more serious matters an application for legal representation will be taken and a decision made on whether a person's circumstances warrant them being allocated a lawyer to represent them.

LEGAL REPRESENTATION

All persons charged with criminal matters finalised in either the District Court or the Supreme Court are automatically deemed to qualify on the grounds of seriousness or risk

of imprisonment and provided they are financially eligible will be granted legal representation for either a plea in mitigation, or a trial, by either a private or staff practitioner. Assistance will also be available for appeal matters where the Court of Appeal has granted leave to appeal.

Not all matters proceed to trial. 76% of all criminal law matters are resolved with a lawyer providing a plea in mitigation after a guilty plea is entered and 5% are legally aided only for trial. The remaining 19% are resolved shortly before or after a trial has commenced. [See Tables 8 and 9]

The situation is more complicated in serious matters that come before Magistrates Courts with limited funds requiring a range of eligibility tests to be administered before representation can be approved. Not everyone can be assisted and preference is given to persons with a substantial or real risk of imprisonment and persons with special needs, including persons with a mental illness or disability or with limited command of English.

Additional funding available from the commencement of the year enabled 964 additional persons facing serious criminal charges to receive representation and ensured Magistrates had the best possible information available to them when making sentencing decisions.

Importantly, the provision of information to the Court readily identifiable by a lawyer but not understood as significant by a person intent on pleading guilty, meets community expectations for fair and just sentences, by ensuring all relevant information necessary for consideration of custodial and non custodial sentences are available to sentencing authorities.

33,033 ADULTS SAW A DUTY LAWYER IN 2006/07

86% OF SURVEYED CRIMINAL LAW CLIENTS INDICATED THEY WOULD USE THE SAME LAWYER AGAIN WITH 51% INDICATING THEY WERE EXTREMELY SATISFIED.

5,666 CRIMINAL LAW GRANTS OF AID FOR LEGAL REPRESENTATION WERE MADE TO ADULTS IN 2006/07

FIGURE 5
Criminal Law Applications Granted by Matter Group

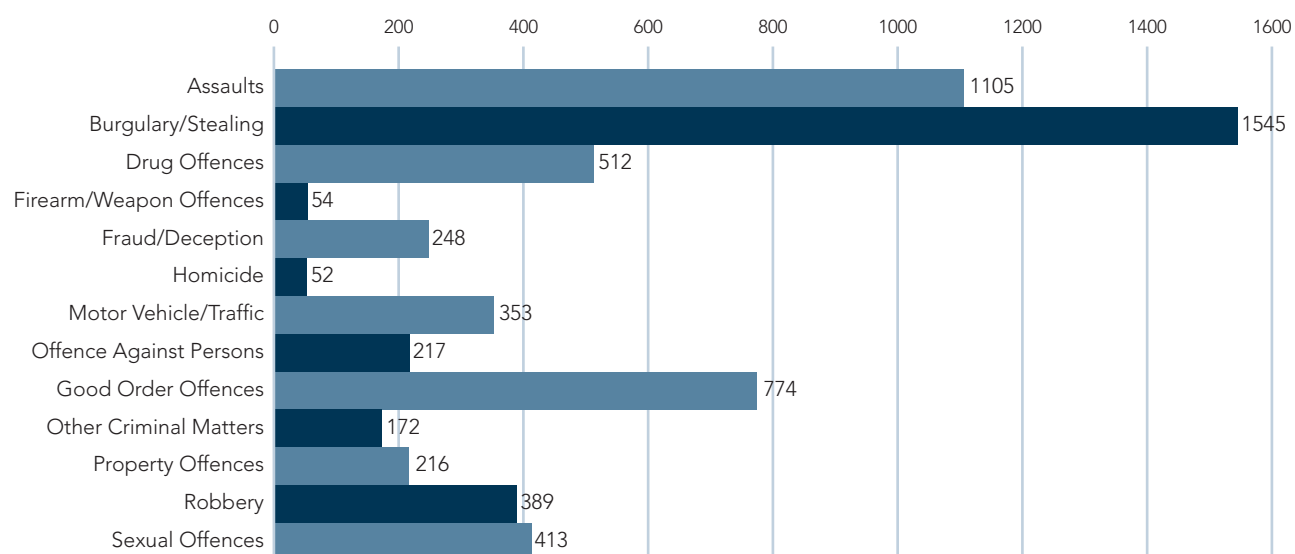


TABLE 8
Criminal Law Plea and Trial Grants Finalised 06-07 By Court Type and Hearing Type

Court of File No		Hearing Type		
Court Type	Plea Only	Plea Proceeding to trial	Trial Only	Grand Total
Magistrate Court	1705	266	144	2115
District Court	1396	567	99	2062
Childrens Court	659	81	37	777
Childrens Court (President)	292	51	14	357
Supreme Court	145	72	8	225
Grant Total	4197	1037	302	5536

TABLE 9
Criminal Law Plea and Trial Grants Finalised 06-07 By Court Type and Hearing Type (As %ges)

Court of File No		Hearing Type		
Court Type	Plea Only	Plea Proceeding to trial	Trial Only	Grand Total
Magistrate Court	30.80%	4.80%	2.60%	38.20%
District Court	25.22%	10.24%	1.79%	37.25%
Childrens Court	11.90%	1.46%	0.67%	14.04%
Childrens Court (President)	5.27%	0.92%	0.25%	6.45%
Supreme Court	2.62%	1.30%	0.14%	4.06%
Grant Total	75.81%	18.73%	5.46%	100.00%

PERSONS WITH SPECIAL NEEDS

Some individuals who approach Legal Aid require specialised assistance to ensure they understand their legal situation and are able to have their point of view heard and understood and their best interests identified and acted upon. This may be due to:

- A mental illness or impairment, an intellectual disability or a first language other than English, which make it difficult for the individual not only to understand their legal situation but also to seek legal advice and to understand legal advice given
- Cultural differences, whether through the individual's position as an indigenous Australian or an Australian immigrant, which may create difficulties in understanding Australian law, especially where it differs from the legal system to which they are accustomed
- A physical disability or a disadvantage due to location, which makes it difficult for the individual to physically access services and attend appointments for advice
- An individual's position as a victim of domestic violence, which can affect confidence in seeking advice and acting upon advice given
- The individual's position as a child within the court system. A child, especially if very young, has limited ability and options to promote their best interests and point of view. It is imperative that these vulnerable members of society are protected through legal representation

Legal Aid aims to "make it easier

for people to get legal help especially if they belong to a disadvantaged group". Clients who fall into a priority group for special needs assistance are identified both by the complexity and severity of their legal matter and the extremity of their personal circumstances. At every level of service, Legal Aid is committed to providing special needs clients with specialised assistance to ensure quality service and accurate advice. The special needs of particular clients are addressed through:

- Staff training in effectively assisting and advising clients with special needs
- The prioritising of applications for legal representation through a grant of aid to elevate the eligibility of individuals with special needs
- The use of technology, as far as is practicable, to provide alternatives to face-to-face appointments and promote accessibility of services; for example phone appointments, access to information through the Legal Aid website and video-conferencing facilities
- The Legal Aid Infoline service, which can be called from anywhere in Western Australia for the cost of a local call and can provide information, referrals and advice, book appointments in a number of locations in the state and provide resources including Information Sheets, pamphlets and application forms for legal representation. This service can also be accessed through a TTY (telephone typewriter) enabled number
- Flexibility in services, as far as is practicable, to allow

advisors to tailor their service to the individual needs of a client; for example the ability to book more contact time for an initial advice appointment at which an interpreter will be present and/or the individual will require assistance filling in an application form for representation

- The provision of accredited onsite and telephone interpreting services for clients who speak English as a second language or communicate through sign language. It is a policy that an interpreter is provided by Legal Aid to the client for all legal advice sessions to promote understanding and ensure accurate advice
- Regional offices in Albany, Broome, Bunbury, Christmas Island, Fremantle, Geraldton, Kalgoorlie, Midland, South Hedland in addition to our Perth head office. The recent approval of funding for the addition of a Kununurra Regional Office
- Partnerships and service agreements between Legal Aid and community legal centres throughout the state to provide more contact points for information, assistance and advice
- The use of referrals, where appropriate, to direct individuals to more accessible and/or specialised service options; for example services local to the individual or counselling, crisis care, accommodation or victim support services

A devoted specialist lawyer, the Mentally Impaired Defendants Lawyer (MIDL), who assists clients

who have a mental illness or intellectual disability and are facing a risk of imprisonment if convicted on criminal charges. The MIDL provides a single liaison point between Legal Aid WA and the Intellectual Disability Diversion Program Coordinator

The provision of Duty Lawyer services at Magistrate's Courts throughout Western Australia, including specialist Domestic Violence Duty Lawyer services, Children's Court Care & Protection Duty Lawyer services and Duty Lawyer services in remote areas through court circuit programs.

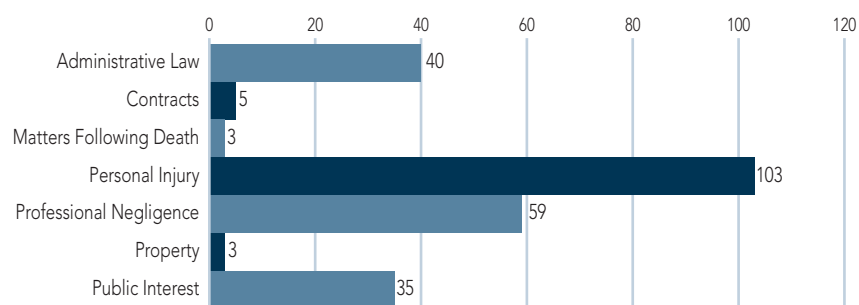
A limited immigration advice and assistance service for individuals with visa related queries in the Perth office. The capacity, through a grant of aid, to assist some individuals seeking protection visas, individuals on a temporary visa who have suffered domestic violence and have separated or intend to separate and some tribunal applications. This is made possible through the Immigration Application Advice and Assistance Scheme funded by the Department of Immigration and Citizenship



TABLE 5
Indigenous Aid Granted
by Law Type

	%
Family	8
Crime	20
Civil	14
Total	16

FIGURE 6
Civil Law Applications Granted by Matter Group



IN 2006 - 2007
LEGAL AID WA
SPENT \$37,665.00
ON THE PROVISION
OF INTERPRETER
SERVICES

OTHER PROGRAMS

COMMUNITY LEGAL SERVICES PROGRAM

Legal Aid continued to manage Commonwealth and State funding to twenty-two community legal centres around WA, providing assistance to over 17,000 clients with a range of issues in family and civil law and some criminal law. Centres provided 12,000 information services, 48,486 legal advice services and opened 3,912 new cases for clients during the year.

New Legal Contribution Trust funding was made available to fund community legal projects at Sussex Street Community Law Centre (a Belmont outreach project), Youth Legal Service (a community legal education project), Kimberley CLS (outreach project), Welfare Rights & Advocacy Service (youth paralegal), Citizen's Advice Bureau and Albany CLC (youth project). These projects will run for a period of three years from 2006/07.

The State funded Domestic Violence Legal Workers Network, with services in Gosnells, Fremantle and Rockingham, provided a range of assistance to persons affected by domestic violence. This network was co-ordinated with support from the Women's Law Centre of WA. The two newly funded State centres, Mental Health Law Centre and Peel Community Legal Centre, consolidated operations and recruited a full complement of staff. Peel CLC completed a move into larger premises and commenced outreach services to Waroona, Boddington, Serpentine/Jarrahdale and Pinjarra.

A new older person's legal service funded by the Office of Seniors Interests was announced in 2007,

this service will operate as a joint initiative of the Northern Suburbs CLC and Advocare, targeting awareness and ways to combat elder abuse. A one off grant was approved to enable the Wheatbelt Rural Community Legal Service to continue to operate and funding was approved for a new service to be based in Joondalup, from next year.

The Commonwealth government announced one off funding of \$1 million to community legal centres around Australia for computer equipment, WA centres will benefit with a range of new equipment and infrastructure.

In 2006 Geraldton Resource Centre won the Prime Ministers' Small Business of the Year Award for Training Excellence for the training program that the centre developed for paralegals and community workers. In 2007 the Tenants Advice Service won the DOCEP Richard Fletcher Award for excellence in service in the area of consumer protection.

The Stakeholder Consultative Committee met on two occasions during the year to consider sustainability issues, areas and ways to address emerging legal need and Legal Aid WA continued to work with community legal centres in regional and remote areas on a range of strategies designed to assist with the recruitment and retention of lawyers in country WA.



The Directors of the eight independent Legal Aid Commissions, one in each of the States and Territories across Australia, combine at a national level to form National Legal Aid (NLA) with one of their number on an annual rotating basis, elected as the Chair. The CEO of the New Zealand Legal Services Agency participates as an ex officio member. Funds for the maintenance of NLA activities comes from the internal revenue of each State and Territory commission.

NLA allows Legal Aid Commissions to identify and cooperatively progress issues of national significance. It also encourages the identification and development of best practice in legal aid services. NLA maintains a website at www.nla.aust.net.au, is supported by a small secretariat and a number of permanent working groups. The Directors meet three times per year. Working groups meet at the request of Directors usually once per year.

National working groups exist to monitor national issues and initiatives in family law, criminal law, legal practice management, grants management, community legal education, dispute resolution and human resource management.

NLA produces a strategic plan

that is reviewed every 2 years. Its stated goals are:

- To ensure the independent provision of legal aid services
- To address access to justice issues co-operatively
- To ensure the provision of high quality legal aid services
- To facilitate the development of innovative and effective legal aid services
- To promote a national legal aid partnership with the Commonwealth, States and Territories
- To anticipate and respond to changing legal needs
- To develop clearly identifiable policies with regard to funding and service delivery

In pursuit of the plan, six key result areas (KRAs) were formulated to guide effort in 2006/07. These were:

- National issues and resources
- Education and research
- Learning, sharing and supporting
- Partnering with the Commonwealth
- Profile with the States
- Relationships

A copy of the Strategic Plan is available at: <http://www.nla.aust.net.au/res/File/PDFs/NLA-Action-Plan-2006-07.pdf>.

A Best Practice Conference is held each second year. The purpose is to enable senior staff representing the national working groups to exchange information and ideas and to consider innovations for better service delivery.

This year the conference was held in Fremantle. It was attended by over 100 people and produced recommendations consistent with NLA's Strategic Plan, surrounding:

- The necessary elements for a good induction system and support mechanisms for criminal lawyers
- Processes for screening, monitoring and assessing family law clients in light of the recent family law amendments
- Recommendations designed to promote better working relationships between Family Relationship Centres and Legal Aid Dispute Resolution services
- Development of a 5-year plan for joint publications and the necessary mechanisms for managing this
- Quality in legal practice service delivery
- Strategies for enhancing regional services
- Recommendations about relationships and service provision strategies with Aboriginal legal services.

In addition, NLA respond to various national and international requests for information relating to legal aid and legal aid services as well as responding to legal issues of national importance eg:

- House of Representatives Standing Committee on Legal and Constitutional Affairs – Inquiry into Older People and the Law
- Australian Law Reform Commission Issues Paper 33 – Client Legal Privilege and Federal Investigatory Bodies
- Standing Committee of

Attorney Generals – Children with Intellectual Disabilities (Regulation of Sterilisation) Bill 2006

- Reviews by the Attorney General into Legal Aid Funding Caps and Duty Lawyer Services
- Senate Legal and Constitutional Affairs Inquiry into the Crime Amendment (Bail and Sentencing) Bill 2006
- Administrative Review Council - Draft Report into Government Agency Coercive Information Gathering Powers
- The impact of legislative changes on the delivery of Child Support Services

A lack of clear information about unmet legal needs in Australia has led NLA to the Law and Justice Foundation of NSW, with plans to contract an independent survey to provide empirical data including demographic issues, the types and frequency of legal events affecting people, current satisfaction with legal aid services and future legal needs now well advanced. This research is expected to be completed during 2007.

Future strategies include engaging governments on legal needs within our communities, practical ways to address the withdrawal of private practitioners from legal aid service provision, identification and reduction of duplication and development of national benchmarks on uniformity, consistency and access to justice.

SECTION 3 SIGNIFICANT ISSUES AND TRENDS

CHANGES IN THE LAW

Major changes to the system of family law designed to promote counselling as an option before access is permitted to the Family Court and reforms to the Child Support Scheme have recently taken place, with further changes scheduled. Considerable direct and additional investment in non-legal support options for separating families by the Commonwealth and a genuine desire within the legal fraternity to improve case management, particularly in high conflict matters concerning children, is contributing to a new dynamism amongst family law service providers and a steady program of ongoing change.

LEGAL AID CONDUCTED BY PRIVATE PRACTITIONERS

The Legal Aid Commission has for some time been concerned about the low level of fees payable to private legal practitioners and the implications for quality should the number of senior lawyers prepared to undertake legal aid work in both family and criminal law continue to decline. A review of time allowances and composite fees payable in criminal law matters is being undertaken in conjunction with the Department of Treasury and Finance, placing upward pressure on the costs of the scheme. Similar work is also being undertaken in relation to family law fees, including examination of ways to reduce compliance costs to make it more palatable for private lawyers to continue to provide services at less than commercial rates.

Although research commissioned by the Commonwealth and conducted in 2006 highlighted that WA family law firms currently accepting instructions in legal aid are more satisfied with legal aid commission processes than legal firms nationally (WA: 61% satisfied, National: 47% satisfied), two thirds of firms nationally and 42% of WA firms contend that red tape is a disincentive to continue to perform legal aid work.

COMMONWEALTH FUNDING

The agreement the Commonwealth has with the State for the provision of Commonwealth legal aid services expires on 31 December 2008 and negotiations for a new 4-year agreement to achieve additional flexibility in the use of and a more equitable distribution of available funds, will take place in the ensuing period.

Existing Commonwealth legal aid guidelines provide that Commonwealth funding can only be used for matters arising under Commonwealth law. Effectively, in the family law area, this means that Legal Aid Commissions can only use Commonwealth funding for matters arising under the Family Law Act. This ignores the reality of families with multiple issues and requirements for assistance with mainstream children's issues arising under Commonwealth law, child protection proceedings reviewable under State law as well as violence prevention and property matters that can involve both State and Commonwealth law. Outcomes for clients are not enhanced by current restrictions as lawyers are limited in their ability to act in a comprehensive

manner to meet a client's entire legal needs, without first seeking further conditional approvals that are not always forthcoming. A better service could be provided if guidelines were relaxed to allow Commonwealth funding to be used for legal needs arising from family relationship breakdown, regardless of whether those needs arise under State/Territory or Commonwealth law. This would benefit indigenous women in particular whose legal needs often arise in the area of child protection and domestic violence, rather than legal needs arising under the Family Law Act. Relaxation of guidelines to make it easier to assist people to resolve their property and financial disputes would also serve the interests of children, as financial considerations are a major source of contention that can both escalate and prolong disputes to the detriment of children, where solutions cannot be readily found.

STATE FUNDING

The adequacy of current levels of legal aid assistance for parents and children, subject to protection and care applications initiated by the new Department for Child Protection will come under increasing scrutiny. The introduction of the Children and Community Services Act on March 1 2006 and subsequent endorsement of the Ford Review recommendations has resulted in significantly more interventions and additional caseload for the Children's Court and Legal Aid and is set to continue.

The number of sexual assault complaints and prosecutions arising from the permanent police presence now stationed

in a number of large remote Aboriginal communities provides significant challenges for all justice agencies and may require new approaches in case management to be piloted, including conducting court proceedings in regional and remote community locations to ensure sufficient community understanding and trust in the justice system. Arrangements to protect victims and to also fairly treat accused persons needing to reside in close proximity to complainants, will be an exercise in balance and the wider role that Legal Aid adopts beyond arranging legal representation for person accused of offences, will be developed in cooperation with affected communities. Additional funding for a new office to be based in Kununurra from 1 July 2008, will significantly improve the capacity of Legal Aid to respond to these situations.

A REVIEW OF TIME ALLOWANCES AND COMPOSITE FEES PAYABLE IN CRIMINAL LAW MATTERS IS BEING UNDERTAKEN

WA FAMILY LAW FIRMS CURRENTLY ACCEPTING INSTRUCTIONS IN LEGAL AID ARE MORE SATISFIED WITH LEGAL AID COMMISSION PROCESSES THAN LEGAL FIRMS NATIONALLY (WA: 61% SATISFIED, NATIONAL: 47% SATISFIED)

SECTION 4 DISCLOSURES AND LEGAL COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2007

**DISCLOSURES AND LEGAL COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2007**

DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

Certification of Financial Statements

The accompanying financial statements of the Legal Aid Commission of Western Australia have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2007 and the financial position as at 30 June 2007.

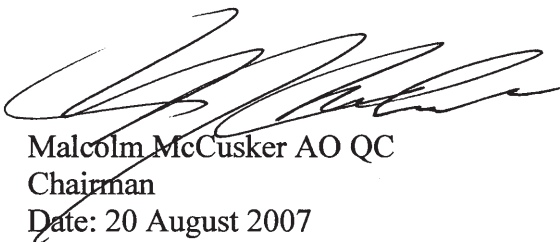
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Lee Baker
Chief Finance Officer
Date: 20 August 2007



George Turnbull
Director
Date: 20 August 2007



Malcolm McCusker AO QC
Chairman
Date: 20 August 2007

AUDITOR GENERAL'S OPINION



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

LEGAL AID COMMISSION OF WESTERN AUSTRALIA FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Legal Aid Commission of Western Australia

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Charges in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Commission's Responsibility for the Financial Statements and Key Performance Indicators

The Commission is responsible for the keeping of proper accounts, and the preparation and fair presentation of the financial statements in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Legal Aid Commission of Western Australia Financial Statements and Key Performance Indicators for the year ended 30 June 2007

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Legal Aid Commission of Western Australia at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2007.

Handwritten signature of Colin Murphy in black ink.

COLIN MURPHY
AUDITOR GENERAL
20 August 2007

FINANCIAL STATEMENT

LEGAL AID COMMISSION OF WESTERN AUSTRALIA

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2006/07 \$	2005/06 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	10,075,316	12,099,132
Restricted Cash and cash equivalents	7, 27	2,818,140	1,350,270
Receivables	8	2,605,552	1,431,797
Total Current Assets		15,499,008	14,881,199
NON-CURRENT ASSETS			
Property, Plant Equipment and Vehicles	9	2,657,655	2,583,288
Intangibles	10	259,932	110,183
Restricted Cash and cash equivalents	27	2,582,037	
Receivables	8	2,842,963	2,697,267
Total Non-Current Assets		8,342,587	5,390,738
Total Assets		23,841,595	20,271,937
LIABILITIES			
Current Liabilities			
Payables	12	11,669,584	8,559,601
Provisions	13	2,605,390	2,393,120
Total Current Liabilities		14,274,974	10,952,721
NON-CURRENT LIABILITIES			
Provisions	13	1,090,804	1,032,151
Total Non-Current Liabilities		1,090,804	1,032,151
Total Liabilities		15,365,779	11,984,872
Net Assets		8,475,816	8,287,065
EQUITY			
Contribution equity	14	595,669	595,669
Reserve	14	1,411,267	1,445,676
Accumulated surplus/(deficit)	14	6,468,880	6,245,719
TOTAL EQUITY		8,475,816	8,287,065

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

LEGAL AID COMMISSION OF WESTERN AUSTRALIA

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2006/07 \$	2005/06 \$
COST OF SERVICES			
Expenses			
Legal Services Expenses	15	12,906,836	12,107,244
Employee benefits expense	16	18,730,095	16,517,316
Supplies and services	17	2,926,415	3,292,009
Depreciation and amortisation expense	18	831,932	679,107
Accommodation expenses	19	2,179,016	1,834,577
Other Expenses	20	3,174,850	2,648,739
Loss on disposal of non-current assets	24	3,401	17,915
Total Cost of services		40,752,545	37,096,907
Income			
Revenue			
Sales	21	1,909,474	1,336,146
Commonwealth Grants and Contributions	22	14,068,561	14,031,691
Other Revenue	23	2,048,786	2,060,280
Interest Revenue	25	1,028,246	844,280
Total Revenue		19,055,067	18,272,397
Total income other than income from State Government		19,055,067	18,272,397
NET COST OF SERVICES	28	(21,697,479)	(18,824,510)
INCOME FROM STATE GOVERNMENT			
State Government Grant	26	21,411,399	18,568,878
Liabilities assumed by the Treasurer		449,831	15,156
Total Income From State Government		21,861,230	18,584,034
SURPLUS/DEFICIT FOR THE PERIOD		163,751	(240,476)

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

LEGAL AID COMMISSION OF WESTERN AUSTRALIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	Note	2006/07 \$ Inflows (Outflows)	2005/06 \$ Inflows (Outflows)
CASH FLOWS FROM STATE GOVERNMENT			
State Government Grant		22,204,678	18,751,952
Net Cash provided by State Government		22,204,678	18,751,952
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Legal services		(11,620,229)	(11,474,983)
Employee benefits		(18,744,237)	(16,245,824)
Supplies and Services		(2,969,932)	(3,225,077)
Accommodation		(2,151,900)	(1,832,181)
GST Payments on purchases		(2,054,956)	(2,129,914)
Other payments		(2,639,049)	(2,215,163)
Receipts			
Sale of Goods and Services		1,558,403	1,378,440
Commonwealth grants and contributions		15,180,821	13,979,342
Interest received		982,482	706,122
GST Receipts on sales		97,032	122,344
GST Receipts from Taxation Authority		1,941,196	1,937,725
Other Receipts		1,125,456	2,280,380
Net Cash provided by/(used in) Operating activities	28	(19,294,914)	(16,718,789)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Current Physical Assets		(1,069,205)	(1,625,251)
Proceeds from sale of Non-Current Physical Assets		185,533	85,363
Net Cash provided by/(used in) investing activities		(883,673)	(1,539,888)
Net Cash Used in Operating and Investing Activities		(20,178,587)	(18,258,677)
Net increase/(decrease) in cash and cash equivalents held		2,026,091	493,275
Cash assets and cash equivalents at the beginning of period.		13,449,402	12,956,127
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	28	15,475,493	13,449,402

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

LEGAL AID COMMISSION OF WESTERN AUSTRALIA

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007


	Note	2006/07 \$ Inflows (Outflows)	2005/06 \$ Inflows (Outflows)
Balance of equity at start of period		8,287,064	8,512,541
CONTRIBUTED EQUITY	14		
Balance at start of period		595,669	595,669
Balance at end of period		595,669	595,669
RESERVES	14		
Asset Revaluation Reserve			
Balance at start of period		155,043	140,043
Restated balance at start of period		155,043	140,043
Gains/(losses) from assets revaluation		25,000	15,000
Balance at end of period		180,043	155,043
Asbestosis Account Reserve	14		
Balance at start of period		1,290,633	1,486,071
Restated balance at start of period		1,290,633	1,486,071
Private Practitioners Fees		(59,409)	(195,438)
Balance at end of period		1,231,224	1,290,633
ACCUMULATED SURPLUS (RETAINED EARNINGS)	14		
Balance at start of period		6,245,719	2,775,968
Change in accounting policy or correction of prior period errors		-	3,514,790
Restated balance at start of period		6,245,719	6,290,758
Transfer from Asbestosis Account Reserve		59,409	195,438
Surplus/(deficit) or profit/(loss) for the period		163,751	(240,477)
Balance at end of period		6,468,880	6,245,719
Balance of Equity		8,475,816	8,287,065
Total Income and expense for the period		188,751	(225,477)


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

**THE DIRECTOR OF LEGAL AID AND OTHERS IN TRUST
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2006/07 \$	2005/06 \$
FUNDS ON HAND 1 July 2006	0	0
RECEIPTS in year	0	0
Interest received in year	0	0
PAYMENTS in year	0	0
Bank charges	0	0
FUNDS ON HAND 30 June 2007	0	0
Represented by funds in BANKWEST	0	0

We hereby certify that the Statement of Receipts and Payments has been prepared from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2007 and the Funds on Hand as at 30 June 2007.


George Turnbull
Director of Legal Aid
Date: 30 June 2007


Lee Baker
Chief Finance Officer
Date: 30 June 2007

FINANCIAL NOTES

1 AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

General

The Commission's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 "Application of Australian Accounting Standards and Other Pronouncements". No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2007.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The financial statements

constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing preparation of financial statements and take precedence over Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars.

The judgements that have been made in the process of applying the Authority's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 5 'Key sources of estimation uncertainty'.

(c) Reporting Entity

The reporting entity comprises the Commission and there are no related bodies.

d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction(TI) 955 'Contributions by Owners made to Wholly Owned

Public Sector Entities" and have been credited directly to Contributed Equity.

Transfers of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of Services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Grants, donations, gifts and other non-reciprocal contributions.

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing \$1,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset,

the revaluation model is used for the measurement of land, buildings and infrastructure and the cost model for all other property, plant and equipment. Land and buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations

of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Depreciation

All non current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Buildings on Freehold	
Land	50 years
Furniture and Fixture	5 to 13 years
Leasehold	
Improvements	6 to 20 years
Office	
Equipment	5 to 10 years
IT Equipment	3 to 4 years
Motor Vehicle	2 to 3 years

(g) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$1,000 or more

and internally generated intangible assets costing \$1,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying amount of intangible assets is reviewed annually for impairment when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Commission have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software ^(a)	10 years
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(a) Software that is not integral to the operation of any related hardware.

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that

is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$1,000 is expensed in the year of acquisition.

(h) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at each balance sheet date.

(i) Grants of Aid

Grants of Aid are recognised as a liability on approval of a grant of aid based on a provisional cost estimate. The provisional cost estimate reflects the estimated cost of the assignment based on the relevant scale of fees.

Levies towards the cost of aid by Legal Aid clients are recognised as an asset on approval of the grant of aid. Provision for bad debts is provided for in accordance with note 8(i).

(j) Leases

The Commission holds operating lease arrangements for head office and a number of branch office buildings, office equipment and motor vehicles. Lease payments are expensed on a straight line basis over the lease term, as this represents the pattern of benefits derived from the leased property.

(k) Financial Instruments

The Commission has two categories of financial instrument:

* Loans and receivables (Cash and cash equivalents, receivables); and

* Non-trading financial liabilities (payables, Treasurer's advance).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(l) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(m) Receivables

Unsecured Debtors

Unsecured debtors are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is

equivalent to fair value as it is due for settlement within 42 days.

Secured Debtors

Secured debtor balances are only payable to the Commission on the sale or other alienation of the secured property. Due to the long term nature of these debts, a provision for discount is raised which enables the balance to be shown at the Net Present Value. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts.

(n) Payables

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount of trade payables is equivalent to fair value, as they are generally settled within 30 days.

Grant of aid commitments are settled as the case progresses and matters can be outstanding for between 3 months and 2 years. The Commission considers the carrying amount of grant of aid commitments to be equivalent to the net fair value. See note 12 'Payables'.

(o) Accrued Salaries

The accrued salaries suspense account (see note 27) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh

year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date.

(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected

to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers in 2006 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Commission has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Scheme became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are

accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

(ii) Provisions - Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of the 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(q) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- (a) Defined benefit plans - Change in the unfunded employer's liability (i.e. current service cost and actuarial gains and losses) assumed by the Treasurer in respect of current employees who are

members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS)' and

- (b) Defined contribution plans - Employer contributions paid to the GSS and the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESB).

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer [refer note 2(p)(i)], a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for Commission purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the Commission's

obligations to the related superannuation liability.

- (r) Books and technical journals are recognized as an expenses as they are acquired.

- (s) Resources Received Free of Charge or for Nominal Consideration

Resources received free of charge or for nominal value that can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

- (t) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

- (u) Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

1. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and

Measurement'. The Authority does not currently undertake these types of transactions, resulting in no financial impact in applying the Standard.

2. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At balance sheet date, the Authority has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.

3. UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, the Authority has not entered into any contracts as specified in the Interpretation, resulting in no impact in applying the Interpretation.

The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

2005-1 'Amendments to Australian Accounting Standard' (AASB 139 – Cash flow hedge accounting of forecast intragroup transactions)

2005-5 'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'

2006-1 'Amendments to Australian Accounting Standards [AASB 121]'

2006-3 'Amendments to Australian Accounting Standards [AASB 1045]'

2006-4 'Amendments to Australian Accounting Standards [AASB 134]'

2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraph 9

UIG 5 'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'

UIG 6 'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'

UIG 7 'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'

UIG 8 'Scope of AASB 2'

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(see note 34)

The Commission's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. The Commission reviews and agrees policies for managing each of these risks and they are summarised below:

Credit Risk

The Commission is open

to credit risks in respect of Contributions due from its clients. It has policies in place to ensure that where possible debts due are adequately secured by way of caveats or memorials over the properties of the debtor. Where such Contributions cannot be secured either because of the amount of the debt is small or the client does not have adequate assets to offer as security, the Commission monitors the debts on an ongoing basis to ensure that they are collected promptly to minimise the amount of irrecoverable debts to be written off (see note 8).

Credit risk arising from the other financial assets mainly relate to cash and cash equivalents. The Commission's exposure to credit risks in respect of such assets arises from default of the counter party. The Commission is a public benevolent institution. As such the primary investment policy objective is to ensure the security and minimise the risk of the Commission's cash reserves. Where alternative options exist for the investment of funds at equivalent levels of risk, those investment options which provide the highest returns are used wherever possible. The investment of funds is governed by section 39 of Financial Management Act. Investments are made in a manner specified in section 37 of that Act.

Interest Rate Risk

The Commission's exposure to market risk for changes in interest rates relates primarily to the investments of surplus funds and restricted funds.

The Commission's policy to manage interest income

is using a mix of fixed and variable rate investments as appropriate (see note 34).

Liquidity Risk

Prudent liquidity risk management implies maintaining a balance between sufficient cash to meet obligations as and when they fall due and maximising revenues from surplus funds by investing in interest bearing investments.

The term of the investments will be based on the annual cash flow budget in order to meet cash requirements in a timely manner. The selection of the term of the investments will depend upon the cash flow requirements and the rate of return available for different terms.

4 JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

Judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Leased Assets

Classification of leases as to whether they are operating leases or finance leases involves the interpretation of the lease arrangement to determine whether the lessors retain the risks and benefits incidental to ownership. The Commission has classified leases as operating leases.

5 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key estimates and assumptions made concerning

the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Technological Equipment

The Commission's management determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on projected useful lives of the assets. It could change significantly as a result of technical innovations. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Grants of Aid

Grants of aid are initially recognised as a liability initially on the basis of a provisional cost estimate. These estimates are revised as the litigation proceeds and realistic information on associated costs are available.

Leasehold Improvements

Leasehold improvements are amortised over the initial term of the lease even though an option for extending the lease exists. Should the lease agreement be extended before the expiration of the initial term, the period of amortisation of any unamortised balance is revised to include the extended term.

Long Service Leave

The calculation of the long service leave liabilities involves making assumptions regarding the future increases in salaries,

probability of employees remaining in service until they become entitled to their prorata long service leave, and estimation of the present value of the liability using an appropriate discount rate.

Non Current Debtors

– Provision for Discount

Secured non current debtors for Contributions due to the Commission are expected to fully settle their liabilities on sale or other alienation of their properties. These debts are presented at their discounted value to take account of the long repayment period. The Commission uses its judgement to determine the average repayment period for the settlement of these debts and the selection of an appropriate discount rate.

6 CASH AND CASH EQUIVALENTS

	2007 \$	2006 \$
Bank Accounts	10,068,911	12,092,877
Cash on Hand - Petty Cash	6,405	6,255
	10,075,316	12,099,132

7 ASBESTOSIS AND CHILD REPRESENTATION ACCOUNT RECONCILIATION

(To read in conjunction with Note 27)

- (i) The Asbestosis Account was established in January 1989 to fund the granting of legal aid in relation to asbestosis-related actions. The Commission pays into the Account all amounts that it receives as costs recovered from asbestosis-related actions by plaintiffs to whom the Commission has granted legal aid.

	2007 \$	2006 \$
Balance of Funds 1 July 2006		
- Opening Balance	1,290,633	1,486,071
Revenue:		
~ Recovered Costs	-	-
~ Interest		
	1,290,633	1,486,071
Expenditure		
~ Private Practitioners	(59,409)	(195,438)
~ Reclassification to Cash Assets		
Balance of Funds 30 June 2007		
- Closing Balance	1,231,224	1,290,633

- (ii) The Child Representation Trust Fund has been established essentially for monies received from clients contributions. These contributions are not received from the aided person being the child, but from other parties to the proceedings, typically being the parents of the child.

Child Representation Trust Fund	2007 \$	2006 \$
Balance of Funds 1 July 2006	59,637	32,846
Receipts	50,000	48,682
	109,637	81,528
Payments	22,500	21,891
Balance of funds 30 June 2007	87,137	59,637

8 RECEIVABLES

	2007 \$	2006 \$
Current		
Prepayments	3,411	21,361
Unsecured debts	3,009,274	1,819,658
Less: Allowance for doubtful debts	(407,132)	(409,222)
	2,605,552	1,431,797
Non Current		
Secured Debts	3,536,238	3,387,954
Less: Provision for doubtful debts	(20,000)	(20,000)
Less: Allowance for discount	(673,275)	(670,687)
	2,842,963	2,697,267
	5,448,516	4,129,063

Secured Debts

Legal assistance may be granted subject to a condition that the legal costs be secured by a charge being lodged against property registered in the name of the legally assisted person. Full payment of the debt secured is required on sale or other alienation of the property.

History has shown that the average repayment period of secured debts is approximately eight years. No interest is charged on the outstanding debt. In accordance with AAS 15 an implicit interest adjustment is made to take account of this long term repayment aspect.

Secured debtors were discounted at 6.39% (2006: 5.84%) using the 5 year government bond rate as at June 30, 2007.

(i) Allowance for Doubtful Debts

	2007 \$	2006 \$
Balance 30 June 2006	429,222	363,309
Bad debts written off 2006/07	(40,951)	(6,693)
	388,271	356,616
Provision 2006/07	38,861	72,606
	427,132	429,222

	2007 \$	2006 \$
Debts written off for 2006/07 were authorised by - The Accountable Commission -	40,951	6,693

(ii) Allowance for Discount

	2007 \$	2006 \$
Balance 30 June 2006	670,687	627,800
Implicit interest charge / (write back)	2,588	42,887
Provision 2006/07	673,275	670,687

9 PROPERTY, PLANT, EQUIPMENT AND VEHICLES

- (i) Profits and losses on disposal of non-current assets are taken into account in determining the results for the year.

		2007	2006
		\$	\$
Land	At Fair Value (I)	88,000	80,000
	Accumulated Depreciation	-	-
	Accumulated impairment losses		
	Net Value	88,000	80,000
Buildings	At Fair Value (I)	187,000	170,000
	Accumulated Depreciation	(24,552)	(20,816)
	Accumulated impairment losses		
	Net Value	162,448	149,184
Fixtures and Fittings	At Cost	63,917	40,943
	Accumulated Depreciation	(27,766)	(24,475)
	Accumulated impairment losses		
	Net Value	36,151	16,468
Leasehold Improvements	At Cost	2,146,027	1,769,090
	Accumulated Depreciation	(1,269,185)	(1,010,493)
	Accumulated impairment losses		
	Net Value	876,842	758,597
Furniture and Equipment	At Cost	2,420,041	2,354,483
	Accumulated Depreciation	(1,397,969)	(1,207,624)
	Accumulated impairment losses		
	Net Value	1,022,072	1,146,859
Motor Vehicles	At Cost	601,607	545,372
	Accumulated Depreciation	(129,465)	(113,189)
	Accumulated impairment losses		
	Net Value	472,143	432,183
Total Net Value of Assets		2,657,654	2,583,288

(I) Land and Buildings

Freehold land and buildings were revalued as at 1st July 2006 by the Western Australian Land Information Authority (Valuation Services).

The valuations were performed during the year ended 30th June 2007 and recognised at 30th June 2007.

In undertaking the revaluation, fair value was determined by reference to market values for land :\$88,000 and buildings : \$187,000.

To ensure the valuations provided by Valuation Services were compliant at 30 June 2007 with the fair value requirements under AASB 116, Valuation Services provided the Department of Treasury and Finance (DTF) with information that tracked the general movement in the market of land and in building construction costs from 1 July 2006 (the date of valuation) to 31 March 2007. DTF reviewed the information and determined that the valuations provided by Valuation Services (as at July 2006) were compliant with the fair value requirements for 30 June 2007 reporting without further adjustment.

(ii) Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current and previous financial year are set out below.

	Land	Buildings	Fixtures & Fittings	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
2007	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	80,000	149,184	16,468	758,597	1,146,859	432,182	2,583,288
Additions			22,975	376,938	300,387	350,082	1,050,382
Disposals					(1,285)	(186,911)	(188,196)
Revaluation increments	8,000	17,000					25,000
Revaluation decrements							-
Depreciations		(3,736)	(3,291)	(258,692)	(423,891)	(123,210)	(812,820)
Write - off of Assets < \$1,000							-
Carrying amount at the end of year	88,000	162,448	36,152	876,843	1,022,070	472,143	2,657,654

	Land	Buildings	Fixtures & Fittings	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
2007	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	75,000	142,580	18,892	340,969	757,581	414,269	1,749,291
Additions				612,700	760,365	213,355	1,586,420
Disposals					(8,151)	(91,933)	(100,084)
Revaluation increments	5,000	10,000					15,000
Revaluation decrements							-
Depreciations		(3,396)	(2,424)	(195,072)	(359,743)	(103,509)	(664,144)
Write - off of Assets < \$1,000					(3,193)		(3,193)
Carrying amount at the end of year	80,000	149,184	16,468	758,597	1,146,859	432,182	2,583,288

10 INTANGIBLE ASSETS

	2007 \$	2006 \$
Computer software		
At cost	315,561	146,700
Accumulated amortisation	(55,629)	(36,517)
	259,932	110,183

Reconciliations

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the current and previous financial year are set out below.

	2007 \$	2006 \$
Carrying amount at start of year	110,183	125,145
Additions	168,861	-
Disposals		-
Revaluation increments	0	-
Revaluation decrements		
Amortisation Expense	(19,112)	(14,962)
Write - off of Assets < \$1,000		
Carrying amount at the end of year	259,932	110,183

11 IMPAIRMENT OF ASSETS

There were no indications of impairment of property, plant and equipment and intangible assets at 30 June 2007.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2007 have been classified as assets written-off.

12 PAYABLES

	2007 \$	2006 \$
Grant of Aid Commitments	7,406,421	6,120,641
Accrued Salaries	64,987	253,768
Staff Benefit Fund	35,796	40,079
Child Representation Trust Fund	87,137	59,637
Accrued Expenses	436,469	345,197
Government Grants in advance	3,638,560	1,740,070
Unclaimed Monies	215	210
	11,669,584	8,559,601

(i) Payables

The Commission considers the carrying amounts of accounts payable approximate their net fair values.

(ii) Accrued Salaries

Amount owing is one day as last pay occurred on the 28 June 2007. (2006 - The last pay occurred on the 29 June 2006)

13 PROVISIONS

		2007 \$	2006 \$
Current			
Employee benefits provision			
	Annual leave	1,168,245	1,033,596
	Long service leave ^(a)	1,424,619	1,347,841
Other Provisions			
	Employment on-cost ^(b)	12,526	11,683
		2,605,390	2,393,120
Non Current			
Employee benefits provision			
	Long service leave ^(a)	1,085,559	1,027,054
Other provisions			
	Employment on-cost ^(b)	5,245	5,097
		1,090,804	1,032,151

(a) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for a least 12 months after reporting date.

(b) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers

compensation premiums. The provision is the present value of expected future payments. The associated expense is included at note 20 'Other expenses'.

Movements in Other Provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

	2007 \$	2006 \$
Current		
Carrying amount at start of year	11,683	7,196
Additional provision	843	4,487
	12,526	11,683
Non Current		
Carrying amount at start of year	5,097	7,850
Additional provision	148	(2,753)
	5,245	5,097

14 EQUITY

Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

(i) Contributed Equity	2007 \$	2006 \$
Balance at start of year	595,669	595,669
Balance at end of year	595,669	595,669

Capital Contributions (appropriations) and non-discretionary (non-reciprocal) transfers of net assets from other State government agencies have been designated as contributions by owners in Treasurer's Instruction T1 955 and are credited directly to equity.

Reserves

(ii) Asset Revaluation	2007 \$	2006 \$
Opening Balance	155,043	140,043
Land	8,000	5,000
Buildings	17,000	10,000
Closing Balance	180,043	155,043

(iii) Asbestosis Account Reserve	2007 \$	2006 \$
Opening Balance	1,290,633	1,486,071
Private Practitioners Fees	(59,409)	(195,438)
Closing Balance	1,231,224	1,290,633

(iv) Accumulated surplus/(deficit)	2007 \$	2006 \$
Balance at start of year	6,245,719	6,290,758
Add: Transfer from Asbestosis Account Reserve	59,409	195,438
	6,305,128	6,486,196
Result for the period	163,752	(240,477)
Balance at end of year	6,468,880	6,245,719

Adjustment to opening surplus relates to the transfer of interest earned from Asbestosis Account Reserve.

15 LEGAL SERVICE EXPENSES

	2007 \$	2006 \$
Grant of Aid Expenses		
~ Assignment Costs	12,532,595	11,555,727
~ Asbestosis Case Costs	59,409	195,438
	12,592,004	11,751,165
Other Service Expenses		
~ Legal Advice	233,446	215,537
~ Duty Lawyer	81,387	140,542
	12,906,836	12,107,244

16 EMPLOYEE BENEFITS EXPENSES

	2007 \$	2006 \$
Wages and salaries ^(a)	16,530,596	14,844,658
Annual Leave ^(b)	134,649	152,234
Long Service Leave ^(b)	135,284	141,932
Superannuation		
- defined contribution plans ^(c)	1,479,736	1,363,336
Superannuation		
- defined benefit plans ^{(d)(e)}	449,831	15,156
	18,730,095	16,517,316

- (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.
- (b) Includes a superannuation contribution component
- (c) Defined contribution plans include West State and Gold State (contributions paid).
- (d) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit).
- (e) An equivalent notional income is also recognised (see note 26 'Income from State Government').

Employee on-costs such as workers' compensation insurance are included at note 20 'Other Expenses'. The employment on-costs liability is included at note 13 'Provisions'.

17 SUPPLIES AND SERVICES

	2007 \$	2006 \$
Communications	441,356	438,086
Consumables	671,090	620,697
Maintenance	249,605	417,413
Travel	272,242	270,296
Information Technology	836,041	1,021,811
Other ^(a)	456,081	523,707
	2,926,415	3,292,010

(a) Includes audit cost, see note 31 'Remuneration of auditor'.

18 DEPRECIATION AND AMORTISATION EXPENSE

	2007 \$	2006 \$
Depreciation		
Buildings	3,736	3,396
Office Equipment	32,376	38,473
IT Equipment	389,691	319,295
Motor Vehicles	123,210	103,509
Fixtures and Fittings	3,291	2,424
Leasehold Improvements	258,692	195,072
Furniture	1,824	1,975
Total Depreciation	812,819	664,145
Amortisation		
Intangible assets	19,112	14,962
Total Amortisation	19,112	14,962
Total Depreciation and Amortisation	831,932	679,107

19 ACCOMMODATION EXPENSES

	2007 \$	2006 \$
Lease rentals	2,179,016	1,834,577

20 OTHER EXPENSES

	2007 \$	2006 \$
Bad Debts written off	40,951	6,693
Doubtful Debts Expense	(2,090)	65,913
Implicit Interest charge	2,588	42,887
Employment on-costs (a)	991	1,734
Staff Training	176,658	119,596
State CLC Program	2,286,301	1,837,329
Other Staff Related Expenses	398,892	316,828
Other	270,558	257,760
	3,174,850	2,648,740

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 13 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

21 SALES

	2007 \$	2006 \$
Client contributions and fees on grants of aid	1,319,222	940,199
Cost recoveries on grants of aid	397,316	220,374
Recovered Costs on Asbestosis matters	-	-
Legal Advice Fees	77,193	83,589
Duty Lawyer Fees	112,159	89,445
Community Legal Education	3,584	2,539
	1,909,474	1,336,146

22 COMMONWEALTH GRANTS AND CONTRIBUTIONS

	2007 \$	2006 \$
Operating Grant as per 2004 Funding Agreement	13,865,146	13,838,265
Christmas/Cocos Islands	203,416	193,426
	14,068,561	14,031,691

23 OTHER REVENUE

	2007 \$	2006 \$
State - Specific Purpose Contributions	91,515	92,224
Other Misc. Income	508,340	398,918
Legal Contribution Trust	1,361,002	1,484,568
Dept of Immigration and Ethnic Affairs	87,929	84,570
Implicit Interest write back	-	-
	2,048,786	2,060,280

24 NET GAIN(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	2007 \$	2006 \$
Costs of Disposal of Non-Current Assets		
Plant, equipment and vehicles	(188,198)	(103,278)
Proceeds from Disposal of Non-Current Assets		
Plant, equipment and vehicles	184,797	85,363
Net gain/(loss)	(3,401)	(17,915)

NET GAIN(LOSSES) ON DISPOSAL OF NON-CURRENT ASSETS

	2007 \$					2006 \$	
	Land	Buildings	Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Furniture & Equipment	Motor Vehicles
Gain on Sale of Non-Current Assets							
Asset written down value			1,285	34,789		265	41,990
Gross proceeds on disposal of asset			3,197	43,280		1,358	47,457
Loss on Sale of Non-Current Assets							
Asset written down value				152,124		11,079	49,944
Gross proceeds on disposal of asset				138,320		2,003	34,545
Net Gain/(loss)	-	-	1,912	(5,313)	-	(7,984)	(9,931)

25 INTEREST REVENUE

	2007 \$	2006 \$
Interest on Legal Aid Operational Funds	741,662	577,423
Interest earned on Capital Reserve		207,521
Interest earned on Asbestosis Account	286,583	59,336
	1,028,246	844,280

26 INCOME FROM STATE GOVERNMENT

	2007 \$	2006 \$
State consolidated fund ^(a)	21,411,399	18,568,878
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation ^(b)	449,831	15,156
	21,861,230	18,584,034

- (a) The Legal Aid Commission is an output of the Department of Attorney General for the purposes of the State Budget, and receives State Government funding through the Department.
- (b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme (The notional superannuation expense is disclosed at note 16 'Employee Benefits Expense'.)

27 RESTRICTED CASH AND CASH EQUIVALENTS

(To be read in conjunction with Note 7)

	2007 \$	2006 \$
Current		
Bank Capital Investment Fund	965,778	
Asbestosis Account	1,231,224	1,290,633
Child Representation Trust Fund	87,137	59,637
Bank - Special Purpose Reserve Fund	534,000	
	2,818,140	1,350,270
Non-current		
Bank Capital Reserve	2,460,353	
Accrued Salaries 27th Pay Provision ^(b)	121,684	-
	2,582,037	-

- (b) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

28 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2007 \$	2006 \$
Cash and Cash Equivalents		
Bank Accounts	10,068,911	12,092,877
Cash on Hand	6,405	6,255
	10,075,316	12,099,132
Restricted Cash and Cash Equivalents		
Bank Capital Reserve	2,460,353	
Bank Capital Investment Fund	965,778	
Asbestosis Account	1,231,224	1,290,633
Child Representation Trust Fund	87,137	59,637
Accrued Salaries 27th Pay Provision	121,684	
Bank - Special Purpose Reserve Fund	534,000	
	5,400,177	1,350,270
	15,475,493	13,449,402

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2007 \$	2006 \$
Net Cost of Services	(21,697,479)	(18,824,510)
Non Cash Items		
Depreciation and amortisation expense	831,932	679,107
Doubtful debts expense	(2,090)	65,913
Net(profit) Loss on disp. of Non-Current Assets	3,401	17,915
Accrued Assets	(150,773)	38,830
(Increase)/decrease in assets		
Current receivables	(1,154,938)	28,515
Non-current receivables	(145,696)	214,645
Increase/(decrease) in liabilities		
Current payables	2,316,703	819,585
Current provisions	212,270	893,663
Non current provisions	508,484	(582,607)
Change in GST in receivables/ payables ^(b)	(16,728)	(69,845)
		-
Net Cash provided by/(used in) operating activities	(19,294,914)	(16,718,789)

- (a) This reverses out the GST in accounts receivable and payable.
- (b) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

29 COMMITMENTS

TOTAL LEASE COMMITMENTS

	2007 \$	2006 \$
Commitments in relation to lease contracted for at the reporting date but not recognised as liabilities are payable:		
Not later than 1 year	2,099,531	2,148,586
Later than 1 year and not later than 2 years	1,968,233	1,994,899
Later than 2 years and not later than 5 years	6,224,894	5,743,636
Later than 5 years	7,313,905	8,730,592
	17,606,562	18,617,712

	2007 \$	2006 \$
Representing:		
Non-cancellable operating leases	17,606,562	18,617,712
	17,606,562	18,617,712

The property leases are non-cancellable leases with terms ranging up to ten years, with rent payable monthly in advance. Contingent rent provisions within the lease agreements variously require that the minimum lease payments shall be increased by CPI or a pre determined % per annum.

The plant and equipment leases are 3 years.

These commitments are all inclusive of GST. The comparative figures have been changed to be reported on a GST inclusive basis.

30 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE COMMISSION AND SENIOR OFFICERS

	2007 \$	2006 \$
Remuneration on Members of the Accountable Commission		
The number of members of the Accountable Commission whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$0 - \$10,000	4	5
\$10,000 - \$20,000	1	1
\$330,000 - \$340,000		1
\$360,000 - \$370,000	1	
The total remuneration of the members of the Accountable Commission is:	\$416,078	\$390,834

The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Accountable Commission.

No members of the Accountable Commission are members of the Pension Scheme

Where a member's remuneration is zero, the member shall be included in a band labelled '\$0-\$10,000'.

Remuneration of Senior Officers	2007 \$	2006 \$
The number of Senior Officers other than senior officers reported as members of the Accountable Commission, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$0 - \$40,000	1	-
\$40,000 - \$80,000	1	-
\$80,000 - \$100,000	-	1
\$100,000 - \$140,000	-	1
\$140,000 - \$150,000	1	1
\$150,000 - \$170,000	1	-
The total remuneration of senior officers is:	\$434,908	\$413,004

The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Accountable Commission.

The Chief Finance Officer was on Long Service Leave for a period of three months and was seconded for a period of one month. The employee acting in this role has been included in the number and remuneration of Senior Officers in the above table along with the substantive Chief Finance Officer.

31 REMUNERATION OF AUDITOR

	2007 \$	2006 \$
Remuneration to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	54,000	49,000
	54,000	49,000

Expense is included at note 17 'Supplies and Services'.

32 CLIENT TRUST FUNDS

The purpose of the trust account is to hold funds in trust for persons who are or have been assisted persons.

	2007 \$	2006 \$
Balance of Funds 1 July 2006	71,507	41,173
Receipts	233,821	286,922
	305,328	328,095
Payments	140,996	256,588
Balance of funds 30 June 2007	164,332	71,507

In addition to the above, individual interest bearing trust accounts in the name of the Director of Legal Aid in trust for "clients" administered by the Legal Aid Commission. These accounts are used when substantial amounts are involved or the Court so directs. At 30 June 2007 there were no accounts maintained at BankWest compared to no such accounts at the conclusion of 2005/2006.

33 INDIAN OCEAN TERRITORIES

The Commission provides a full range of legal services to the residents of Christmas and Cocos Islands. The service is provided pursuant to the service delivery agreement with the Commonwealth government.

Opening Balance 2006	13,030
Receipt from Commonwealth	203,416
Client Contributions	320
Expenditure	(209,763)
Closing Balance 2007	\$7,003

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (SEE NOTE 3)

Interest Rate Risk Exposure

The following table summarises interest rate risk to the Legal Aid Commission as at 30th June 2007.

	Floating interest rate	Fixed Interest Maturing in			Non- interest bearing	Total	Ave. Interest Rate	
		Six months or less	6 months to one year	More than one year			floating	fixed
	\$	\$	\$	\$	\$			
Financial Assets								
Cash	10,075,316					10,075,316	6.25%	
Restricted Cash	5,400,177					5,400,177	6.25%	
Debtors					5,448,516	5,448,516		
Financial Liabilities								
Creditors					11,669,584	11,669,584		

The following table summarises interest rate risk to the Legal Aid Commission as at 30th June 2006.

	Floating interest rate	Fixed Interest Maturing in			Non-interest bearing	Total	Ave. Interest Rate	
		Six months or less	6 months to one year	More than one year			floating	fixed
		\$	\$	\$			\$	\$
Financial Assets								
Cash	12,099,132				12,099,132		5.53%	
Restricted Cash	1,350,270				1,350,270		5.53%	
Debtors				4,129,063	4,129,063			
Financial Liabilities								
Creditors				8,559,601	8,559,601			

Notes: Floating interest rates represent the most recent rate applicable to the instrument at balance date.

Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

In respect of all financial assets, the carrying amount represents the Commission's maximum exposure to credit risk in relation to these assets.

35 EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after balance date which related to any conditions existing at balance date or were material in relation to the financial statements.

36 EXPLANATORY STATEMENT

Significant variations between estimates and actual results for income and expense are shown below.

Significant variations are considered to be those greater than 10%.

Significant variances between estimated and actual result for 2007

	2007 Estimate	2007 Actual	Variation
Income			
Sales	1,387,649	1,909,474	521,825
Interest Revenue	828,835	1,028,246	199,411
Other Revenue	1,380,409	2,048,786	668,377
Income from State Government			
Liabilities assumed by the Treasurer	0	449,831	449,831
Expenses			
Legal Services Expenses	11,234,768	12,906,836	1,672,068
Other Expenses	2,560,825	3,174,850	614,025

Sales

Variance due to additional Commonwealth client contributions relating to the Independent Children's Lawyer pilot project for 4 months and additional State client contributions.

Interest Revenue

Increase due to higher levels of funds on deposit.

Other Revenue

Variance primarily due to higher than expected revenue from the Legal Contribution Trust Fund.

Liabilities assumed by the Treasurer

Annual movements in the unfunded liability assumed by the Treasurer are not budgeted for.(movement can be either positive or negative)

Legal Services Expenses

Increased activity caused corresponding increase in the caseworks costs for State Child Protection matters and Commonwealth Independent Children's Lawyer pilot project.

Other Expenses

Variance due to increased expenditure in State Community Legal Centres due to availability of extra funding for this specific purpose,increased staff relocation expenses, bad debts write off and increased staff training.

Significant variances between actual results for 2006 and 2007

	2007	2006	Variation
Income			
Sales	1,909,474	1,336,146	573,328
Interest Revenue	1,028,246	844,280	183,966
Income from State Government			
State Government Grant	21,411,399	18,568,878	2,842,521
Liabilities assumed by the Treasurer	449,831	15,156	434,675
Expenses			
Supplies and Services	2,926,415	3,292,009	(365,594)
Employee Benefit Expenses	18,730,095	16,517,316	2,212,779
Accommodation Expense	2,179,016	1,834,577	344,439
Depreciation and Amortisation Expense	831,932	679,107	152,825
Other Expenses	3,174,850	2,648,739	526,111

Sales

Variance due to additional Commonwealth client contributions relating to the Independent Children's Lawyer pilot project for 4 months and additional State client contributions.

Interest Revenue

Larger amount of funds on deposit.

State Government Grant

The increase is due to the commencement of Legal Representation in the Magistrate Court, additional District Court funding, additional Children's Community Services act 2004 funding, Child Protection funding, salaries increase and CPI funding.

Liabilities assumed by the Treasurer

Increase in the annual movement of unfunded superannuation liability met by the Treasurer.

Supplies and Services

Reduction primarily due to reduced expenditure on maintenance and information technology relating to office renovations.

Employee Benefits Expenditure

Increase in staffing associated with additional funding of \$1.8M to expand capacity to assist more people in the Magistrates' Courts, pay rate increase of 4.5%in August 2006 backdated to March 2006 and a further 4.0% in March 2007, and a significant increase in the unfunded superannuation liability assumed by the Treasurer due to

a change in the calculation methodology.

Accommodation Expense

Increase primarily due to additional accommodation space in Perth from taking on the Ground floor and 9th floor presence.

Depreciation and Amortisation Expense

Increase due to additional depreciation for Information Technology, Leasehold Improvements and Motor Vehicle assets.

Other Expenses

Increase primarily due additional State CLC expenditure (\$448,972), staff related expenditure (\$82,064) and staff training (\$57,062)

37 COMMONWEALTH EXPENDITURE

Legal Aid WA maintains systems to distinguish the cost of delivering Commonwealth and State services.

The Commonwealth "Legal Aid Monies" (as defined in the Commonwealth Funding Agreement for the period 2006/07 to 31 December 2008) were expended for the purpose of the provision of legal aid services in accordance with the Agreement and attributed in accordance with the Commonwealth Attribution Statement contained in the Agreement, as set out below:

	\$' 000's
Carry Forward Surplus/(Deficit)	1,008
Income	
Services Payment	13,862
Interest	326
Costs Recovered	58
Contributions	714
Expensive Cases Revenue	3
Other	63
TOTAL INCOME	15,026
Expenditure	
Information Services	816
Community Legal Education and Publication Services	494
Legal Advice Services	1,431
Minor Assistance Services	467
Child Support Services (non - litigation)	871
Duty Lawyer Services:	
- Family Law	535
- Criminal Law	32
- Civil Law	1
PDR Services (Grants)	
Litigation Services (Grants):	
- Family Law	6,134
- Criminal Law (excluding expensive cases)	243
- Criminal Law (expensive cases)	3
- Civil - Veterans	23
- Civil - Migration	21
- Civil - Other	98
Assignment Services:	
- PDR	1,685
- Litigation	1,393
Strategic Services	796
Other	
Total Expenditure	15,043
2006/07 SURPLUS/(DEFICIT)	(17)
Closing Surplus/(Deficit)	991

NB - Reconciliation excludes transactions related to Community Legal Centres - which are separately identified at Note 33

38 STATE EXPENSIVE CASES

Arrangements exist with the State Government for additional funding to be provided to ensure expensive criminal trials involving serious charges are not delayed through lack of legal representation. Expensive cases are categorised as matters where the cost of legal representation are expected to exceed \$21,000.

The reconciliation of the expensive cases fund for 2006/07 is as follows:

Opening Balance 01/07/2006	(494,210)
Adjustment relating to prior years	
Supplementary Funding 2006/07	877,000
Expenditure 2006/07	(565,615)
Funds Owing 30/06/2007	(182,825)

39 SPECIAL CATEGORY FUNDING

During the course of the year the Commission realised expenditure related to legal representation costs in support of two special categories:

- (i) Finance Brokers Legal Fund. In July 2001 the Legal Aid Commission commenced maintaining special funding provided by the State Government for investigators legal actions to recover losses from defaulting finance brokers and borrowers, and those who provided professional services to those persons.

Financial activity was as follows:

Budget Funding (in 2001/02)	1,125,000
Additional Funding 2006/07	200,000
Expenditure 2001/02	(336,273)
Expenditure 2002/03	(291,045)
Expenditure 2003/04	(211,787)
Expenditure 2004/05	(115,705)
Expenditure 2005/06	(112,936)
Expenditure 2006/07	(139,920)
Funds remaining 30 June 2007	117,333

- (ii) DCD Legal Fund. In January 2005 the Legal Aid Commission commenced maintaining special funding provided by the Department for Community Development (DCD) for private lawyers to investigate and provide advice as to claims that children may have been abused whilst in care of DCD.

Opening Balance 01/07/2006	81,049
Funding in 2006/07	537,246
Expenditure 2006/07	(482,022)
Funds remaining 30 June 2007	136,274

40 COMMUNITY LEGAL CENTRES

During 2003/04, State Cabinet endorsed key recommendations into Community Legal Centres (CLC's) including the establishment of a State funding program for CLC's. Legal Aid WA includes transactions related to the State funding program in its financial statements as it has effective decision making over the allocation of the funds.

The Commission does not control the allocation of funding received from the Commonwealth Government for Community Legal Centres in Western Australia and consequently does not include these funds in its financial statements.

Financial transactions related to the State and Commonwealth funding for Community Legal Centres are as follows:

	State	Commonwealth
Opening Cash Balance 01/07/2006	1,542,106	103,683
Receipts	2,800,807	3,369,810
Payments	(2,286,301)	(3,256,625)
Closing Cash Balance 30/06/2007	2,056,612	216,868

PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

Key Performance Indicators

Certification of Key Performance Indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Legal Aid Commission of Western Australia's performance, and fairly represent the performance of the Legal Aid Commission of Western Australia for the financial year ended 30 June 2007.



Malcolm McCusker AO QC

Chairman

Date: 20 August 2007



George Turnbull

Director

Date: 20 August 2007

AUDITOR GENERAL'S OPINION ON PERFORMANCE INDICATORS



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

LEGAL AID COMMISSION OF WESTERN AUSTRALIA FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Legal Aid Commission of Western Australia

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Charges in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Commission's Responsibility for the Financial Statements and Key Performance Indicators

The Commission is responsible for the keeping of proper accounts, and the preparation and fair presentation of the financial statements in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Legal Aid Commission of Western Australia

Financial Statements and Key Performance Indicators for the year ended 30 June 2007

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Legal Aid Commission of Western Australia at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2007.

Handwritten signature of Colin Murphy in black ink.

COLIN MURPHY
AUDITOR GENERAL
20 August 2007

PERFORMANCE INDICATORS FOR 2006 – 2007

Funds are limited and determining the extent and type of assistance provided to clients is central to Legal Aid's operations. This involves allocating resources to services that are available to the general community and to services, including legal representation, that is restricted and managed according to the extent of disadvantage a person is experiencing.

GOVERNMENT DESIRED OUTCOME:

The right to justice and safety for all people in Western Australia is preserved and enhanced.

OUR VISION:

Is to be recognised as a leader in the coordination and delivery of legal assistance services that reflect community expectations and are responsive to need.

AGENCY DESIRED OUTCOME:

Is to ensure the community and target groups have access to and are provided with quality legal services.

This is achieved through the provision of a range of services; including the formulation of priorities and the administration of eligibility and merit tests to enable legal representation to be provided to clients by way of a grant of aid and assignment of cases to in-house or private practitioners.

EFFECTIVENESS INDICATORS

The two key aspects of the outcome sought by Legal Aid WA as a result of the services provided are "access to legal services" and "service quality".

Access is measured by the application approval rate or the extent to which legal representation can be provided, to those whom seek it. Quality is measured by client satisfaction with particular aspects of service delivery, for example the effect the assistance had in helping them understand their legal situation, and how well they believed the lawyer represented them in court.

EXPLANATORY NOTES FOR EFFECTIVENESS INDICATORS

- 1 Applicants for a grant of aid must satisfy certain criteria for legal representation to be approved.
- 2 In areas of family law only, some applicants are assisted via a grant of aid to pursue alternative dispute resolution.
- 3 Telephone information and community education services include telephone information service both in Perth metropolitan and regional areas, policy advice sessions, community legal education and training, face to face consultation, and Family Court information services.
- 4 Legal advice services include minor assistance where a solicitor or paralegal (under the supervision of a solicitor) provides personal assistance of up to three

hours in drafting negotiation letters, applications and court documentation in most areas of law for non-complex matters.

TECHNICAL NOTES FOR EFFECTIVENESS INDICATORS

SURVEY METHODOLOGY

Each year Legal aid undertakes an annual Client Satisfaction Survey, alternating between family law and criminal law clients. This year, both family law clients and criminal law clients were surveyed. The surveys were designed to allow meaningful comparisons to be made to the most recent Family Law and Criminal law surveys which were conducted for inclusion in the 2005/06 and the 2004/2005 Annual Reports respectively, provided that the neutral rating in the five point scale used in previous surveys was deleted and not available to respondents, so as to obtain a more definitive response from clients to the questions asked. This may impact the comparability of results between years. This year surveys were conducted by Advantage Communications and Marketing Pty Limited.

RESEARCH METHODOLOGY

Survey Populations (Family Law)

The populations for the purpose of the research were all clients from the six Family Law client groups who had received their respective type of assistance from

Legal Aid in the past 12 months. The population sizes for each client type are shown in Table 1 below.

Contact lists for each client group, were provided by Legal Aid WA.

Survey Populations (Criminal Law)

The populations for the purpose of the research were all clients from the three criminal law client groups who had received their respective type of assistance from Legal Aid in the past 12 months. The population sizes for each client type are shown in Table 2 below.

Contact lists for each client group, were provided by Legal Aid WA

Sample Sizes (Family law clients)

The sample sizes for the Family Law client groups satisfaction surveys were designed to balance the requirements of obtaining accuracy within about +/- 5% at the 95% confidence level and having sufficient sample sizes for each survey group to allow valid statistical analysis at the individual survey level and to make comparisons between the surveys.

For the Family Law client population as a whole, a sample size of 400 would give an error ratio of no more than +/- 5% at the 95% confidence level i.e. where 43% of the sample gives an answer we can be 95% confident that if we had asked the question of the entire relevant population, between 38% and 48% would have picked that answer.

However, taking the populations of the different survey groups in isolation, in order to minimise the error ratio for data collected from each group within the constraints imposed by the total sample size we needed to give greater weighting to the client groups with smaller populations like Duty Lawyer and Child Support clients. While this means that the error ratios of data collected from the smaller client groups are still higher than that obtained from those survey groups with larger populations, these error ratios are not blown out to the degree that would be the case if we merely split the samples according to population numbers. To do this, it was decided to aim for 45 Duty Lawyer Surveys and 38 Child Support Surveys. The remainder of the initial sample was allocated roughly proportional to the square root of the population size between each of the client group surveys.

At the end of the fieldwork only 33 Duty Lawyer and 33 Child Support surveys could be completed due to the high level of disconnected numbers and

clients in these groups having moved away. The sample sizes of the other client groups were therefore increased to meet the requirements of a maximum error ratio of +/-5%.

The table below shows the breakdown of the sample into the survey areas.

The estimated overall level of accuracy expected from this was +/- 4.3% assuming a satisfaction level of 70% based on previous results. The accuracy levels for the individual surveys are higher but still within acceptable error bounds. The achieved overall level was +/-3.3%.

POPULATIONS, SAMPLE SIZES AND LEVELS OF ACCURACY

Family Law Client Group	Population Size (N)	Target Sample Size	Achieved Sample Size (n)	Level of Accuracy
Legal Advice	2801	196	201	+/- 4.5%
Alternative Dispute Resolution	154	50	50	+/- 8.7%
Grants of Aid	345	68	74	+/- 7.9%
Duty Lawyer/Family Court Services	106	45	33	+/- 8.8%
Child Support	77	38	33	+/- 7.9%
TOTAL	3483	397	391	+/- 3.3%

Sample Sizes (Criminal law clients)

The sample sizes for the Criminal Law client groups satisfaction surveys were designed to balance the requirements of the office of obtaining accuracy within about 5% at the 95% confidence level and having sufficient sample sizes for each survey group to allow valid statistical analysis at the individual survey level and to make comparisons between the surveys.

For the Criminal Law client population as a whole, a sample size of 400 would give an error ratio of no more than +/- 5% at the 95% confidence level i.e. where 43% of the sample gives an answer we can be 95% confident that if we had asked the question of the entire relevant population, between 38% and 48% would have picked that answer. However, taking the populations of the 3 survey groups in isolation, in order to minimise the error ratio for data collected from each group within the constraints imposed by the total sample size we gave greater weighting to the Legal Advice and Grants of Aid client groups with smaller populations. While this means that the error ratios of data collected from the smaller client groups are still higher than that obtained from the Duty Lawyer client group with its larger population, these error ratios are not blown out to the degree that would be the case if we merely split the samples according to population numbers. To do this, the initial sample of 400 was allocated proportional to the square root of the population size between each of the client group surveys.

The table below shows the breakdown of the sample into the three survey areas.

The estimated overall level of accuracy expected from this was +/- 4.3% assuming a satisfaction level of 70% based on previous results. The accuracy levels for the individual surveys are higher but still within acceptable error bounds. The achieved overall level was +/- 3.2%.

POPULATIONS, SAMPLE SIZES AND LEVELS OF ACCURACY

Criminal Law Client Group	Population Size (N)	Target Sample Size	Achieved Sample Size (n)	Level of Accuracy
Duty Lawyer	5001	237	239	+/- 4.3%
Legal Advice	574	80	84	+/- 6.7%
Grants of Aid	608	83	84	+/- 6.2%
TOTAL	6183	400	407	+/- 3.2%

Questionnaire Design (Family Law Clients)

The questions used for this year's Family Law survey were supplied by Legal Aid and the questions used to calculate the satisfaction index were the same as those used in previous years, to allow meaningful comparisons with earlier reports. However, a number of new questions were added and others revised in order to extend the areas covered by the survey, improve the quality of response and provide more meaningful management information.

At Legal Aid's request, where respondents were previously asked to rate their agreement to statements as either strongly agree, agree, neutral, disagree or strongly disagree, this year the neutral or neither agree nor disagree response category was dropped from the five point scale. By modifying the scale to four points, respondents were forced to make a choice towards agreement or disagreement. This may impact comparability of results between years.

A new Child Support survey was designed to be consistent with existing questionnaires.

Questionnaire Design (Criminal Law Clients)

The questions used for this year's Criminal Law survey were supplied by Legal Aid and the questions used to calculate the satisfaction index were the same as those used in previous years, to allow meaningful comparisons with earlier reports. However, a number of new questions were added and others revised in order to extend the areas covered by the survey, improve the quality of response and provide more meaningful management information.

At Legal Aid's request, where respondents were previously asked to rate their agreement to statements as either strongly agree, agree, neutral, disagree or strongly disagree, this year the neutral or neither agree nor disagree response category was dropped from the five point scale. By modifying the scale to four points, respondents were forced to make a choice towards agreement or disagreement. This may impact comparability of results between years.

Data Collection Methodology (Family Law clients)

Surveys were conducted over the telephone using the contact lists provided by Legal Aid over a three-week period from 7th June 2007 to 28th June 2007. Calling took place in both business hours and evenings. The majority of residential calls would have been made in the late afternoon, early evening hours from around 4pm – 8 pm weekdays and also 9am – 5pm on Saturdays.

Surveys were conducted in accordance with the requirements of the Federal Privacy Act and the Australian Market & Social Research Society (AMRS) Professional Code of Conduct.

The quality of data collected and the "completeness" of each survey were checked by supervisory staff before and after input. In addition, a minimum 10% of all respondents were recontacted to validate the information provided (as required by Market Research Quality Standards).

Data Collection Methodology (Criminal law clients)

Surveys were conducted over the telephone using the contact lists provided by Legal Aid over a three-week period from 19th

June 2007 to 30th June 2007. The majority of calls would have been made in the late afternoon, early evening hours from around 4pm – 8 pm weekdays and also 9am – 5pm on Saturdays.

Surveys were conducted in accordance with the requirements of the Federal Privacy Act and the Australian Market & Social Research Society (AMSRS) Professional Code of Conduct.

The quality of data collected and the “completeness” of each survey were checked by supervisory staff before and after input. In addition, a minimum of 10% of all respondents was recontacted to validate the information provided (as required by Market Research Quality Standards).

Data Analysis and Reporting Notes (Family Law Clients)

To ensure consistency in reporting comparisons with previous survey results, overall satisfaction has been reported as the proportion of the respondents who gave a “net agree” (i.e. strongly agree or agree) response excluding respondents who indicated that a particular aspect was not applicable or didn’t know. Results are rounded to the nearest whole number and therefore some totals may exceed 100%.

As indicated previously, where respondents were previously asked to rate their agreement to statements as either strongly agree, agree, neutral, disagree or strongly disagree, this year the neutral or neither agree nor disagree response category was dropped from the five point scale. By modifying the scale to four points, respondents were forced to make a choice towards agreement or disagreement. This may impact comparability of results between years.

Data Analysis and Reporting Notes (Criminal Law Clients)

To ensure consistency in reporting comparisons with previous survey results, overall satisfaction has been reported as the proportion of the respondents who gave a “net agree” (i.e. strongly agree or agree) response excluding respondents who indicated that a particular aspect was not applicable or didn’t know. Results are rounded to the nearest whole number and therefore some totals may exceed 100%.

As indicated previously, where respondents were previously asked to rate their agreement to statements as either strongly agree, agree, neutral, disagree or strongly disagree, this year the neutral or neither agree nor disagree response category was dropped from the five point scale. By modifying the scale to four points, respondents were forced to make a choice towards agreement or disagreement. This may impact comparability of results between years.

DESIRED OUTCOMES AND KEY EFFECTIVENESS INDICATORS

DESIRED OUTCOMES:

The right to justice and safety for all people in Western Australia is preserved and enhanced and the community and target groups have access to and are provided with quality legal services.

Key Effectiveness Indicators	2005 Actual	2006 Actual	2007 Target	2007 Actual	Reasons for Significant Variance between 2007 Target and 2007 Actual
Applications approved for a grant of aid as a percentage of all applications received	65%	67%	68%	71%	Additional funded activity in Child protection proceedings as well as increased appointments of Independent Children Lawyers in the Family Court under a pilot project resulted in increased applications granted
Percentage of clients satisfied with service provided:					
- Criminal Law	72%	-	73%	87%	Criminal Law and Family Law survey questionnaires changed to 4 point scale without a neutral response, whereas prior year survey used a 5 point scale with a neutral response.
- Family Law	-	74%	-	85%	

Key Effectiveness Indicators	2005 Actual	2006 Actual	2007 Target	2007 Actual	Reasons for Significant Variance between 2007 Target and 2007 Actual
State Law:					
Average cost per call	13	14	15	17	
Average cost per service: face to face information	21	30	32	36	
Average cost per service: duty lawyer service	78	90	92	98	
Average cost per legal advice	99	103	108	113	
Average cost per minor assistance	203	172	195	187	
Average cost per application processed	143	152	156	127	Revised guidelines for representation processed in the Magistrates Court and e-lodgement of criminal applications has simplified assessment process
Average cost per legal representation	1,818	1,836	1,915	1,892	

Key Effectiveness Indicators	2005 Actual	2006 Actual	2007 Target	2007 Actual	Reasons for Significant Variance between 2007 Target and 2007 Actual
Commonwealth Law:					
Average cost per call	18	18	19	22	
Average cost per service: face to face information	26	30	32	29	
Average cost per service: duty lawyer service	88	96	90	134	Time to provide each service has increased due to the new processes associated with the Child Related Proceedings Program.
Average cost per legal advice	94	96	95	126	Client service times have increased to meet additional advisor obligations as a result of Family Law changes.
Average cost per minor assistance	178	166	168	185	
Average cost per application processed.	487	440	494	493	
Average cost per legal representation	2,716	2,599	2,570	2,861	Changes to case-mix brought about by increased grants for the appointment of Independent Children's Lawyers under pilot arrangements agreed with the Family Court.
Average cost per child support	1,394	1,363	1,420	1,296	

MINISTERIAL DIRECTIVES

Nil

MINISTERIAL AUTHORISATION

In accordance with S37(4g) of the *Legal aid Commission Act 1976* under the *Financial Management Act 2006* Part 5, the Commission is required to report the number of notices of authorisation given to the Director under section 37(4f) of the *Legal aid Commission Act 1976*, and the

amount of monies paid out of the Fund as a result of those authorisations.

The Commission received one authorisation from the Attorney General with an associated amount of \$9,088.00 paid out.

OTHER FINANCIAL DISCLOSURES

PRICING

The Legal Aid Commission Act 1976 provides for the Legal Aid Commission to set fees. Section 39 of the Act provides for client contributions to be imposed and where applicable, to be secured against property assets in circumstances where legal representation is provided by way of a grant of legal assistance. Applications for a grant of legal assistance are subject to a means test to determine financial eligibility and whether a client

should be required to make a contribution towards the cost of their legal assistance. The means test includes an income test and an assets test. Contributions can include:

- An initial or final cash contribution; or
- Securing costs by a memorial or caveat over property, (including that of any financially associated person) redeemable when the property is sold.

A review of income and asset thresholds was completed during the period to incorporate cost of living increases including mortgage and rental costs and to better reflect current housing market values. The expected impact is that more applicants will qualify financially for legal assistance. Income and Assets tables showing the new allowance and threshold levels are depicted in the table below:

Income Test	New Allowance	Previous
Assessable Income (Net/Income)	\$264	\$229
Housing costs - metropolitan	\$260	\$173
Housing costs – south of the Great Eastern Highway	\$230	\$156
Housing costs – north of the Great Eastern Highway	\$390	\$273
Childcare	\$148	\$132
Dependents (including maintenance) - first	\$99	\$85
Dependents (including maintenance) - second and subsequent (each)	\$93	\$81
Assets Test	New Allowance	Previous
Assessable Assets (Net/Assets)	\$100	\$100
Equity in principal home - metropolitan	\$362,060	\$200,000
Equity in principal home - south of the Great Eastern Highway	\$299,614	\$200,000
Equity in principal home – north of the Great Eastern Highway	\$355,031	\$200,000
Equity in farm or business - single home owner	\$161,500	\$149,500
Equity in farm or business - single non-home owner	\$278,500	\$257,000
Equity in farm or business - partnered home owner	\$229,000	\$212,500
Equity in farm or business - partnered non-home owner	\$346,000	\$320,500
Equity in up to two motor vehicles	\$14,600	\$14,600
Allowable assets - single applicant	\$950	\$790
Allowable assets - applicant with children	\$1,900	\$1,580

The Commission imposed a Debt Management fee from 1 July 2006, to re-coup part of the costs involved in managing outstanding client contributions and to encourage earlier payment. The amount of the Debt Management fee is calculated at 5% of the debt owed to Legal Aid and is CPI indexed each year. In 2006-07 the minimum fee was \$25.00 and the maximum fee \$250.00 per annum.

Legal Advice, Minor Assistance and Duty Lawyers services attract a fee of between \$5 and \$20. The concession rate of \$5 is available for healthcare cardholders and the fee may be waived in cases of financial hardship.

In addition, the Courts will on occasion award costs against the other party and the cost of providing legal representation by way of a grant of legal assistance will be recovered by Legal Aid.

Client generated revenue and cost recoveries were collected as follows:

Revenue from services	06-07	05-06
Client Contributions and fees.	\$1,319,222	\$940,199
Cost Recoveries	\$397,316	\$220,374
Legal Advice fees	\$77,193	\$83,589
Duty Lawyer fees	\$112,159	\$89,445

CAPITAL PROJECTS

ACCOMMODATION

Renegotiation of the Perth office lease in 2005 produced a landlord's contribution that could be used to offset fit out costs or be taken as a fixed period reduction in rent. This was used to fit out new ground floor reception space in keeping with revised plans for managing clients and staff security throughout the building. Plans were finalised in 2006/07 to remodel remaining floors on a similar basis and to accommodate staff relocating from the May Holman centre, through greater use of open plan design. After independent

advice, the Commission allocated \$683 000 from reserve funds to supplement remaining incentive monies, necessary to complete the project. Works are expected to be completed by December 2007 and will deliver an increase in total staff numbers at a reduced average floor space.

A rejuvenation plan of regional offices across Western Australia that commenced in 2005/06 continued with refurbishments of the Kalgoorlie and Broome regional offices. The Broome office was relocated to newly leased premises to meet security and client management

requirements and to achieve cost benefits in the long term. The refurbishment also includes the installation of state of the art video conferencing facilities. After independent advice, the Commission allocated \$371,000 from capital investment reserve funds and \$74,000 from capital funds to complete the project. The office was relocated on 29 June 2007. Refurbishment of the Kalgoorlie regional office was also completed in May 2007 with capital funding of \$155,720.

INFORMATION

Agency demand for systems to support improved client management practices, continues to grow and delivery of client centred applications in place of outmoded legacy systems remains a priority. Network infrastructure continues to expand with the addition of a Kununurra office, with five extra sites having been added to the seven sites that formerly required support, in the past three years. Capital funding to replace Information Technology assets at end of useful life was partially successful covering forty

percent of known requirements. The Document Management System was implemented to non-client facing areas and the Information and Records Services Unit was restructured. The use of Grants Online was extended and a further 19 private practitioners were connected, increasing the total number of private practitioners using Grants Online by 29% to a total of 85. 76% of all private practitioner applications are now being dealt with electronically. Implementation of a new content management system

enabled integration between the intranet and Document Management System and re-development of the outmoded Legal Resource Database, in daily use by Telephone Advisers and external partners. Expansion of the Grants Online and Document Management System initiatives have been prioritised along with action to procure capital funding to replace current legacy applications necessary for improved client management practices to be achieved.

EMPLOYMENT AND INDUSTRIAL RELATIONS

EMPLOYEE PROFILE 2006/2007

Level	Lawyers			Paralegal			Administration			Article Clerks			Total 2005/06	Total 2006/07	% 2006/07	% 2006/07
	P	O	C	P	O	C	P	O	C	P	O	C				
Trainee													1	1	0.37%	0.33%
1				3			14	1					16	18	5.97%	6.00%
2				11	1		42	3		12			65	69	24.25%	23.00%
3	3	9		39	2		14	1					57	68	21.27%	22.67%
4	11	2		4			5						16	22	5.97%	7.33%
5	22			1			14						38	37	14.18%	12.33%
6	17	1					5						17	23	6.34%	7.67%
7	22						1						18	23	6.72%	7.67%
8	4						5						14	9	5.22%	3.00%
9	23												19	23	7.09%	7.67%
Class 1	2												1	2	0.37%	0.67%
Class 2	2												2	2	0.75%	0.67%
Class 3							1						2	1	0.75%	0.33%
Class 4	1												1	1	0.37%	0.33%
Special Division		1											1	1	0.37%	0.33%
TOTAL	107	13	0	58	3	0	101	6	0	0	12	0	268	300	100%	100%

P = Permanent Employee

Includes staff on LWOP:

O = Contract Employee

2005/2006 LWOP 11 Females

C = Casual Employee

2006/2007 LWOP 14 Females/
2 Males

STAFFING POLICIES, INCLUDING RECRUITMENT AND STAFF DEVELOPMENT

Regional expansion saw an additional 32 persons employed (an increase of 22.5 full time equivalents) with Legal Aid WA continuing to invest heavily in articulated clerk recruitment and training. A Country Lawyers project has been established in conjunction with the Law Society, the Aboriginal Legal Service, the Association of Community Legal Centres and Indigenous Family Violence Prevention Legal Services to examine industry wide solutions to common difficulties experienced with recruitment and retention of lawyers willing to work in regional WA. The availability of staff housing at reasonable rents is one factor being examined.

A Knowledge Management Strategy with a particular emphasis on learning and development and accessibility was progressed along with design of a comprehensive induction program to standardize skills and knowledge for those performing initial client assessments. We also commenced important collaborative work for a system that will allow immediate access to electronic information on both law and procedure, building on the improvements completed on the Legal Resource System during 2006. A redesign of the Intranet is intended to allow us to tailor the product to each individual staff member and their areas practice so that each staff member can deliver fast, accurate and relevant information or advice to clients across the State.

Legal Aid WA provides family friendly and flexible work arrangements where possible, with 11.5% of staff working on reduced hours, at home or on a part-time basis. A further 14 members of staff are taking additional leave due to their participation in the 44/52 leave scheme that accommodates up to 8 additional weeks pre-purchased leave to support their personal work/life arrangements. Two staff members are participating in the deferred salary scheme, which allows for a pre-purchased year off work to enjoy a career break.

INDUSTRIAL RELATIONS

The availability and support extended to contact officer and grievance officers, along with communication practices and the support provided to Managers through the Human Resource Branch, has contributed to a harmonious working environment. Salaries and conditions comply with public sector standards, with criteria progression being available to Legal staff.

WORKERS COMPENSATION AND THE PREVENTION OF INJURIES AND ILLNESS

The availability of free confidential counselling for employees and their family continues to be actively promoted as a means to mitigate lost time through personal or work related stressors with participation rates increasing from 6.36% to 8.18% of staff with a 24% reduction in the number of sessions for ongoing counselling

and a 28% increase in the number of initial assessments undertaken.

Four new worker's compensation were lodged and there are three ongoing claims from previous years. The following four factors are indicators of worker's compensation at Legal Aid WA.

Premium/Contribution Rate	0.35
Cost of claims incurred per \$100 wage bill	0.9238
Frequency Rate/Lost Time	0.00
Rehabilitation Success Rate	0.00

GOVERNANCE DISCLOSURES

PECUNIARY INTERESTS

The Legal Aid Commission Act 1976 requires members to disclose their pecuniary interest in matters being considered and to have such disclosure recorded in the minutes of that meeting. No disclosures were recorded.

INSURANCE PREMIUMS

An insurance premium of \$6,416.70 was paid to Jardine Lloyd for Director's & Officer's liability.

PROFESSIONAL CONDUCT

All legal staff must abide by the Law Society Professional Conduct Rules. Our Legal Practice complies with the Law Society of Western Australia's Quality Practice Standards. The Quality Practice Standard is a Law Society initiative aimed at assisting legal practices to improve their relationships with clients and ensure that a consistently high level of service is provided. Law Society accreditation is subject to annual audit and a comprehensive evaluation of our Professional Practice Standards. Legal Aid WA has been accredited for six years. Our Quality Practice Standards and Professional Practice Standards are both available to all staff via the Circuit web page.

RECONSIDERATION AND REVIEW OF A REFUSAL TO GRANT LEGAL AID

Every person who is refused a grant of legal aid has a statutory right to request reconsideration and then review of that decision.

In 2006-07, there were 908 requests for reconsideration, a 21% decrease to the previous year. The number of decisions varied following reconsideration was 445, similar to the previous year. [See Table 6]. A further 74 reviews were conducted by an independent Review Committee consisting of two private practitioners and a layperson. 11 decisions were varied at review, compared to 15 the previous year. [See Table 7].

AUDIT COMMITTEE

The Board of Commissioners maintains an Audit Committee with responsibility for assessing and reporting on:

- The effectiveness of systems and standards of internal control
- The management of business risk
- Compliance with legislation, standards, policies and procedures and
- The quality and reliability of management reporting.

The Audit Committee has unhindered access to management and can avail itself of independent professional advice at any time. The Audit Committee operates with a three-year plan and monitors progress of the annual audit program, including management follow-up of audit findings. Internal auditors and a representative from the Office of the Auditor General assist the Audit Committee. The Audit Committee met four times this year and as a sub-committee on three occasions, to review the adequacy of information planning and controls. During the year the former internal audit

provider of seven years standing was replaced through competitive tender with a new provider. The Office of the Auditor General conducted a control, compliance and accountability audit of the legal representation program, reporting its findings to Parliament in June. The findings included suggestions for improving administrative decision-making and recognised that Legal Aid applies effort to ensure decisions are made in a timely fashion. The findings were accepted and are being implemented.

TABLE 6
Reconsideration

	06-07	05-06	% change
Confirmed	385	575	-33
Varied	445	424	5
Pending	78	145	-46
Total	908	1,144	-21

TABLE 7
External Review

	06-07	05-06	% change
Confirmed	55	88	-38
Varied	11	15	-27
Pending	8	5	60
Total	74	108	-31

OTHER LEGAL REQUIREMENTS

ADVERTISING

Total advertising expenditure was \$18,640.13 of which \$18,490.13 was incurred through Marketforce Productions.

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

Our Access and Equity policy ensures that clients are not disadvantaged because of means, age, gender, disability, language, culture, race or geographical location. Our Service Charter and Practice Standards also ensure that services are confidential, independent and easily accessible. Complaint handling is centrally managed with documented procedures ensuring thorough scrutiny of all client complaints whether received orally, in writing or via web-mail. The Legal Aid WA website maintains its accreditation under the "Bobby Approved" status, signifying compliance with accessibility guidelines for users with a disability.

Staff continued to maintain and develop contacts with agencies involved in the placement of people with disabilities. A number of work placements were provided this year and two recently employed young people are currently completing a Traineeship. Support workers linked to a number of staff with disabilities attend the workplace on a regular basis. As well as providing ongoing support for the staff member, the support worker also provides co-worker training and assistance to management and other staff as appropriate.

Legal Aid continues to liaise with peak organisations providing mental health and intellectual disability services to ensure the broad range of our services meet the needs of these client groups. Legal Aid WA continues to provide legal representation for mentally impaired defendants. Our dedicated Mental Health Solicitor represents clients in the Magistrates Court and the District Court. The solicitor has maintained an ongoing relationship with the

Disability Services Commission, various hospitals and the courts, which ensures that Legal Aid WA clients are provided with appropriate representation and ancillary services in relation to criminal law matters.

EQUAL EMPLOYMENT OPPORTUNITY OUTCOMES

Legal Aid WA is committed to increasing the representation of designated equal employment opportunity groups, with current representation as follows:

Women	78%
Women in Management Tiers 1 to 3	51.5%
Culturally diverse	12.6%
People with Disabilities	4.1%
Indigenous Australians	2.2%
Youth	7.6%

Legal Aid WA's Key EEO Initiatives implemented in 2006-07 are listed below along with the respective outcomes.

What was the Initiative?	Reference in Current Plan	What was achieved?	What difference has it made to your agency?	How was the initiative evaluated?
1. EEO Groups prioritised in areas of youth & diversity in recruitment strategy.		Youth & Diversity groups are targeted as part of recruitment strategy	Increased awareness for those involved in staff selection	Standard advertising includes statements to encourage applicants from diversity groups to apply
2. Implementation of Online Induction Module		100% of staff are able to access training in appropriate workplace behaviours and EEO requirements	Improved understanding across existing staff and new recruits	Feedback from participants and management groups that training is effective and comprehensive
3. Trainee placement		Targeted placement of trainees in diversity groups	Improved understanding across organisation	Feedback from structured Articled Clerk program and
4. Contact Officers		Contact Officers recruited to increase support to staff across organisation specifically targeting bullying & harassment	Increased ability for employees to access peer support in instances of bullying & harassment	Contact Officer service supported

Legal Aid WA have identified the following initiatives for the upcoming year:

1. Sustainable Indigenous Recruitment Strategy to be developed.
2. Cultural Awareness Training made available to all staff.

COMPLIANCE UNDER S31 OF THE PUBLIC SECTOR MANAGEMENT ACT 1994

Apart from Part 3 of the Public Sector Management Act 1994, which has been specifically excluded by section 21 of the Legal Aid Commission Act 1976, all public sector standards are observed by staff.

1. There were no compliance issues that arose during the 2006-2007 financial year regarding public sector standards.
2. There were no compliance issues that arose during the 2006-2007 financial year regarding the WA Code of Ethics.
3. Compliant issues that arose during the 2006-2007 financial year regarding our own agency code of conduct included:
 - Allegation of inappropriate use of a government property, investigated and substantiated for 1 staff member.
 - Allegation of lack of accountability for hours discharged in the course of duty made against one staff member, with the investigation in progress.
4. Significant action taken to monitor and ensure compliance included:
 - Recruitment and Selection processes reviewed by Human Resources as a quality assurance procedure.
 - Ongoing training provided to contact officers and recruitment panel members to ensure compliance with relevant Standards.
 - A project is being undertaken to provide

more comprehensive information about Standards via agency intranet.

- Standards information provided to chairperson of recruitment and selection panels as part of the Advertised Vacancy file.
- WA Code of Ethics included in the Online Induction module, and is readily available to all staff.
- A project is being undertaken to provide more comprehensive information about Standards via agency intranet.
- Ethics issues are raised with Director of Legal Aid as they may arise.
- Legal Aid operates a Gift Register for gifts offered and accepted by staff.
- Information Brochures are provided to staff on integrity topics such as Conflict of Interest, Acceptance of Gifts and Secondary Employment.
- An investigation found that an allegation made in relation to one employee was substantiated and led to disciplinary action being taken against that staff member.
- Legal Aid's Code of Conduct is available to all staff via the intranet and the Online Induction Module.
- A number of varied awareness raising workshops/ information sessions were undertaken to deal with issues such as bullying and harassment.

The Contact Officer service was also advertised at this time.

- Contact Officer network updated and relevant training provided.

RECORDKEEPING

The State Records Commission approved the agencies Recordkeeping Plan on 2 April 2007 for a period of five years. An additional 53 staff undertook training in the use of the Business Classification Scheme (BCS) as well as the Document Management System (DMS) throughout the year. In addition 68% of staff have completed, and a further 7% have commenced, training on introductory records management principles utilising an online web based training program.

GOVERNMENT POLICY REQUIREMENTS

CORRUPTION PREVENTION

Legal Aid WA continued to develop risk management strategies and raise staff awareness in the area of corruption prevention, as highlighted below:

- Key staff attended refresher training to support ongoing awareness of the Public Interest Disclosure Act 2003.
- Legal Aid WA is currently participating in a survey entitled "Whistling While They Work" focusing on how public sector staff are dealt with when they report internal wrongdoing. This

ANNUAL ESTIMATES
FOR THE YEAR ENDED 30 JUNE 2008

is a national survey funded by the Australian Research Council involving 5 universities and many state public sector partners.

- Legal Aid WA operates a Gifts Register for gifts offered and accepted by staff.

SUSTAINABILITY

Legal Aid continues to implement energy smart programs in an effort to establishment an eco-office environment. During the past year a significant refurbishment project commenced with the design incorporating energy saving aspects and devices. Open-plan workstations are being adopted around the perimeter of the building allowing a greater degree of natural light to permeate through to offices constructed around the core of the building with glass walls facing the external windows. Automatic light motion sensors are also being installed to ensure lights are not left on when offices, meeting rooms and common use areas are not occupied, or being used.

In addition to implementing an electronic document management system that has the potential to minimise the use of paper, waste paper recycling bins have been provided to collect paper that is generated but no longer required. An impact assessment has not been conducted at this stage as this initiative has only just commenced.

OPERATING EXPENSES	2007/2008 Proposed
Legal Service Expenses	
Casework Costs - Cwlth	3,761,000
Casework Costs - State	6,739,847
Disbursements IHP Cwlth	451,314
Disbursements IHP State	212,395
Disbursements DCD	20,000
State Commitment - DCD Referrals	387,500
Sundry Expenses - Casework	-32,125
Other Service Expenses	318,792
TOTAL LEGAL SERVICE EXPENSES	11,858,723
Salaries and Related Expenses	
Salaries and Allowances	17,531,956
Staff Related Expenses	2,108,828
TOTAL SALARIES AND RELATED EXPENSES	19,640,784
Other Operating Expenses	
Communications	448,456
Services and Contracts	4,201,208
Consumables	657,823
Maintenance	280,297
Other Operating Expenses	248,723
Depreciation	973,388
TOTAL OTHER OPERATING EXPENSES	6,809,895
Other Grants	
State Community Legal Centres	2,383,741
TOTAL OTHER GRANTS	2,383,741
TOTAL OPERATING EXPENSES	40,693,143
REVENUE FROM SERVICES	
Contributions	1,409,906
Revenue from Services	189,715
Other Operating Revenue	809,970
Legal Contribution Trust Fund	1,000,000
Interest Revenue	983,866
TOTAL REVENUE FROM SERVICES	4,393,457
NET COST OF SERVICE	-36,299,686
REVENUE FROM GOVERNMENT	
Commonwealth Revenues	
Cwlth Oper Grant 2004/05 Fund Agreement	14,133,554
Cwlth Expensive Cases - In House	0
Cwlth Christmas Island	235,145
TOTAL COMMONWEALTH REVENUES	14,368,699
State Revenues	
State Cons Fund - Recurrent	19,109,000
Expensive Cases - In House	30,000
State Community Legal Centres	2,433,741
TOTAL STATE REVENUES	21,572,741
TOTAL REVENUE FROM GOVERNMENT	35,941,440
Annual Operating surplus/(deficit)	-358,246

LEGAL AID OFFICES

TELEPHONE INFORMATION LINE

General Inquiries
1300 650 579

CHILD SUPPORT LEGAL UNIT

Carer and Liable Parents
9261 6253

Country Callers (Toll-Free)
1800 199 363

DOMESTIC VIOLENCE LEGAL UNIT

9261 6254 or 9261 6320

TTY (for the hearing impaired):
1800 241 216

www.legalaid.wa.gov.au

PERTH OFFICE

55 St Georges Terrace
Perth WA 6000

Telephone (08) 9261 6222
Facsimile (08) 9325 5430

GOLDFIELDS REGIONAL OFFICE

Suite 3, 120 Egan Street
Kalgoorlie WA 6430

Telephone (08) 9091 3255
Facsimile (08) 9091 2077

SOUTHWEST AND GREAT SOUTHERN REGIONAL OFFICE

Koombana Court
141 Victoria Street
Bunbury WA 6230

Telephone (08) 9721 2277
Facsimile (08) 9721 2060

FREMANTLE REGIONAL OFFICE

Shop 7, Queensgate Centre
William Street
Fremantle WA 6160

Telephone (08) 9335 7108
Facsimile (08) 9335 1338

MIDLAND REGIONAL OFFICE

Landgate Building
Cnr Midland Square and
The Avenue
Midland WA 6056

Telephone (08) 9274 3327
Facsimile (08) 9274 3595

KIMBERLEY REGIONAL OFFICE

40 Dampier Terrace
Broome WA 6725

Telephone (08) 9195 5888
Facsimile (08) 9192 1520

PILBARA REGIONAL OFFICE

28 Throssell Road
South Hedland WA 6722

Telephone (08) 9172 3733
Facsimile (08) 9172 2061

CHRISTMAS/COCOS ISLANDS OFFICE

Administration Building
Gaze Road, Christmas Island
Indian Ocean WA 6798

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