



LEGAL AID  
WESTERN AUSTRALIA

---

ANNUAL REPORT 2007/08



LEGAL AID  
WESTERN AUSTRALIA



# CONTENTS

## STATEMENT OF COMPLIANCE

For the Year Ended 30 June 2008 ..... i

CHAIRMAN'S OVERVIEW ..... 1

DIRECTOR'S OVERVIEW ..... 3

## SECTION 1

Overview ..... 5

- Executive Summary ..... 5

Board Members ..... 7

Operational Structure ..... 9

Legal Aid Commission ..... 10

Performance Management Framework ..... 11

- Desired Outcome ..... 11

- Our Vision ..... 11

- Our Mission ..... 11

- Our Services ..... 11

- For the Community ..... 11

- For Target Groups ..... 11

- Our Priorities ..... 12

Effectiveness Indicators ..... 13

## SECTION 2

Agency Performance ..... 14

Performance Indicators ..... 14

Children at Risk ..... 15

- When Children are Apprehended by DCP ..... 15

- Abuse in Care ..... 16

- High Conflict Parents ..... 17

- Children and Crime ..... 17

Families Including Those Experiencing Violence ..... 18

- Safety and Support During Separation ..... 18

- Post Separation ..... 18

- Family Court Proceedings ..... 19

State V. Person and Person V. State ..... 20

- Availability of Duty Lawyers ..... 20

- Legal Representation ..... 20

Persons With Special Needs ..... 22

Other Programs ..... 23

- Community Legal Services Program ..... 23

- National Legal Aid ..... 25

## SECTION 3

Significant Issues and Trends ..... 26

- Commonwealth Funding ..... 26

- State Funding ..... 26

## SECTION 4

Disclosures and Legal Compliance ..... 27

- Certification of Financial Statements	27
- Auditor General's Opinion	28
<b>Financial Statement</b> .....	<b>29</b>
<b>Financial Notes</b> .....	<b>34</b>
<b>Performance Indicators</b> .....	<b>63</b>
- Certification of Performance Indicators	63
- Auditor General's Opinion on Performance Indicators	64
- Performance Indicators for 2007-2008	65
- Government Desired Outcome	65
- Our Vision	65
- Agency Desired Outcome	65
<b>Effectiveness Indicators</b> .....	<b>65</b>
- Explanatory Notes for Effectiveness Indicators	65
- Technical Notes for Effectiveness Indicators	65
- Survey Methodology	65
- Research Methodology	65
<b>Desired Outcome and Key Effectiveness Indicators</b> .....	<b>68</b>
- Desired Outcomes	68
<b>Ministerial Directives</b> .....	<b>69</b>
<b>Other Financial Disclosures</b> .....	<b>69</b>
- Pricing	69
<b>Capital Projects</b> .....	<b>70</b>
- Accommodation	70
- Information	70
<b>Employment and Industrial Relations</b> .....	<b>71</b>
- Employee Profile 2007/2008	71
<b>Annual Reporting 2008 - OSH and Injury Management Data</b> .....	<b>72</b>
- Data Definitions	72
- Statement of the Agency's Commitment to OSH & Injury Management	72
- Description of the Formal Mechanism for Consultation with Employees on OSH Matters	72
- Statement of Compliance with the Injury Management Requirements of the Workers' Compensation and Injury Management Act 1981	72
<b>Government Disclosures</b> .....	<b>73</b>
- Pecuniary Interests	73
- Insurance Premiums	73
- Professional Conduct	73
- Reconsideration and Review of a Refusal to Grant Legal Aid	73
- Audit Committee	73
<b>Other Legal Requirements</b> .....	<b>74</b>
- Advertising	74
- Disability Access and Inclusion Plan Outcomes	74
<b>Compliance Under S31 of the Public Sector Management Act 1994</b> .....	<b>75</b>
- Record Keeping	76
- Government Policy Requirements	76
- Corruption Prevention	76
- Sustainability	76
<b>Annual Estimates for the Year Ended 30 June 2009</b> .....	<b>77</b>



**STATEMENT OF COMPLIANCE  
FOR THE YEAR ENDED 30 JUNE 2008**

**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 2008.

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: 27/8/08



George Turnbull  
Director

Date: 27/8/08

**Contact Details**

**Postal**  
GPO Box L916  
Perth WA 6842

**Street**  
55 St George's Terrace  
Perth WA 6000

**Electronic**  
Internet: [www.legalaid.wa.gov.au](http://www.legalaid.wa.gov.au)

Information Line  
General Enquiries: 1300 650 579

Telephone: 61 8 9261 6222  
Facsimile: 61 8 9325 5430



## CHAIRMAN'S OVERVIEW

I am pleased to present the Legal Aid Commission's Annual Report for 2007/08.

The availability of legal assistance to those in need fulfils an important role in our system of government and helps to uphold our democratic ideals. Respect for the rule of law comes with understanding and where necessary, practical support to access our system of justice, which can be confusing and often requires the assistance of trained professionals including lawyers. It is particularly important that parents facing the loss of their children into care and persons accused of a criminal offence, especially if there is a real prospect of a jail sentence, have proper legal representation. As the combined might of State Authorities seek to interfere in personal liberties it becomes the Court's role to dispense justice and the operations of our Courts' work best when persons are properly advised, understand their rights and the proceedings in which they are involved and where necessary are legally represented.

It is equally important for families who undergo separation and who need the assistance of the Family Court to resolve children's issues, that they are properly assisted. In recent times that has included a greater focus and additional resourcing of programs, operating within and alongside the Court, to help parents focus on the best interests of their children and to make arrangements for their care that are child focussed.

I am encouraged by the direction now evident in proposals for more flexibility in the way funds, provided by State and Commonwealth governments, may be used, as this will benefit clients whose issues transcend both State and Commonwealth laws as is often the case in matters involving the welfare of children. I am also encouraged by the recognition of the need for cooperative legal service delivery to be recognised in future funding arrangements. The mixed model of service delivery with Legal Aid, the Aboriginal Legal Service and specialist Community Legal Centres working alongside each other has long been recognised by providers in this State, as producing the best outcomes. This was particularly evident in the recent ceremony marking the opening of our new Kununurra office servicing the East Kimberley, officiated at by the Commonwealth and State Attorneys' General, the Chief Justice and the new resident Magistrate. The attendance at this ceremony by all of the local service providers, together with 'pro bono providers' in commercial practice, highlighted the strengths and opportunities for service improvement that are possible, where cooperation exists.

**TABLE 1**  
Applications Granted by Practitioner Type

Private	07/08	%	06/07	%
Family	2,586	43	2,575	45
Crime	3,219	54	3,001	52
Civil	153	3	188	3
<b>Total</b>	<b>5,958</b>	<b>100</b>	<b>5,764</b>	<b>100</b>

Inhouse	07/08	%	06/07	%
Family	638	16	716	16
Crime	2,714	78	3,021	78
Civil	47	6	60	6
<b>Total</b>	<b>3,399</b>	<b>100</b>	<b>3,797</b>	<b>100</b>

Private practitioners continue to be integral to the scheme of legal assistance and between them provided legal representation to 64% of clients, up from 60% twelve months ago. I am pleased that the State Government has seen fit to make additional funds available to increase criminal law fees by up to 40% over three years and look forward to a similar response from the Commonwealth Government, which remains responsible for fees payable in family law matters.

Legal Aid continues to enjoy strong support from justice agencies and agencies that do not provide legal services, including Family Relationship Centres and this support is crucial to the success of what is delivered. The community is well served by the cooperation evident in relationships between the Aboriginal Legal Service, Community Legal Centres, Courts

and Tribunals, the Law Society, the Public Advocate, WA Police and Welfare authorities, as well as Commonwealth and State governments.

I would like to acknowledge the energetic and committed staff that serves throughout our network of nine regional offices and the Perth office and to thank my fellow Board members, in particular Mr Patrick Walker who resigned during the year after nine years service. I would also like to acknowledge the effort of the Director of Legal Aid, Mr George Turnbull, and to welcome his new Executive Team who will build upon past achievements and create new opportunities to further legal service provision into the future.

**Malcolm McCusker AO QC**  
*Chairman*





## DIRECTOR'S OVERVIEW

After extensive review, new executive management arrangements were finalised at the year's end, increasing the number of senior lawyer reports to improve the responsiveness of legal program development in family, civil and criminal law while providing improved support for client management practices generally and for delivery of programs in regional areas. In addition to some very welcome appointments of senior staff, who are well known to Legal Aid WA, we will be welcoming Bernadette Kasten from Legal Aid Queensland who will head up our Family Law Program and Caroline Wright from the State Solicitors Office who will head up our Civil Law program. Coincidental with these changes is the departure of Bevan Warner who has been appointed Managing Director of Victoria Legal Aid from 4 August 2008.

In the lead up to the Federal election, National Legal Aid (NLA) released a new national policy for legal aid and the Commonwealth Attorney General, the Hon Robert McClelland MP has signalled a preparedness to make additional investments in legal assistance programs and to introduce greater flexibility in the way legal aid funds may be used.

Additional Commonwealth funding has been made available to support a number of important initiatives already underway:-

- \$991,930 payable over three years was approved to enable Legal Aid and the Law Society to address professional isolation experienced by lawyers working outside of the metropolitan area.
- \$690,000 over two years was approved to help recruit and train young lawyers for hard to fill positions in regional, rural and remote W.A. in a collaborative project with the Law Society of WA, the Aboriginal Legal Service (WA), the Association of Community Legal Centres (WA) and with Indigenous Family Violence Prevention Services.
- \$400,000 was approved to facilitate community legal centre participation in the regional recruitment project.
- \$120 000 was approved for an indigenous women's project.
- \$955,000 one-off funding was approved to assist Legal Aid with additional costs associated with the new child related proceedings model operating at the Family Court of WA.

- \$2.144 million was provided for the community legal services program, and
- An additional \$1.401 million was approved for the Aboriginal Legal Service which has borne the brunt of legal representation costs associated with the work of the Indigenous Justice Taskforce and the large number of sexual assault cases in the Kimberley.

New National Legal Aid agreements will be negotiated under the auspice of the Standing Committee of Attorney's General to reflect a new national partnership approach and I am hopeful that further additional investment in legal assistance programs will be forthcoming.

On the State front, the Commission has secured an additional \$10 million over four years to increase criminal law fees payable to private practitioners, who between them represent more than 50% of all legally aided clients with criminal law matters. This will enable an immediate increase of 20% in aggregate terms and a 16% increase in two years time.

Supplementary funding of \$270,000 was also approved to assist with the increase in protection and care matters and discussions with the Department of Child Protection and the Children's Court on new initiatives for this jurisdiction will be prioritised in the year ahead.

In addition, the Law Society discontinued its Litigation Assistance Fund that had not operated for some time and finalised the transfer to Legal Aid WA of \$550,000 in unused funds originally received from the Lotteries Commission, which will help pave the way for an expansion in civil law assistance in future years.

I would like to say how grateful the Commission is to all those private practitioners who continue to undertake Legal Aid work at fees which are well below market rates.

I would also like to acknowledge our partners in collaboration including the Law Society, the Association of Community Legal Centres and the Aboriginal Legal Service for the very important work they do. May I also take the opportunity to acknowledge the Court Welfare workers and Review Committee members in recognition of the time they volunteer.

Within the Commission, I would also like to acknowledge the very positive contribution of Pat Walker during his nine years as a Commissioner and to thank the Board for its support.

Finally, I would like to applaud the effort of all Legal Aid staff for their work on behalf of clients and making Legal Aid WA such a successful organisation.

**George Turnbull**  
*Director of Legal Aid*

## SECTION 1 OVERVIEW

EXPENDITURE THROUGH PRIVATE PRACTITIONERS INCREASED BY 5.6% TO \$13.6 MILLION

THE NUMBER OF DUTY LAWYER SERVICES INCREASED BY 6.8% WITH 43,292 SERVICES PROVIDED IN STATE LAW MATTERS

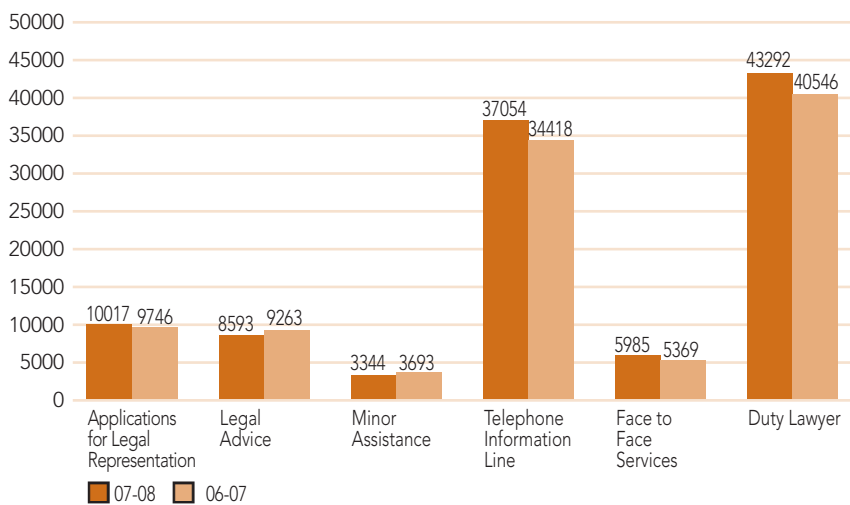
THE NUMBER OF TELEPHONE INFORMATION SERVICES ROSE BY 4.2% WITH 32,902 CALLS ANSWERED

### EXECUTIVE SUMMARY

The total cost of services increased by 8% from \$40.7 million to \$44 million with State funds increasing by 10% to \$24.1 million and Commonwealth funds increasing by 20% to 16.9 million. Client contributions, fees and costs recovered declined by 2% to \$1.87 million. Expenditure through private practitioners increased by 5.6% to \$13.6 million. Staff numbers decreased by 2.3% or 7 full time equivalents and total salaries increased by 12.3%. A surplus of \$2.28 million was recorded, associated with the late receipt of additional funds during the year.

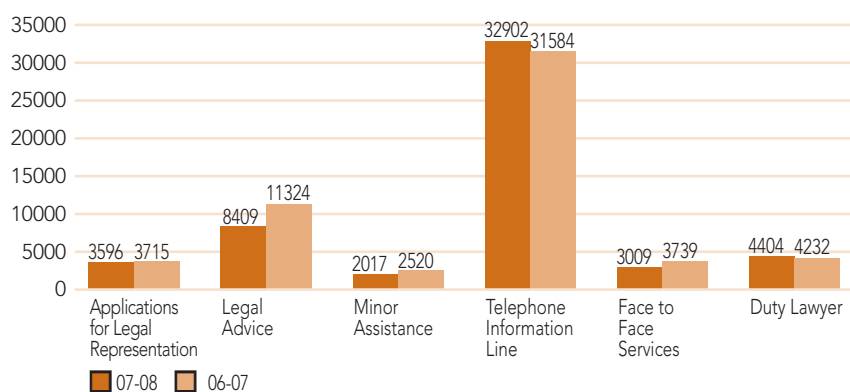
Grants of aid for legal representation in State law matters were relatively constant with 7074 people granted their own lawyer at a slightly reduced grant rate down, from 73% to 71%. 5,797 of these grants were for criminal matters down 2% from the previous year and 1,112 were for child protection matters, 18% more than the previous year. The number of duty lawyer services increased by 6.8% with 43,292 services provided in State law matters throughout the State. Minor assistance and legal advice services in State law matters were down 9.4% and 7.2% while telephone information services rose by 7.7% with 37,054 calls answered.

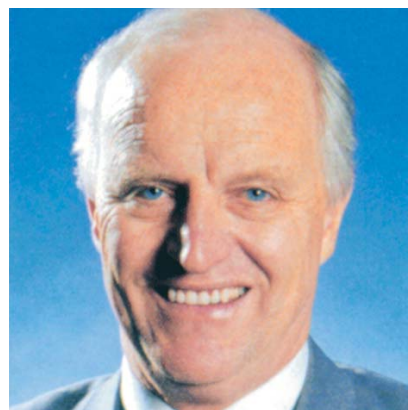
**TABLE 2**  
Services other than Legal Representation (State)



Applications for legal representation in Commonwealth law matters declined by 3.2% with the number of grants that were approved also declining by 8%. 2,283 persons were assisted at a reduced grant rate of 63% down from 67% the previous year. Major changes in the law that introduced additional requirements when advising clients, a continuation of trends where complexity factors are identified earlier and clients with multiple issues referred to Legal Aid, has contributed to an increase in service costs and some reduction in the numbers of people that could be assisted. The number of telephone information service rose by 4.2% with 32,902 calls answered, whereas the number of legal advice and minor assistance services both declined by 26% and 20% respectively. The number duty lawyer services increased by 4% and the number of ADR conferences increased by 5.44% to 349.

**TABLE 3**  
**Services other than Legal Representation (Commonwealth)**





*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 11 of the 11 Commission meetings held in 2007-08 as well as the special meeting held in March 2008.

**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 11 Commission meetings held in 2007-08 as well as the special meeting held in March 2008.

**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 11 Commission meetings held in 2007-08 as well as a special meeting held in March 2008.



*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 11 Commission meetings held in 2007 – 2008.

**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 10 of the 11 Commission meetings held in 2007-08 as well as the special meeting held in March 2008.

**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 8 Commission meetings held in 2007-08, as well as the special meeting held in March 2008, prior to resigning on 28 March to take up the position of Petrol Commissioner with the Australian Competition and Consumer Commission in Melbourne.

## 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. There were 11 normal meetings and 1 special meeting held in 2007-08. 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 arrangement 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 was supported in his role by the General Managers of the Legal Practice and Program Coordination Divisions. Together the Director and these General Managers formed 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.

After extensive review the Executive was restructured to improve the responsiveness of legal program development in family, civil and criminal law while providing improved support for client management practices and for delivery of programs in regional areas. At the year's end the Executive had changed from three persons to eight persons, effective from 1 July 2008 with some staff commencing in these new roles during August 2008.

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

Commencement	Year's end
Director	Director
General Manager Legal Practice	Division Head Family Law
General Manager Program Coordination	Division Head Criminal Law
	Division Head Client Services
	Division Head Regions
	Branch Head Civil Law
	Branch Head Practice Development
	General Manager Business Services

LEGAL AID EXECUTIVE  
STRUCTURE PRE JULY 1 2008



LEGAL AID EXECUTIVE  
STRUCTURE AS AT 1 JULY 2008





## 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, which is 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 2007/08 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. 75% 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 7% 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.

16% of clients who received legal representation were indigenous, 20% of criminal law clients and 8% of family law clients.

### 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 1800 INFOLINE

##### 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 paralegal staff at all office locations, under supervision of Solicitors.

**TABLE 4**  
**Indigenous Aid Granted**

	07-08	%	06-07	%
Family	238	15	271	14
Crime	1,291	83	1,234	82
Civil	32	2	34	4
<b>Total</b>	<b>1,561</b>	<b>100</b>	<b>1,539</b>	<b>100</b>

### **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.

## **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 child protection and contested care arrangement cases.

### **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 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.

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 an 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.

## EFFECTIVENESS INDICATORS

Key Effectiveness Indicators	2006 Actual	2007 Actual	2008 Target	2008 Actual	Reasons for Significant Variation between 2008 Target and 2008 Actual
Applications approved for a grant of aid as a percentage of all applications received	67%	71%	72%	69%	
Percentage of clients satisfied					
- Criminal	-	87%	-	-	
- Family	74%	85%	75%	82%	Survey questionnaire changed to 4-point scale without a neutral response from a 5-point scale with a neutral response in 2006/07

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.

## 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. 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

	2006 Actual	2007 Actual	2008 Target	2008 Actual
<b>Percentage of applications approved</b>	67%	71%	72%	69%
<b>Percentage of clients satisfied with service provided:</b>				
- Criminal Law	-	87%	-	-
- Family Law	74%	85%	75%	82%
<b>State Law</b>				
Average cost per call	14	17	16	17
Average cost per face to face information	30	36	33	34
Average cost per duty lawyer service	90	98	99	105
Average cost per legal advice	103	113	117	125
Average cost per minor assistance	172	187	205	218
Average cost per application processed	152	127	149	176
Average cost per legal representation	1,836	1,892	1,908	2,089
<b>Commonwealth Law</b>				
Average cost per call	18	22	22	23
Average cost per face to face information	30	29	28	30
Average cost per duty lawyer service	96	134	122	138
Average cost per legal advice	96	126	118	196
Average cost per minor assistance	166	185	185	187
Average cost per application processed	440	493	502	498
Average cost per legal representation	2,599	2,861	2,791	3,776
Average cost per child support	1,363	1,296	1,407	1,395

## 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:

- Preferencing 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, 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 included 2,112 people benefiting from legal representation, down from 2,349 the previous year. This included 349 matters that proceeded to an Alternative Dispute Resolution conference. 4,404 persons received assistance from a duty lawyer and there were approximately 11,058 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 18% from 942 to 1,112 on the back of a 45% increase the previous year.

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

Towards the end of 2003 Legal Aid WA was asked by the Department for Community Development (now the Department for Child Protection ("DCP")) to manage a scheme for the provision of independent legal advice and representation for children who have been in the care of DCP and who may have been abused, injured or involved in a critical incident.

The DCP imperative for the scheme arises from the High Court decision of *Bennett v Minister of Community Welfare (1993) 176 CLR 408*, where the High Court confirmed that the Department has a positive duty to obtain independent legal advice with respect to the possible existence of a cause of action on the part of the [ward or ex-ward] arising out of the circumstances in which he [she] sustained injuries whilst in the care of the Department.

DCP continued to provide funding to Legal Aid for the abuse in care legal advice scheme for the 2007/08 financial year. As at the end of 2007/2008 approximately 408 wards and ex-wards of the State have been assisted in some way in relation to abuse in care allegations since the funding schemes officially commenced in 2004. As at the end of 2007/2008, 292 grants have been assigned to private lawyers, with Legal Aid's in house lawyers representing the balance which exceeds 116 grants. Approximately 17 different private legal firms are providing advice.

A number of the DCP referrals have revealed some strong claims that have resulted in successful claims for Criminal Injuries Compensation and settlements of individual common law actions.

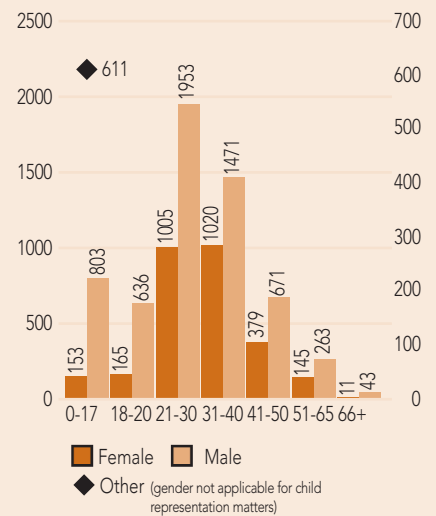
Legal Aid advised DCP that it would support the establishment of a redress scheme as a better vehicle for resolution of potential claims, than individual actions through the Courts. Legal Aid was of the view that a redress scheme would also resolve problems associated with some of the claims that the State considered to be statute barred.

In December 2007 the WA Government announced a redress scheme called Redress WA. The scheme provides that applications can be submitted from 1 May 2008 for a period of up to 12 months. Following the closing date (30 April 2009) qualified assessors engaged by the Department of Communities will review all applications. The assessor will look at all of the information in support of a particular claim and make a determination as to the quantum of the ex gratia payment.

The ex gratia payments will be made dependent upon the applicant signing a "Deed of Settlement and Release" indemnifying the Minister and the State from any current or further legal claims arising from the same experiences of alleged abuse. The scheme provides for access to legal advice independent of the Department for Communities to assist applicants in making an informed decision about the Deed of Settlement and Release.

Legal Aid is actively involved in providing information, advice and assistance to persons wishing to make an application to Redress WA. Legal Aid also anticipates that it will be required to provide legal advice in relation to applicants who are asked to sign the Deed of Settlement and Release.

**TABLE 5**  
Aid Granted by Gender and Age Group



## 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 a 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. 84 % 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, 43 % said the level of conflict improved as a result of receiving advice or help from Legal Aid. Of the 92 % 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, 29% 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 380 Family Court cases. This is a decrease of 11% from last year's high of 425 attributable in the main to a four month pilot with relaxed criteria for appointments. Despite the return this year to previous, more stringent funding criteria, the appointments are up 60% on historical funding levels. This is a consequence of the new child related proceedings in the Family Court with risk factors to children more easily identified. Appointments are now being requested much earlier in the proceedings on the advice of the Family Consultant, often at the completion of the Case Assessment Conference.

## 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.

## 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 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 the ADR clients who participated in the Family Law Client Satisfaction Survey 2008, just over half (52%) felt that they were more able to deal with conflict having participated in an ADR conference co-ordinated by Legal Aid. 84% felt confident that their lawyer or advisor was looking after their needs with 32% confident to some extent that, if a similar situation arose again, they would be able to sort out their conflict without assistance from Legal Aid.

Overall, clients who had taken part in the ADR Family Conferencing program were satisfied. Just over three quarters of the conferences (77%) resulted in an agreement being reached at the conference. The majority (77%) of clients said that they would recommend the Legal Aid Alternative Dispute Resolution Family Conferencing program to other people. 68% stated that they were satisfied with the process.





ADR CLIENTS WHO PARTICIPATED IN THE FAMILY LAW CLIENT SATISFACTION SURVEY 2008, JUST OVER HALF (52%) FELT THAT THEY WERE MORE ABLE TO DEAL WITH CONFLICT HAVING PARTICIPATED IN AN ADR CONFERENCE CO-ORDINATED BY LEGAL AID

(77%) RESULTED IN AN AGREEMENT BEING REACHED AT THE CONFERENCE

57% OF SURVEYED FAMILY LAW CLIENTS ACKNOWLEDGED A HISTORY OF VIOLENCE

61% INDICATED THAT THEIR CHILDREN MAINTAINED CONTACT WITH A GRANDPARENT MOST FORTNIGHTS OR MORE OFTEN

## FAMILY COURT PROCEEDINGS

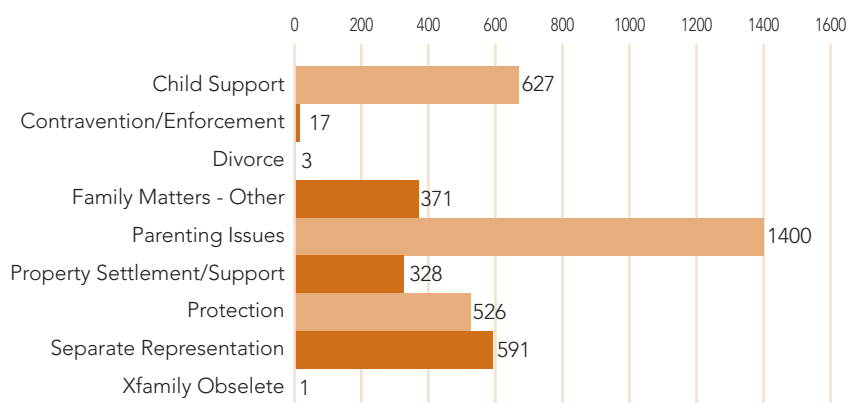
In circumstances where risk factors are so acute, a person is being denied contact with a child or the need for urgent Court intervention is paramount, parties may receive a grant of aid for legal representation in the Family Court. Legal representation is not open-ended and is regularly reviewed to 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 extended 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, unless exempted, 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.

57% of surveyed family law clients acknowledged a history of violence. 22% indicated that they or the other party had not seen their children for more than 3 months and 61% indicated that their children maintained contact with a grandparent most fortnights or more often.

TABLE 6  
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. In 2007/08 there were 47,696 duty lawyer services were provided. 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.

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.

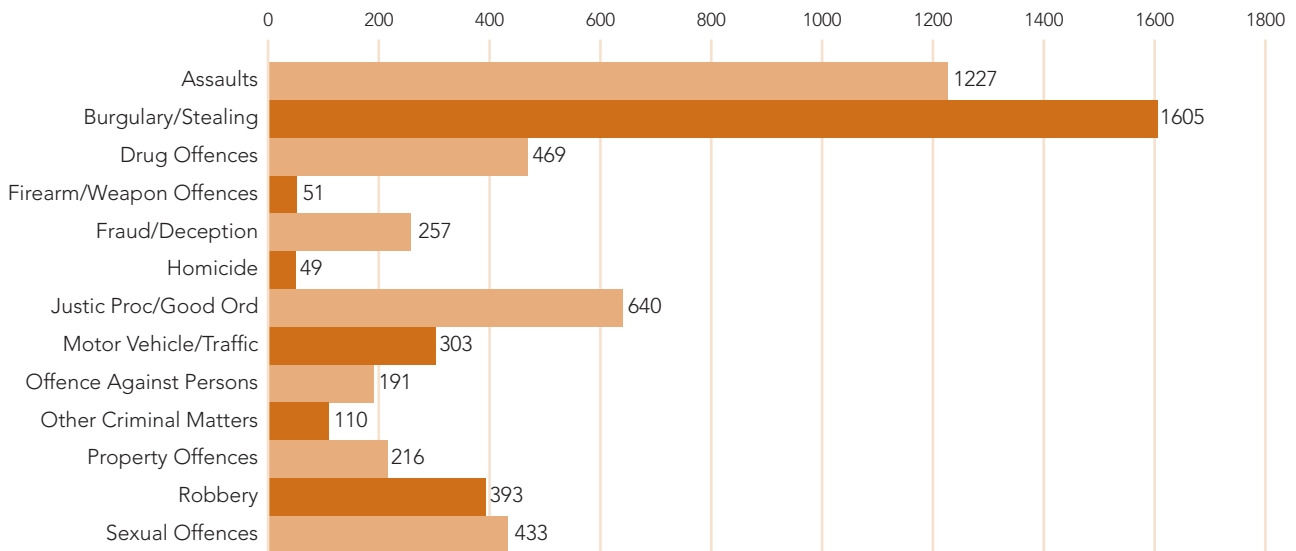
Importantly, the provision of information to the Court readily identifiable by a lawyer but not understood as significant by a person intent on pleading guilty, meets community expectations for fair and just sentences, by ensuring all relevant information necessary for consideration of custodial and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



IN 2007/08 47,696  
DUTY LAWYER  
SERVICES WERE  
PROVIDED

5,933 CRIMINAL  
LAW GRANTS OF  
AID FOR LEGAL  
REPRESENTATION  
WERE MADE IN  
2007/08

**TABLE 7**  
Criminal Law Applications Granted by Matter Group



**TABLE 8**  
Legal Representation - Applications Granted (State)

	07-08	06-07	Variance from previous year
Family	1,112	942	18%
Crime	5,797	5,911	-2%
Civil	165	213	-23%
<b>Total</b>	<b>7,074</b>	<b>7,066</b>	<b>0%</b>
Grant Rate	71%		
Comparative Grant Rate 06-07	73%		

**TABLE 9**  
Legal Representation - Applications Granted (Commonwealth)

	07-08	06-07	Variance from previous year
Family	2,112	2,349	-10%
Crime	136	111	23%
Civil	35	35	0%
<b>Total</b>	<b>2,283</b>	<b>2,495</b>	<b>-8%</b>
Grant Rate	63%		
Comparative Grant Rate 06-07	67%		

## 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



## OTHER PROGRAMS

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, Kununurra, Midland, South Hedland in addition to our Perth head 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

- 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.

### COMMUNITY LEGAL SERVICES PROGRAM

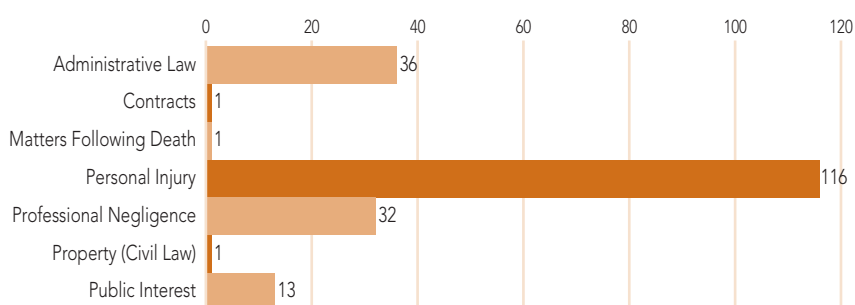
During 2007/08 Legal Aid WA continued to manage the Community Legal Services Program with a total funding of \$5.97 million. These funds consisted of \$3.368 million in Commonwealth funds, \$1.730 million in State funds and \$872,000 in one off funds from State sources such as the Legal Contribution Trust Fund.

Funding was provided to 21 centres and to the Association of Community Legal Centres of WA, the peak body representing centres in Western Australia. Of the 21 funded centres, 8 centres are located in regional areas and 6 centres provide specialist services. Specialist centres have an identified target group of clients or provide specialist legal services in an identified category of law, for example, tenancy or social security law. The remaining centres provide general legal services across a range of legal areas including civil, criminal and family law.

In 2007/08 Community Legal Centres in WA assisted 20,860 clients with a range of legal issues. Centres provided 54,405 legal advice services, 13,561 information services, opened 5,208 new cases and continued to assist on 2,342 cases already open at the start of the year. Evidencing a clear focus in their work on early intervention and positive change to the legal system, centres provided 528 community legal education sessions and worked on 97 law reform projects throughout the year.

In June 2007, the Premier of Western Australia announced new

**TABLE 10**  
Civil Law Applications Granted by Matter Group



3 year funding of \$960,000 for a new community legal service in Joondalup to assist persons living in the far Northern corridor of Perth. The centre will be funded for a period of 3 years from Legal Contribution Trust Funding. A funding submissions process for the new centre was conducted and the centre commenced set up by December 2007. The Joondalup Community Legal Service will be delivered by the Northern Suburbs CLC and will be located at the Joondalup campus of Edith Cowan University. The service will include a clinical legal education component and will involve ECU students in the delivery of services under the supervision of solicitors employed by the centre. Once this service is operational, there will be two clinical legal education units operating in WA, one at SCALES at Murdoch University and the new Joondalup service at ECU.

In 2007/08 Service Standards audits were completed by the Program Manager of fifty percent of Commonwealth funded centres in accordance with the Service Standards target set by the Commonwealth Attorney General's Department. The nine Service Standards set out quality and other measures for the efficient operation of community legal centres. There was significant work involved in the audit process by CLC Program Management staff at Legal Aid and also by the centres that participated in the audits.

In 2008 the very successful regional solicitor placement project with Goldfields CLC was completed. The project involved placement of a Legal Aid WA solicitor on a 6-month secondment at the CLC. The

project was a resounding success with important findings that will inform future operations of the Country Lawyers Project.

2007/08 was a year of significant milestones for a number of centres, with Mental Health Law Centre celebrating its 10th anniversary of operations. Sussex Street Community Law Service celebrated the 30th anniversary of the opening of that centre, from origins as a volunteer social work outreach service through to evolution into a full community law service. The new Older Person Rights Service at Northern Suburbs CLC was launched in June 2007. Also in June 2007, the State Attorney General, Hon Jim McGinty MLA, opened the State Network Conference of CLCs and presented a number of awards to centres on behalf of the Association. This was a valuable conference that saw participation from regional centres around WA and their metropolitan counterparts. In May 2008 the Commonwealth completed a Review of the Community Legal Services Program. The Review made important recommendations for the future of the program including development of a funding model, performance framework and new guidelines.



IN 2007/08  
COMMUNITY LEGAL  
CENTRES IN WA  
ASSISTED 20,860  
CLIENTS WITH A  
RANGE OF LEGAL  
ISSUES

THE PREMIER OF  
WESTERN AUSTRALIA  
ANNOUNCED NEW  
3 YEAR FUNDING  
OF \$960,000 FOR A  
NEW COMMUNITY  
LEGAL SERVICE IN  
JOONDALUP



## 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) 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](http://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.

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's General – 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

### COMMONWEALTH FUNDING

The Commonwealth is reviewing legal aid funding policy consistent with legal aid status as a National Partnership under the Commonwealth-State financial relations framework agreed by the Council of Australian Governments (COAG). This will likely result in additional flexibility in the way funds may be used and a less prescriptive approach to what is delivered. It will ensure greater levels of consultation and examine ways to maximise collaborative working arrangements between all legal service providers, including legal aid commissions, community legal services and indigenous legal services, to ensure better access to justice outcomes for disadvantaged Australians at risk of social exclusion. Any consideration of much needed additional resources for legal assistance programs will need to demonstrate, in the budget context, how these programs address COAG's priority outcomes of supporting social inclusion, including closing the gap on indigenous disadvantage.

### 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, is under review with significantly more interventions and additional caseload for the Children's Court and Legal Aid set to continue. This review will also consider new case management arrangements including family conferencing aimed at achieving agreed care plans for children at risk and who are the subject of proceedings.



## SECTION 4 DISCLOSURES AND LEGAL COMPLIANCE

### DISCLOSURES AND LEGAL COMPLIANCE FOR THE YEAR ENDED 30 JUNE 2008

#### 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 2008 and the financial position as at 30 June 2008.

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: 5/8/08



George Turnbull  
Director  
Date: 5/8/08.



Malcolm McCusker AO QC  
Chairman  
Date: 8/8/08

# 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 2008

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 2008, and the Income Statement, Statement of Changes 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 keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with 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 my 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 2008

#### 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 2008 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 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 2008.

A handwritten signature in black ink, appearing to read 'C. Murphy'.

COLIN MURPHY  
AUDITOR GENERAL  
13 August 2008

# FINANCIAL STATEMENT

## LEGAL AID COMMISSION OF WESTERN AUSTRALIA

### BALANCE SHEET AS AT 30 JUNE 2008

	Note	2007/08 \$	2006/07 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	17,947,430	13,069,669
Restricted Cash and cash equivalents	7, 28	1,278,631	2,284,140
Receivables	8	2,367,042	3,346,194
<b>Total Current Assets</b>		<b>21,593,103</b>	<b>18,700,003</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant Equipment and Vehicles	9	3,293,906	2,657,655
Intangibles	10	229,590	259,932
Restricted Cash and cash equivalents	7,28	192,779	121,684
Receivables	8	2,900,109	2,842,963
<b>Total Non-Current Assets</b>		<b>6,616,384</b>	<b>5,882,234</b>
<b>Total Assets</b>		<b>28,209,487</b>	<b>24,582,237</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	12	9,190,131	8,684,529
Provisions	13	2,854,860	2,605,390
Other liabilities	14	3,912,744	3,725,697
<b>Total Current Liabilities</b>		<b>15,957,735</b>	<b>15,015,616</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	1,455,319	1,090,804
<b>Total Non-Current Liabilities</b>		<b>1,455,319</b>	<b>1,090,804</b>
<b>Total Liabilities</b>		<b>17,413,054</b>	<b>16,106,421</b>
<b>Net Assets</b>		<b>10,796,433</b>	<b>8,475,816</b>
<b>EQUITY</b>			
Contribution equity	15	595,669	595,669
Reserve	15	1,420,123	1,411,267
Accumulated surplus	15	8,780,641	6,468,880
<b>TOTAL EQUITY</b>		<b>10,796,433</b>	<b>8,475,816</b>

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 2008

	Note	2007/08 \$	2006/07 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Legal Services Expenses	16	13,603,003	12,847,428
Employee benefits expense	17	20,857,298	18,730,095
Supplies and services	18	2,945,882	2,926,415
Depreciation and amortisation expense	19	956,795	831,932
Accommodation expenses	20	2,280,826	2,179,016
Other Expenses	21	3,729,804	3,174,850
Loss on disposal of non-current assets	25	9,829	3,401
<b>Total Cost of services</b>		<b>44,383,437</b>	<b>40,693,137</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	22	1,871,321	1,909,474
Commonwealth Grants and Contributions	23	16,946,221	14,068,561
Other Revenue	24	2,442,926	2,048,786
Interest Revenue	26	1,343,564	1,028,246
<b>Total Revenue</b>		<b>22,604,031</b>	<b>19,055,067</b>
<b>Total income other than income from State Government</b>		<b>22,604,031</b>	<b>19,055,067</b>
<b>NET COST OF SERVICES</b>	<b>28</b>	<b>(21,779,406)</b>	<b>(21,638,071)</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
State Government Grant	27	24,091,168	21,411,399
Liabilities assumed by the Treasurer		-	449,831
<b>Total Income From State Government</b>		<b>24,091,168</b>	<b>21,861,230</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>2,311,761</b>	<b>223,160</b>

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 2008

	Note	2007/08 \$ Inflows (Outflows)	2006/07 \$ Inflows (Outflows)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
State Government Grant		24,156,002	22,204,678
<b>Net Cash provided by State Government</b>		<b>24,156,002</b>	<b>22,204,678</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Legal services		(13,284,720)	(11,620,229)
Employee benefits		(20,642,851)	(18,744,237)
Supplies and Services		(3,007,095)	(2,969,932)
Accommodation		(2,299,157)	(2,151,900)
GST Payments on purchases		(2,454,808)	(2,054,956)
Other payments		(3,057,826)	(2,639,049)
<b>Receipts</b>			
User charges and fees		1,595,996	1,558,403
Commonwealth grants and contributions		16,230,977	15,180,821
Interest received		1,212,110	982,482
GST Receipts on sales		242,225	97,032
GST Receipts from Taxation Authority		2,241,410	1,941,196
Other Receipts		4,534,162	1,125,456
<b>Net Cash provided by/(used in) Operating activities</b>	<b>28</b>	<b>(18,689,577)</b>	<b>(19,294,914)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Non-Current Physical Assets		(1,675,499)	(1,069,205)
Proceeds from sale of Non-Current Physical Assets		152,422	185,533
<b>Net Cash provided by/(used in) investing activities</b>		<b>(1,523,076)</b>	<b>(883,673)</b>
<b>Net Cash Used in Operating and Investing Activities</b>		<b>(20,212,654)</b>	<b>(20,178,587)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>3,943,348</b>	<b>2,026,091</b>
<b>Cash assets and cash equivalents at the beginning of period.</b>		<b>15,475,493</b>	<b>13,449,402</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>28</b>	<b>19,418,840</b>	<b>15,475,493</b>

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 2008

	Note	2007/08 \$ Inflows (Outflows)	2006/07 \$ Inflows (Outflows)
Balance of equity at start of period		8,475,816	8,287,064
<b>CONTRIBUTED EQUITY</b>	15		
Balance at start of period		595,669	595,669
Balance at end of period		595,669	595,669
<b>RESERVES</b>			
<b>Asset Revaluation Reserve</b>	15		
Balance at start of period		180,043	155,043
Gains/(losses) from assets revaluation		40,000	25,000
Balance at end of period		220,043	180,043
<b>Asbestosis Account Reserve</b>	15		
Balance at start of period		1,231,224	1,290,633
Private Practitioners Fees		(31,144)	(59,409)
Balance at end of period		1,200,080	1,231,224
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>	15		
Balance at start of period		6,468,879	6,245,719
Surplus/(deficit) or profit/(loss) for the period		2,311,761	223,160
Balance at end of period		8,780,641	6,468,879
<b>Balance of Equity</b>		<b>10,796,433</b>	<b>8,475,816</b>
<b>Total Income and expense for the period <sup>(a)</sup></b>		<b>2,351,761</b>	<b>248,160</b>

(a) The aggregate net amount attributable to each category of equity is : surplus of \$2,311,761 plus gains from asset revaluation of \$40,000.(2007: surplus of \$223,160 plus gains from asset revaluation of \$25,000).

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 2008**

	2007/08 \$	2006/07 \$
FUNDS ON HAND 1 July 2007	0	0
RECEIPTS in year Interest received in year	0	0
PAYMENTS in year Bank charges	0	0
<b>FUNDS ON HAND 30 June 2008</b>	<b>0</b>	<b>0</b>
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 2008 and the Funds on Hand as at 30 June 2008.



George Turnbull  
Director of Legal Aid  
30 June 2008



Lee Baker  
Chief Finance Officer  
30 June 2008

# FINANCIAL NOTES

## 1 AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

### General

The Commission's financial statements for the year ended 30 June 2008 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 Commission 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 Commission for the annual reporting period ended 30 June 2008.

## 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 and buildings 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 Commission's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 '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 4 '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 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 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).

As from July 1 2008 items of property, plant and equipment costing \$5,000 or more are recognised as assets and the costs of utilising assets is expensed (depreciated) over their useful lives. Items costing less than \$5,000 are immediately expensed direct to the Income Statement.

##### ***Initial recognition and measurement***

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

For items of property, plant and equipment 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 and buildings and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings 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.

#### **Derecognition**

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation reserve relating to the asset is retained in the asset revaluation reserve.

#### **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.

As from July 1 2008 acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The costs of utilising assets is expensed (depreciated) over their useful lives. Costs incurred below these thresholds are immediately expensed directly 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<sup>(a)</sup> 10 years  
(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:

- \*Cash and Receivables (Cash and cash equivalents, receivables); and
- \* Non-trading financial liabilities (payables).

These have been disaggregated into the following classes:

- \*Financial assets
  - Cash and cash equivalents
  - Restricted cash and cash equivalents
  - Receivables
- \*Financial liabilities
  - Payables

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) Accrued Salaries**

The accrued salaries suspense account (see note 7) 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.

**(n) 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.

### **(o) 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'.

### **(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 three years of service. An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers in 2008 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.

#### **Sick Leave**

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on the average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non vesting, an expense is recognised in the income statement for this leave as it is taken.

#### **Deferred Leave**

The provision for deferred leave relates to Public Service employees who have entered into the agreement to self fund an additional twelve months leave in the fifth year of the

agreement. The provision recognises the value of salary set aside for the employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as non current provision until the fifth year.

#### ***Purchased Leave***

The provision for the purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional four weeks leave per calendar year. The provision recognised the value of salary set aside for the employees and is measured at the nominal amounts expected to be paid when the liabilities settled. The liability is measured on the same basis as annual leave.

#### ***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.

### 3 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.

### 4 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.

### 5 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

#### *Initial application of an*

*Australian Accounting Standard*  
The Commission has applied

the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Commission.

AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in the AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038]'). This Standard require new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Commission's exposure to risks, including enhanced disclosure regarding components of the Commission's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

***Future impact of Australian Accounting Standards not yet operative***

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'. Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact

the Commission but not yet effective. Where applicable the Commission plans to apply these Standards and Interpretations from the application date:

Title	Operative for reporting periods on or after
<p>AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non- owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.</p> <p>Review of AAS 27 'Financial Reporting by Local Governments'. 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31.</p>	<p>1 January 2009</p>
<p>AASB 1004 'Contributions' (December 2007)</p>	<p>1 July 2008</p>
<p>AASB 1050 ' Administered Items' (December 2007)</p>	<p>1 July 2008</p>
<p>AASB 1051 ' Land Under Roads' (December 2007)</p>	<p>1 July 2008</p>
<p>AASB 1052 ' Disaggregated Disclosures' (December 2007)</p>	<p>1 July 2008</p>
<p>AASB 2007-09 ' Amendments to Australian Accounting Standards arising from the review of AAS's 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 and AASB 137] (December 2007).</p>	<p>1 July 2008</p>
<p>Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised ) December 2007</p>	<p>1 July 2008</p>
<p>The existing requirements in AAS 27, AAS 29, and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged . AASB 1050, AASB 1051 and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise, there will be no financial impact.</p>	

## 6 CASH AND CASH EQUIVALENTS

	2008 \$	2007 \$
Bank Accounts	17,940,605	13,063,264
Cash on Hand - Petty Cash	6,825	6,405
	<b>17,947,430</b>	<b>13,069,669</b>

Comparatives for 2007 have been amended to include the Capital Reserve and Special Purpose Reserve Fund that were previously recognised under Restricted Cash and Cash Equivalents.

## 7 RESTRICTED CASH AND CASH EQUIVALENTS

	2008 \$	2007 \$
<b>Current</b>		
Bank Capital Investment Fund	0	965,778
Asbestosis Account	1,200,080	1,231,224
Child Representation Trust Fund	78,551	87,137
	<b>1,278,631</b>	<b>2,284,140</b>
<b>Non-current</b>		
Accrued Salaries 27th Pay Provision <sup>(a)</sup>	192,779	121,684
	<b>192,779</b>	<b>121,684</b>

(a) 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. Comparatives for 2007 have been amended to exclude the Capital Reserve and Special Purpose Reserve Fund that were previously recognised under Restricted Cash and Cash Equivalents and are now included into Cash and cash equivalents.

### THE ASBESTOSIS ACCOUNT RECONCILIATION

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.

	2008 \$	2007 \$
<b>Balance of Funds 1 July</b>		
- Opening Balance	1,231,224	1,290,633
<b>Revenue:</b>		
~ Recovered Costs	-	-
~ Interest	-	-
	1,231,224	1,290,633
<b>Expenditure</b>		
~ Private Practitioners	(31,144)	(59,409)
~ Reclassification to Cash Assets		
<b>Balance of Funds 30 June</b>		
- Closing Balance	<b>1,200,080</b>	<b>1,231,224</b>



## 8 RECEIVABLES

	2008 \$	2007 \$
<b>Current</b>		
<b>Other</b>	<b>55,031</b>	<b>3,411</b>
Unsecured debts	2,759,390	3,749,915
Less: Allowance for impairment of receivables	(447,379)	(407,132)
	2,367,042	3,346,194
<b>Non Current</b>		
Secured Debts	3,627,130	3,536,237
Less: Allowance for impairment of receivables	(20,000)	(20,000)
Less: Allowance for discount	(707,021)	(673,275)
	2,900,109	2,842,962
	<b>5,267,151</b>	<b>6,189,156</b>

### 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.

Comparative for 2007 Unsecured Debts has been changed to include GST on Grant of Aid Commitments.

Secured debtors were discounted at 6.57% (2007: 6.39%) using the 5 year government bond rate as at June 30, 2008.

### (i) Reconciliation of changes in the allowance for impairment of receivables

	2008 \$	2007 \$
Balance 1 July	427,132	429,222
Amounts written off during the year	(47,738)	(40,951)
Amounts recovered during the year	-	-
	379,394	388,271
Provision during the year	87,985	38,861
<b>Balance 30 June</b>	<b>467,379</b>	<b>427,132</b>

### (ii) Credit Risk

Ageing of receivables past due but not impaired based on information provided to senior management, at the balance sheet date

	2008 \$	2007 \$
Not more than 3 months	1,727,256	2,655,608
More than 3 months but less than 6 months	51,861	12,868
More than 6 months but less than 1 year	735,153	794,665
More than 1 year	2,697,851	2,722,604
	<b>5,212,121</b>	<b>6,185,745</b>

Receivables individually determined as impaired at the balance sheet date

	2008 \$	2007 \$
Carrying amount, before deducting any impairment loss	47,738	40,951
Impairment loss	(47,738)	(40,951)
	-	-

(iii) Allowance for Discount

	2008 \$	2007 \$
Balance 1 July	673,275	670,687
Implicit interest charge / (write back)	33,746	2,588
Balance 30 June	707,021	673,275

## 9 PROPERTY, PLANT, EQUIPMENT AND VEHICLES

		2008 \$	2007 \$
Land	At Fair Value (I)	101,000	88,000
	Net Value	101,000	88,000
Buildings	At Fair Value (I)	214,000	187,000
	Accumulated Depreciation	(28,826)	(24,552)
	Accumulated impairment losses		
	Net Value	185,174	162,448
Fixtures and Fittings	At Cost	62,622	63,917
	Accumulated Depreciation	(31,845)	(27,766)
	Accumulated impairment losses		
	Net Value	30,777	36,151
Leasehold Improvements	At Cost	2,977,774	2,146,027
	Accumulated Depreciation	(1,607,544)	(1,269,185)
	Accumulated impairment losses		
	Net Value	1,370,230	876,842
Furniture and Equipment	At Cost	3,064,264	2,420,041
	Accumulated Depreciation	(1,824,919)	(1,397,969)
	Accumulated impairment losses		
	Net Value	1,239,345	1,022,072
Motor Vehicles	At Cost	515,993	601,607
	Accumulated Depreciation	(148,613)	(129,465)
	Accumulated impairment losses		
	Net Value	367,380	472,142
<b>Total Net Value of Assets</b>		<b>3,293,906</b>	<b>2,657,655</b>

(I) Land and Buildings

Freehold land and buildings were revalued as at 1st July 2007 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30th June 2008 and recognised at 30th June 2008. In undertaking the revaluation, fair value was determined by reference to market values for land :\$101,000 and buildings : \$214,000. (2007: Land \$88,000 and Buildings \$187,000).

Valuation Services, the Office of the Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (as at 1 July 2007) were compliant with the fair value at 30 June 2008.

## (ii) Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

	Land	Buildings	Fixtures & Fittings	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
2008	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	88,000	162,448	36,152	876,843	1,022,070	472,143	2,657,656
Additions			(1,296)	831,747	650,222	186,305	1,666,978
Disposals					(6,000)	(271,919)	(277,919)
Revaluation increments	13,000	27,000					40,000
Revaluation decrements							-
Impairment losses <sup>(a)</sup>							-
Impairment losses reversed <sup>(a)</sup>							-
Depreciations		(4,274)	(4,079)	(338,360)	(426,947)	(19,149)	(792,809)
Write - off of Assets < \$1,000							-
Carrying amount at the end of year	101,000	185,174	30,777	1,370,230	1,239,345	367,380	3,293,906

	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	2,583,290
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							-
Impairment losses (a)							-
Impairment losses reversed (a)							-
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	2,657,655

(a) Recognised in the Income Statement. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in the Income Statement. Where an asset measured at fair value is written-down to recoverable amount, the loss is accounted for as a revaluation decrement.

## 10 INTANGIBLE ASSETS

	2008	2007
	\$	\$
Computer software		
At cost	333,536	315,561
Accumulated amortisation	(103,947)	(55,629)
Accumulated impairment losses	-	-
	229,590	259,932

### 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.

	2008	2007
	\$	\$
Carrying amount at start of year	259,932	110,183
Additions	17,975	168,861
Amortisation Expense	(48,317)	(19,112)
Carrying amount at the end of year	229,590	259,932

## 11 IMPAIRMENT OF ASSETS

There were no indications of impairment of property, plant and equipment and intangible assets at 30 June 2008.

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.

There are no surplus assets at 30 June 2008 that have been classified as assets held for resale or written-off.

## 12 PAYABLES

	2008 \$	2007 \$
Grant of Aid Commitments	8,526,897	8,147,062
Accrued Salaries <sup>(a)</sup>	142,191	64,987
Accrued Expenses	488,904	436,469
Staff Benefit Fund	31,924	35,796
Unclaimed Monies	215	215
	<b>9,190,131</b>	<b>8,684,529</b>

### (i) Payables

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

### (a) Accrued Salaries

Amount owing is one day as last pay occurred on the 28 June 2008.

(2007 - The last pay occurred on the 28 June 2007)

Comparative for 2007 Grant of Aid Commitments has been changed to include GST on Grant of Aid Commitments.

## 13 PROVISIONS

		2008 \$	2007 \$
<b>Current</b>			
<b>Employee benefits provision</b>			
	Annual leave	1,325,678	1,168,245
	Long service leave <sup>(a)</sup>	1,490,656	1,424,619
	Purchase Leave	22,530	-
<b>Other Provisions</b>			
	Employment on-cost <sup>(b)</sup>	15,996	12,526
		<b>2,854,860</b>	<b>2,605,390</b>
<b>Non Current</b>			
<b>Employee benefits provision</b>			
	Long service leave <sup>(a)</sup>	1,278,236	1,085,559
	Deferred Leave	166,763	
<b>Other provisions</b>			
	Employment on-cost <sup>(b)</sup>	10,320	5,245
		<b>1,455,319</b>	<b>1,090,804</b>

(a) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at 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 21 '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

	2008 \$	2007 \$
<b>Current</b>		
Carrying amount at start of year	12,526	11,683
Additional provision	3,470	843
	<b>15,996</b>	<b>12,526</b>
<b>Non Current</b>		
Carrying amount at start of year	5,245	5,097
Additional provision	5,075	148
	<b>10,320</b>	<b>5,245</b>

### 14 OTHER LIABILITIES

	2008 \$	2007 \$
<b>Current</b>		
Government Grants in advance	3,834,193	3,638,560
Child Representation Trust Fund	78,551	87,137
	<b>3,912,744</b>	<b>3,725,697</b>

### 15 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	2008 \$	2007 \$
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 TI 955 and are credited directly to equity.

#### Reserves

(ii) Asset Revaluation	2008 \$	2007 \$
Balance at start of year	180,043	155,043
Net Revaluation Increment/(Decrement)		
Land	13,000	8,000
Buildings	27,000	17,000
<b>Balance at end of year</b>	<b>220,043</b>	<b>180,043</b>

(iii)	2008	2007
Asbestosis Account Reserve	\$	\$
Balance at start of year	1,231,224	1,290,633
Private Practitioners Fees	(31,144)	(59,409)
<b>Balance at end of year</b>	<b>1,200,080</b>	<b>1,231,224</b>

After all amounts duly payable from the Asbestosis Reserve have been paid, any moneys then remaining in the Reserve shall be available, as part of the Legal Aid fund, to the Commission for application by it under the State Act.

(iv)	2008	2007
Accumulated surplus/(deficit)	\$	\$
Balance at start of year	6,468,879	6,245,719
Result for the year	2,311,762	223,160
<b>Balance at end of year</b>	<b>8,780,641</b>	<b>6,468,879</b>

## 16 LEGAL SERVICE EXPENSES

	2008	2007
	\$	\$
Grant of Aid Expenses		
~ Assignment Costs	13,333,242	12,532,595
	13,333,242	12,532,595
Other Service Expenses		
~ Legal Advice	219,605	233,446
~ Duty Lawyer	50,156	81,387
	<b>13,603,003</b>	<b>12,847,428</b>

Asbestosis case costs (cash basis) of \$31,144 in 2007/08 and \$59,409 in 2006/07 have not been included under Legal Service Expenses and are not included in the reported surplus for the period. Asbestosis case funding is specific purpose funding from the Commonwealth government and is not part of the normal operating activities of the Commission. Asbestosis case costs are reported in the Asbestosis Account Reserve only under note 15(iii).

## 17 EMPLOYEE BENEFITS EXPENSES

	2008	2007
	\$	\$
Wages and salaries <sup>(a)</sup>	18,574,389	16,530,596
Annual Leave <sup>(b)</sup>	158,786	134,648
Long Service Leave <sup>(b)</sup>	258,713	135,284
Deferred Leave	166,763	-
Purchase Leave	22,530	-
Superannuation		
- defined contribution plans <sup>(c)</sup>	1,676,117	1,479,736
Superannuation		
- defined benefit plans <sup>(d)(e)</sup>	-	449,831
	<b>20,857,298</b>	<b>18,730,095</b>

- (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, Gold State and GESB Super Scheme (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 27 'Income from State Government').
- Employee on-costs such as workers' compensation insurance are included at note 21 'Other Expenses'. The employment on-costs liability is included at note 13 'Provisions'.

## 18 SUPPLIES AND SERVICES

	2008 \$	2007 \$
Communications	465,748	441,356
Consumables	706,618	671,090
Maintenance	292,126	249,605
Travel	319,140	272,242
Information Technology	522,407	836,041
Other <sup>(a)</sup>	639,843	456,081
	<b>2,945,882</b>	<b>2,926,415</b>

- (a) Includes audit cost, see note 37(a) 'Remuneration of auditor'.

## 19 DEPRECIATION AND AMORTISATION EXPENSE

	2008 \$	2007 \$
<b>Depreciation</b>		
Buildings	4,274	3,736
Office Equipment	20,994	32,376
IT Equipment	406,917	389,691
Motor Vehicles	132,491	123,210
Fixtures and Fittings	4,078	3,291
Leasehold Improvements	338,361	259,692
Furniture	1,362	1,824
<b>Total Depreciation</b>	<b>908,478</b>	<b>813,820</b>
<b>Amortisation</b>		
Intangible assets	48,317	19,112
<b>Total amortisation</b>	<b>48,317</b>	<b>19,112</b>
<b>Total depreciation and amortisation</b>	<b>956,795</b>	<b>832,932</b>

## 20 ACCOMMODATION EXPENSES

	2008 \$	2007 \$
Lease rentals	2,280,826	2,179,016

## 21 OTHER EXPENSES

	2008 \$	2007 \$
Bad Debts written off	47,738	40,951
Doubtful Debts Expense	40,246	(2,090)
Implicit Interest charge	33,746	2,588
Employment on-costs (a)	8,545	991
Staff Training	95,928	176,658
State CLC Program	2,733,499	2,286,301
Other Staff Related Expenses	495,441	398,892
Other	274,661	270,559
	<b>3,729,804</b>	<b>3,174,850</b>

(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.

## 22 USER CHARGES AND FEES

	2008 \$	2007 \$
Client contributions and fees on grants of aid	1,102,962	1,319,222
Cost recoveries on grants of aid	577,235	397,316
Legal Advice Fees	67,566	77,193
Duty Lawyer Fees	120,561	112,159
Freedom of Information	60	-
Community Legal Education	2,935	3,584
	<b>1,871,321</b>	<b>1,909,474</b>

## 23 COMMONWEALTH GRANTS AND CONTRIBUTIONS

	2008 \$	2007 \$
Operating Grant as per 2004 Funding Agreement	16,707,110	13,865,146
Christmas/Cocos Islands	239,111	203,416
	<b>16,946,221</b>	<b>14,068,562</b>



## 24 OTHER REVENUE

	2008 \$	2007 \$
State - Specific Purpose Contributions	142,841	91,515
Other Misc. Income	564,872	508,340
Legal Contribution Trust	1,700,586	1,361,002
Dept of Immigration and Ethnic Affairs	34,627	87,929
	<b>2,442,926</b>	<b>2,048,786</b>

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

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

	2008 \$	2007 \$
<b>Costs of Disposal of Non-Current Assets</b>		
Plant, equipment and vehicles	162,252	188,198
<b>Proceeds from Disposal of Non-Current Assets</b>		
Plant, equipment and vehicles	(152,422)	(184,797)
<b>Net gain/(loss)</b>	<b>(9,829)</b>	<b>(3,401)</b>

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

	2008 \$				2007 \$		
	Land	Buildings	Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Furniture & Equipment	Motor Vehicles
<b>Gain on Sale of Non-Current Assets</b>							
Asset written down value				59,732		1,285	34,789
Gross proceeds on disposal of asset				66,168		3,197	43,280
<b>Loss on Sale of Non-Current Assets</b>							
Asset written down value			3,674	98,846			152,124
Gross proceeds on disposal of asset			273	85,982			138,320
<b>Net Gain/(loss)</b>	-	-	(3,401)	(6,428)	-	1,911	(5,312)

## 26 INTEREST REVENUE

	2008 \$	2007 \$
Interest on Legal Aid Operational Funds	963,456	741,662
Interest earned on Asbestosis Account	380,107	286,583
	<b>1,343,564</b>	<b>1,028,245</b>

## 27 INCOME FROM STATE GOVERNMENT

	2008 \$	2007 \$
<b>State consolidated fund</b> <sup>(a)</sup>	24,091,168	21,411,399
The following liabilities have been assumed by the Treasurer during the financial year:		
<b>Superannuation</b> <sup>(b)</sup>	-	449,831
	<b>24,091,168</b>	<b>21,861,230</b>

- (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 17 'Employee Benefits Expense'. The superannuation liability in respect of current employees at 30 June 2008 decreased from the superannuation liability at 30 June 2007. The net reduction in the liability is not included in the calculation of superannuation expense in 2007/08 and a notional income equivalent 'Liabilities assumed by the Treasurer' is also not recognised in 2007/08.

## 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:

	2008 \$	2007 \$
<b>Cash and Cash Equivalents</b>		
Bank Accounts	17,940,605	13,063,264
Cash on Hand	6,825	6,405
	17,947,430	13,069,669
<b>Restricted Cash and Cash Equivalents</b>		
Bank Capital Investment Fund	-	965,778
Asbestosis Account	1,200,080	1,231,224
Child Representation Trust Fund	78,551	87,137
Accrued Salaries 27th Pay Provision	192,779	121,685
	1,471,411	2,405,824
	<b>19,418,840</b>	<b>15,475,493</b>

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

	2008 \$	2007 \$
<b>Net Cost of Services</b>	<b>(21,779,406)</b>	<b>(21,638,071)</b>
<b>Non Cash Items</b>		
Depreciation and amortisation expense	956,795	831,932
Doubtful debts expense	40,246	(2,090)
Superannuation expense		449,831
Net( profit) / Loss on disp. of Non-Current Assets	9,829	3,401
<b>(Increase)/decrease in assets</b>		
Current receivables	910,078	(1,154,938)
Non-current receivables	(57,146)	(145,696)
<b>Increase/(decrease) in liabilities</b>		
Current payables	618,362	2,165,930
Current provisions	249,470	212,270
Non current provisions	364,515	58,653
Change in GST in receivables/payables <sup>(a)</sup>	28,826	(16,728)
Asbestosis Fund movement	(31,145)	(59,409)
<b>Net Cash provided by/(used in) operating activities</b>	<b>(18,689,577)</b>	<b>(19,294,915)</b>

(a) This reverses out the GST in accounts receivable and payable.

## 29 COMMITMENTS

(a) Total lease commitments	2008 \$	2007 \$
<b>Commitments in relation to lease contracted for at the reporting date but not recognised as liabilities are payable:</b>		
Not later than 1 year	2,102,152	2,099,530
Later than 1 year and not later than 2 years	2,081,106	1,968,233
Later than 2 years and not later than 5 years	6,570,486	6,224,894
Later than 5 years.	5,165,124	7,313,905
	<b>15,918,869</b>	<b>17,606,562</b>

	2008 \$	2007 \$
<b>Representing:</b>		
Non-cancellable operating leases	15,918,869	17,606,562
	<b>15,918,869</b>	<b>17,606,562</b>

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.

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

	2008 \$	2007 \$
<b>(b) Total Motor vehicle commitments</b>		
Commitments in relation to lease contracted for at the reporting date but not recognised as liabilities are payable:		
Not later than 1 year	7,130	-
Later than 1 year and not later than 2 years	7,130	-
Later than 2 years and not later than 5 years	5,942	-
Later than 5 years.	-	-
	<b>20,201</b>	

	2008 \$	2007 \$
<b>Representing:</b>		
Non-cancellable operating leases	20,201	-
	<b>20,201</b>	<b>-</b>

### 30 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE COMMISSION AND SENIOR OFFICERS

Remuneration on Members of the Accountable Commission	2008 \$	2007 \$
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	4
\$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:	<b>339,275</b>	<b>416,078</b>

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	2008 \$	2007 \$
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 - \$50,000	-	-
\$50,000 - \$60,000	-	-
\$60,000 - \$70,000	-	-
\$70,000 - \$80,000	-	-
\$80,000 - \$90,000	-	1
\$90,000 - \$100,000	-	-
\$100,000 - \$110,000	1	-
\$110,000 - \$120,000	-	-
\$120,000 - \$130,000	-	-
\$130,000 - \$140,000	-	-
\$140,000 - \$150,000	-	-
\$150,000 - \$160,000	-	1
\$160,001 - \$170,000	1	-
\$170,001 - \$180,000	-	1
\$190,001 - \$200,000	1	-
<b>The total remuneration of senior officers is:</b>	<b>478,890</b>	<b>434,908</b>

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

### 31 CLIENT TRUST FUNDS

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

	2008 \$	2007 \$
Balance of Funds 1 July	164,332	71,507
Receipts	575,405	233,821
	739,737	305,328
Payments	515,189	140,996
<b>Balance of funds 30 June</b>	<b>224,548</b>	<b>164,332</b>

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 2008 there were no accounts maintained at BankWest compared to such accounts at the conclusion of 2006/2007.

### 32 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 2007	\$7,003
Receipt from Commonwealth	239,111
Client Contributions	936
Expenditure	(239,800)
<b>Closing Balance 2008</b>	<b>\$7,250</b>

### 33 FINANCIAL INSTRUMENTS

#### (a) Financial Risk Management Objectives and Policies

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.

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.

##### **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 dependent upon the cash flow requirements and the rate of return available for different terms.

##### **Market Risk**

The Commission does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity price changes)

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables.

The Commission has limited exposure to financial risks and the overall risk management program focuses on managing the risks identified.

(b) Categories of Financial instruments

The Commission's financial assets and liabilities at the balance sheet date are set out below:

	2008	2007
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	17,947,430	13,063,264
Restricted cash and cash equivalents	1,471,411	2,405,824
Receivables	5,267,151	6,189,156
<b>Financial Liabilities</b>		
Payables	9,190,131	8,684,529

(c) Credit Risk, liquidity Risk and Interest Rate Risk Exposures

The following table summarises the liquidity risk and interest rate risk to the Legal Aid Commission as at 30th June 2008.

2008	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
	\$	\$	\$	\$	\$			
<b>Financial Assets</b>								
Cash	17,940,605				17,940,605	6.57%		
Restricted Cash	1,471,411				1,471,411	6.57%		
Receivables				5,267,151	5,267,151			
<b>Financial Liabilities</b>								
Payables				9,190,131	9,190,131			

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
	\$	\$	\$	\$	\$			
<b>Financial Assets</b>								
Cash	13,063,264				13,063,264	6.25%		
Restricted Cash	2,405,824				2,405,824	6.25%		
Receivables				6,189,156	6,189,156			
<b>Financial Liabilities</b>								
Payables				8,684,529	8,684,529			

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

**Fair Values**

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

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

#### (d) Interest Rate Sensitivity analysis

The following table summarises the interest rate sensitivity of the Commission's financial assets as at 30th June 2008 on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

The Commission took into account past performance, future explanations, economic forecasts, and management's knowledge and experience of the financial markets to determine the movements that are reasonably possible over the next 12 months.

2008	Carrying	-1% change		+1% change	
	\$	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial Assets</b>					
Cash and cash equivalents	17,940,605	-179,406	-179,406	179,406	179,406
Restricted cash and cash equivalents	1,471,411	-14,714	-14,714	14,714	14,714

2007	Carrying	-1% change		+1% change	
	\$	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial Assets</b>					
Cash and cash equivalents	13,069,669	-130,696	-130,696	130,696	130,696
Restricted cash and cash equivalents	2,405,824	-24,058	-24,058	24,058	24,058

### 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In addition to the liabilities and assets included in the financial statements, there were no contingent liabilities nor contingent assets. (2007: Nil)

### 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 RELATED BODIES

The Commission has no related bodies.

### 37 SUPPLEMENTARY FINANCIAL INFORMATION

a) Remuneration of auditor	2008 \$	2007 \$
Remuneration to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	60,000	54,000
	<b>60,000</b>	<b>54,000</b>

The remuneration of auditor is included at note 18 'Supplies and Services'. The remuneration for 30.6.08 was not accrued as work was not substantially completed.



	2008 \$	2007 \$
<b>b) Write-offs</b>		
Debts written off during the year were authorised by - The Accountable Commission -	47,738	40,951

### 38 SPECIAL PURPOSE ACCOUNT

- (i) The Child Representation Trust Fund has been established essentially for monies received from client's 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	2008 \$	2007 \$
Balance of Funds 1 July		
- Opening Balance	87,137	59,637
Receipts	59,914	50,000
	147,051	109,637
Payments	68,500	22,500
<b>Balance of Funds 30 June</b>		
- Closing Balance	78,551	87,137

### 39 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 2008**

	2008 Estimate	2008 Actual	Variation
<b>Income</b>			
User charges and fees	1,599,621	1,871,321	271,700
Commonwealth grants and contributions	14,368,699	16,946,221	2,577,522
Other Revenue	1,809,970	2,442,926	632,956
Interest Revenue	983,866	1,343,564	359,698
State government grant	21,572,741	24,091,168	2,518,427
<b>Expenses</b>			
Legal Services Expenses	11,858,723	13,603,003	1,744,280
Employee benefits expense	19,163,178	20,857,298	1,694,120
Suppliers and services	3,476,042	2,945,882	(530,160)
Other Expenses	2,861,347	3,729,804	868,457

#### User charges and fees

Variance due to higher than expected Commonwealth contributions and a State cost recovery claim.

#### Commonwealth grants and contributions

Additional funding received for the establishment costs of the Kununurra office (\$1.085M), Country Lawyers program costs (\$0.35M), increased costs for Commonwealth family law grants of aid (\$0.955M), and Child Support processes before the Social Security Administrative Tribunal (\$0.12M).

**Other Revenue**

Variance due to higher than expected surplus distribution from the Legal Contribution Trust (\$0.701M).

**Interest Revenue**

Increase due to higher levels of funds on deposit and higher than expected interest rates.

**State government grant**

Additional funding received for CSA specified callings occupations (\$1.123M), Expensive cases (\$0.536M), Child Protection matters (\$0.27M) and CLC funding \$0.404M).

**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 increased costs associated with increased time demands due to Commonwealth family law reforms and the implementation of the Child Related Proceedings model at the Family Court of WA.

**Employee benefits expense**

Variance primarily due to additional salary costs associated with the CSA specified callings occupations.

**Supplies and Services**

Variance due to information management project expenditure to be carried forward, Riskcover insurance premium refunds relating to prior years, and reduced audit fee expenditure as audit work not substantially completed at year end.

**Other Expenses**

Variance due to increased expenditure in State Community Legal Centres due to availability of extra funding for this specific purpose, and higher than expected staff related costs associated with the establishment of the East Kimberley regional office.

**Significant variances between actual results for 2007 and 2008**

	2008	2007	Variation
<b>Income</b>			
Interest Revenue	1,343,564	1,028,246	315,318
<b>Expenses</b>			
Employee Benefit Expenses	20,857,298	18,730,095	2,127,203
Other Expenses	3,729,804	3,174,850	554,954

**Interest Revenue**

Larger amount of funds on deposit.

**Employee Benefits Expense**

Variance primarily due to additional salary costs associated with the CSA specified callings occupations, pay rise of 4% in March 2007 and additional provision for deferred and purchased leave not previously accounted for.

**Other Expenses**

Variance due to increased expenditure in State Community Legal Centres due to availability of extra funding for this specific purpose, and higher than expected staff related costs associated with the establishment of the East Kimberley regional office.

## 40 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 2007/08 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	
<b>Carry Forward Surplus/(Deficit)</b>	<b>991</b>	
<b>Income</b>		
Services Payment	15,579	
Interest	414	
Costs Recovered	43	
Contributions	570	
Expensive Cases Revenue	44	
Other	448	
<b>TOTAL INCOME</b>	<b>17,098</b>	
<b>Expenditure</b>		
Information Services	838	
Community Legal Education and Publication Services	596	
Legal Advice Services	1,648	
Minor Assistance Services	377	
Child Support Services (non - litigation)	881	
<b>Duty Lawyer Services:</b>		
- Family Law	562	
- Criminal Law	40	
- Civil Law	7	
PDR Services (Grants)		
<b>Litigation Services (Grants):</b>		
- Family Law	7,076	
- Criminal Law (excluding expensive cases)	294	
- Criminal Law (expensive cases)	44	
- Civil - Veterans	14	
- Civil - Migration	22	
- Civil - Other	111	
<b>Assignment Services:</b>		
- PDR	1,431	
- Litigation	1,421	
Strategic Services	841	
Other	105	
<b>Total Expenditure</b>	<b>16,308</b>	
<b>2007/08 SURPLUS/(DEFICIT)</b>	<b>790</b>	
<b>Closing Surplus/(Deficit)</b>	<b>1,781</b>	

NB - Reconciliation excludes transactions related to Community Legal Centres - which are separately identified at Note 32.

## 41 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 2007/08 is as follows:

<b>Opening Balance 01/07/2007</b>	<b>(182,825)</b>
Adjustment relating to prior years	
Supplementary Funding 2007/08	536,000
Expenditure 2007/08	(409,377)
<b>Funds Owing 30/06/2008</b>	<b>-56,202</b>

## 42 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:

<b>Budget Funding (in 2001/02)</b>	<b>1,125,000</b>
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)
Expenditure 2007/08	(168,269)
<b>Funds remaining 30 June 2008</b>	<b>-50,936</b>

- (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.

<b>Opening Balance 01/07/2007</b>	<b>136,274</b>
Funding in 2007/08	1,078,235
Expenditure 2007/08	(460,338)
<b>Funds remaining 30 June 2008</b>	<b>754,171</b>

## 43 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
<b>Opening Cash Balance 01/07/2007</b>	<b>2,056,612</b>	<b>216,868</b>
Receipts	3,111,002	5,631,735
Payments	(2,733,499)	(3,544,790)
<b>Closing Cash Balance 30/06/2008</b>	<b>2,434,115</b>	<b>2,303,813</b>

## PERFORMANCE INDICATORS

### KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

#### Key Performance Indicators

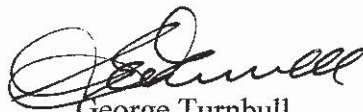
#### Certification of Key Performance Indicators

We 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 2008.



Malcolm McCusker AO QC  
Chairman

Date: 8/8/08



George Turnbull  
Director

Date: 5 August 2008

# 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 2008

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 2008, and the Income Statement, Statement of Changes 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 keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with 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 my 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 2008

#### 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 2008 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 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 2008.

Handwritten signature of Colin Murphy in black ink.

COLIN MURPHY  
AUDITOR GENERAL  
13 August 2008

## PERFORMANCE INDICATORS FOR 2007 – 2008

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, family law clients were surveyed. The survey instrument was identical to the 2006/2007 survey instrument to allow meaningful comparisons to be made. It provided that the neutral rating in the five-point scale used in surveys prior to 2006/2007 was again deleted this year and not available to respondents, so as to obtain a more definitive response from clients to the questions asked. Advantage Communications and Marketing Pty Limited again conducted this year's survey.

#### RESEARCH METHODOLOGY

##### Survey Populations

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 below.

Legal Aid WA provided contact lists for each client group.

## Sample Sizes

The sample sizes for the Family Law client groups satisfaction surveys were designed to balance the requirements of the office of the Auditor General for the purposes of annual reporting of an overall maximum standard error ratio of +/-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.

The 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 18 Child Support surveys could be completed due to the high level of disconnected numbers and clients in this group having moved away.

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

## POPULATIONS, SAMPLE SIZES AND LEVELS OF ACCURACY

Family Law Client Group	Population Size (N)	Target Sample Size	Achieved Sample Size (n)	Satisfaction	Level of Accuracy
Legal Advice	2047	207	206	86.1%	+/- 4.5%
Alternative Dispute Resolution	86	43	44	79.9%	+/- 8.3%
Grants of Aid	345	85	85	73.5%	+/- 8.2%
Duty Lawyer/Family Court Services	82	42	42	80.7%	+/- 8.4 %
Child Support	24	23	18	86.1%	+/- 7.6 %
<b>TOTAL</b>	<b>2584</b>	<b>400</b>	<b>395</b>	<b>82.3%</b>	<b>+/-3.5 %</b>

The estimated overall level of accuracy expected from this was +/-3.2% assuming a satisfaction level of 85% based on previous results. The accuracy levels for the individual surveys are higher but still within acceptable error bounds. The achieved overall level was +/-3.5%.



### **Questionnaire Design**

The questions used for this year's Family Law survey were supplied by Legal Aid and were the same as those used last year to allow meaningful comparisons between reporting periods.

### **Data Collection Methodology**

Surveys were conducted over the telephone using the contact lists provided by Legal Aid over a three-week period from 14th April 2008 to 16th May 2008. 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 (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 10% of all respondents were recontacted to validate the information provided (as required by Market Research Quality Standards).

### **Data Analysis and Reporting Notes**

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%.

Prior to the 2006-2007 Family Law client satisfaction survey, the response scale also allowed for a 'Neutral' response. Comparisons to earlier reports need to be viewed with this in mind.

## 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	2006 Actual	2007 Actual	2008 Target	2008 Actual	Reasons for Significant Variance between 2008 Target and 2008 Actual
Applications approved for a grant of aid as a percentage of all applications received	67%	71%	72%	69%	
Percentage of clients satisfied with service provided:					
- Criminal Law	-	87 %	-	-	Survey questionnaire changed to 4-point scale without a neutral response from a 5-point scale with a neutral response in 2006/07.
- Family Law	74%	85%	75%	82%	

Key Effectiveness Indicators	2006 Actual	2007 Actual	2008 Target	2008 Actual	Reasons for Significant Variance between 2008 Target and 2008 Actual
<b>State Law:</b>					
Average cost per call	14	17	16	17	
Average cost per service: face to face information	30	36	33	34	
Average cost per service: duty lawyer service	90	98	99	105	
Average cost per legal advice	103	113	117	125	
Average cost per minor assistance	172	187	205	218	
Average cost per application processed	152	127	149	176	Increase in average cost due to changes in the case mix with more complex State Family law files being processed and additional training costs associated with higher turnover of staff.
Average cost per legal representation	1,836	1,892	1,908	2,089	Increase in average cost due to increases to private practitioners fee scale.

Key Effectiveness Indicators	2006 Actual	2007 Actual	2008 Target	2008 Actual	Reasons for Significant Variance between 2008 Target and 2008 Actual
<b>Commonwealth Law:</b>					
Average cost per call	18	22	22	23	
Average cost per service: face to face information	30	29	28	30	
Average cost per service: duty lawyer service	96	134	122	138	The average duration service has increased due to the new Child Related Proceedings Program procedures.
Average cost per legal advice	96	126	118	196	Increased time demands with new obligations on advisors as a result of legislative changes in Family Law and increasing complexity of client issues as a consequence of more straight forward matters being filtered through Family Relationship Centres has increased average cost of service.
Average cost per minor assistance	166	185	185	187	
Average cost per application processed.	440	493	502	498	
Average cost per legal representation	2,599	2,861	2,791	3,776	Increase in the average cost is due to increased time demands due to the Australian Government's family law reforms and the implementation of the Child Related Proceedings model at the Family Court of WA.
Average cost per child support	1,363	1,296	1,407	1,395	

## MINISTERIAL DIRECTIVES

Nil

## 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.

The Commission also imposes a Debt Management fee, 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 2007-08 it was decided not to impose the indexation, the minimum fee of \$25.00 and maximum fee of \$250.00 per annum remained the same.

Legal Advice, Minor Assistance and Duty Lawyers services attract a fee of \$20. There is a concession rate of \$5 available for healthcare

cardholders and the fee may be waived in cases of extreme 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:

User Charges and Fees	07-08	06-07
Client Contributions and fees.	1,102,962	1,319,222
Cost Recoveries	577,235	397,316
Legal Advice fees	67,566	77,193
Duty Lawyer fees	120,561	112,159

## CAPITAL PROJECTS

### ACCOMMODATION

The refit of the Perth office as negotiated in the lease agreement entered into in 2005 was completed in December 2007. There are only a few outstanding defect items that are being addressed.

A rejuvenation plan of regional offices across Western Australia that commenced in 2005/06 continued with the commissioning of a report from CB Richard Ellis Pty Ltd on options in regards to Legal Aid's South Hedland office property. The office is located on a large area of land, adjacent to a shopping centre. The back part of the property is vacant land of no use to Legal Aid. A fit-out is required at the office and the plan is to generate funds to accommodate the fit-out depending on options delivered.

The most significant capital project for 2007/2008 was the establishment of the new \$1.1million Legal Aid office in Kununurra. People living in some of the most remote parts of our State now have better access to Legal Aid assistance with the

opening of this office. The new six-person office has been jointly funded by the Commonwealth and WA State Governments – with the Commonwealth paying to set up the office while the WA Government has committed \$2.4million over four years to cover running costs. The office opened for business on Monday 19 May 2008 and is currently located at Shop 18, Kununurra Shopping Centre, 64 Konkerberry Drive, Kununurra. New purpose built offices are planned to be built at Lot 100 River Fig Avenue, Kununurra and the Legal Aid office expects to move into this space in the first half of 2009.

### INFORMATION

Information Management has invested significantly in the development of infrastructure and services to support the agency's changing needs of client management practices, regional deployment of centrally located systems remains a key priority. Network infrastructure growth has seen the appointment of a new service provider, with upgrades of telecommunications services to all sites and the additional

provision of a network redundancy system. Upgrades to the core infrastructure technology have seen rationalisation of physical servers, server virtualisation has reduced physical servers by 60% which subsequently has reduced power requirements of the data centre.

The Grants Online application has been rolled out to all regional and Perth offices with over 100 Legal Aid staff, litigation and non litigation receiving one on one training. There are now 110 private firms using Grants Online. The average turnaround time for decisions is approximately 3 days, with some urgent applications submitted from the remote regions receiving a decision within the hour.

The Legal Aid Office application has undergone a significant upgrade; implementing eighteen services releases, which required intensive user acceptance and with the support from key business users over 470 test cases were written and executed, as a result of this approach significant improvements in application and process knowledge has occurred, staff within the agency have a greater awareness of the client information management system.

# EMPLOYMENT AND INDUSTRIAL RELATIONS

## EMPLOYEE PROFILE 2007/2008

Level	Lawyers			Paralegal			Administration			Article Clerks			Total	Total	%	%
	P	O	C	P	O	C	P	O	C	P	O	C	2006/07	2007/08	2006/07	2007/08
Trainee													1	0	0.33%	0.00%
1				1			14	1					18	16	6.00%	5.46%
2				6			47	2		12			69	67	23.00%	22.87%
3				32	3		11	3	1				56	50	18.67%	17.06%
4				6			5						9	11	3.00%	3.75%
5				4			12	1					15	17	5.00%	5.80%
6							2	1					5	3	1.67%	1.02%
7							2						1	2	0.33%	0.68%
8							3						5	3	1.67%	1.02%
9													0	0	0.00%	0.00%
Class 1													0	0	0.00%	0.00%
Class 2													0	0	0.00%	0.00%
Class 3							1						1	1	0.33%	0.34%
Class 4													0	0	0.00%	0.00%
Special Division			1										1	1	0.33%	0.34%
S/C Level 1	8	14											25	22	8.33%	7.51%
S/C Level 2	22	1				1							22	24	7.33%	8.19%
S/C Level 3	17	1											18	18	6.00%	6.14%
S/C Level 4	18					1							22	19	7.33%	6.48%
S/C Level 5	7	1											4	8	1.33%	2.73%
S/C Level 6	24	1											23	25	7.67%	8.53%
S/C Level 7	3												2	3	0.67%	1.02%
S/C Level 8	2												2	2	0.67%	0.68%
S/C Level 9													0	0	0.00%	0.00%
S/C Level 10	1												1	1	0.33%	0.34%
<b>TOTAL</b>	<b>102</b>	<b>19</b>	<b>0</b>	<b>48</b>	<b>4</b>	<b>0</b>	<b>99</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>300</b>	<b>293</b>	<b>100%</b>	<b>100%</b>

**P = Permanent Employee**

Includes staff on LWOP:

**O = Contract Employee**

2006/2007 LWOP 14 Females/  
2 Males

**C = Casual Employee**

2007/2008 LWOP 10 Females/  
1 Male

## ANNUAL REPORTING 2008 - OSH AND INJURY MANAGEMENT DATA

### RiskCover – Worker’s Compensation

#### Legal Aid Commission of Western Australia

#### 2008 Annual Reporting – OSH and Injury Management Data

Number of Fatalities	0
Number of Severe Claims	3
Number of Lost Time Injury/ Diseases	3
Lost Time Injury Severity Rate	100.00

### DATA DEFINITIONS

#### Fatalities

Number of Compensated work related fatalities

#### Severe Claims

Claims are counted where they occur in the 2007/ 2008 financial year and the estimate for lost time exceeds 60 days. Fatal Claims are included.

#### Lost Time Injury/ Diseases

Number of claims occurring in the 2007/2008 financial year where 1 day or more is estimated to be lost.

#### Severity Rate

Number of Severe Claims divided by the number of Lost Time Injury/ Diseases multiplied by 100

### STATEMENT OF THE AGENCY’S COMMITMENT TO OSH & INJURY MANAGEMENT

Legal Aid WA promotes a positive and healthy workplace. Everyone is encouraged to take all reasonably practicable measures to protect

the safety and health of themselves and others within the workplace. We are committed to managing risks by identifying, analysing, evaluating and treating exposures that are likely to impact on the operational performance or health of our people.

Every employee of Legal Aid is recognised as having a role in Risk Management, from vigilance in the identification of risks to the treatment of risks.

### DESCRIPTION OF THE FORMAL MECHANISM FOR CONSULTATION WITH EMPLOYEES ON OSH MATTERS

Processes for consultation on a range of OSH related are established. These include:

- Established procedure for reporting risks and incidents for investigation;
- Safety Committee, committed to identifying and minimising risk, executing OSH Management Plan and providing support to staff through liaison and training;
- Safety updates including procedures, and handy hints via staff intranet;
- OSH Induction to all new staff via the Corporate Online Induction Module.
- Ergonomic Assessments;
- Maintained complement of trained First Aid Officers and Fire Wardens.

Regular review and maintenance of these strategies ensure compliance and effective injury management.

### STATEMENT OF COMPLIANCE WITH THE INJURY MANAGEMENT REQUIREMENTS OF THE WORKERS’ COMPENSATION AND INJURY MANAGEMENT ACT 1981

Legal Aid WA adheres to the injury management compliance requirements in accordance with the Workers’ Compensation and Injury Management Act 1981.

## 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 \$6,363.50 was paid to Jardine Lloyd Thompson 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

When a person is declined a

grant of aid from Legal Aid WA they have a statutory right to request reconsideration and then a review of that decision. In 2007-08, there were 573 requests for reconsideration, a significant decrease in number to the previous year of 908. The number of decisions varied following reconsideration were 244, a similar percentage to those of the preceding year. A further 82 reviews were conducted by an independent Review Committee consisting of two private practitioners and a layperson. 16 of these decisions to decline aid were varied at review.

### 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.

## OTHER LEGAL REQUIREMENTS

### ADVERTISING

Total advertising expenditure was \$57,254.50 of which \$17,732.87 was incurred through Marketforce Productions and \$26,666.00 through Gerard Daniels.

### 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.



## 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.

Compliance Issues	Significant action taken to monitor and ensure compliance
<p><b>Public Sector Standards (PSS)</b></p> <ul style="list-style-type: none"> <li>1 Breach Claim lodged (Following an investigation by OPSSC, no breach of standard was found).</li> </ul> <p><b>WA Code of Ethics</b></p> <ul style="list-style-type: none"> <li>NIL reports of non-compliance with WA Code of Ethics.</li> </ul> <p><b>Agency Code of Conduct</b></p> <ul style="list-style-type: none"> <li>Allegation of inappropriate behaviour in the workplace against one staff member. (A formal investigation found that the claim was unsubstantiated).</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources review all recruitment and selection processes as a quality assurance procedure.</li> <li>Ongoing training provided to managers and recruitment panel members to ensure compliance with relevant Standards</li> <li>A project is being undertaken to review and update agency recruitment and selection processes.</li> <li>Standards information provided to chairperson of recruitment and selection panels as part of the Advertised Vacancy file.</li> <li>WA Code of Ethics included in the Online Induction module, and is readily available to all staff.</li> <li>Ethics issues are raised with Director of Legal Aid as they may arise.</li> <li>Legal Aid operates a Gift Register for gifts offered and accepted by staff.</li> <li>Information brochures are provided to staff on integrity topics such as Conflict of Interest, Acceptance of Gifts and Secondary Employment.</li> <li>Legal Aid's Code of Conduct is available to all staff via the intranet and the Online Induction Module.</li> <li>Workshops designed to deal with issues such as bullying and harassment and positive team interaction were run with groups of staff.</li> <li>Workplace support programs initiated with individual staff.</li> <li>Contact Officer network updated. Contact Officer service advertised widely on a regular basis.</li> </ul>

Significant action taken to monitor and ensure compliance of the above 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.
- 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

Legal Aid WA's Recordkeeping Plan was approved by the State Records Commission on the 2 April 2007 for a period of five years.

In accordance with the Plan a fully revised Retention and Disposal Schedule, for functional records has been submitted to the State Records Office, realigning appropriate disposal actions with Legal Aid WA's implemented Business Classification Scheme.

As a component of disposal processing, the General Disposal Authorities for Administrative, Financial and Accounting and Human Resource Management Records, produced by the State Records Office are gradually being incorporated into Legal Aid WA's Document Management System.

Legal Aid WA implemented a stand alone online Recordkeeping Awareness Training course in 2005. In order to create a greater awareness of recordkeeping in Legal Aid WA this course has now been incorporated as a module within an online induction training package that all new employees have 12 weeks to complete. This package is also available for existing employees to access as a resource tool.

Employees have also undergone Business Classification Scheme and Document Management System training throughout the year, which is evaluated through training course evaluation questionnaires.

## 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" focussing on how public sector staff are dealt with when they report internal wrongdoing. This 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. The past year has seen the completion of a significant refurbishment project with the design incorporating energy saving aspects and devices. Open-plan workstation environments have been installed around the perimeter of the building allowing a greater degree of natural light to permeate through to offices constructed within the centre of the building with glass walls facing the external windows. Automatic light motion sensors have been installed to ensure lights are not left on when offices, meeting rooms and common use areas are not occupied, or being used.

ANNUAL ESTIMATES  
FOR THE YEAR ENDING 30 JUNE 2009

Operating Expenses	2008/2009 Proposed \$
<b>Legal Service Expenses</b>	
Casework Costs - Cwlth	4,008,000
Casework Costs - State	8,446,000
Disbursements IHP Cwlth	493,993
Disbursements IHP State	211,525
Disbursements DCD	20,000
State Commitment - DCD Referrals	313,700
Sundry Expenses - Casework	(49,251)
Other Service Expenses	299,031
<b>TOTAL LEGAL SERVICE EXPENSES</b>	<b>13,742,998</b>
<b>Salaries and Related Expenses</b>	
Salaries and Allowances	20,278,832
Staff Related Expenses	2,684,522
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>22,963,354</b>
<b>Other Operating Expenses</b>	
Communications	556,149
Services and Contracts	4,185,057
Consumables	771,128
Maintenance	479,161
Other Operating Expenses	280,662
Depreciation	1,092,073
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>7,364,230</b>
<b>Other Grants</b>	
State Community Legal Centres	2,764,339
<b>TOTAL OTHER GRANTS</b>	<b>2,764,339</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>46,834,921</b>
<b>REVENUE FROM SERVICES</b>	
Contributions	1,627,982
Revenue from Services	204,656
Other Operating Revenue	813,535
Legal Contribution Trust Fund	1,000,000
Interest Revenue	1,150,000
<b>TOTAL REVENUE FROM SERVICES</b>	<b>4,796,173</b>
<b>NET COST OF SERVICE</b>	<b>-42,038,748</b>
<b>REVENUE FROM GOVERNMENT</b>	
<b>Commonwealth Revenues</b>	
Cwlth Oper Grant 2004/05 Fund Agreement	14,916,394
Cwlth Christmas Island	246,545
<b>TOTAL COMMONWEALTH REVENUES</b>	<b>15,162,939</b>
<b>State Revenues</b>	
State Cons Fund - Recurrent	22,846,100
Expensive Cases - In House	30,000
State Community Legal Centres	2,783,339
<b>TOTAL STATE REVENUES</b>	<b>25,659,439</b>
<b>TOTAL REVENUE FROM GOVERNMENT</b>	<b>40,822,378</b>
<b>Annual Operating surplus/(deficit)</b>	<b>(1,216,370)</b>

## LEGAL AID OFFICES

### TELEPHONE INFORMATION LINE

General Inquiries  
1300 650 579

TTY (for the hearing impaired):  
1800 241 216

[www.legalaid.wa.gov.au](http://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

Telephone (08) 9164 7529  
Facsimile (08) 9164 7162

### GREAT SOUTHERN REGIONAL OFFICE

104 Aberdeen Street  
Albany WA 6332

Telephone (08) 9892 9700  
Facsimile (08) 9892 9777

### MIDWEST AND GASCOYNE REGIONAL OFFICE

Unit 7 The Boardwalk  
273 Foreshore Drive  
Geraldton WA 6530

Telephone (08) 9921 0200  
Facsimile (08) 9921 0255

### EAST KIMBERLEY REGIONAL OFFICE

Shop 18  
Kununurra Shopping Centre  
64 Konkerberry Drive  
Kununurra WA 6743

Telephone (08) 9166 5800  
Facsimile (08) 9166 5888



