



LEGAL AID  
WESTERN AUSTRALIA

Annual Report **2009-2010**

# Statement of Compliance

FOR THE YEAR ENDED 30 JUNE 2010

**HON CC PORTER MLA**

**ATTORNEY GENERAL**

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Legal Aid Commission for the financial year ended 30 June 2010.

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: 5/8/10



George Turnbull  
Director

Date: 4/8/10

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# 1. CHAIRMAN'S REPORT

I am pleased to present the Legal Aid Commission's Annual Report for 2009-10.

In the year under report, despite there being (as in every year), significant resource limitations, the Commission managed to provide over 150,000 instances of legal services to Western Australians, primarily in the areas of criminal and family law.

The challenges of operating under constrained financial circumstances are numerous, and necessitate restrictions on the extent of legal aid that the Commission would like to offer. Hence, in family law, grants of aid generally have to be confined to cases where there are safety concerns for parents or children who may be at risk; and in criminal law, grants of aid are rarely made to defendants facing charges in the Magistrate's Courts (even though the potential penalties in some cases may be significant).

Fortunately, the dedication of Legal Aid WA's highly professional workforce ensures that most Western Australians who are not granted aid for legal representation in the courts do, at least, have access to legal advice. This, however, is no substitute for full legal representation.

It is, therefore, very pleasing that in 2010 the Commonwealth and the State have both recognised the need for increased funding for legal assistance.

In the 2010 Federal Budget, the Commonwealth announced additional funding for all Australian legal aid commissions. Legal Aid WA will receive a 25 per cent increase in Commonwealth funding, over the next four years. This will greatly improve Legal Aid WA's capacity to provide services in the areas of family law and civil law, and to invest in the very important programs for early intervention, and preventative law.

Additional funding from the State, to help Legal Aid WA handle the significant growth in the number of child protection cases in the Children's Court of WA, has also been most welcome.

The Commission provides legal services not only in the metropolitan region, but also to the less populated areas of this vast State, both from its offices in major regional centres, and through regular visits to more remote locations, recognising that access to justice should be available to all Western Australians, and should not be compromised by distance or remoteness.

As part of a program of regular visits, so that the Commissioners may keep in touch with the needs of the regions, during 2009-10 my fellow Commissioners and I held meetings in the Commission's regional offices of Kalgoorlie and Broome, taking the opportunity to meet not only the dedicated Legal Aid lawyers and support workers who staff those offices, but also the many other admirable individuals who work (often under great difficulties) in other agencies involved in justice and social welfare, and with whom Legal Aid WA endeavours to ensure ongoing co-operation. The competence and dedication which these individuals display, in their day to day work, is laudable.

The work of Legal Aid WA lawyers is often influenced by unexpected external factors.

In 2009-10, the arrival of asylum seekers at Christmas Island placed new and unforeseen demands on our criminal law team, who were assigned a number of difficult and unusual cases concerning "people smuggling". It is a well settled principle in Australian law, clearly stated by the High Court, that all persons charged with serious offences must receive proper legal representation before the courts.

Again, when the Toodyay bushfire disaster occurred, in January 2010, Legal Aid WA lawyers acted promptly and tirelessly, to assist the local community with advice and support.

Such services provided by Legal Aid WA are a testament to the capacity of our lawyers to deal professionally and capably with the unexpected.

On behalf of my fellow Commissioners, I take this opportunity to again thank the Director of Legal Aid, Mr George Turnbull, for his ongoing leadership and capable management of an organisation which deals with a range of issues on a daily basis, and is soundly and prudently managed. He has built, and consolidated, a professional team which gives practical effect to the Commission's aims, and which is highly respected within the profession and the broader community.

Finally, I must sincerely acknowledge the other participants in the justice system, whose assistance to, and co-operation with, Legal Aid WA enables it to deliver quality services to the people of Western Australia: the WA Police Service, the State and Commonwealth Departments of the Attorney General, the Department of Corrections, Department for Child Protection, Law Society of WA, Aboriginal Legal Service, the various community legal centres throughout Western Australia, and last, but by no means least, the many private practitioners who continue to be willing to accept grants of aid to provide legal assistance to needy members of the Western Australian public, even though the remuneration they receive is well below the "scale rate".

**Malcolm McCusker AO QC**

**Chairman**



## 2. CHIEF EXECUTIVE OFFICER'S REPORT

Throughout 2009-10 Legal Aid WA, along with all other legal aid commissions throughout Australia, was actively engaged in negotiating a new four year agreement for Commonwealth funding. The new National Partnership Agreement for Legal Assistance Services was finalised in June 2010 and ratified by Western Australia shortly after. In terms of overall funding, Western Australia received an increase of 25 per cent, the highest of any State or Territory. However, on a per capita basis Western Australia's level of legal assistance funding is still below the national average. Given the factors of distance, isolation and the level of contact of indigenous people with the justice system, there continues to be justification for Western Australia to receive a larger share of the national legal aid funding pool. Legal Aid WA will continue to impress this point upon the Commonwealth until funding levels are adequate for the services required within this jurisdiction.

Demand for a number of services provided by Legal Aid WA dropped slightly during 2009-10, stabilising a trend in recent years of rapid increases in demand across many areas. Applications for grants of aid for Commonwealth law matters decreased by 3.3 per cent, and the number of grants awarded fell by 12.0 per cent. In the State jurisdiction the number of applications for grants of aid fell by 4.1 per cent, while the number awarded was down by 1.1 per cent. It is, however, important that these statistics be viewed with some caution. There is a significant degree of self-rationing within the legal profession such that practitioners will not seek a grant of aid on behalf of a client because they are aware that the guidelines for approval are stringent and that an application, in many cases, will be unsuccessful. The number of applications received therefore probably masks the total level of unmet legal need. It is also important to note that in December 2009 Legal Aid WA temporarily placed a higher threshold on the approval criteria for family law grants of aid, due to demand for services significantly exceeding available funding during the first half of the financial year. This temporary change of policy, which has now been reversed,

significantly reduced both the number of applications received and the number of grants awarded during the second half of the year.

While grants of aid represent Legal Aid WA's largest cost of service category, the number of people assisted this way is relatively small, with 8,813 applicants receiving a grant of aid during 2009-10. By contrast, Legal Aid WA's other services reflect the high volume levels of assistance that we provide to many thousands of Western Australians each year. For example, Legal Aid WA's Infoline service responded to 70,587 calls during 2009-10. Our duty lawyer service represented 53,538 people during 2009-10, mainly in the Magistrate's Courts, but also in the Family Court of WA, the Children's Court of WA and the Administrative Appeals Tribunal.

The duty lawyer service, particularly in the Magistrate's Courts, is an essential element in ensuring that persons appearing for the first time, seeking remands or entering pleas of guilty receive initial advice and a good standard of representation. It also helps the court services to run much more efficiently. There is an expectation from the judiciary and the public that Legal Aid WA lawyers will always be available to serve as duty lawyer. To date this has been possible, even though the number of persons being handled through the Magistrate's Courts over the past ten years has far outpaced Legal Aid's capacity to provide additional lawyers. We will continue to strive to provide this very important service into the future and maintain our presence in metropolitan, regional and remote courts on circuit.

A number of innovations commenced by Legal Aid WA in previous years have continued to strengthen and show outstanding results. The Country Lawyers Program, which started in 2008, has been highly successful in placing lawyers in traditionally difficult to fill positions in remote and regional Western Australia. In October 2009 the Country Lawyers Program received recognition as a finalist in the Premier's Awards under the category 'Revitalising Our Regions'. This model is now seen as the national benchmark for attracting

lawyers into regional areas. Another innovation, the Civil Litigation Assistance Scheme, was officially launched by the Chief Justice of Western Australia in November 2009. This scheme allows individuals of limited means to take civil action in areas such as consumer law and medical negligence. It is hoped that this innovation will mature and become self sustaining into the future through conditional costs agreements in successful cases.

I would like to take this opportunity to acknowledge the strong support that Legal Aid WA continues to receive from the State and Commonwealth Attorneys General. The Commonwealth Attorney General took the time to visit Legal Aid WA's Perth and Geraldton offices during 2009-10, with this level of contact greatly appreciated by staff members. The Western Australian Attorney General's support for Legal Aid WA's work in the area of child protection resulted in a recurrent funding increase in August 2009 to handle additional care and protection matters. This funding boost has been of great practical benefit to Legal Aid WA and the community generally.

Finally, I would like to thank the great team at Legal Aid WA for yet another year of hard work and outstanding contribution to the delivery of justice in Western Australia.

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



## 3. OVERVIEW OF AGENCY

### 3.1 EXECUTIVE SUMMARY

#### Cost of services and sources of funds

In 2009-10 the total cost of services delivered by Legal Aid WA amounted to \$50.8 million, an increase of \$1.45 million or 2.93 per cent on the 2008-09 total cost of \$49.35 million. The main sources of expenses were employee costs at \$24.56 million (increase of 4.6 per cent) and payments to private legal practitioners at \$14.75 million (increase of 0.46 per cent). The number of full time equivalent employees as at 30 June 2010 was 293, compared with 283 for the same time in 2009.

Legal Aid WA derives the majority of its funding through Commonwealth and State Government grants. In 2009-10 Commonwealth grants and contributions totalled \$17.28 million, an increase of \$0.29 million or 1.7 per cent on the Commonwealth contribution for 2008-09. The State Government grant for 2009-10 was \$28.65 million, an increase of \$2.09 million or 7.9% on the previous year.

A net operating surplus of \$1.419 million was recorded for the 2009-10 financial year.

#### Outputs

The total number of applications received for legal representation for State and Commonwealth matters did not change significantly in 2009-10. This continues to reflect the position, that demand for legal representation as measured by the number of applications is self regulating, with practitioners generally only lodging applications for aid in circumstances where there is a reasonable chance of the application being approved. Within this total, however, applications for Commonwealth law grants of aid declined by 15 per cent during 2009-10. This largely reflects a decision of Legal Aid WA in December 2009 to temporarily raise the eligibility threshold for certain family law grants of aid due to funding limitations at the time. In 2009-10, 71 per cent of applications for legal representation for State matters were approved, which was equal to the approval rate for 2008-09. The approval rate for Commonwealth matters was 56 per cent in 2009-10, down on the 63 per cent approval rate for 2008-09.

Within the State jurisdiction, demand for services other than grants of aid was in most cases slightly lower than in 2008-09. The exception to this trend was in the area of minor assistance services which increased by 34.6 per cent during 2009-10. In an environment where there is constrained capacity to provide grants of aid for matters before the Magistrate's Courts, the minor assistance program is being used increasingly as a limited substitute.

For Commonwealth matters, there were significant demand increases across most non-grant of aid service areas. Minor assistance services increased by 131 per cent; face to face services increased by 60 per cent; and duty lawyer services increased by 46 per cent. Against this trend was a decrease in demand for legal advice services of 58 per cent.

#### Our clients

Legal Aid WA's client base for grants of aid is overwhelmingly male, with 66 per cent of grants being awarded to males, predominantly in the area of criminal law, where they accounted for 82 per cent of all grants. Females were awarded 69 per cent of all grants of aid in the area of family law. The majority of clients who receive grants of aid fall within the age bracket of 21 to 30 years, with 31 to 40 years also highly represented. Males dominate across all age brackets.

The majority of Legal Aid WA clients reside in metropolitan Perth (57 per cent); with a further 30 per cent resident in regional Western Australia and 13 per cent non-residents of Western Australia.

#### Our organisation

As at 30 June 2009 Legal Aid WA had 293 full time equivalent employees.

Legal Aid WA's head office is located at 55 St Georges Terrace, Perth. The organisation also maintains a significant presence in other parts of Western Australia, with regional offices located at Fremantle, Midland, Bunbury, Albany, Geraldton, Kalgoorlie, South Hedland, Broome and Kununurra. A regional outpost is also maintained on Christmas Island. In addition to the permanent office presence in major regional centres, Legal Aid WA maintains a presence in many towns and remote communities through attendance at circuit court visits and legal education programs.

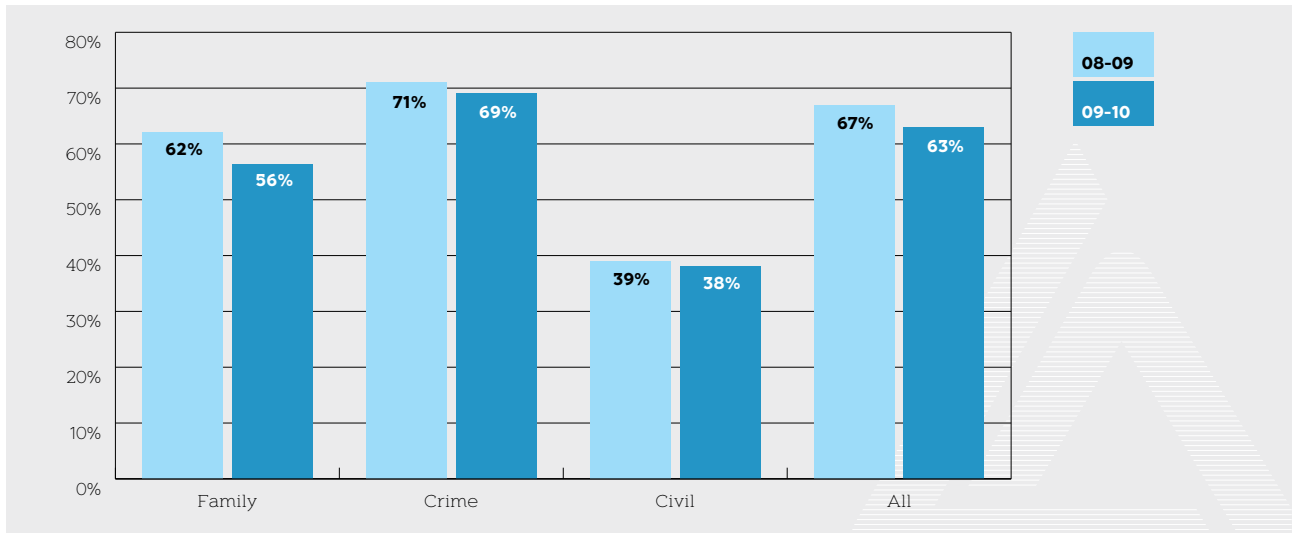


### **Annette van Gent**

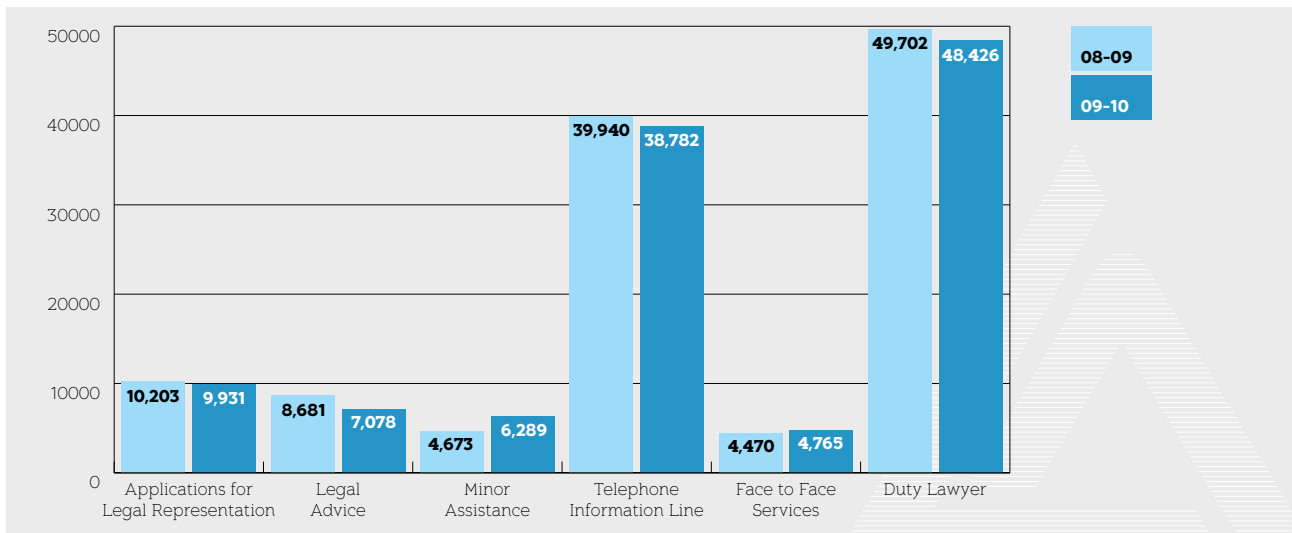
*Annette is a Legal Aid WA lawyer currently placed with the Kimberley Community Legal Service in Kununurra as Principal Solicitor, through the Country Lawyers Program. In this role Annette provides advice and assistance to members of the community in many areas of the law, including civil matters, family law and domestic violence. As a lawyer working in the Kimberley region, a large part of Annette's time is taken up visiting remote communities providing community legal education and outreach services. Annette has previously worked with indigenous family violence legal services in regional New South Wales and the Central Australian Women's Legal Service in Alice Springs.*



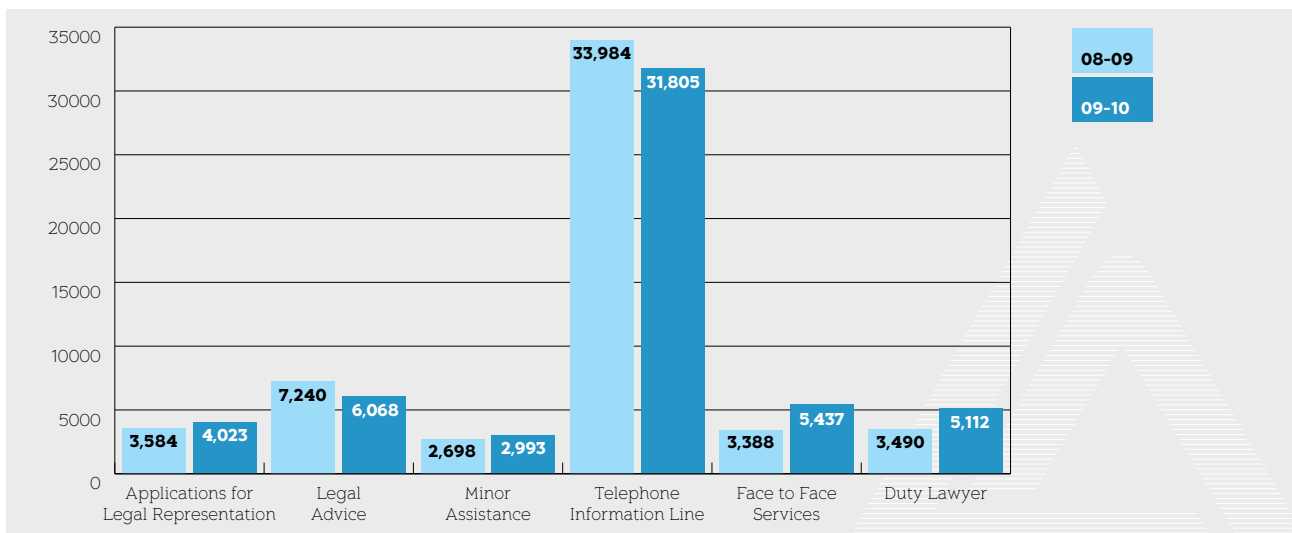
**GRANT RATE BY LAW TYPE**



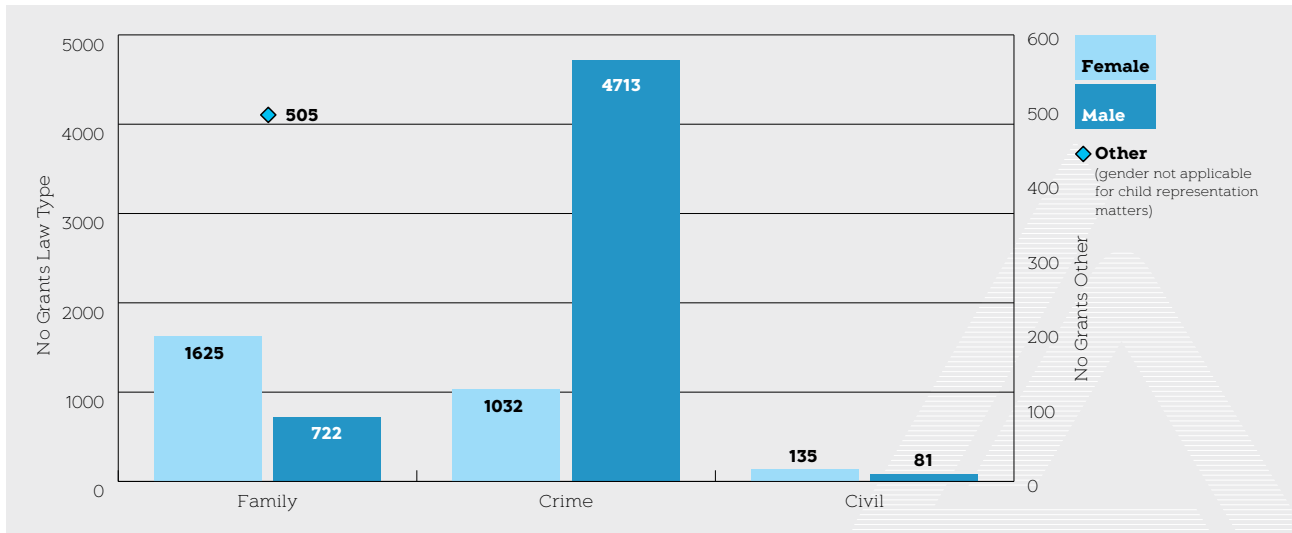
**SERVICES OTHER THAN LEGAL REPRESENTATION (STATE)**



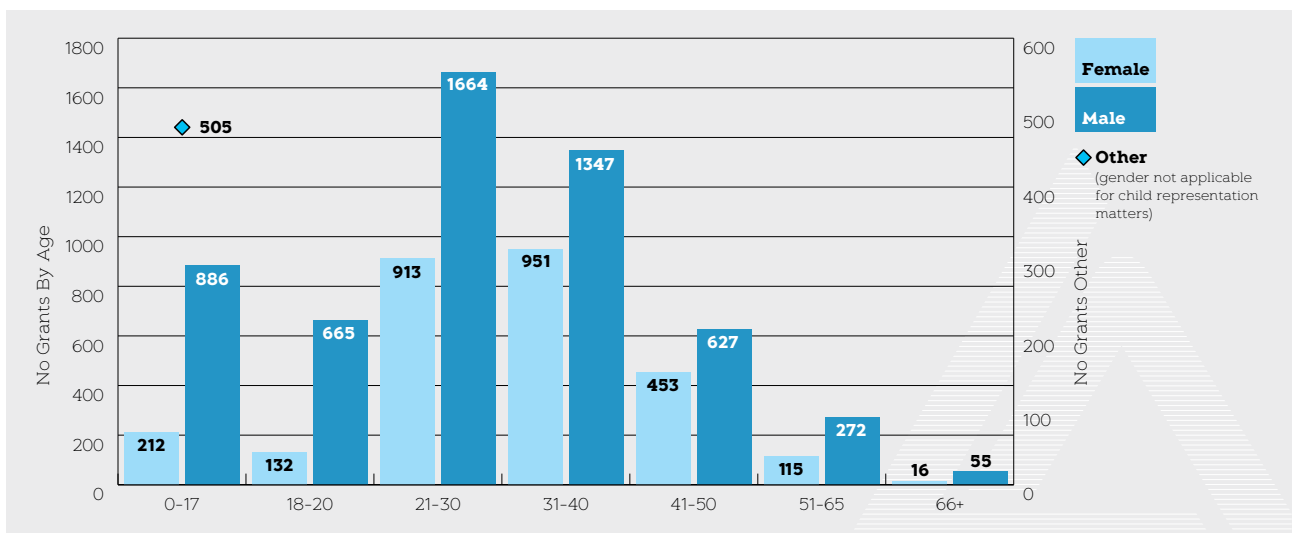
**SERVICES OTHER THAN LEGAL REPRESENTATION (COMMONWEALTH)**



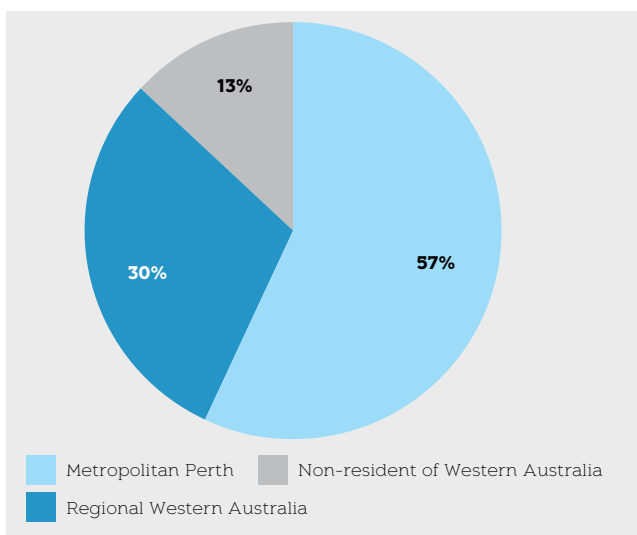
### GRANTS BY GENDER AND LAW TYPE



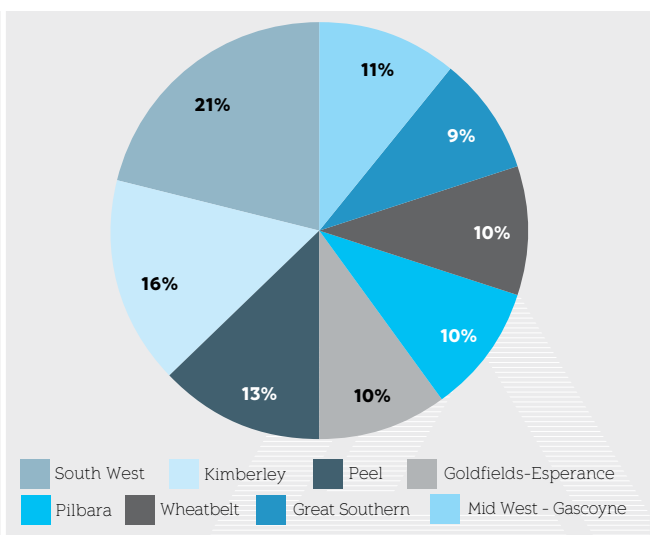
### AID GRANTED BY GENDER AND AGE GROUP



### RESIDENCY OF LEGAL AID CLIENTS IN 2009-10



### RESIDENCY OF LEGAL AID CLIENTS IN 2009-10 LIVING IN REGIONAL WA



## 3.2 OPERATIONAL STRUCTURE

### Name of agency

Legal Aid Commission of Western Australia

### Enabling legislation

*Legal Aid Commission Act 1976*

### Form of agency

Legal Aid WA is an independent statutory authority

### Responsible Minister

Attorney General of Western Australia

### Accountable authority

Part II of the Legal Aid Commission Act establishes the Commission and Part III creates the position of Director of Legal Aid and the power to employ staff. The Director and staff of Legal Aid are accountable to the Commission which exists by way of a Board of Commissioners.

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 of Western Australia and one (not being a lawyer) who has administrative experience at a senior level
- one member, a non-lawyer, nominated by the Minister for Consumer Protection
- 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. In January 2010 Cabinet approved the nomination of Mr Brian Bradley by the Minister for Commerce as a replacement for Mr Patrick Walker who stepped down as Commissioner in March 2008.

In 2009-10 there were 11 normal meetings of the Commission. The Chairman of the Legal Aid Commission receives \$18,600 per annum and ordinary members who are not public servants receive \$7,400 per annum.

The Board of Commissioners operates with the support of an Audit Committee and an Information Management Committee. Both committees are chaired by Mr Raymond Hughes. Mr Bradley is also a member of the Audit Committee.

While there is no formal reporting relationship to a Minister, the Director of Legal Aid provides advice to the Attorney General on an ongoing basis. It is also noted that for budget and general administrative purposes the Attorney General is the responsible Minister for the *Legal Aid Commission Act*.

## 3.3 COMMISSION MEMBERS

### Mr Malcolm McCusker AO QC – Chairman



Malcolm McCusker AO QC was appointed Chairman of the Commission in December 1982 as 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, Mr McCusker 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. From January 2004 to December 2008 he served as 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 WA Citizen of the Year for the Professions. In 2010 he received a further award (2010 WA Citizen of the Year for Community Service). Mr McCusker attended 11 of the 11 Commission meetings held in 2009-10.

#### Mr George Turnbull - Director of Legal Aid WA



George Turnbull was appointed Director of Legal Aid WA in June 1999 and was reappointed for a further five year term in 2007. He was first admitted to practice as a barrister and solicitor of the Supreme Court of Victoria in 1973. Mr Turnbull

was until June 1998 the Director of the Victorian office of the Australian Government Solicitor, and was previously Director of the New South Wales and South Australian offices. During the 1980s he was Deputy Crown Solicitor and Director for Western Australia. Mr Turnbull attended 11 of the 11 Commission meetings held in 2009 - 10.

#### Mr Raymond Hughes



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 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 Australian Society of Certified Practising Accountants and is Chairman of the Audit Committee. Mr Hughes attended 11 of the 11 Commission meetings held in 2009 - 10.

#### Ms Lynda Wennstrom



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 was appointed to the role of Coordinator of the Fremantle Community Legal Centre then in 2007 to the role of Coordinator of Warrawee. Ms Wennstrom has undertaken many roles in the community sector, including serving as the Chairperson and Secretary of the Financial Counsellors Association and Chairperson of the Federation of Community Legal Centres. She is immediate past Chairperson of No Interest Loans WA (Inc) a position which she held for eight years and an Executive Member of the Community Legal Centres Association (Inc). Ms Wennstrom attended 9 of the 11 Commission meetings held in 2009 - 10.

#### Mr Rick Cullen



Rick Cullen was appointed a Commissioner in January 1995 as a nominee of the Law Society of WA. 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 areas, concentrating on commercial litigation over the last 20 years.

Mr Cullen was a partner of Dwyer Durack and Gaydens from 1989 to 2004 and has since become managing partner in Cullen Babington Hughes where he is lead partner of a team of 7 litigation lawyers. 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 10 of the 11 Commission meetings held in 2009 - 10.

### Ms Belinda Lonsdale



Belinda Lonsdale was appointed a Commissioner in January 2006 as a nominee of the Law Society of WA. 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 practiced 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 Ms Lonsdale was Convenor of the 10th International Criminal Law Congress, held in Perth. In 2007 she was elected to the Council of the Law Society of WA. Ms Lonsdale attended 8 of the 11 Commission meetings held in 2009 - 10.

### Mr Brian Bradley PSM



Brian Bradley was appointed a Commissioner in January 2010 as the nominee of the Minister for Commerce. Mr Bradley is the Director General of the Department of Commerce (formerly the Department of Consumer and Employment

Protection). Mr Bradley was first appointed as Commissioner of Worksafe WA in 1998. Mr Bradley has previously served as Chairman of the former Workers' Compensation and Rehabilitation Commission from 2000 to 2005, and was the Western Australian member on the Australian Safety and Compensation Council from 2005 to April 2009. Mr Bradley is currently a member of the Commission for Occupational Safety and Health (since 1998) and WorkCover Board (since 2000). Mr Bradley attended 4 of the 5 Commission meetings held since his appointment in January 2010.

## 3.4 DIRECTOR OF LEGAL AID

The Director, George Turnbull, is also the Chief Executive Officer. Under section 19 of the Legal Aid Commission Act the Director 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.

## 3.5 BOARD OF MANAGEMENT

The day to day management of Legal Aid WA is the responsibility of the Director of Legal Aid, who is supported by a Board of Management which consists of the Directors of each of the organisational Divisions.

In line with functions prescribed under section 15 of the Act, Legal Aid WA delivers services in the areas of criminal law, family law, civil law, general legal advice and practice development. The delivery of these services is supported by an internal corporate services function which provides services in the areas of finance, information management and human resources.

More generally, across all divisions Legal Aid WA plays an important role in community legal education and the law reform agenda through its strong expertise in those areas of the law which have a direct impact on the day to day lives of most citizens.

The current Board of Management structure was constituted in 2008. All Directors have legal qualifications and hold a current Practising Certificate for Western Australia.



**George Turnbull**

Director of Legal Aid WA  
Joined Legal Aid WA in 1999



**Colleen Brown**

Director Client Services  
Joined Legal Aid WA in 1996.



**Maureen Kavanagh**

Director Criminal Law  
Joined Legal Aid WA in 1993.



**Jane Stewart**

Director Legal Practice  
Development  
Joined Legal Aid WA in 1994.



**Bernadette Kasten**

Director Family Law  
Joined Legal Aid WA in 2008.



**Malcolm Bradshaw**

Director Business Services  
Joined Legal Aid WA in 2009.



**Lex Payne**

Director Regions  
Joined Legal Aid WA in 1985.

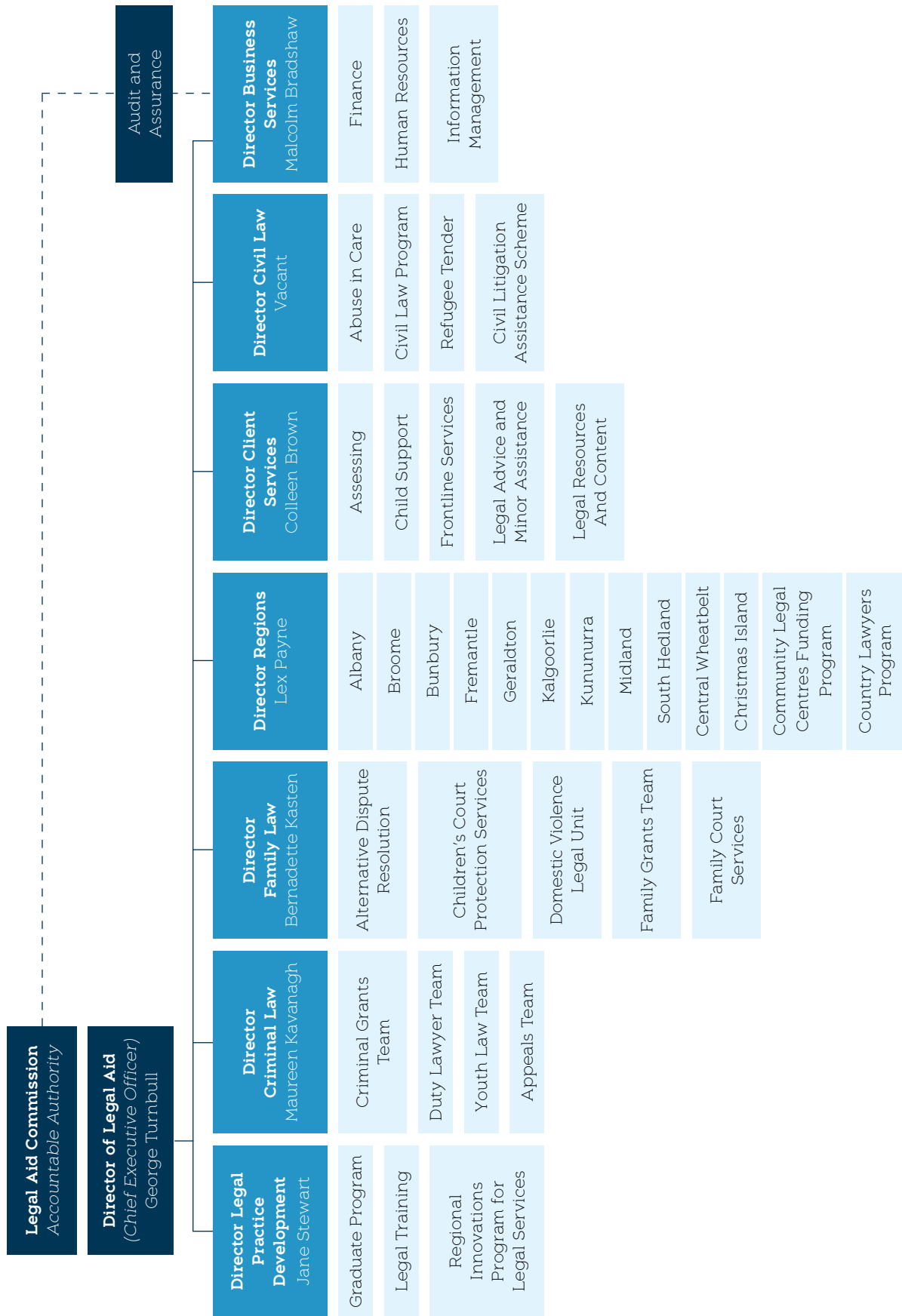


**Caroline Wright**

Director Civil Law  
(until May 2010,  
position currently vacant)

### LEGAL AID WA ORGANISATION STRUCTURE

As at 30 June 2010





### 3.7 PERFORMANCE MANAGEMENT FRAMEWORK

#### Government Goal

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

#### Agency level government desired outcome

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

#### Agency services delivered

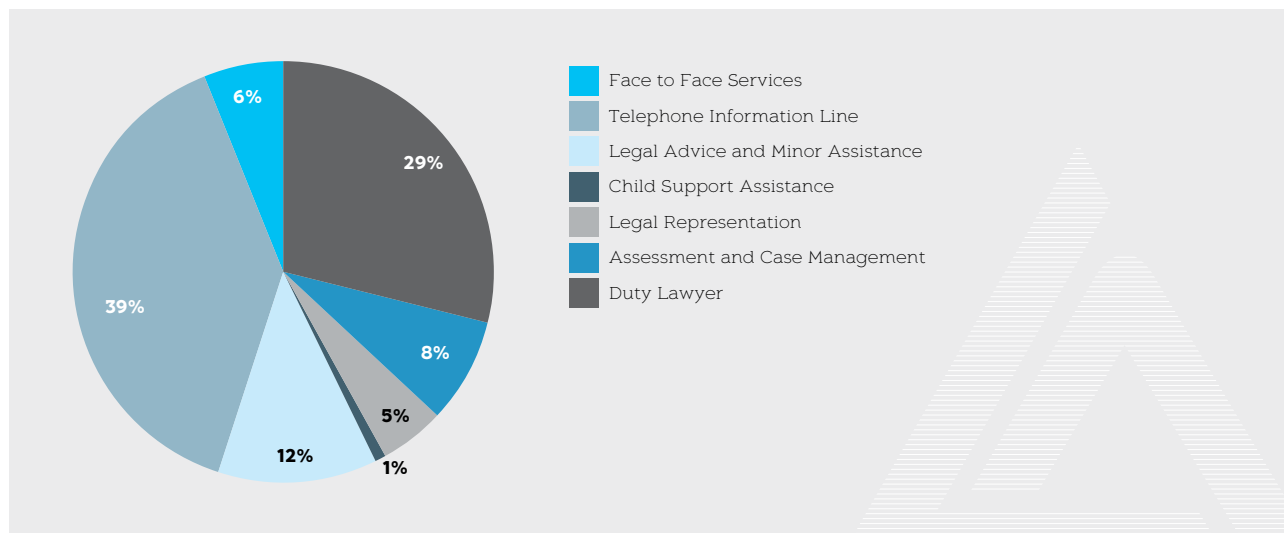
The community and target groups require access to, and the provision of, quality legal services. This service contributes to the right to justice for all people in Western Australia by responding to demand for legal assistance through application of priority guidelines. This is achieved through the provision 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 legally aided clients by grants of aid and assignment of cases to in-house or private practitioners.

#### OUR SERVICES

For the community		For target groups		
Information and advice	Duty lawyer services	Legal advice and minor assistance	Legal representation	Development services
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.	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's Court sittings throughout WA.	To ensure that priority persons able to self-represent are assisted with advice and practical help, including telephone advocacy, drafting of negotiating letters and the preparation of court documentation. Delivered by lawyers and at all office locations, and by paralegal staff under supervision of Solicitors.	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.	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.

Determining the type and extent of assistance provided to people is critical to Legal Aid WA's operations. Decisions about the appropriateness of the service provided are regulated by policies and procedures relating to the client's means, the nature and seriousness of their legal problem and the availability of resources.

### OCCASIONS OF SERVICE BY SERVICE TYPE



#### Changes to Outcome Based Management Framework

Legal Aid WA's Outcome Based Management Framework did not change during 2009-10.

#### Shared Responsibilities with Other Agencies

The Legal Aid Commission did not share any responsibilities with other agencies in 2009-10.

## 3.8 AGENCY PERFORMANCE

### ACTUAL RESULTS VERSUS BUDGET TARGETS

#### FINANCIAL TARGETS

	2009-10 Target <sup>(1)</sup> \$000	2009-10 Actual \$000	Variation <sup>(2)</sup> \$000
Total cost of services	52,136	50,805	(1,331) <sup>(a)</sup>
Net cost of services	28,155	27,232	(923) <sup>(b)</sup>
Total Equity	9,086	15,562	6,476 <sup>(c)</sup>
Net increase/(decrease) in cash held	(2,629)	1,594	4,223 <sup>(d)</sup>
Approved full time equivalent (FTE) staff level	293	293	0

1. As specified in the budget statements for 2009-10.

2. Further explanations are also contained in Note 32 'Explanatory statement' to the financial statements.

a. The variation is mainly due to lower than expected employee benefits expenses associated with less lawyers participating in the Country Lawyers program (\$1,524,000).

b. The variation was due to a reduction to revenue recouped from the non-government organisations participating in the Country Lawyers program, which offsets the lower than expected expenses explained above.

c. The variation is mainly due to a correction in prior years to recognise government grant funding when received (\$3,080,000), and the higher than expected State Government grant funding explained below.

d. The variation is mainly due to additional State Government grant funding (\$2,095,000), additional Commonwealth grant funding (\$1,000,000), and capital expenditure deferred until 2010/11 (\$500,000).

## SUMMARY OF KEY PERFORMANCE INDICATORS

	2009-10 Target <sup>(1)</sup>	2009-10 Actual	Variation <sup>(2)</sup>
<i>Outcome: The right to justice and safety for all people in Western Australia is preserved and enhanced.</i>			
Service: Legal Aid Assistance			
Key Effectiveness Indicators:			
<b>Applications approved for a grant of aid as a % of all applications received</b>	69%	63%	(6%)
<b>Percentage of Clients Satisfied with service provided: family law</b>	82%	80%	(2%)
Key Efficiency Indicators:			
<b>STATE LAW</b>			
Average cost per call	\$18	\$17	(\$1)
Average cost per service duty lawyer	\$122	\$134	\$12
Average cost per legal advice	\$137	\$191	\$54
Average cost per minor assistance	\$238	\$210	(\$28)
Average cost per application processed	\$185	\$162	(\$23)
Average cost per legal representation	\$2,452	\$2,324	(\$128)
<b>COMMONWEALTH LAW</b>			
Average cost per call	\$26	\$28	\$2
Average cost per service: face to face information	\$34	\$22	(\$12)
Average cost per service: duty lawyer	\$176	\$141	(\$35)
Average cost per legal advice	\$198	\$176	(\$22)
Average cost per application processed	\$511	\$555	\$44
average cost per legal representation	\$3,904	\$4,034	\$130
Average cost of child support	\$256	\$269	\$13

1. As specified in the budget statements for 2009-10.
2. Explanations for the variations between target and actual results are presented in Disclosures and Legal Compliance under Performance Indicators for 2009-10.

## 4. REPORT ON OPERATIONS

### 4.1 CRIMINAL LAW DIVISION

#### Main functions

- Legal representation for clients where grants of aid have been awarded.
- Duty lawyer services in the Magistrate's Courts.
- Legal advice and minor assistance to clients on criminal matters.
- Preparation and presentation of matters to the Court of Appeal.
- Prison visiting information service.

#### Issues and achievements for 2009-10

- Unprecedented levels of demand for matters within the Commonwealth criminal jurisdiction, mainly in relation to social security fraud and people smuggling.
- Demand for duty lawyer services was slightly lower than in 2008-09, but still very high in historical terms.
- Financial constraints resulted in relatively few grants of aid being awarded for matters before the Magistrate's Courts, notwithstanding the fact that such matters are often very serious and can result in terms of imprisonment.
- Appointment of a Senior Criminal Law Consultant and an Appeals Team Leader has enabled Legal Aid WA to provide a significantly improved level of service for matters before the Court of Appeal.

#### Issues and challenges for 2010-11

- Continue negotiations to provide Legal Aid WA with access to court information systems to enable easier retrieval of court listing and criminal record information.
- Trial the rollout of portable information technology for court-based lawyers to enable ready access to legal information databases, including legislation, regulations and cases.

### 4.2 FAMILY LAW DIVISION

#### Main functions

- Legal representation for parties involved in family law disputes or child protection matters.
- Operating the Domestic Violence Legal Unit within Legal Aid WA.
- Duty lawyer services in the Family Court and the Children's Court.
- Legal representation for children as the independent child representative in family law disputes or child protection matters.
- Family Dispute Resolution services.

#### Issues and achievements for 2009-10

- Received additional recurrent funding from the State Government in response to significant demand increases for services in the care and protection jurisdiction of the Children's Court of Western Australia.
- Very high levels of demand for grants of aid in the area of family law during the first half of 2009-10 placed significant pressure on available funds for grants of aid. Eligibility criteria were temporarily changed to ensure that grants were limited to the most serious matters and available funds were preserved. The temporary changes were lifted in June 2010.
- A pilot scheme – Signs of Safety - was commenced in conjunction with the Department for Child Protection and King Edward Memorial Hospital to examine the effectiveness of pre-trial and post-trial conferencing for parents and children who are the subject of protection and care proceedings in the Children's Court of Western Australia.
- The Family Dispute Resolution service was reviewed to identify improvements to future effectiveness in an environment where there are now several external service providers in this area.

#### Issues and challenges for 2010-11

- Work in conjunction with key stakeholders to assess the merits and benefits of potentially incorporating the care and protection jurisdiction of the Children's Court of Western Australia into the Family Court of Western Australia.
- Evaluate the effectiveness of the Signs of Safety pilot program.

## 4.3 CIVIL LAW DIVISION

### Main functions

- Advice and representation in a range of civil matters, including personal injury claims and criminal injuries compensation.
- Conducting abuse in care cases referred from the Department for Child Protection.
- Assisting applicants with claims under the Redress WA Scheme.
- Providing advice and representation on a range of immigration matters, including assistance with claims for refugee status.
- Social security law matters, including a fortnightly duty lawyer service at the Administrative Appeals Tribunal.
- Administering the Civil Litigation Assistance Scheme.

### Issues and achievements for 2009-10

- Formally launched the Civil Litigation Assistance Scheme and commenced the consideration of applications for assistance.
- Provided assistance with claims for refugee status from unauthorised immigration arrivals.

### Issues and challenges for 2010-11

- Consistent with the terms of the National Partnership Agreement for Legal Assistance Services, develop capacity for alternative areas of legal assistance, such as consumer law.
- Deal with an expected increase in demand for services related to Redress WA claims and immigration matters.

## 4.4 REGIONS DIVISION

### Main functions

- Operates regional offices at Fremantle, Midland, Bunbury, Albany, Kalgoorlie, Geraldton, South Hedland, Broome, Kununurra and Christmas Island, all providing access to the full range of Legal Aid WA services.
- Provides duty lawyer services to circuit courts visiting many regional and remote communities throughout Western Australia.
- Oversees the distribution of funding to autonomous community legal centres throughout Western Australia. (See table on page 21.)

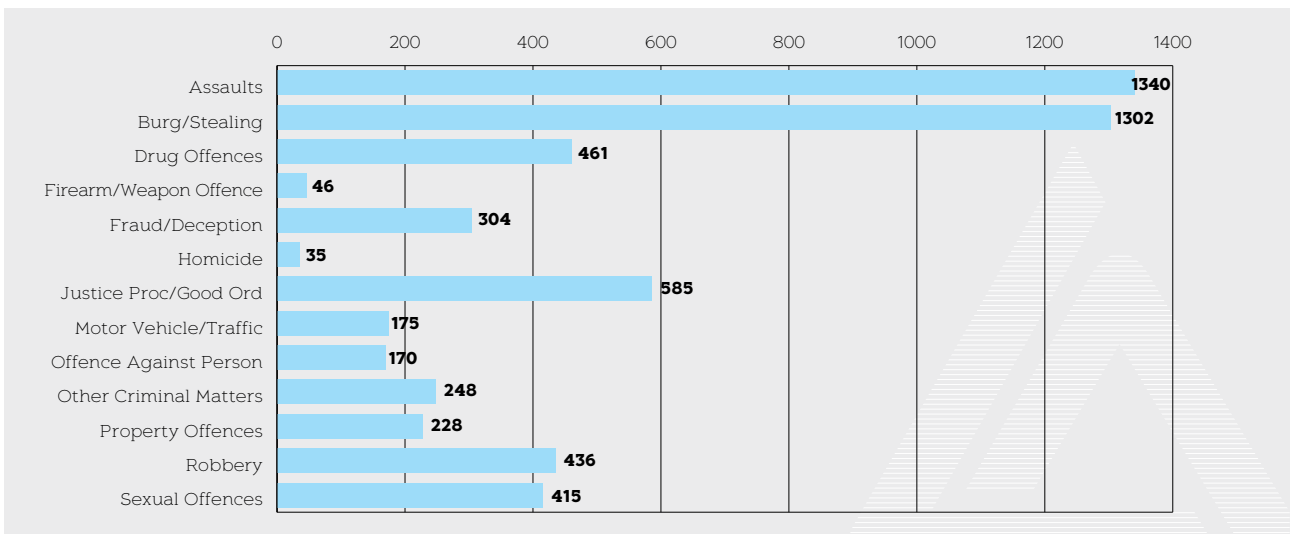
### Issues and achievements for 2009-10

- Demand for duty lawyer services at some circuit courts reached extremely high levels, with instances of courts sitting through the day and into the early evening to finalise matters.
- Participated in the inquiry by the Senate Select Committee on Regional and Remote Indigenous Communities.
- Commenced construction of the new office for Legal Aid WA in Kununurra.

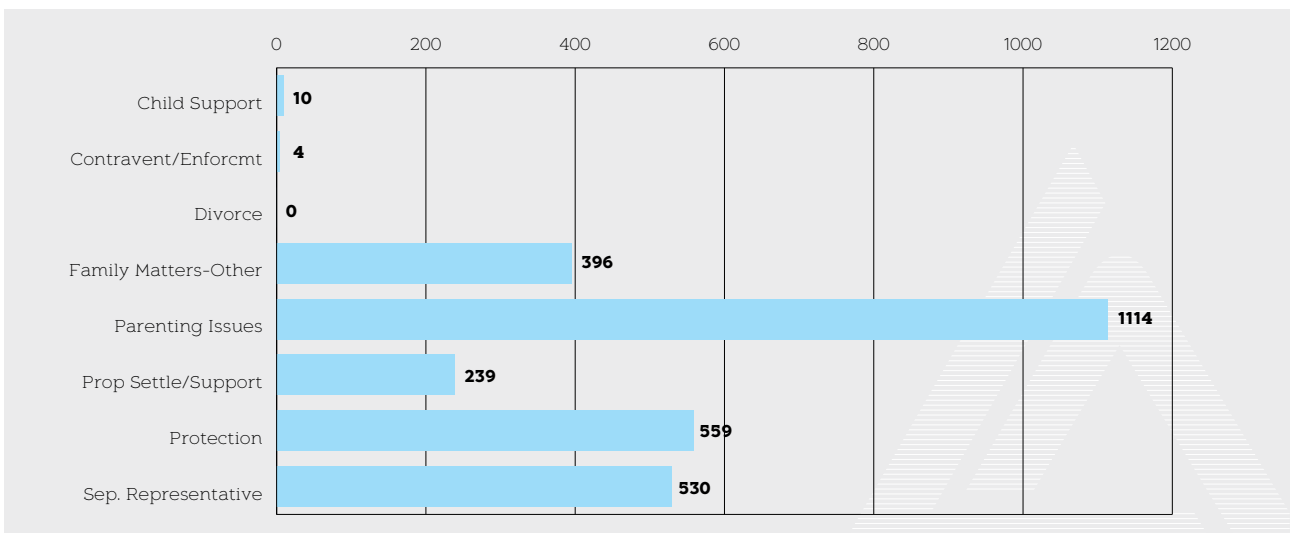
### Issues and challenges for 2010-11

- Finalise construction and commission the new Legal Aid WA office in Kununurra.
- Develop a business case for the presence of a Legal Aid WA office in Carnarvon to service the greater Gascoyne region.
- Assume responsibility for managing the Country Lawyers Program.

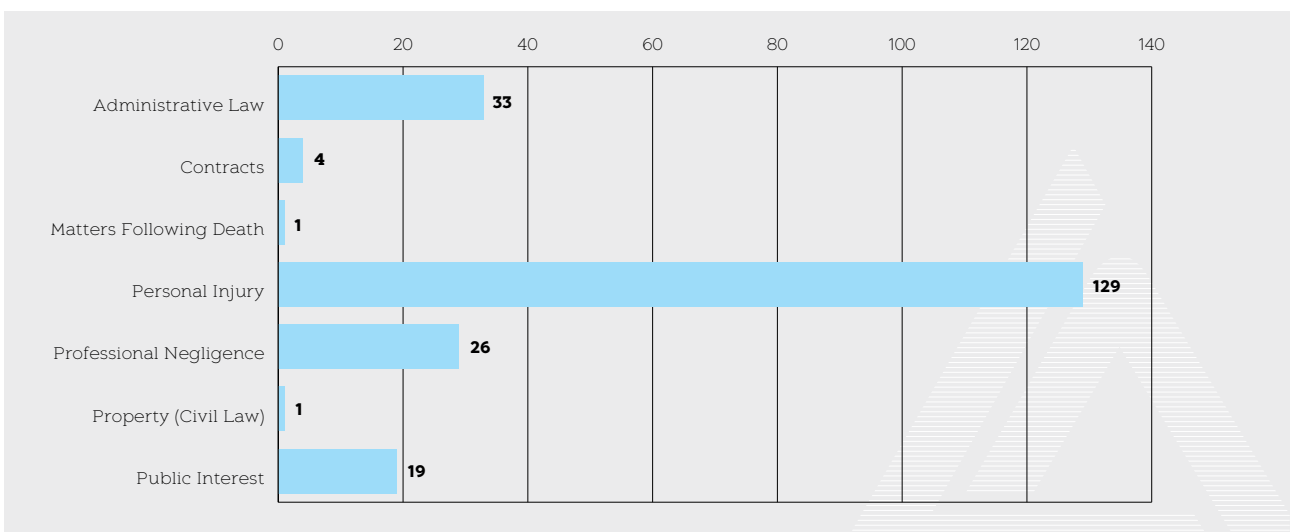
### CRIMINAL LAW GRANTS OF AID BY TYPE



### FAMILY LAW GRANTS OF AID BY TYPE



### CIVIL LAW GRANTS OF AID BY TYPE



## COMMUNITY LEGAL CENTRE FUNDING 2009-2010

Centres	Commonwealth CLC Funding	Commonwealth One-Off CLC Funding	Family Relationships Centre Funding	Legal Contribution Trust Funding	State Community Legal Centre Funding	TOTALS
Albany CLS	\$246,576.00	\$50,000.00	\$27,000.00	\$53,500.00		<b>\$377,076.00</b>
Bunbury CLC	\$178,024.00		\$27,000.00		\$34,649.00	<b>\$239,673.00</b>
CASE for Refugees	\$116,708.00				\$5,167.00	<b>\$121,875.00</b>
Citizens Advice Bureau				\$81,400.00	\$34,649.00	<b>\$116,049.00</b>
CLC Association					\$98,431.00	<b>\$98,431.00</b>
Consumer Credit Legal Service	\$59,368.00	\$70,000.00			\$242,282.00	<b>\$371,650.00</b>
Environmental Defenders Office (WA)	\$90,400.00				\$79,443.00	<b>\$169,843.00</b>
Fremantle CLC	\$83,040.00		\$25,000.00		\$100,627.00	<b>\$208,667.00</b>
Geraldton RC	\$292,164.00		\$45,000.00		\$88,975.00	<b>\$426,139.00</b>
Goldfields CLC	\$244,788.00		\$25,000.00			<b>\$269,788.00</b>
Gosnells CLC	\$214,772.00	\$50,000.00	\$25,000.00		\$141,218.00	<b>\$430,990.00</b>
Kimberley CLS *	\$335,632.00		\$27,000.00	\$111,119.00		<b>\$473,751.00</b>
Mental Health Law Centre					\$467,232.00	<b>\$467,232.00</b>
Northern Suburbs CLC	\$194,388.00	\$70,000.00	\$25,000.00	\$320,000.00		<b>\$609,388.00</b>
Peel CLC			\$45,000.00		\$272,223.00	<b>\$317,223.00</b>
Pilbara LS	\$272,560.00		\$27,000.00			<b>\$299,560.00</b>
SCALES	\$123,416.00	\$60,000.00	\$25,000.00		\$100,627.00	<b>\$309,043.00</b>
Street Law Centre WA Inc	\$32,000.00			\$56,500.00		<b>\$88,500.00</b>
Sussex Street CLS	\$308,332.00	\$70,000.00	\$25,000.00	\$114,120.00	\$5,683.00	<b>\$523,135.00</b>
Tenants Advice Service	\$135,224.00	\$70,000.00				<b>\$205,224.00</b>
Welfare Rights & Advocacy Service	\$188,836.00	\$70,000.00		\$37,200.00	\$11,108.00	<b>\$307,144.00</b>
Wheatbelt CLC				\$160,000.00		<b>\$160,000.00</b>
Women's Law Centre	\$346,420.00	\$140,000.00	\$39,695.00			<b>\$526,115.00</b>
Youth Legal Service WA **	\$81,248.00	\$87,451.00		\$71,000.00	\$142,803.00	<b>\$382,502.00</b>
	<b>\$3,543,896.00</b>	<b>\$737,451.00</b>	<b>\$387,695.00</b>	<b>\$1,004,839.00</b>	<b>\$1,825,117.00</b>	<b>\$7,498,998.00</b>

\* Note this is total allocated funds however funds were recovered by withholding in 2009/10 - details not included.

\*\* Note that Commonwealth One-Off CLC Funding includes Commonwealth Indigenous CLE Project \$17,451.00.

### Samantha Martella

Sam Martella is Solicitor in Charge of Legal Aid WA's office at South Hedland. Sam joined Legal Aid WA in 2006 and handles a significant criminal law caseload, both at South Hedland and through the busy Pilbara circuit, which includes Karratha, Roebourne and Marble Bar. Before joining Legal Aid WA, Sam worked in private practice and as Principal Solicitor with the Kimberley Community Legal Service.



## 4.5 LEGAL PRACTICE DEVELOPMENT DIVISION

### Main functions

- Ensuring that all legal staff at Legal Aid WA maintain appropriate levels of professional practice development.
- Developing and convening continuing professional programs for Legal Aid WA staff and the broader profession.
- Managing the recruitment and training of graduates-at-law and restricted practitioners.
- Administering the Country Lawyers Program and negotiating ongoing funding arrangements.

### Issues and achievements for 2009-10

- Received recognition for the Country Lawyers Program as a finalist in the 2009 Premier's Awards – 'Revitalising Our Regions' category.
- Managed the Country Lawyers Program, with 28 lawyers placed with offices of Legal Aid WA, Aboriginal Legal Service, Community Legal Centres and Indigenous Family Violence Prevention Legal Service throughout Western Australia.
- Partnered with the Australian National University's Legal Workshop to deliver practical legal training to newly recruited graduates-at-law in preparation for admission to legal practice. This replaced the previous system of graduates being employed as Articled Clerks prior to admission.

### Issues and challenges for 2010-11

- Commence the delivery of professional development for lawyers in regional and remote Western Australia through online learning platforms developed by Legal Aid WA and funded through the Commonwealth Government's Regional Innovations for the Provision of Legal Services program.
- Introduce a program of resilience training for Legal Aid WA lawyers and other frontline staff who face confronting situations in their day to day work.

## 4.6 CLIENT SERVICES DIVISION

### Main functions

- Assessing applications for grants of aid.
- Assisting clients with issues concerning child support.
- Providing an Infoline and advice service for queries of a general nature from members of the public.
- Providing a Legal Advice Bureau and Minor Assistance Program for members of the public requiring initial advice and/or assistance with handling their own legal issue.
- Providing legal information and advice on a range of legal issues to the public and external stakeholders through internet and intranet services.

### Issues and achievements for 2009-10

- Improved the efficiency of the Infoline service through staff training and legal knowledge multi-skilling, resulting in lower waiting times for clients.
- Reviewed client pathways processes so that there was a more easily understood process for members of the public who wished to access the many services provided by Legal Aid WA.

### Issues and challenges for 2010-11

- Consistent with the terms of the National Partnership Agreement for Legal Assistance Services, develop legal resources in the area of preventative law and strategies to deploy these resources with key stakeholders and target groups.
- Refine Legal Aid WA's current system for assessing grants of aid applications to provide a higher level of assurance that assistance is being provided to eligible applicants in a fair and consistent manner.



### TOP 30 LEGAL AID WA FEE EARNERS

Donna M Webb And Associates	\$420,633.24	Henry Sklarz	\$179,074.45
Bannerman Solicitors	\$413,948.57	J D Hawkins And Associates	\$176,425.49
Ian Hope	\$357,403.31	Ferrier Athanasiou & Kakulas Pty Ltd	\$169,897.00
Calverley Johnston	\$317,313.63	CPK Legal	\$165,982.00
McDonald & Sutherland	\$256,993.84	Susan Jean Crisp	\$160,520.82
Reader Lawyers & Mediators	\$247,993.46	Millington Legal Pty Ltd	\$152,762.79
Samson Defence Lawyers Pty Ltd	\$246,377.08	George Giudice Law Chambers	\$152,254.31
Justine Fisher	\$242,805.25	Frances Veltman	\$145,282.20
Jeffrey Paul S Gore	\$217,078.00	Western Legal	\$143,611.18
David Mckenzie Legal Pty Ltd	\$214,966.62	Lyn Zinenko Lawyers	\$142,596.45
Michael Tudori & Associates	\$199,969.00	Corinne Griffin & Co	\$140,493.60
Shane Rebbeck	\$187,418.92	Carol Penn Lawyer	\$137,354.00
Pacy Solicitors	\$184,061.64	Kevin Prince Barrister & Solicitor	\$134,116.64
Andrew Maughan & Associates Solicitors	\$183,502.31	Megan In De Braekt	\$133,599.32
Paul Sullivan	\$181,178.76	Thames Legal	\$132,337.18

### Varny Poinern

*Varny is a restricted practitioner in Legal Aid WA's Civil Law Division. Varny joined Legal Aid WA in 2009 after completing her Law degree at Murdoch University and her practical legal training through the College of Law. As a former officer of the Department of Immigration and Citizenship, Varny brings a strong understanding of immigration law to Legal Aid WA. Much of Varny's recent work has included assisting with applications for refugee status from people held in immigration detention in Western Australia.*



## 4.7 BUSINESS SERVICES DIVISION

### Main functions

- Finance, including overall financial management, internal audit and administration services.
- Information management, including management of information systems and technology.
- Human resources, including training, recruitment, performance monitoring and payroll services.
- Providing administrative and policy assistance to the practice Divisions in their interaction with other areas of government.
- Providing secretarial and governance services to the Board of Commissioners.

### Issues and achievements for 2009-10

- Commenced the project of identifying and implementing a replacement to Legal Aid WA's LA Office information system which is used principally for grant and client file management.
- Introduction of a Reconciliation Action Plan which has included Indigenous cultural awareness training for all staff and an Indigenous Cadetship Scheme.
- Aboriginal Cultural Awareness Training was provided to 74% of staff in 2009/2010. This training was tailored to meet the requirements of Legal Aid WA staff and local providers were engaged to deliver training to staff located in each Legal Aid WA regional office. Training will continue in 2010/2011.

### Issues and challenges for 2010-11

- Legal Aid WA has changed the reporting of its revenue to accord with the requirements of Australian Accounting Standard AASB 1004 Contributions. As a result of this change, revenue will be reported as funds are received by Legal Aid WA, instead of when the services which earn the revenue are provided. This change reflects Legal Aid WA's status as an independent statutory authority which is not directly appropriated by government, but which instead receives contributions through the appropriations of other State and Commonwealth agencies. The consequence of the change is that Legal Aid WA's government revenue will be reported on a basis which is more reflective of cash accounting than accrual accounting. As a result, Legal Aid WA believes that its financial reports may not present a position for external users which is as meaningful as possible. Legal Aid WA intends to raise its concerns regarding this matter with the relevant agencies during the first half of 2010-11.
- Finalisation of a preferred replacement model for the LA Office information system and commencement of system implementation activities.

### Miranda Ajduk

*Miranda joined Legal Aid WA as an articled clerk in 2005, and during her Articles year gained experience in Family Law, Civil Law, Domestic Violence Legal Unit and Duty Lawyer. After admission to practice in February 2006 Miranda has spent the majority of her time working in Legal Aid WA's Midland office, practising mainly in the area of criminal law. Miranda has recently commenced a new role in the Legal Practice Development Division, where she assists with the training and mentoring of junior and more experienced lawyers.*



## 5. SIGNIFICANT ISSUES IMPACTING THE AGENCY

### 5.1 NATIONAL PARTNERSHIP AGREEMENT FOR LEGAL ASSISTANCE SERVICES

Throughout 2009-10 Legal Aid WA, along with other State and Territory legal aid commissions, has been negotiating a new four year funding agreement with the Commonwealth Government. Western Australia became a party to the new arrangements in July 2010 which are provided for under the National Partnership Agreement for Legal Assistance Services.

The main benefits of the National Partnership Agreement are an increase in funding of 25 per cent for Western Australia and an increase in the range of matters to which Commonwealth funding may be applied. In this context, the Commonwealth has indicated that in addition to the traditional areas of family, criminal and civil law matters within the Commonwealth jurisdiction, priority should be given to providing preventative and early intervention services, regardless of whether the matter falls within the State or Commonwealth jurisdiction.

Legal Aid WA will be pursuing a planning process during the first half of 2010-11 to ensure that the additional funding is allocated in accordance with the Commonwealth's priorities and the identified needs of the Western Australian community.

An ongoing issue of note is that the allocation of Commonwealth legal aid funding across all States and Territories has been based on a modified Commonwealth Grants Commission model. The increase in funding received by Western Australia suggests that the model has recognised issues such as remoteness which impact on the cost of delivering access to justice services throughout the State. However, the fact that Western Australia continues to receive less funding per capita than the national average indicates that the factors of disadvantage facing Western Australia may require further consideration in the development of future funding models.

The Commonwealth is seeking to measure the performance of the National Partnership Agreement through a series of performance benchmarks which set targets based on increased early intervention services; reduced rates of repeat applications for grants of aid; and improved delivery of 'joined-up' services across the legal assistance sector. Legal Aid WA supports these performance benchmarks which are targeted for achievement by 2014.

## 5.2 COMMONWEALTH CRIMINAL LAW MATTERS

An increase in the number of prosecutions related to people smuggling and social security fraud resulted in grants of aid for Commonwealth criminal law matters doubling from 180 in 2008-09 to 362 in 2009-10. Given the complexity of these matters, particularly in the area of people smuggling, Legal Aid WA was granted additional Commonwealth funding from the Expensive Commonwealth Criminal Cases fund to handle a number of these matters based on their volume and the length of trial attached to some of the charges. These matters have also placed unforeseen demand on disbursements for services such as interpreters.

The penalties associated with social security fraud and people smuggling places both classes of offence within the category of a serious matter. Based on the principle of an accused person's right to a fair trial, the High Court in *Dietrich v R* (1992) 177 CLR 292 held that a court had the power to stay a trial for a serious offence where the accused did not have representation. The role of Legal Aid WA in providing grants of aid to persons charged with these offences therefore ensures that the State's obligation to provide a fair trial is fulfilled. This is in addition to Legal Aid WA's own organisational objective of delivering access to justice.

From an operational perspective, the increase in social security fraud matters has resulted in the rostering of additional duty lawyer services on the days when Commonwealth crime matters are considered by the Magistrate's Courts. More generally, Legal Aid WA's in-house criminal practice has been able to develop new expertise in complex areas of the law related to unlawful immigration. This experience improves Legal Aid WA's future capacity to handle new and emerging areas of practice.

## 5.3 DEMAND FOR FAMILY LAW SERVICES

During the first half of 2009-10 extremely high levels of demand for family law grants of aid resulted in levels of commitment which exceeded the planned budget for that period by approximately 15 per cent. The drivers of this demand included a higher number of applications for grants of aid (29 per cent higher than for the same period in 2008-09) and significant growth in the number of applications for matters to be heard in the Family Court of Western Australia.

To ensure the sustainability of the aid budget for family law matters during the second half of 2009-10, Legal Aid WA took action in December 2009 to temporarily change the eligibility criteria for family law grants of aid. The main change to eligibility criteria resulted in applications for aid for litigation being granted only in circumstances where a child or children and/or parent were considered to be at real and present risk. This had the effect of reducing the level of aid granted for family law matters and ensured that the budget for these matters was not exceeded.

While the eligibility restrictions have been lifted at the commencement of 2010-11, Legal Aid WA will continue to monitor demand to ensure that services are provided within available levels of funding.

## 5.4 STATE DUTY LAWYER SERVICES

Legal Aid WA provides a comprehensive duty lawyer service for persons appearing in the Magistrate's Courts and the Children's Court of Western Australia, principally on matters within the State criminal jurisdiction. The range of matters handled by the duty lawyer service include remands, pleas in mitigation following a plea of guilty, bail applications, and spent conviction applications. The duty lawyer service is generally available to any person appearing in court prior to entering a plea. The role of the duty lawyer is to provide preliminary advice to clients on the nature of their matter; to take instructions from the client on how they intend to deal with the matter; take an application for a grant of aid if this appears appropriate; and to represent the client in court. No appointments are required and the fee for the duty lawyer service is \$20 for employed persons and \$5 for those who are not employed. Clients held in custody before appearing in court also have access to the duty lawyer service. After the initial service there is generally no ongoing relationship between the duty lawyer and the client.

Demand for duty lawyer services has been steadily increasing over the past five years. In 2005-06 Legal Aid WA provided 38,011 duty lawyer services in the State jurisdiction, in 2009-10 this figure had grown to 48,426 services. Without any significant increase in resources, Legal Aid WA's lawyers are providing these services by reducing the amount of time they spend advising each client and spending a longer period of time at court managing a longer list of clients. In some courts, particularly in regional Western Australia, the list of clients handled by a duty lawyer commences in the morning and extends into the early evening.

While Legal Aid WA is strongly committed to the duty lawyer service, continued increases in demand may necessitate that the scope of services provided is reviewed. In other jurisdictions the range of matters handled by duty lawyers is significantly less, with pleas for example, being assigned to a lawyer under a separate grant of aid. The Western Australian service in its current form is clearly more efficient than the services delivered in other parts of the country. However, this is largely attributable to the commitment and good will of individual duty lawyers who make the interests of their clients their paramount consideration.

Aside from client benefits, the duty lawyer service contributes enormously to the efficient operation of the courts, avoiding the time delays associated with self-represented defendants. There is an expectation among judicial officers that Legal Aid WA will always be available to provide the duty lawyer service and a reliance on the service to ensure that court lists are handled efficiently and expeditiously.

### **Matt Panayi**

*Matt joined Legal Aid WA in 2008 and is based in Legal Aid WA's East Kimberley office at Kununurra. Matt started his legal career at Slater and Gordon in Melbourne, and before joining Legal Aid WA worked with the North Australian Aboriginal Justice Agency in the Northern Territory and as a prosecutor with the Queensland Police Service. Part of Matt's role is to provide duty lawyer services in the Magistrate's Court, which includes following the East Kimberley circuit to places such as Halls Creek, Wyndham, Balgo, Warmun and Kulumburu.*



## 6. DISCLOSURES AND LEGAL COMPLIANCE

### 6.1 AUDITOR GENERAL'S OPINION ON FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS



#### Auditor General

##### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

##### **LEGAL AID COMMISSION OF WESTERN AUSTRALIA FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2010**

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 Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 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. This document is available on the OAG website under "How We Audit".

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 2010**

**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 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards 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 2010.



COLIN MURPHY  
AUDITOR GENERAL  
6 August 2010

## Disclosures and Legal Compliance

### Financial Statements

#### Certification of Financial Statements

#### For the year ended 30 June 2010

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 2010 and the financial position as at 30 June 2010.

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



Lee Baker  
Chief Finance Officer  
Date: 4/8/2010



George Turnbull  
Director  
Date: 4/8/10



Malcolm McCusker AO QC  
Chairman  
Date: 5/8/10

**LEGAL AID COMMISSION OF WESTERN AUSTRALIA**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	24,564,389	23,477,651
Supplies and services	7	4,093,033	3,576,678
Depreciation and amortisation expense	8	711,533	795,274
Accommodation expenses	9	2,523,968	2,433,468
Legal services expenses	10	14,746,631	14,677,768
Loss on disposal of non-current assets	16	-	-
Other expenses	11	4,165,301	4,392,501
<b>Total cost of services</b>		<b>50,804,855</b>	<b>49,353,340</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	12	2,054,605	1,844,585
Commonwealth grants and contributions	13	17,275,577	16,989,655
Interest revenue	14	841,294	1,209,124
Other revenue	15	3,363,051	3,430,995
<b>Total Revenue</b>		<b>23,534,527</b>	<b>23,474,359</b>
<i>Gains</i>			
Gains on disposal of non-current assets		38,223	18,752
<b>Total Gains</b>	16	<b>38,223</b>	<b>18,752</b>
<b>Total income other than income from State Government</b>		<b>23,572,750</b>	<b>23,493,111</b>
<b>NET COST OF SERVICES</b>	28	<b>(27,232,105)</b>	<b>(25,860,229)</b>
<b>Income from State Government</b>			
State Government grant		28,650,696	26,558,271
Liabilities assumed by the Treasurer		-	-
<b>Total Income From State Government</b>	17	<b>28,650,696</b>	<b>26,558,271</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	27	<b>1,418,591</b>	<b>698,043</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		4,680	63,501
Changes in asbestosis reserve		6,583	-
Gain/(losses) recognised directly in equity		-	-
<b>Total other comprehensive income</b>	27	<b>11,263</b>	<b>63,501</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,429,854</b>	<b>761,544</b>

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

**LEGAL AID COMMISSION OF WESTERN AUSTRALIA**  
**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2010

	Note	2010 \$	2009 \$	1/07/08
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	28	20,011,849	18,466,798	17,947,430
Restricted cash and cash equivalents	18, 28	1,232,900	1,270,131	1,278,631
Receivables	19	2,944,362	3,371,012	2,367,042
Other current assets		44,114	-	-
<b>Total Current Assets</b>		<b>24,233,226</b>	<b>23,107,941</b>	<b>21,593,103</b>
<b>Non-Current Assets</b>				
Restricted cash and cash equivalents	18, 28	359,732	273,217	192,779
Receivables	19	3,048,495	3,010,606	2,900,109
Property, plant and equipment	21	2,017,358	2,332,683	2,789,056
Intangible assets	22	189,601	246,351	228,906
<b>Total Non-Current Assets</b>		<b>5,615,187</b>	<b>5,862,856</b>	<b>6,110,850</b>
<b>TOTAL ASSETS</b>		<b>29,848,413</b>	<b>28,970,798</b>	<b>27,703,953</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	24	8,540,711	9,159,558	9,190,131
Provisions	25	3,389,397	3,031,932	2,854,860
Other current liabilities	26	853,867	894,271	832,721
<b>Total Current Liabilities</b>		<b>12,783,975</b>	<b>13,085,762</b>	<b>12,877,712</b>
<b>Non-Current Liabilities</b>				
Provisions	25	1,502,120	1,752,571	1,455,319
<b>Total Non-Current Liabilities</b>		<b>1,502,120</b>	<b>1,752,571</b>	<b>1,455,319</b>
<b>TOTAL LIABILITIES</b>		<b>14,286,095</b>	<b>14,838,333</b>	<b>14,333,031</b>
<b>NET ASSETS</b>		<b>15,562,319</b>	<b>14,132,465</b>	<b>13,370,922</b>
<b>EQUITY</b>	27			
Contributed equity		595,669	595,669	595,669
Reserves		1,494,887	1,483,624	1,420,123
Accumulated surplus/(deficit)		13,471,763	12,053,172	11,355,130
<b>TOTAL EQUITY</b>		<b>15,562,319</b>	<b>14,132,465</b>	<b>13,370,922</b>

The Statement of Financial Position 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 2010

	Note	Contributed Equity \$	Reserves \$	Accumulated surplus/(deficit) \$	Total equity \$
Balance at 1 July 2008	27	595,669	1,420,123	8,275,107	10,290,899
Correction of prior period errors		-	-	3,080,023	3,080,023
Restated balance at 1 July 2008		595,669	1,420,123	11,355,130	13,370,922
Total comprehensive income for the year		-	63,501	698,043	761,544
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	63,501	698,043	761,544
<b>Balance at 30 June 2009</b>		<b>595,669</b>	<b>1,483,624</b>	<b>12,053,172</b>	<b>14,132,466</b>
Balance at 1 July 2009		595,669	1,483,624	12,053,172	14,132,466
Correction of prior period errors		-	-	-	-
Restated balance at 1 July 2009		595,669	1,483,624	12,053,172	14,132,466
Total comprehensive income for the year		-	11,263	1,418,591	1,429,854
Total		-	11,263	1,418,591	1,429,854
<b>Balance at 30 June 2010</b>		<b>595,669</b>	<b>1,494,887</b>	<b>13,471,763</b>	<b>15,562,320</b>

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

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
State Government Grant		28,650,696	26,576,967
<b>Net cash provided by State Government</b>		<b>28,650,696</b>	<b>26,576,967</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(24,386,199)	(22,882,198)
Supplies and services		(4,276,044)	(3,561,223)
Accommodation		(2,488,995)	(2,384,029)
Legal services		(15,366,103)	(14,662,686)
GST payments on purchases		(2,839,226)	(2,996,074)
Other payments		(4,017,993)	(4,328,923)
<b>Receipts</b>			
User charges and fees		2,273,158	1,769,784
Commonwealth grants and contributions		17,275,577	17,020,184
Interest received		756,556	1,354,654
GST receipts on sales		147,723	140,693
GST receipts from taxation authority		2,770,664	2,767,492
Other receipts		3,403,796	2,196,426
<b>Net cash provided by/(used in) operating activities</b>	28	<b>(26,747,086)</b>	<b>(25,565,900)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets	16	70,546	120,608
Purchase of non-current physical assets <sup>(a)</sup>		(379,821)	(540,370)
<b>Net cash provided by/(used in) investing activities</b>		<b>(309,276)</b>	<b>(419,762)</b>
Net increase/(decrease) in cash and cash equivalents		1,594,334	591,305
Cash and cash equivalents at the beginning of period		20,010,146	19,418,840
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>21,604,481</b>	<b>20,010,146</b>

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

## 6.2 FINANCIAL STATEMENTS AND NOTES

### NOTE 1. AUSTRALIAN ACCOUNTING STANDARDS

#### General

The Commission's financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Commission has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

#### Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Commission for the annual reporting period ended 30 June 2010.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) General statement

The financial statements constitute general purpose financial statements that have 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 the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

#### (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 and all values are rounded to the nearest (\$).

The judgments 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 'Judgments made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period 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**

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

The transfer of net assets to/from other agencies other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. Refer also to note 27 'Equity'.

### **(e) Income**

#### **Revenue recognition**

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 transfer to the purchaser and can be measured reliably.

#### **Provision 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.

### **Service appropriations**

Service appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

### **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.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

### **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 \$5,000 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 \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).



### Initial recognition and measurement

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

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

### Subsequent measurement

Subsequent to initial 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 (buildings only) 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 determined on the depreciated replacement cost basis, 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 annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

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 judgment 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 surplus relating to that asset is retained in the asset revaluation surplus.

### Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 21 'Property, plant and equipment'.

### Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that 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 fixtures	5 to 13 years
Leasehold improvements	6 to 20 years
Office equipment	5 to 10 years
IT equipment	3 to 4 years
Motor vehicles	2 to 3 years

### (g) Intangible assets

#### Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 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 directly to the Statement of Comprehensive Income.

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 expected useful lives of 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 \$5,000 is expensed in the year of acquisition.	

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.

**(h) Impairment of assets**

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. 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 considered impaired and 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 the end of each reporting period 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 impairment at the end of each reporting period.

**(i) Grant 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 19 (i) ‘Receivables’.

#### **(j) Leases**

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Commission is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

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

#### **(k) Financial instruments**

In addition to cash, the Commission has two categories of financial instrument:

- Receivables
- Non-trading financial liabilities

Financial instruments 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 Statement of Cash Flows, 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**

Accrued salaries, refer note 24 'Payables', 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 its net fair value.

The accrued salaries suspense account 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 instead of the normal 26. No interest is received on this account. Refer to note 18 'Restricted cash and cash equivalents'.

#### **(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 against the allowable account. 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 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, refer note 24 '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 the end of each reporting period.

#### **(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 reporting period 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 reporting period 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 end of the reporting period.

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 end of the reporting period 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 past 12 months after the reporting period.

##### **Long service leave**

A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers Actuaries at 30 June 2010 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 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 Statement of Comprehensive Income for this leave as it is taken.

### **Deferred leave**

The provision for deferred leave relates to Public Service employees who have entered into an 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 employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a non-current provision until the fifth year.

### **Purchased leave**

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

### **Superannuation**

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in Western Australia.

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 were 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 superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West Scheme Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

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

#### **(r) Books and technical journals**

Books and technical journals are recognised as an expense as they are acquired.

**(s) Resources received free of charge or for nominal cost**

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

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

**(t) Comparative figures**

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

**NOTE 3. JUDGMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES**

The preparation of financial statements requires management to make judgments about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgments regularly.

**Operating lease commitments**

The Commission has entered into a number of leases for buildings for office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases. Also the Commission has entered into a number of motor vehicle leases. These leases relate to motor vehicle leases of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

**NOTE 4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

The Commission makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experiences and various other factors that have a significant risk of causing a material adjustment to the carrying of assets and liabilities within the next financial year.

**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 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**

In calculating the Commission's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service provision.

### 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.

## NOTE 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 effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Commission.

AASB 101	<i>Presentation of Financial Statements</i> (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
AASB 2007-10	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i> . This Standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.
AASB 2008-13	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners [AASB 5 &amp; AASB 110]</i> . This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation of Crown land held by the Commission where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Commission does not expect any financial impact when the Standard is first applied prospectively.
AASB 2009-2	<i>Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023 &amp; AASB1038</i> . This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this Standard.

### Voluntary changes in accounting policy

The Commission's Management has not made any voluntary changes in accounting policy in the current financial year.

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

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Commission has not applied early any following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

Title		Operative for reporting periods beginning on/after
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023, & 1038 and Interpretations 10 & 12].  The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Commission does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.	1 January 2013

## NOTE 6. EMPLOYEE BENEFITS EXPENSE

	2010 \$	2009 \$
Wages and salaries <sup>(a)</sup>	22,416,158	21,135,598
Annual leave <sup>(b)</sup>	(51,511)	219,344
Long service leave <sup>(b)</sup>	132,612	412,334
Deferred leave	-	(166,763)
Purchase leave	(4,454)	5,508
Superannuation - defined contribution plans (c) (d)	2,071,584	1,871,630
	<b>24,564,389</b>	<b>23,477,651</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).

Employment on-costs such as workers' compensation insurance are included at note 11 'Other expenses'.

The employment on-costs liability is included at note 24 'Provisions'.

## NOTE 7. SUPPLIES AND SERVICES

Communications	546,581	583,707
Consumables	842,257	769,405
Maintenance <sup>(b)</sup>	498,154	367,747
Travel	485,777	483,868
Information technology	602,155	589,494
Other <sup>(a)</sup>	1,118,109	782,458
	<b>4,093,033</b>	<b>3,576,678</b>

(a) Includes audit cost, see note 35 'Remuneration of auditor'.

(b) Comparative figure restated to correctly classify building maintenance to accommodation expense.



## NOTE 8. DEPRECIATION AND AMORTISATION EXPENSE

	2010 \$	2009 \$
<u>Depreciation</u>		
Buildings	4,680	4,675
Office equipment	4,356	9,563
IT equipment	280,738	268,474
Motor vehicles	62,568	105,238
Fixtures and fittings	1,896	2,122
Leasehold improvements	300,546	354,563
Furniture	-	0
<b>Total depreciation</b>	<b>654,784</b>	<b>744,635</b>
<u>Amortisation</u>		
Intangible assets	56,749	50,639
<b>Total amortisation</b>	<b>56,749</b>	<b>50,639</b>
<b>Total depreciation and amortisation</b>	<b>711,533</b>	<b>795,274</b>

## NOTE 9. ACCOMMODATION EXPENSES

Lease rentals	2,478,930	2,390,119
Repairs and Maintenance <sup>(a)</sup>	45,038	43,349
	<b>2,523,968</b>	<b>2,433,468</b>

(a) Comparative figure restated to correctly classify building maintenance to accommodation expense from supplies and services.

## NOTE 10. LEGAL SERVICES EXPENSES

Grant of aid expenses		
- Assignment costs	14,457,542	14,391,925
	<b>14,457,542</b>	<b>14,391,925</b>
Other service expenses		
- Legal advice	208,506	213,086
- Duty lawyer	80,582	72,756
	<b>289,088</b>	<b>285,842</b>
	<b>14,746,631</b>	<b>14,677,768</b>

Asbestosis case costs (cash basis) of \$0 in 2009/10 and \$0 in 2008/09 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 18 'Restricted cash and cash equivalents'.

## NOTE 11. OTHER EXPENSES

	2010 \$	2009 \$
Bad debts written off	33,999	47,757
Doubtful debts expense	(27,672)	3,188
Employment on-costs <sup>(b)</sup>	30,366	3,901
Staff training	178,315	189,859
State CLC program	2,757,970	2,722,356
Other staff related expenses	863,687	790,130
Other	328,636	635,309
	<b>4,165,301</b>	<b>4,392,501</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 25 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## NOTE 12. USER CHARGES AND FEES

Client contributions and fees on grants of aid	806,208	1,036,280
Recovered costs on grants of aid	1,027,139	633,722
Recovered costs on asbestosis matters	-	-
Legal advice fees	40,736	56,409
Duty lawyer fees	153,350	103,373
Freedom of information	-	-
Community legal education	27,172	14,801
	<b>2,054,605</b>	<b>1,844,585</b>

## NOTE 13. COMMONWEALTH GRANTS AND CONTRIBUTIONS

Operating grant as per 2004 funding agreement	17,047,043	16,747,320
Christmas/Cocos Islands	228,534	242,335
	<b>17,275,577</b>	<b>16,989,655</b>

## NOTE 14. INTEREST REVENUE

	2010 \$	2009 \$
Interest earned on Legal Aid Operational Funds	640,278	881,334
Implicit interest write back on debtors <sup>(a)</sup>	54,608	130,463
Interest earned on Asbestosis Account	146,408	197,327
	<b>841,294</b>	<b>1,209,124</b>

(a) Implicit interest was written back at the end of the reporting period and therefore recorded as interest revenue.

## NOTE 15. OTHER REVENUE

State - Specific purpose contributions	147,307	145,212
Other miscellaneous income	376,626	806,325
Legal contribution trust	1,025,841	1,840,942
CLR placement recoup	1,702,904	553,736
Department of Immigration and Ethnic Affairs	110,374	84,780
	<b>3,363,051</b>	<b>3,430,995</b>

## NOTE 16. NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

Gain/(loss) on disposal of non-current assets are taken to the Statement of Comprehensive Income in determining the operating results for the year.

<u>Costs of Disposal of Non-Current Assets</u>		
Plant, equipment and vehicles	32,323	101,856
<u>Proceeds from Disposal of Non-Current Assets</u>		
Plant, equipment and vehicles	70,545	120,608
<b>Net gain/(loss)</b>	<b>38,222</b>	<b>18,752</b>

## NOTE 17. INCOME FROM STATE GOVERNMENT

Appropriation received during the year:		
State consolidated fund appropriation <sup>(a)</sup>	28,650,696	25,484,301
DTF Funding	-	1,073,970
	<b>28,650,696</b>	<b>26,558,271</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.

## NOTE 18. RESTRICTED CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
<u>Current</u>		
Asbestosis account <sup>(a)</sup>	1,206,663	1,200,080
Child representation trust fund <sup>(b)</sup>	26,237	70,051
	1,232,900	1,270,131
<u>Non-current</u>		
Accrued salaries suspense account (27th pay provision) <sup>(c)</sup>	359,732	273,217
	359,732	273,217
	<b>1,592,632</b>	<b>1,543,348</b>

(a) These unspent funds held in the trust account are only to be used for the purpose of legal aid in relation to asbestosis-related actions.

(b) These unspent funds held in the trust fund are only to be used for the purpose of legal aid in relation to child abuse related actions.

(c) These unspent funds held in the suspense account are only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years. The amount is not due and payable within the next 12 months.

### 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 received amounts as costs recovered from asbestosis-related actions by plaintiffs to whom the Commission has granted legal aid.

Balance at start of year	1,200,080	1,200,080
<u>Revenue:</u>		
- Recovered costs	6,583	-
- Interest	-	-
	<b>1,206,663</b>	<b>1,200,080</b>
<u>Expenditure:</u>		
- Private practitioners	-	-
- Reclassification to cash assets	-	-
<b>Balance at end of year</b>	<b>1,206,663</b>	<b>1,200,080</b>

## NOTE 19. RECEIVABLES

	2010 \$	2009 \$
<u>Current</u>		
Debtors - unsecured <sup>(a)</sup>	3,367,258	3,821,578
GST receivable	(1)	-
less: Allowance for impairment of receivables	(422,894)	(450,567)
Other	-	-
<b>Total current</b>	<b>2,944,363</b>	<b>3,371,012</b>
<u>Non-current</u>		
Debtors - secured	3,590,445	3,607,164
less: Allowance for impairment of receivables	(20,000)	(20,000)
less: Allowance for discount	(521,950)	(576,558)
<b>Total non-current</b>	<b>3,048,495</b>	<b>3,010,606</b>

(a) Comparative has been amended to correct prior period error relating to overstatement of debtors

### Debts - Secured

Legal assistance may be granted subject to a condition that 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 shows 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.

Debtors - secured, were discounted at 4.695% (2009: 5.215%) using the 5 year government bond rate (per Financial Review) at June 30, 2010.

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

Balance at start of year	470,567	467,379
Amounts written off during the year	(33,999)	(47,757)
Amounts recovered during the year	-	-
	436,568	419,621
Doubtful debt expense recognised in the statement of comprehensive income	6,326	50,945
<b>Balance at end of year</b>	<b>442,894</b>	<b>470,567</b>

## NOTE 20. OTHER ASSETS

<u>Current</u>		
Prepayments	44,114	-
<b>Total current</b>	<b>44,114</b>	<b>-</b>

## NOTE 21. PROPERTY, PLANT, AND EQUIPMENT

	2010 \$	2009 \$
<u>Land</u>		
At fair value <sup>(a)</sup>	111,000	111,000
	111,000	111,000
<u>Buildings</u>		-
At fair value <sup>(a)(b)</sup>	234,000	234,000
	234,000	234,000
<u>Fixtures and fittings</u>		-
At cost	33,532	33,532
Accumulated depreciation	(16,472)	(14,576)
	17,060	18,956
<u>Leasehold improvements</u>		-
At cost	3,152,495	2,988,043
Accumulated depreciation	(2,241,220)	(1,940,674)
	911,275	1,047,369
<u>Furniture and equipment</u>		-
At cost	1,848,811	2,004,069
Accumulated depreciation	(1,173,164)	(1,245,935)
	675,647	758,134
<u>Motor vehicles</u>		-
At cost	216,815	321,464
Accumulated depreciation	(148,440)	(158,240)
	68,375	163,224
	<b>2,017,357</b>	<b>2,332,683</b>

### (a) Land and buildings

Land and buildings were re-valued as at 1 July 2009 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2010 and recognised 30 June 2010. In undertaking the revaluation, fair value was determined by reference to market values for land: \$111,000 and buildings: \$234,000 (30 June 2009: land: \$111,000 and buildings: \$234,000). Valuation Services, the Office of Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (at 1 July 2009) were compliant with the fair value at 30 June 2010.

### (b) Buildings

Buildings comparative has been amended to correctly account for the revaluation of buildings on a net basis.

**Reconciliations:**

	Land	Buildings	Fixtures and Fittings	Leasehold Improvements	Furniture and Equipment	Vehicles	Total
2010	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	111,000	234,000	18,956	1,047,369	758,134	163,223	2,332,682
Additions	-	-	-	164,453	202,649	-	367,102
Disposals	-	-	-	-	(44)	(32,278)	(32,322)
Revaluation increments	-	4,680	-	-	-	-	4,680
Revaluation decrements	-	-	-	-	-	-	-
Impairment losses <sup>(a)</sup>	-	-	-	-	-	-	-
Impairment losses reversed <sup>(a)</sup>	-	-	-	-	-	-	-
Depreciation	-	(4,680)	(1,896)	(300,546)	(285,093)	(62,568)	(654,784)
Carrying amount at end of year	111,000	234,000	17,060	911,275	675,646	68,376	2,017,358

	Land	Buildings	Fixtures and Fittings	Leasehold Improvements	Furniture and Equipment	Vehicles	Total
2009	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	101,000	185,174	21,078	1,367,026	747,398	367,380	2,789,056
Additions	-	-	-	34,906	291,711	-	326,617
Disposals	-	-	-	-	(2,938)	(98,918)	(101,856)
Revaluation increments	10,000	20,000	-	-	-	-	30,000
Revaluation increments (Correction of prior period error)	-	33,501	-	-	-	-	33,501
Revaluation decrements	-	-	-	-	-	-	-
Impairment losses <sup>(a)</sup>	-	-	-	-	-	-	-
Impairment losses reversed <sup>(a)</sup>	-	-	-	-	-	-	-
Depreciation	-	(4,675)	(2,122)	(354,563)	(278,037)	(105,239)	(744,636)
Carrying amount at end of year	111,000	234,000	18,956	1,047,369	758,134	163,223	2,332,683

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

## NOTE 22. INTANGIBLE ASSETS

	2010 \$	2009 \$
<u>Computer software</u>		
At cost	399,501	399,501
Accumulated amortisation	(209,900)	(153,151)
Accumulated impairment losses	-	-
	<b>189,601</b>	<b>246,351</b>
<b>Reconciliation:</b>		
<u>Computer software</u>		
Carrying amount at start of year	246,351	228,906
Additions		68,084
Disposals	-	-
Amortisation expense	(56,749)	(50,639)
<b>Carrying amount at end of year</b>	<b>189,601</b>	<b>246,351</b>

## NOTE 23. IMPAIRMENT OF ASSETS

There were no indications of impairment to property, plant and equipment and intangible assets at 30 June 2010.

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

There were no surplus assets at 30 June 2010 that have been classified as assets held for sale or written off.

## NOTE 24. PAYABLES

<u>Current</u>		
Grant of aid commitments	7,848,884	8,544,499
Accrued expenses	307,201	334,617
Accrued salaries <sup>(a)</sup>	346,061	241,313
Staff benefit fund	38,395	38,914
Unclaimed monies	170	215
<b>Total current</b>	<b>8,540,711</b>	<b>9,159,558</b>

(i) Payables: The Commission considers the carrying amounts of accounts payable approximate their net fair values.

(a) Accrued salaries: Amount owing is 4 days as last pay occurred on 24 June 2010 (2009 - The last pay occurred on 25 June 2009)



## NOTE 25. PROVISIONS

	2010 \$	2009 \$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	1,493,511	1,545,023
Long service leave <sup>(b)</sup>	1,830,556	1,439,888
Purchased leave	23,584	28,038
	<b>3,347,651</b>	<b>3,012,948</b>
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	41,746	18,984
	41,746	18,984
	<b>3,389,397</b>	<b>3,031,932</b>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	1,483,282	1,741,338
Deferred leave	-	-
	1,483,282	1,741,338
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	18,838	11,233
	18,838	11,233
	<b>1,502,120</b>	<b>1,752,571</b>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments (per PriceWaterhouseCoopers actuary report 30 June 2010) indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	1,247,653	1,150,261
More than 12 months after the reporting period	264,356	404,457
	<b>1,512,009</b>	<b>1,554,718</b>

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments (per PriceWaterhouseCoopers actuary report 30 June 2010) indicate that actual settlement of the liabilities will occur as follows.

Within 12 months of the end of the reporting period	1,105,914	973,971
More than 12 months after the reporting period	2,250,009	2,227,776
	<b>3,355,923</b>	<b>3,201,747</b>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed at note 11 'Other expenses'.

## NOTE 25. PROVISIONS (CONT.)

### Movements in other provisions

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

	2010 \$	2009 \$
<u>Employment on-cost provision</u>		
<i>Current</i>		
Carrying amount at start of year	18,984	15,996
Additional provisions recognised	22,762	2,988
Carrying amount at end of year	41,746	18,984
<i>Non-current</i>		
Carrying amount at start of year	11,233	10,320
Additional provisions recognised	7,605	913
Carrying amount at end of year	18,838	11,233

## NOTE 26. OTHER LIABILITIES

	2010 \$	2009 \$	1/07/08 \$
<u>Current</u>			
Government grants in advance (a)	827,630	824,220	754,170
Child representation trust fund	26,237	70,051	78,551
Total current	853,867	894,271	832,721

(a) Comparative figures have been amended to correct a prior period error to the recognition of grant monies in accordance with AASB 1004. 2008 and 2009 comparatives have been reduced by \$3,080,023 and \$4,071,290 respectively to recognise revenue when the Commission gains control of the funds.

## NOTE 27. 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 surplus represents that portion of equity resulting from the revaluation of non-current assets.

### Contributed equity

	2010 \$	2009 \$
Balance at start of period	595,669	595,669
<b>Balance at end of period</b>	<b>595,669</b>	<b>595,669</b>

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

	2010 \$	2009 \$
<u>Asset revaluation surplus</u>		
Balance at start of year	283,544	220,043
Net revaluation increments/(decrements):	-	-
Land	-	10,000
Buildings	4,680	53,501
Plant and equipment	-	-
<b>Balance at end of year</b>	<b>288,224</b>	<b>283,544</b>
<u>Asbestosis account reserve</u>		
Balance at start of year	1,200,080	1,200,080
<u>Income:</u>		
Recovered costs	6,583	-
<u>Expenditure</u>		
Private practitioners fees	-	-
<b>Balance at end of year</b>	<b>1,206,663</b>	<b>1,200,080</b>
<b>Total balance at end of year</b>	<b>1,494,887</b>	<b>1,483,624</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.

## Accumulated surplus/(deficit)

	2010 \$	2009 \$	1/07/08 \$
Balance at start of year	12,053,172	11,355,130	6,211,580
Result for the period	1,418,591	698,043	2,063,527
Correction to prior period errors <sup>(a)</sup>	-	-	3,080,023
Income and expense recognised directly in equity	-	-	-
<b>Balance at end of year</b>	<b>13,471,763</b>	<b>12,053,172</b>	<b>11,355,130</b>

(a) Correction to recognise revenue when the Commission gains control of grant monies.

## NOTE 28. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2010 \$	2009 \$
Bank accounts	20,005,064	18,460,063
Cash on hand - petty cash	6,785	6,735
Cash and cash equivalents	20,011,849	18,466,798
Restricted cash and cash equivalents [Refer note 18 'Restricted cash and cash equivalents']	1,592,632	1,543,348
	<b>21,604,481</b>	<b>20,010,146</b>

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

Net cost of services	(27,232,105)	(26,391,098)
<u>Non-cash items:</u>		
Depreciation and amortisation expense (note 20)	711,533	795,274
Doubtful debts expense (note 19)	27,673	3,188
Net (gain )/loss on disposal of non-current assets	(38,223)	(18,752)
Implicit right back of interest revenue	(54,608)	-
<u>(Increase)/decrease in assets:</u>		
Current receivables <sup>(b)</sup>	454,321	(1,901,105)
Other current assets	(44,114)	-
Non-current receivables	16,719	(110,497)
<u>Increase/(decrease) in liabilities:</u>		
Current payables <sup>(b)</sup>	(618,847)	1,670,655
Current provisions	357,465	177,072
Other current liabilities	(155,610)	-
Non-current provisions	(250,451)	297,252
(Increase)/decrease in GST receivables/payables <sup>(a)</sup>	79,161	(87,889)
<b>Net cash provided by/(used in) operating activities</b>	<b>(26,747,087)</b>	<b>(25,565,900)</b>

(a) This reverses out the GST in receivables and payables.

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

## NOTE 29. COMMITMENTS

### Lease commitments

	2010 \$	2009 \$
Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:		
Within 1 year	1,824,160	1,719,046
Later than 1 year and not later than 5 years	6,661,533	6,588,794
Later than 5 years	320,015	1,885,568
	<b>8,805,709</b>	<b>10,193,407</b>

Representing:

Non-cancellable operating leases <sup>(a)</sup> <sup>(b)</sup> <sup>(c)</sup>	8,805,709	10,193,407
	<b>8,805,709</b>	<b>10,193,407</b>

(a) These commitments are inclusive of GST.

### Non cancellable operating lease commitments

Commitments for minimum accommodation & equipment lease payments are payable as follows:		
Within 1 year	1,730,821	1,661,204
Later than 1 year and not later than 5 years	6,605,235	6,414,078
Later than 5 years	320,015	1,885,568
	<b>8,656,071</b>	<b>9,960,850</b>

(a) These commitments are inclusive of GST.

(b) The property leases are non-cancellable leases with terms ranging up to 10 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 percentage per annum.

(c) Accommodation operating lease commitments for the financial year only include property and car parking lease expenses as required by accounting standards and TI's.

Commitments for minimum motor vehicle lease payments are payable as follows:		
Within 1 year	93,339	57,842
Later than 1 year and not later than 5 years	56,298	174,716
Later than 5 years	-	-
	<b>149,637</b>	<b>232,557</b>

(a) These commitments are inclusive of GST.

(b) The motor vehicle leases are non-cancellable leases with terms ranging up to 3 years, with payments payable monthly in advance.

### NOTE 30. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In addition to the assets and liabilities included in the financial statements, there are no contingent assets nor contingent liabilities (2009: Nil).

### NOTE 31. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting period, favourable or unfavourable, that occurred between the end of the reporting period and the date when these financial statements are authorised for issue. Neither of the following two types of events occurred.

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- those that are indicative of conditions that arose after the end of the reporting period (non-adjusting events after the reporting period)

### NOTE 32. EXPLANATORY STATEMENT

Significant variations between estimates and actual results for income and expense are shown below. Significant variances are considered to be those greater than 10% or \$5 million.

#### Significant variances between estimated and actual results for the financial year

	2010 Estimate \$	2010 Actual \$	Variation \$
Supplies and services	3,485,118	4,093,033	607,915
Depreciation and amortisation expense	838,056	711,533	(126,523)
Other expenses	5,584,893	4,165,301	(1,419,592)
User charges and fees	1,853,985	2,054,605	200,620
Interest revenue	663,230	841,294	178,064
Other revenue	5,643,819	3,363,051	(2,280,768)

#### Supplies and services

Estimated efficiency savings of 3% were not achieved against supplies and services expense, however additional offsetting savings were achieved against employee benefits expense.

#### Depreciation and amortisation expense

The set-up of the permanent regional office in Kunnunurra has been postponed until 2010/11 due to issues locating suitable accommodations (\$0.080 million) and delays with the procurement of IT equipment (\$0.056 million).

#### Other expenses

Lower salary oncosts associated with the Country Lawyers program (superannuation, recruitment, training, relocation and government remote housing). There are less lawyers participating in the Country Lawyers program and the reduction to salary and salary oncosts is offset by an equivalent reduction to revenue recouped from non-government organisations participating in the Country Lawyers program (\$1.524 million).

#### User charges and fees

Higher contributions from clients for grants of legal assistance and higher costs recovered from Magistrates Court hearings (\$0.149 million).

### Interest revenue

Higher interest revenue earned on higher than expected funds on deposit (\$0.178 million).

### Other revenue

Lower revenue recouped from non-government organisations participating in the Country Lawyers program. The reduction to revenue recouped from the Country Lawyers program is offset by a reduction to salary and salary oncosts expenditure and is a result of less lawyers available for placement in the Country Lawyers program (\$2.035 million).

### **Significant variances between actual and prior year actual**

	2010 Estimate \$	2010 Actual \$	Variation \$
<u>Income</u>			
User charges and fees	2,054,605	1,844,585	210,020
Interest revenue	841,294	1,209,124	(367,830)
<u>Expenses</u>			
Supplies and services	4,093,033	3,576,678	516,355
Depreciation and amortisation	711,533	795,274	(83,741)

### User charges and fees

Higher costs recovered from Court hearings (\$0.393 million) offset by lower contributions received from clients for grants of legal assistance (\$0.238 million).

### Interest revenue

Lower interest rate applied to funds on deposit during 2009/10 (\$0.292 million) and a lower discount rate attributed to the discounting of debtors (\$0.041 million)

### Supplies and services

Infrastructure and support costs to maintain the agency's core business system have increased and costs associated with aligning the agency's IT environment to meet the Australia Securities Standards in accordance with audit recommendations (\$0.0127 million), increase to insurance costs based on claims history (\$0.0140 million), consultant costs associated with the implementation of the Regional Innovation Program for Legal Services online learning system (\$0.125 million), and vehicle running costs associated with a changeover from purchasing agency vehicles to leasing vehicles from State Fleet (\$0.050 million). The higher vehicle running costs are offset by lower motor vehicle depreciation costs.

### Depreciation & amortisation

Lower motor vehicle depreciation expense associated with a changeover from purchasing agency vehicles to leasing vehicles from State Fleet (\$0.050 million), and lower leasehold improvement depreciation expense (\$0.054 million). The lower motor vehicle depreciation costs offsets the higher vehicle lease costs reported under supplies and services.

## **NOTE 33. FINANCIAL INSTRUMENTS**

### **(a) Financial risk management objectives and policies**

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 risk. The Commission's overall risk management program focuses on managing the risks identified below.

#### **Credit risk**

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 32(b) 'Financial instruments disclosures' and note 19 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amount receivable for services provided to clients. The Commission has policies in place to ensure that credit risk is minimal. For example, where possible debts due are adequately secured by way of caveats or memorials over the properties of the debtor. In addition, where such contributions cannot be secured either because the amount of the debt is small or the client does not have adequate assets to offer as security, the Commission monitors the debts and communicates with debtors on an ongoing basis to ensure that debts are collected promptly to minimise the amount of irrecoverable debts to be written off. At the end of the reporting period there were no significant concentrations of credit risk.

Credit risk, although minimal, also exists for cash and cash equivalents and restricted cash and cash equivalents. The Commission's exposure to credit risk in respect of such financial instruments arises from default of the counter party (banks) which is highly unlikely. The Commission is a public benevolent institution and as such the primary investment policy objective is to ensure the security and minimise the risk to 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 the Financial Management Act. Investments are made in a manner specified in section 37 of that Act.

#### **Liquidity risk**

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. 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 Commission is exposed to liquidity risk through its trading in the normal cost of business.

The Commission has appropriate procedures to manage cash flows including draw down's of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments. The term of investments is based on the annual cash flow budget in order to meet cash requirements in a timely manner. The selection of the term of the investment depends upon the cash flow requirements and the rate of return available for different investment terms.



### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. 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]. The Commission's exposure to market risk for changes in interest rates relate primarily to the investment of surplus funds and restricted funds. Other than detailed in the interest rate sensitivity analysis table at note 32(c), the Commission is not exposed to interest rate risk apart from motor vehicle leases (fixed interest rate).

The Commission's policy to manage changes in interest rates is to use a mix of fixed and variable interest rate investments as appropriate.

### **(b) Categories of financial instruments**

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2010 \$	2009 \$
<u>Financial Assets</u>		
Cash and cash equivalents <sup>(a)</sup>	20,011,849	18,466,798
Restricted cash and cash equivalents	1,592,632	1,543,348
Receivables <sup>(b)</sup>	5,992,857	7,363,454
(Correction of prior period errors)	-	(981,836)
Receivables	5,992,857	6,381,618
<u>Financial Liabilities</u>		
Payables	8,540,711	9,159,558

(a) Cash and cash equivalents balance includes petty cash balance.

(b) The amounts of receivables excludes the net amount of GST recoverable (acquisition-supply) from the ATO (statutory receivable).

### Credit risk, liquidity risk and interest rate risk exposures

The following tables discloses the commission's maximum exposure to credit risk, interest rate exposures and the aging analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the aging of financial assets that are past due and impaired and impaired financial assets. The information is based on information provided to senior management of the Commission. As well, the following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the end of the reporting period. An adjustment has been made where material.

The Commission holds collateral relating to the financial assets it holds.

**NOTE 33. FINANCIAL INSTRUMENTS (CONT.)**

Interest rate exposure and aging analysis of financial assets								
	Weighted Average Effective Interest Rate %	Interest rate exposure			Past due but not impaired			
		Carrying Amount \$	Variable interest rate \$	Non interest bearing \$	Up to 3 months \$	3-12 months \$	More than 1 year \$	Impaired financial assets \$
<u>Financial Assets</u>								
<b>2010</b>								
Cash & cash equivalents <sup>(a)</sup>		20,011,849	20,011,849	-				
Restricted cash & cash equivalents <sup>(b)</sup>		1,592,632	1,592,632	-				
Receivables	4.695% <sup>(c)</sup>	5,992,857	-	-	1,980,558	1,243,898	2,768,401	
		<b>27,597,337</b>	<b>21,604,481</b>	<b>-</b>	<b>1,980,558</b>	<b>1,243,898</b>	<b>2,768,401</b>	<b>-</b>
<b>2009</b>								
Cash & cash equivalents <sup>(a)</sup>		18,460,063	18,460,063					
Restricted cash & cash equivalents <sup>(b)</sup>		1,543,348	1,543,348					
Receivables	5.215% <sup>(c)</sup>	7,363,454			2,227,099	1,775,694	3,360,661	
Receivables <sup>(d)(e)</sup> (Correct of prior period errors)		(981,836)			(981,836)			
		<b>26,385,029</b>	<b>20,003,411</b>	<b>-</b>	<b>1,245,263</b>	<b>1,775,694</b>	<b>3,360,661</b>	<b>-</b>
Interest rate exposure and maturing analysis of financial liabilities								
	Weighted Average Effective Interest Rate %	Interest rate exposure			Maturity Date			
		Carrying Amount \$	Variable interest rate \$	Non interest bearing \$	Up to 3 months \$	3-12 months \$	More than 1 year \$	Impaired financial assets \$
<u>Financial Liabilities</u>								
<b>2010</b>								
Payables		<b>8,540,711</b>	<b>-</b>	<b>8,540,711</b>				
		8,540,711	-	8,540,711				
<b>2009</b>								
Payables		9,159,558	-	9,159,558				
		<b>9,159,558</b>	<b>-</b>	<b>9,159,558</b>				

(a) Cash and cash equivalents balance does not include petty cash balance.

(b) Variable interest rates represent the most recent rate applicable to the instrument at the end of the reporting period.

(c) The interest rate used in the table above is 4.695% (2009: 5.215%) which is the 5 year government bond rate as at June 30 2010.

(d) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

(e) The amounts of receivables excludes the net amount of GST recoverable (acquisition-supply) from the ATO (statutory receivable).

### Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets at the end of the reporting period 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.

	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
<b>2010</b>					
<u>Financial assets</u>					
Cash and cash equivalents <sup>(a)</sup>	20,005,064	(200,051)	(200,051)	200,051	200,051
Restricted cash and cash equivalents	1,592,632	(15,926)	(15,926)	15,926	15,926
Total Increase/(Decrease)		<b>(215,977)</b>	<b>(215,977)</b>	<b>215,977</b>	<b>215,977</b>
<b>2009</b>					
<u>Financial assets</u>					
Cash and cash equivalents <sup>(a)</sup>	18,460,063	(184,601)	(184,601)	184,601	184,601
Restricted cash and cash equivalents	1,543,348	(15,433)	(15,433)	15,433	15,433
Total Increase/(Decrease)		<b>-200,034</b>	<b>-200,034</b>	<b>200,034</b>	<b>200,034</b>

(a) Cash and cash equivalents balance does not include petty cash balance.

### Fair values

All financial assets and liabilities recognised in the statement of financial position, 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.

## NOTE 34. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE COMMISSION AND SENIOR OFFICERS

The number of members of the accountable authority whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

### Remuneration on members of the accountable commission

				2010 \$	2009 \$
	\$0	-	\$10,000	3	4
	\$10,001	-	\$20,000	1	0
	\$20,001	-	\$30,000	0	1
	\$50,001	-	\$60,000	1	0
	\$260,001	-	\$270,000	0	1
	\$380,001	-	\$390,000	1	0
The total remuneration of the members of the accountable commission				<b>466,562</b>	<b>318,893</b>

The total remuneration includes superannuation expense incurred by the Commission in respect of members of the accountable Authority.

No members of the accountable authority are members of the pension scheme.

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

### Remuneration of senior officers

	\$0	-	\$100,000	0	1
	\$100,001	-	\$110,000	0	0
	\$110,001	-	\$120,000	0	0
	\$120,001	-	\$130,000	0	1
	\$130,001	-	\$140,000	0	2
	\$140,001	-	\$150,000	0	0
	\$150,001	-	\$160,000	1	0
	\$160,001	-	\$170,000	0	0
	\$170,001	-	\$180,000	0	1
	\$180,001	-	\$190,000	2	1
	\$190,001	-	\$200,000	1	0
	\$200,001	-	\$210,000	3	0
	\$210,001	-	\$220,000	0	1
	\$220,001	-	\$230,000	0	0
	\$230,001	-	\$240,000	1	0
	\$240,001	-	\$250,000	0	0
	\$250,001	-	\$260,000	0	1
<b>The total remuneration of senior officers</b>				<b>\$1,566,996</b>	<b>1,265,784</b>

The total remuneration includes superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the accountable Authority.

There are no senior officers who are members of the pension scheme.

## NOTE 35. REMUNERATION OF AUDITOR

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

	2010 \$	2009 \$
Auditing the accounts, financial statements and performance indicators. <sup>(a)</sup>	71,000	66,000

The remuneration of auditor is included at note 7 'Supplies and services'. The remuneration to 30 June 2010 was not accrued as work was not substantially completed. This amount excludes GST.

## NOTE 36. RELATED BODIES

The Commission has no related bodies.

## NOTE 37. AFFILIATED BODIES

The Commission has no affiliated bodies.

## NOTE 38. SPECIAL PURPOSE ACCOUNTS

### Special Purpose Accounts

#### [Child Representation Trust Fund](#)

(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.

Balance at start of year	70,051	78,551
Receipts:	3,500	14,195
Payments:	47,314	22,695
<b>Balance at end of year</b>	<b>26,237</b>	<b>70,051</b>

## NOTE 39. SUPPLEMENTARY FINANCIAL INFORMATION

### a) Write-Offs

Debts written off during the year that were authorised by the Accountable Authority.	33,999	47,757
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## NOTE 40. CLIENT TRUST FUND

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

Client trust account	2010 \$	2009 \$
Balance at start of year	410,091	224,548
Receipts:	713,354	1,101,548
Payments:	1,061,566	916,005
<b>Balance at end of year</b>	<b>61,878</b>	<b>410,091</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 as the court so directs.

## NOTE 41. 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.

Balance at start of year	51,638	7,250
Receipt from Commonwealth:	228,534	242,335
Client contributions:	-	571
User charges and fees	1,034	
Expenditure:	(329,365)	(198,518)
<b>Balance at end of year</b>	<b>(48,159)</b>	<b>51,638</b>

## NOTE 42. 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 2009/2010) were expended for the purpose of the provision of Legal Aid WA 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>	2,487
<u>Income</u>	
Services Payment	15,416
Interest	275
Costs Recovered	-
Contributions	290
Expensive Cases Revenue	797
Other	59
<b>Total Income</b>	<b>16,837</b>

	\$' 000's
<u>Expenditure</u>	
Information Services	1,013
Community Legal Education and Publication Services	991
Legal Advice Services	1,070
Minor Assistance Services	414
Child Support Services (non - litigation)	682
<u>Duty lawyer services:</u>	
- Family Law	570
- Criminal Law	133
- Civil Law	21
PER Services (Grants)	1,449
<u>Litigation services (grants):</u>	
- Family law	6,513
- Criminal law (excluding expensive cases)	616
- Criminal law (expensive cases)	797
- Civil - veterans	5
- Civil - migration	57
- Civil - other	45
<u>Assignment services:</u>	
- PER	1,456
- Litigation	
Strategic services	852
Other	1,015
<b>Total expenditure</b>	<b>17,699</b>
<b>2009/10 surplus/(deficit)</b>	<b>(862)</b>
<b>Closing surplus/(deficit)</b>	<b>1,625</b>

NB - Reconciliation excludes transactions related to Community Legal Centres - which are separately identified at note 44 'Community legal centres'.

#### NOTE 43. 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 \$22,500. The reconciliation of the expensive cases fund for 2009/2010 is as follows:

	\$
<b>Opening balance</b>	(981,837)
Adjustment relating to prior years	-
Supplementary funding 2009/10	1,500,000
Expenditure 2009/10	(147,684)
Expenditure commitments for IHP funding	(44,112)
Expenditure for IHP disbursements	(49,112)
<b>Funds owing 30/06/2010</b>	<b>277,255</b>

#### NOTE 44. SPECIAL CATEGORY FUNDING

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

##### (I) Finance Brokers Legal Fund

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

Financial activity was as follows:

	\$
Budget funding (in 2001/02)	1,125,000
Additional funding 2006/07	200,000
Additional funding 2008/09	455,000
Additional funding 2009/10	132,000
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)
Expenditure 2008/09	(138,571)
Expenditure 2009/10	(155,207)
<b>Funds remaining 30 June 2010</b>	<b>242,286</b>



### (ii) DCP Legal Fund

Department for Child Protection (DCP) for private lawyers to investigate and provide advice as to claims that children may have been abused whilst in care of DCP.

	\$
Balance at start of year	822,214
Funding 2009/10	275,701
Expenditure 2009/10	(318,552)
<b>Balance at end of year</b>	<b>779,363</b>

### **NOTE 45. COMMUNITY LEGAL CENTRES**

During 2003/04, State Cabinet endorsed key recommendations into Community Legal Centres (CLCs) including the establishment of a State funding program for CLCs. 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
Balance at start of year	2,618,726	1,103,804
Receipts:	2,657,696	4,653,941
Payments:	(2,757,970)	(4,770,037)
<b>Balance at end of year</b>	<b>2,518,452</b>	<b>987,708</b>

## 6.3 KEY PERFORMANCE INDICATORS

### KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2010

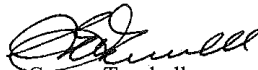
#### Key Performance Indicators

#### 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 2010.



Malcolm McCusker AO QC  
Chairman  
Date: 5/8/10



George Turnbull  
Director  
Date: 4/8/10.

## Performance Indicators for 2009 – 2010

Funds are limited and determining the extent and type of assistance provided to clients is central to Legal Aid WA'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 Goal:** Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

**Agency Level Government Desired Outcome:** The right to justice and safety for all people in Western Australia is preserved and enhanced.

**Agency Services Delivered:** The community and target groups require access to and the provision of quality legal services. This service contributes to the right to justice for all people in Western Australia by responding to demand for legal assistance through the application of priority guidelines. 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.

## OUR SERVICES

For the community		For target groups		
Information and advice	Duty lawyer services	Legal advice and Minor assistance	Legal representation	Development services
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.	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's Court sittings throughout WA.	To ensure that priority persons able to self-represent are assisted with advice and practical help, including telephone advocacy, drafting of negotiating letters and the preparation of court documentation. Delivered by lawyers and at all office locations, and by paralegal staff under supervision of Solicitors.	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).	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.

Determining the type and extent of assistance provided to people is critical to Legal Aid WA's operations. Decisions about the appropriateness of the service provided are regulated by policies and procedures relating to clients' means, the nature and seriousness of their legal problem and the availability of resources.

### **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 a 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 WA 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 2008/2009 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 2008/2009 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.

The composite index methodology developed for previous reports was used again this year to measure the overall satisfaction level of Legal Aid WA's Family Law clients.

The index estimated the overall satisfaction rating to be 80.1% with an achieved accuracy level of +/- 3.6% meaning that we can be 95% "confident" that if the same questions were asked of the entire relevant population, the true satisfaction figure lies somewhere between 76.5% and 83.7%.

## **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 WA in the past 12 months. The population sizes for each client type are shown in Table 2 below.

The Online and Print Publications Users Community Legal Centres' survey was conducted as a census of all 28 community legal centres in Western Australia.

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

## Sample Sizes

The sample sizes for the family law client groups were designed to balance the requirements of the office of the Auditor General (OAG) for the purposes of annual reporting of an overall maximum standard error ratio of +/-5% at the 95% confidence level, as well as having sufficient sample sizes for each survey group to allow valid statistical analysis at the individual survey level.

For the family law client population as a whole, a sample size of around 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 34 child support and 24 duty lawyer surveys could be completed due to the high level of disconnected numbers and clients having moved away.

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

**TABLE 2 – POPULATIONS, SAMPLE SIZES AND LEVELS OF ACCURACY**

Family Law Client Group	Population Size (n)	Target Sample size	Achieved Sample Size (n)	Estimated level of accuracy
Legal Advice	1337	176	177	+/- 5.3%
Alternative Dispute Resolution	124	53	51	+/-7.9%
Grants of Aid	326	87	87	+/-6.9%
Duty Lawyer/Family Court Services	62	38	24	+/-7.7%
Child Support	92	46	34	+/-7.9%
TOTAL	1941	400	373	+/-3.4%
Grants of Aid REFUSALS	504	50	70	+/-13.2%
Total (incl Grants of Aid Refusals)	2445	450	443	+/-3.2%

The estimated overall level of accuracy expected from this was +/- 3.2% assuming a satisfaction level of 82% based on the last survey's results. The accuracy levels for the individual surveys are higher but still within acceptable error bounds and the achieved overall level was +/-3.6%.

The 70 clients surveyed for the grant of aid refusals were considered to be a distinct group with a different level of involvement and therefore satisfaction with Legal Aid WA.

27 of the 28 community legal centres were surveyed in the Online and Print Publications Users Community Legal Centres' survey.

The overall response rate for the client groups within this survey, is 79% based on a sample size of 443, resulting from 551 contacts made with the client groups.

## **QUESTIONNAIRE DESIGN**

The questionnaires used were supplied by Legal Aid WA and were kept largely the same as those used in previous years to allow meaningful comparisons with earlier reports. However, a number of new questions were added and others revised in order to extend the areas covered by the surveys, improve the quality of response and provide more meaningful management information.

As with the previous surveys, there were multiple versions of the questionnaire, with slightly different versions being used for different client groups.

### **Data Collection Methodology**

Surveys were conducted over the telephone using the contact lists provided by Legal Aid WA over a four week period from 17 May 2010 to 11 June 2010. 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.

In the case of community legal centres, prior to the telephone interview, questionnaires were emailed by Legal Aid WA to the nominated contact with an explanatory letter to allow these agencies time to consider their answers and to discuss them with colleagues. Community legal centres that had not heard of or used Legal Aid WA's online and print publications were excluded from the survey.

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 was checked by supervisory staff of Advantage Communications and Marketing Pty Ltd before and after input. In addition, a minimum of 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.

## DESIRED OUTCOMES AND KEY EFFECTIVENESS/EFFICIENCY INDICATORS

Agency Level Government Desired Outcome: The right to justice and safety for all people in Western Australia is preserved and enhanced.

Effectiveness Indicators	2008 Actual	2009 Actual	2010 Target	2010 Actual	Reasons for Significant Variance between 2009/10 actuals and Target and prior year comparative
Applications approved for a grant of aid as a % of all applications received	69%	69%	69%	63%	Applications approved for family law matters restricted in 2010 to ensure the highest priority matters continue to be funded within available resources, as a result of an 11% increase in commonwealth family law applications.
Percentage of clients satisfied with service provided					
Criminal law	N/A	85%	NA	N/A	Family and criminal law clients are surveyed in alternate years.
Family law	82%	N/A	82%	80%	
Key Efficiency Indicators	2008 Actual	2009 Actual	2010 Target	2010 Actual	Reasons for Significant Variance between 2010 actuals and Target and prior year comparative
State law					<p>Due to grant of aid resource limitations, duty lawyer services are being used in some instances to provide assistance on more complex matters and this has increased the average cost.</p> <p>The number of paralegals delivering services has increased and along with junior solicitors are taking more time to provide services. This has increased the average cost.</p> <p>More minor assistance is being provided in regional areas for less complex criminal matters which have a lower average cost.</p> <p>The continued rollout of the automated grants online system and increased familiarity with the system has led to productivity gains in terms of less time to process applications.</p>
Average cost per call	17	20	18	17	
Average cost per service duty lawyer	105	129	122	134	
Average cost per legal advice	125	177	137	191	
Average cost per minor assistance	218	206	238	210	
Average cost per application processed	176	210	185	162	
Average cost per legal representation	2089	2452	2452	2324	

Key Efficiency Indicators	2008 Actual	2009 Actual	2010 Target	2010 Actual	Reasons for Significant Variance between 2010 Actuals and Target and prior year comparative
Commonwealth law					
Average cost per call	23	30	26	28	
Average cost per service: face to face information	30	53	34	22	Reduced staff turnover and improved knowledge of family law matters has contributed to increased productivity and more clients being referred directly to Family Relationship Centres.
Average cost per service duty lawyer	138	136	176	141	Increases in demand for Commonwealth criminal duty lawyer services due to an increase in social security fraud prosecutions, and increases in demand for Commonwealth family law duty lawyer services has been met within existing resources. This has resulted in a decrease in the average cost.
Average cost per legal advice	196	197	198	176	More experienced staff, increased familiarity with family law matters, and a significant reduction in the number of non attendances for appointments has resulted in a decrease in the average cost.
Average cost per application processed	498	594	511	555	
Average cost per legal representation	3776	3277	3904	4034	Applications approved for family law matters restricted in 2010 to ensure the highest priority matters continue to be funded within available resources, as a result of an 11% increase in Commonwealth family law applications. The majority of applications approved for legal representation have been restricted to more complex independent children's lawyer and child representation matters resulting in an increase in the average cost.  The average cost has also increased due to litigation in the Family Court approaching levels that existed prior to the reform of the <i>Family Law Act in 2006</i> (which introduced the concept of shared parental responsibility as a starting point in divorce/separation proceedings, and emphasised a move away from litigation to resolve family law disputes).
Average cost of child support	1395	672	256	269	Services are continuing to be delivered in the same manner as in the previous year, however each client file contains one or more occasions of service and is now reported on an occasion-by-occasion basis.



## 6.4 AUDITOR GENERAL'S OPINION ON STATEMENT OF RECEIPTS AND PAYMENTS



Auditor General

### INDEPENDENT AUDIT REPORT

To the Legal Aid Commission of Western Australia

#### THE DIRECTOR OF LEGAL AID AND OTHERS IN TRUST STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2010

I have audited the Statement of Receipts and Payments, being a special purpose financial statement, of The Director of Legal Aid and Others in Trust for the year ended 30 June 2010.

#### Director's Responsibility for the Financial Statement

The Director of Legal Aid and Others in Trust is responsible for the preparation and fair presentation of the Statement of Receipts and Payments. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Statement of Receipts and Payments that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Summary of my Role


My responsibility is to express an opinion on the Statement of Receipts and Payments 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.

The Statement of Receipts and Payments may not be suitable for another purpose. My report is intended solely for the Legal Aid Commission of Western Australia and The Director of Legal Aid and Others in Trust and should not be distributed to or used by parties other than the Legal Aid Commission of Western Australia or The Director of Legal Aid and Others in Trust.

An audit does not guarantee that every amount and disclosure in the Statement of Receipts and Payments is error free, nor does it 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 Statement of Receipts and Payments.

#### Audit Opinion

In my opinion, the Statement of Receipts and Payments of The Director of Legal Aid and Others in Trust presents fairly, in all material respects, the transactions for the year ended 30 June 2010, and the cash balance at that date.

  
COLIN MURRAY  
AUDITOR GENERAL  
6 August 2010

## 6.5 CERTIFICATION OF STATEMENT OF RECEIPTS AND PAYMENTS

THE DIRECTOR OF LEGAL AID AND OTHERS IN TRUST  
Statement of Receipts and Payments  
For the year ended 30 June 2010

FUNDS ON HAND 1 July 2009

RECEIPTS in year  
Interest received in year

PAYMENTS in year  
Bank charges  
FUNDS ON HAND 30 June 2010

Represented by funds in  
BANKWEST

2010 \$	2009 \$
0	0
0	0
0	0
0	0
0	0
0	0
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 2010 and the Funds on Hand as at 30 June 2010.



George Turnbull  
Director of Legal Aid

30 June 2010



Lee Baker  
Chief Finance Officer

30 June 2010

## 6.6 OTHER FINANCIAL DISCLOSURES

### Ministerial Directives

No Ministerial directives were received during the financial year.

### Pricing policies of services provided

The Authority charges for goods and services rendered on a full or partial cost recovery basis. These fees and charges were determined in accordance with *Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector* published by the Department of Treasury and Finance.

### Capital Works

No capital projects were completed in 2009-10.

### Worker's Compensation

Performance Indicator	Comment
Number of Fatalities	0
Lost Time Injury/Diseases (LTI/D) Rate	0.3154
Lost Time Injury Severity Rate	0
Return To Work (RTW) Rate	100
Percentage of Managers trained in OSH and Injury management responsibilities.	0 NB. OSH and Injury Management Training will be delivered to Managers in 2010/2011.

Fin Year	Number of Fatalities	Number of Lost Time Injury or Disease	Number of Severe Claims	Lost Time Injury Severity Rate
2009/10	0	2	0	0
2008/09	0	1	0	0

### Data Definitions

Financial Year	Claims lodged in the financial year, as at the end of that year.
Fatalities	Number of compensated work related fatalities
Lost time injury or disease	The number of lost time injury/disease claims where one day/ shift or more was estimated to be lost on claims lodged in the financial year.
Severe Claims	The number of severe injuries (estimated 60 days or more lost from work). An injury resulting in death is considered to have accounted for 60 days or more lost.
Severity Rate	The number of Severe Claims divided by the number of lost time injury/ disease claims multiplied by 100.

## Employees

### EMPLOYEE PROFILE 2009/10

Level	Lawyers			Paralegal			Administration			Graduates			TOTAL 2008/09	TOTAL 2009/10	% 2008/09	% 2009/10
	P	O	C	P	O	C	P	O	C	P	O	C				
Trainee													0	0	0.00%	0.00%
1				1			7	2					9	10	2.98%	3.15%
2				18	5	1	35	1					62	60	20.53%	18.93%
3				40	4	1	12	2			8		60	67	19.87%	21.14%
4				7			7						13	14	4.30%	4.42%
5				5			10	1					12	16	3.97%	5.05%
6				1			2	3					5	6	1.66%	1.89%
7							1						2	1	0.66%	0.32%
8							3						3	3	0.99%	0.95%
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%	0.32%
Class 4													0	0	0.00%	0.00%
Special Division		1											1	1	0.33%	0.32%
S/C Level 1	5	24											32	29	10.60%	9.15%
S/C Level 2	19	1	1				1						19	22	6.29%	6.94%
S/C Level 3	18	7											23	25	7.62%	7.89%
S/C Level 4	22	2					1						21	25	6.95%	7.89%
S/C Level 5	8												7	8	2.32%	2.52%
S/C Level 6	20												25	20	8.28%	6.31%
S/C Level 7	3	1											2	4	0.66%	1.26%
S/C Level 8	2	1											3	3	0.99%	0.95%
S/C Level 9		1											1	1	0.33%	0.32%
S/C Level 10		1											1	1	0.33%	0.32%
<b>TOTAL</b>	<b>97</b>	<b>39</b>	<b>1</b>	<b>72</b>	<b>9</b>	<b>2</b>	<b>79</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>302</b>	<b>317</b>	<b>100%</b>	<b>100%</b>

Includes staff on LWOP:

2008/2009 LWOP

12 Females/1 Male

2009/2010 LWOP

12 Females

Note: Legal staff, Psychologists and Librarians paid under GOSAC Specified Callings

**P = Permanent Employee**

**O = Contract Employee**

**C = Casual Employee**

## 6.7 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 \$5,560.51 was paid to Jardine Lloyd Thompson for Director's & Officers' liability insurance.

An insurance premium of \$243,156.70 was paid to RiskCover for Worker's Compensation, Property and Business Interruption, General Liability, and Motor Vehicle Insurance.

### Professional conduct

All legal practitioners must abide by the Law Society Professional Conduct Rules and the relevant provisions of the *Legal Professions Act 2008*. 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 Quality Practice 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 available to all staff via the Legal Aid WA Intranet.

### 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.

### 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. 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 WA 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.

### Report on record keeping plans

The record keeping plan for Legal Aid Western Australia was approved by the State Records Commission in April 2007. The State Records Commission Standard 2 Principle 6 requires that agencies include within their annual report an appropriate section covering the following areas:

**The efficiency and effectiveness of the organisation's record keeping systems is evaluated not less than once every 5 years.**

An Internal Audit was conducted into Legal Aid WA's Records Management in July 2009 finding that:

- The Record Keeping Plan and Retention and Disposal Schedule comply with the requirements of the *State Records Act 2000* and the *State Records Commission Standards*;
- general records management systems and practices comply with the requirements of *State Records Act 2000* and the *State Records Commission Standards*;
- arrangements for storage of State archives need to be reviewed to comply with the instructions from the Director, State Records Office; and
- restricted Access Archives need to be reviewed as required by the *State Records Commission Standards*.

Minor amendments have already been made to the Record Keeping Plan and other associated documents to reflect changes in Legal Aid WA's structure ready for submission to the State Records Commission in April 2012.

Changes have been implemented in respect to the storage of State archives as to the Restricted Access Archives.

**The organisation conducts a record keeping training program.**

Legal Aid WA provides online training and awareness programs for record keeping. The Record Keeping Awareness Training (RAT) program is incorporated into the induction package provided to all new staff. The Record Keeping Awareness Training Refresher program is delivered to all Legal Aid WA staff 12 months after they have completed the initial RAT program. During 2009/10, 40 staff completed the RAT program and 6 staff completed the RAT Refresher program. Further to the online programs, 110 staff attended face to face training on the use of Legal Aid WA's Document Management System and 16 staff attended Business Classification Scheme training.

**The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.**

The online induction program includes information on employee roles and responsibilities in regard to their compliance with the record keeping plan.

## 6.8 OTHER LEGAL REQUIREMENTS

### Advertising

Total advertising expenditure was \$28,284.28.

Expenditure was incurred in the following areas:

<b>Advertising Agencies:</b>	
Adcorp	\$12,284.28
Seek Limited	\$360.00
<b>Market Research Organisations</b>	
Advantage Communications and Marketing	\$16,307.50

**ANNUAL ESTIMATES FOR THE YEAR ENDED 30 JUNE 2011**

	2010/2011 PROPOSED \$
<b>Operating expenses</b>	
<u>Legal service expenses</u>	
Casework costs - Commonwealth	4,526,000
Casework costs - State	10,412,000
Casework costs - DCP Referrals	226,000
Disbursements IHP Commonwealth	486,500
Disbursements IHP State	220,500
Disbursements DCP	20,000
Sundry expenses - casework	(20,000)
Other service expenses	303,588
<b>TOTAL LEGAL SERVICE EXPENSES</b>	<b>16,174,588</b>
<u>Salaries and related expenses</u>	
Salaries and allowances	25,256,228
Staff related expenses	3,944,512
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>29,200,740</b>
<u>Other operating expenses</u>	
Communications	718,340
Services and contracts	5,121,031
Consumables	1,007,204
Maintenance	579,127
Other operating expenses	408,040
Depreciation	965,220
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>8,798,962</b>
<u>Other grants</u>	
State Community Legal Centres	2,294,000
	<b>2,294,000</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>56,468,290</b>
<u>Revenue from services</u>	
Contributions	1,860,834
Revenue from services	201,531
Other operating revenue	4,145,800
Legal contribution trust fund	1,000,000
Interest revenue	750,000
<b>TOTAL REVENUE FROM SERVICES</b>	<b>7,958,165</b>
<b>NET COST OF SERVICE</b>	<b>(48,510,125)</b>
<b>REVENUE FROM GOVERNMENT</b>	
<u>Commonwealth revenues</u>	
Commonwealth operating grant 2004/05 fund agreement	19,575,023
Commonwealth Expensive Cases - In House	
Commonwealth - Christmas Island	259,380
<b>TOTAL COMMONWEALTH REVENUES</b>	<b>19,834,403</b>
<u>State revenues</u>	
State consolidated fund - recurrent	26,803,000
Expensive cases - in house	
State Community Legal Centres	2,294,000
<b>TOTAL STATE REVENUES</b>	<b>29,097,000</b>
<b>TOTAL REVENUE FROM GOVERNMENT</b>	<b>48,931,403</b>
<b>Annual operating surplus/(deficit)</b>	<b>421,278</b>
Commonwealth funds available for allocation	(2,033,311)
<b>Adjusted annual operating (deficit)/surplus</b>	<b>(1,612,033)</b>

## 6.9 GOVERNMENT POLICY REQUIREMENTS

### Statement of Legal Aid WA's commitment to occupational safety and health and injury management

Legal Aid WA promotes safety at work. Everyone is encouraged to take all practicable measures to protect the safety, health and well being of themselves and others within the workplace. We are committed to managing risks by reporting, identifying, analysing, evaluating and treating exposures that are likely to impact on the performance or safety and health of our people. Every employee is recognised as having a role in risk management. Our priority in the area of health and safety is to build a resilient and supportive culture. In part this will be achieved through the introduction of a mandatory resilience training program for relevant staff.

### A description of the formal mechanism for consultation with employees on occupational safety and health measures

Forums for the circulation of OSH related information include:

- Incident and risk reporting procedures;
- a Safety Committee which is committed to identifying and minimising risk and executing OSH management strategies as required. The committee reports to the Board of Management in relation to safety issues;
- safety updates and information circulated to staff via the intranet;
- "Keeping Yourself Safe" training provided to groups of staff;
- new and existing staff and contractors are provided with OSH information and procedures through the online corporate induction. This can be revisited at any time;
- ergonomic assessments;
- trained First Aid Officers and Fire Wardens; and
- risk inspections.

Legal Aid WA promotes and supports staff wellness by:

- Making an Employee Assistance Program (EAP) available to all staff and their immediate families. The EAP is actively promoted to staff;
- offering fully subsidised flu vaccinations to all staff and offering fully subsidised inoculations such as hepatitis to staff working in frontline roles;
- a Workplace Behaviours Committee;
- providing bicycle parking and shower facilities;
- making trained Contact Officers available to staff in all parts of our organisation.

### 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 *Worker's Compensation and Injury Management Act 1981*, and provides consultancy and advisory services to staff managing workplace injuries in accordance with the Act.

### A statement confirming that a self evaluation (annual) or an external accredited assessment (within previous three years) of occupational safety and health management systems has been completed that includes a summary of findings

Legal Aid WA did not complete an accredited assessment during the reporting period. An assessment is scheduled for 2010/2011.

### Statement of compliance issues and actions during 2009/2010

Legal Aid WA strives to maintain compliance with the Public Sector Standards in Human Resources Management, the Public Sector Code of Ethics and our Code of Conduct.



### Public Sector Standards

- Recruitment and Selection training is provided to managers and key recruiters;
- Human Resources quality assure all recruitment and selection processes;
- Standards information is readily available to those involved in selection processes, including potential candidates;
- ongoing mentoring support is available to managers and recruiters;
- during 2009/2010 one (1) Breach of Standard claim lodged in 2008/2009 was investigated. No breach of standard was identified;
- during 2009/2010 two (2) Breach of Standards claims were received. One (1) claim was withdrawn following mediation; the other claim was investigated and no breach of standard was identified.

### WA Code of Ethics

- Ethics issues are raised with the Director of Legal Aid if they arise;
- Legal Aid WA operates a Gift Register;
- all new staff are informed of their obligations under the WA Public Sector Code of Ethics and this information is readily available to staff via the staff intranet and corporate induction module;
- online Accountable and Ethical Decision Making training is being delivered to staff. Roll out of the training commenced in January 2010. 38% have been enrolled to date. Roll out will continue over the next 12 months;
- a trained group of Grievance and Contact Officers are available to all staff;
- one (1) report of non-compliance with the WA Code of Ethics lodged in 2008/2009 was investigated. The report was substantiated and action was taking accordingly;
- one (1) allegation of non-compliance with the WA Code of Ethics was received in 2009/2010. The allegation was not substantiated.

### Code of Conduct

- New staff are informed of their obligations under the Legal Aid Code of Conduct. This document is readily available to all staff via the intranet and online corporate induction module;
- workshops raising awareness about bullying and harassment in the workplace were conducted with groups of staff during 2009/2010;
- a Workplace Behaviours Committee has been re-established and is represented by staff from various areas of the organisation;
- a trained group of Grievance and Contact Officers are available to all staff;
- one (1) allegation of inappropriate behaviour against one staff member received in 2008/2009 was investigated. The allegation was substantiated and action was taken accordingly;
- one (1) allegation of inappropriate behaviour against one staff member was received in 2009/2010. The allegation was not substantiated.



### **Max Lewington**

*Max Lewington has been Solicitor in Charge of the Dispute Resolution Program at Legal Aid WA since September 2006. In this role Max oversees the Dispute Resolution Program which provides a highly effective process for separating couples wishing to resolve issues about their children and property. Max has also had a leadership role in assisting to develop the Signs of Safety pilot program, which promotes a less adversarial conference based approach for families whose children have been taken into care by the Department for Child Protection. Max has a Master of Arts in Jurisprudence from Oxford University and worked in private practice before joining Legal Aid WA.*

### **Our people**

*Legal Aid WA draws its strength as an organisation from the 293 full time equivalent employees who provide legal and support services throughout Western Australia. This year's Annual Report features a few of those people, reflecting the scope and diversity of their work. All photographs have been taken by Legal Aid WA staff, at no expense to the agency.*

# Legal Aid Offices

## PERTH OFFICE

55 St George's Terrace  
Perth WA 6000  
  
Telephone (08) 9261 6222  
Facsimile (08) 9325 5430

## TELEPHONE INFORMATION LINE

General Inquiries  
1300 650 579  
  
TTY (for the hearing impaired):  
1800 241 216

## WEBSITE

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

## FREMANTLE REGIONAL OFFICE

Shop 7, Queensgate Centre  
William Street  
Fremantle WA 6160  
  
Telephone (08) 9336 9100  
Facsimile (08) 9335 1338

## MIDLAND REGIONAL OFFICE

Landgate Building  
Cnr The Avenue & Old Great Northern Highway  
Midland WA 6056  
  
Telephone (08) 9274 3327  
Facsimile (08) 9274 3595

## SOUTHWEST REGIONAL OFFICE

Koombana Court  
141 Victoria Street  
Bunbury WA 6230  
  
Telephone (08) 9721 2277  
Facsimile (08) 9721 2060

## EAST KIMBERLEY REGIONAL OFFICE

Shop 18, Kununurra Shopping Centre  
64 Konkerberry Drive  
Kununurra WA 6743  
  
Telephone (08) 9166 5800  
Facsimile (08) 9166 588

## GREAT SOUTHERN REGIONAL OFFICE

Unit 3, 43-47 Duke Street  
Albany WA 6330  
  
Telephone (08) 9892 9700  
Facsimile (08) 9892 9777

## GOLDFIELDS REGIONAL OFFICE

Suite 3, 120 Egan Street  
Kalgoorlie WA 6430  
  
Telephone (08) 9091 3255  
Facsimile (08) 9091 2077

## MIDWEST & GASCOYNE REGIONAL OFFICE

Unit 7, The Boardwalk  
273 Foreshore Drive  
Geraldton WA 6530  
  
Telephone (08) 9921 0200  
Facsimile (08) 9921 0255

## PILBARA REGIONAL OFFICE

28-32 Throssell Road  
South Hedland WA 6722  
  
Telephone (08) 9172 3733  
Facsimile (08) 9172 2061

## WEST KIMBERLEY REGIONAL OFFICE

Upper Level  
Woody's Arcade  
15-17 Dampier Terrace  
Broome WA 6725  
  
Telephone (08) 9195 5888  
Facsimile (08) 9195 1520

## CHRISTMAS/COCOS ISLANDS OFFICE

Administration Building  
Gaze Road  
Christmas Island, Indian Ocean WA 6798  
  
Telephone (08) 9164 7529  
Facsimile (08) 9164 7162