



LEGAL AID
WESTERN AUSTRALIA

Annual Report **2011-2012**

Statement of Compliance


FOR YEAR ENDED 30 JUNE 2012

HON MICHAEL MISCHIN MLC

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 of Western Australia for the financial year ended 30 June 2012.

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



Stuart Shepherd
Chairman

Date: 27 August 2012



George Turnbull
Director

Date: 14 August 2012

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1. CHAIRMAN'S REPORT

I am pleased to deliver my first report as Chairman of the Legal Aid Commission of Western Australia. It is a privilege to have been involved with the Commission and the important work that it undertakes.

Legal Aid WA provides a broad range of essential services to many thousands of Western Australian citizens.

Among its many functions, Legal Aid WA directly assists members of our community by funding full legal representation of those with serious and complex matters before the higher courts, by providing duty lawyers to assist the unrepresented at Magistrate's Courts and by offering information by telephone to thousands of callers each month.

Legal Aid WA delivers services to many more Western Australians through community legal education and the administration of community law centres.

Of course, the work that Legal Aid WA performs is not only of great value to the individuals who are advised and represented but also to the proper and efficient administration of the Courts.

The benefits from the services it provides can be identified in all parts of Western Australia - from the busiest of Perth's metropolitan courts to regional centres and the most remote of our communities.

In September last year, I visited Legal Aid WA's East Kimberly office at Kununurra. The visit afforded the Commissioners an opportunity to observe the enthusiasm and talent of the local Legal Aid WA team.

In such regional centres, Legal Aid WA works closely and collaboratively with government agencies and other, non-government service providers to ensure that local communities receive the benefit of complimentary services which reflect an inclusive approach to issues such as access to justice, law enforcement, protection of rights, prevention of crime and rehabilitation of offenders.

The value of the services and support offered to the community, the administration of justice and protection of the vulnerable in our regional centres is plain and obvious.

Later this year, the Commission will meet in South Hedland and will spend time with Legal Aid WA's staff in the office there.

Legal Aid WA's lawyers often work in very difficult conditions, far removed from the typical experience of a solicitor in private practice.

Earlier this year, I arranged to spend time with members of Legal Aid WA's duty lawyer team providing advice and representation at Armadale Magistrate's Court. The work undertaken by lawyers and volunteers at such busy centres, and the manner in which it is performed, in less than ideal conditions, is only to be commended.

By its very nature, the provision of legal assistance to the community is an expensive undertaking. The capacity of Legal Aid WA to maintain and enhance its services is constrained by available resources. Within those constraints Legal Aid WA maintains a positive, outcome-based approach. It constantly strives to provide high quality assistance, advice and representation in the most cost efficient manner.

Because of Legal Aid WA's overarching commitment to the best possible outcome for those it assists and represents, and its understanding of the need for efficiency in the use of its resources, Legal Aid WA delivers outstanding value for the taxpayer funds allocated to it.

My appointment as Chairman of the Legal Aid Commission last year coincided with a generous injection of new funding by the State Government. This new money for 2011-12 was provided to allow Legal Aid WA to expand duty lawyer services and grants for defended matters before the Magistrate's Courts. It was the single largest increase in funding for Legal Aid WA in over a decade. I consider it to have been a clear demonstration of the importance to the State Government of the maintenance of access to justice and protection of rights in the Western Australian community.

It is also important to recognise the efforts of many private practitioners in undertaking work before the Western Australian Courts often at rates significantly less than those paid by non-aided clients. The work of those solicitors and barristers on Legal Aid panels is vital to the continuing ability of Legal Aid WA to deliver its services.

In chairing the Commission, I have had occasion to consider policy and law reform initiatives which Legal Aid WA is currently pursuing. A contribution to law reform in this State is a prescribed function of Legal Aid WA under the *Legal Aid Commission Act 1976*.

The *Signs of Safety* is a joint initiative of Legal Aid WA, the Department for Child Protection and King Edward Memorial Hospital. It uses lawyer assisted pre-trial and pre-birth conferences where families risk losing the custody of their children because of child protection concerns. Through mediation and negotiation, *Signs of Safety* works to establish conditions under which children are able to remain in the care of their families.

Legal Aid WA's work to examine the potential benefits of integrating the care and protection jurisdiction of the Children's Court into the Family Court of WA is another important law reform initiative.

Because, in Western Australia, the Children's Court and Family Court operate in the same jurisdiction, the potential exists to deliver a coordinated approach to the protection of children, with quality and efficiency benefits for affected families, the justice sector and the broader community.

The ongoing consultation to develop the jurisdiction involves the Chief Judge of the Family Court of WA, the President of the Perth Children's Court, the Chief Magistrate and representatives of a number of justice and child protection agencies.

As Chairman of the Legal Aid Commission of Western Australia, I work closely with the Commissioners and directors to promote and maintain the good governance of Legal Aid WA. I thank Commissioners Brian Bradley, Belinda Lonsdale, John Prior, Dion Smith, Rick Cullen and Lynda Wennstrom for their support, effort and assistance during 2011-12.



Mr Cullen and Ms Wennstrom completed their terms as Commissioners during the year, and, on behalf of the Commission, I acknowledge and thank them for their significant contributions to Legal Aid WA over many years.

Finally, I thank George Turnbull, Director of Legal Aid, and all of his splendid team for their efforts and achievements during 2011-12.

Stuart Shepherd
Chairman

2. CHIEF EXECUTIVE OFFICER'S REPORT

2011-12 has been a year of transition, achievement and continued hard work for the practitioners and support staff at Legal Aid WA.

The appointment of Mr Stuart Shepherd as Legal Aid WA's new Chairman in July 2011 marked the beginning of important changes at Commissioner level. Mr John Prior was appointed as a Commissioner in March 2012, and the appointment of Ms Kate Beaumont has recently been confirmed in July 2012. Mr Shepherd's appointment followed the retirement of His Excellency Mr Malcolm McCusker AC CVO QC after 28 years of service, upon his appointment as Governor of Western Australia. Also retiring as Commissioners in 2011-12 were Mr Rick Cullen after 17 years of service, and Ms Lynda Wennstrom after almost 8 years of service. The contribution of all of our retiring Commissioners has been outstanding, with the Western Australian public benefiting greatly from their experience and input into the direction of Legal Aid WA over many years.

As is often the case at Legal Aid WA, demand has increased over most areas of service delivery over the past 12 months. A total of 72,020 calls were made to Legal Aid WA's Infoline, an increase of 9.3 per cent on the prior year. The duty lawyer service provided representation in the courts on 48,441 occasions, an increase of 12.7 per cent over 2010-11. Other high volume increases occurred in the areas of legal advice, where 11,045 services were provided representing an increase of 50.0 per cent; minor assistance and advocacy where 9,493 services resulted in an increase of 35.9 per cent; while 7,273 face to face services were provided, an increase of 54.8 per cent.

These high service delivery figures provide a reliable picture of the significant interaction which Legal Aid WA has with many thousands of Western Australians each year. The rates of growth suggest that Legal Aid WA is increasing its reach into the WA community, providing services for people who may have never previously considered Legal Aid WA as an option for legal assistance.

Notably, one area where Legal Aid WA's output has decreased is in the area of grants of aid, with 6.37 per cent fewer grants awarded for State matters, and 14.15 per cent fewer grants awarded for Commonwealth matters. These figures do not reflect a decrease in demand, with applications for State grants increasing by 3.5 per cent and applications for Commonwealth grants recording a very small decrease of 1.4 per cent. The figures do, however, reflect the increasing cost of providing full representation, generally for matters before the courts. In the State jurisdiction, a higher proportion of applications for representation in indictable matters is being granted aid, and this has resulted in a higher unit cost for representation, with consequently fewer grants available from a limited pool of funding. Similarly, the cost of Commonwealth matters, particularly in the Family Court of WA, is increasing due to the cost of expert reports and the appointment of independent children's lawyers. Significantly, while legal representation accounts for 50 per cent of Legal Aid WA's service delivery expenses, it only makes up 5 per cent of the volume of services provided by Legal Aid WA.

A key feature of Legal Aid WA's capacity to serve the public is its strong presence in regional WA. In 2011-12 we were delighted to open our new permanent home in Kununurra, with former Commonwealth Attorney General the Hon. Robert McClelland MP and former Parliamentary Secretary (now State Attorney General) the Hon. Michael Mischin MLC present for the official opening. The Kimberley is a region where many people in remote communities have very limited access to legal assistance, advice and representation. From its Kununurra base, the Legal Aid WA team is servicing these communities by providing representation at circuit courts, advice on child protection matters, and a range of early intervention and preventative legal services.

Important steps to improve access to legal services were also taken in the Gascoyne region, with Legal Aid WA establishing a one person satellite office in Carnarvon. The availability of legal services in this region is very limited, making the permanent presence of a Legal Aid WA lawyer a major step forward for the people of Carnarvon and surrounding areas. The establishment of a one-person office by Legal Aid WA has traditionally been a pre-cursor to the development of a fully staffed Legal Aid WA office in a regional centre. It certainly remains Legal Aid WA's desire to introduce its full range of legal services to Carnarvon over the medium term.

Being able to innovate through policy development and new technology has made Legal Aid WA a leader in service delivery over many years. In 2011-12 Legal Aid WA continued to coordinate research and consultation, examining the merits of integrating the State's child protection jurisdiction into the Family Court of WA. From a policy and legal perspective, this is a very complex proposal. However, there is a broad acknowledgement across many stakeholders that this is an idea worthy of serious consideration, and this has resulted in the collaborative input of Commonwealth and State agencies, and three court jurisdictions. The outcome from the collective work of this group is expected during the second half of 2012-13.

The application of technology has served to extend Legal Aid WA's reach in 2011-12. The launch of the "When Separating" video series, produced in-house by Legal Aid WA, provides separating couples with important first step guidance on a broad range of legal issues, including dealing with children, mediation, property settlement, and identifying domestic violence. "When Separating" is available on DVD and YouTube, and is targeted at mainstream families who are generally not eligible for a grant of legal aid. This production has generated positive national interest and was recently featured on the ABC's Stateline program.



Another area where technology has played an important role is through Legal Aid WA's 'Train n Track' online learning system, which allows legal practitioners and other legal professionals to complete their continuing professional development obligations online. This system satisfies the requirements of the Legal Practice Board of WA for lawyers' continuing professional development, and importantly provides access to training for lawyers based in regional and remote areas of the State.

I would like to take this opportunity to thank the numerous stakeholders who each year help Legal Aid WA achieve its primary goal of delivering access to justice to the people of Western Australia.

The Board of Commissioners, led by Chairman Stuart Shepherd, is always a strong source of support and guidance, and I remain ever grateful for their ongoing contribution. I would like to especially thank Stuart for his enthusiastic participation as new Chairman in 2011-12, and the strong support he has engendered in this role from his fellow Commissioners, Legal Aid WA staff and the broader profession.

Our partners in the public and community sectors remain essential to the quality of our service delivery. I would like to make particular mention of each of the courts and their respective chiefs and judicial officers; the WA Police Service; Department for Child Protection; State and Commonwealth Attorney Generals' Departments; community legal centres; Aboriginal Legal Service of WA; Aboriginal Family Law Service; and King Edward Memorial Hospital.

To members of the legal profession, I thank you for your continued participation in the delivery of legally aided services, at rates of remuneration well below those generally available to practitioners. The support of the profession through the Law Society of WA is also greatly appreciated.

In 2011-12 Legal Aid WA has continued to receive very strong support from our Attorneys General. At the State level, the support of former Attorney General the Hon. Christian Porter MLA on a wide range of matters – but most importantly funding – has been invaluable. We also appreciate the strong interest our new Attorney General the Hon. Michael Mischin MLC has taken in Legal Aid WA, with a visit to our Kununurra office as Parliamentary Secretary in October 2011 and a recent visit to our South Hedland office in July 2012. At the Commonwealth level, former Attorney General the Hon. Robert McClelland MP was a great supporter of Legal Aid WA, with visits to our Perth, Geraldton and Kununurra offices over recent years. I am also grateful for the recent meetings I have had with new Commonwealth Attorney General the Hon. Nicola Roxon MP.

Finally, thank you to all of the staff at Legal Aid WA, throughout Western Australia. The fact that Legal Aid WA is highly regarded as an agency is a direct reflection of the outstanding quality of your work and commitment.

George Turnbull

Director of Legal Aid



COUNTRY LAWYERS PROGRAM

Alex Makore joined Legal Aid WA in 2009 as part of the graduate stream in the Country Lawyers Program. Alex – pictured here outside the Roebourne Magistrate’s Court in September 2011 – completed his Articles of Clerkship and Restricted Practice with Legal Aid WA, while undertaking placements in Broome, Kalgoorlie and South Hedland. Alex has now completed his term as a country lawyer with Legal Aid WA and has now secured a permanent position with the Goldfields Community Legal Centre in Kalgoorlie.

Legal Aid WA has operated the Country Lawyers Program since 2008, supporting the placement of lawyers in the offices of Legal Aid WA, the Aboriginal Legal Service of WA, Aboriginal Family Law Service and community legal centres in regional Western Australia. People living in regional Western Australia, particularly north of Geraldton, have traditionally had very limited access to legal advice and representation. The Country Lawyers Program has improved this situation significantly.

Funding for the administration of the Country Lawyers Program has been provided by the Commonwealth Government since 2008. This funding arrangement has now ceased and Legal Aid WA is now examining different approaches to fund this very important program.

3. OVERVIEW OF AGENCY

3.1 EXECUTIVE SUMMARY

Cost of services and sources of funds

In 2011-12 the total cost of services delivered by Legal Aid WA amounted to \$65.016 million, an increase of \$6.566 million or 11 per cent on the 2010-11 total cost of \$58.45 million. The main sources of expenses were employee costs at \$29.681 million (an increase of 11.6 per cent) and payments to private legal practitioners at \$20.252 million (an increase of 8.8 per cent). The number of full time equivalent employees as at 30 June 2012 was 301, compared with 288 for the same time in 2011.

Legal Aid WA derives the majority of its funding through Commonwealth and State Government grants. In 2011-12 Commonwealth grants and contributions totalled \$20.891 million, a slight decrease of \$31,000 on the Commonwealth contribution for 2010-11. The State Government grant for 2011-12 was \$36.473 million, an increase of \$4.895 million or 15.5 per cent on the previous year.

A net operating surplus of \$332,000 was recorded for the 2011-12 financial year.

Outputs

The total number of applications received for legal representation for State and Commonwealth matters did not change significantly in 2011-12, with 14,191 applications received in 2011-12 and 13,906 applications received in 2010-11. 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, there were some notable variations. Applications for Commonwealth family law grants increased marginally by 2 per cent, while applications for both Commonwealth criminal matters and civil matters decreased by 11 per cent and 56 per cent respectively. Applications for State family law matters increased by 15 per cent in relation to care and protection matters for children at risk and applications for State civil law matters increased by 16 per cent, reflecting a greater awareness among practitioners of Legal Aid WA's commitment



to increasing its level of service delivery in this important area of law. Applications related to State criminal law matters increased by 1.5 per cent.

In 2011-12, 66 per cent of applications for legal representation for State matters were approved, which was five percentage points lower than the approval rate for 2010-11. The approval rate for Commonwealth matters was 52 per cent in 2011-12, which was down on the 59 per cent approval rate for 2010-11. Fewer matters are receiving a grant of aid due to the higher demand for funding both indictable criminal matters in the superior courts and more complex family law matters.

Within the State jurisdiction, demand for all non-grant of aid services was significantly higher than in 2010-11. For Commonwealth matters, demand has increased for face to face information and legal advice services, but decreased for other non-grant of aid services. A clear trend in service delivery over the past 12 months has been a reduction in the number of services provided under a grant of aid, and a large increase in the number of non-grant of aid services.

Our clients

Legal Aid WA's client base for grants of aid is overwhelmingly male, with 61 per cent of grants being awarded to males, predominantly in the area of criminal law, where they accounted for 83 per cent of all grants. Women 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.

Our organisation

As at 30 June 2012, Legal Aid WA was employing 301 full time equivalent employees.

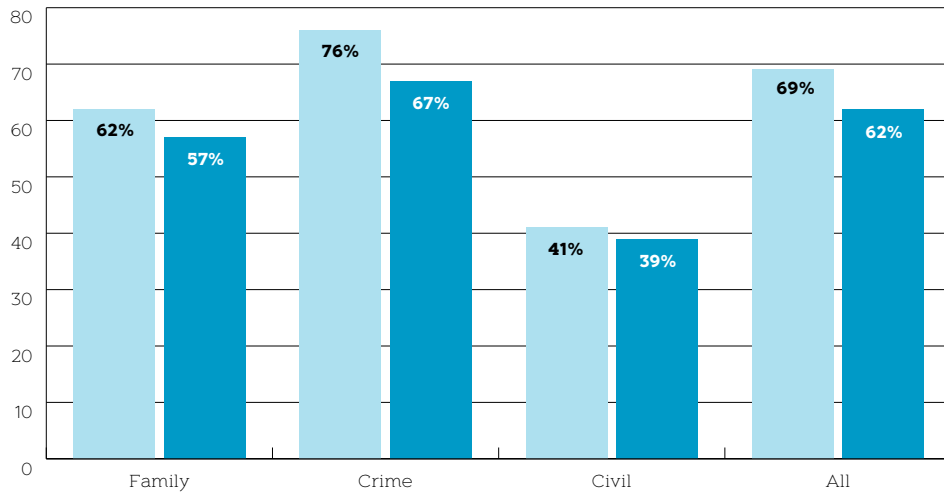
Legal Aid WA's head office is located at 55 St Georges Terrace, Perth. The organisation also maintains a significant presence in other parts of Western Australia, with regional offices located at Fremantle, Midland, Bunbury, Albany, Kalgoorlie, South Hedland, Broome, Kununurra and satellite offices on Christmas Island and in Carnarvon. 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.



OFFICIAL OPENING OF THE KUNUNURRA OFFICE

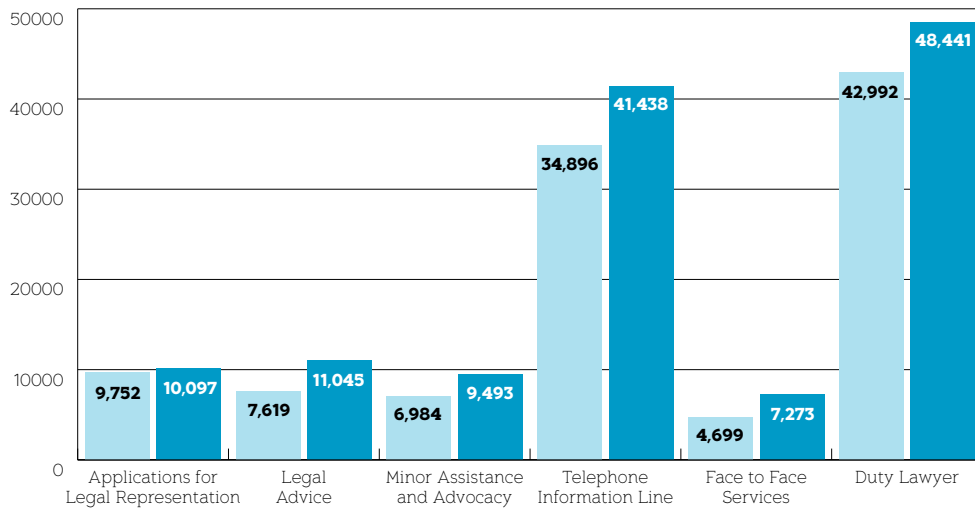
On 26 October 2011 the Commonwealth Attorney General, the Hon. Robert McClelland MP, officially opened Legal Aid WA's permanent office at Kununurra. This new facility provides a base for Legal Aid WA to provide a broad range of services across the East Kimberley, particularly in the areas of criminal law, family law and child protection. With the East Kimberley considered to be a region of significant legal need, Legal Aid WA works closely with a number of allied agencies and organisations to use preventative law and early intervention strategies to improve the experience of local people in their day to day interaction with the law.

GRANT RATE BY LAW TYPE



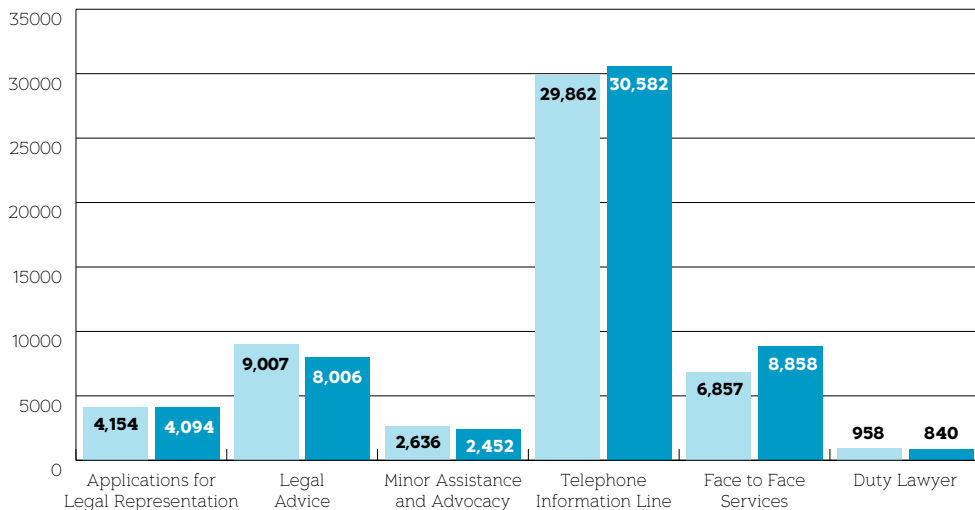
10-11
11-12

SERVICES OTHER THAN LEGAL REPRESENTATION (STATE)



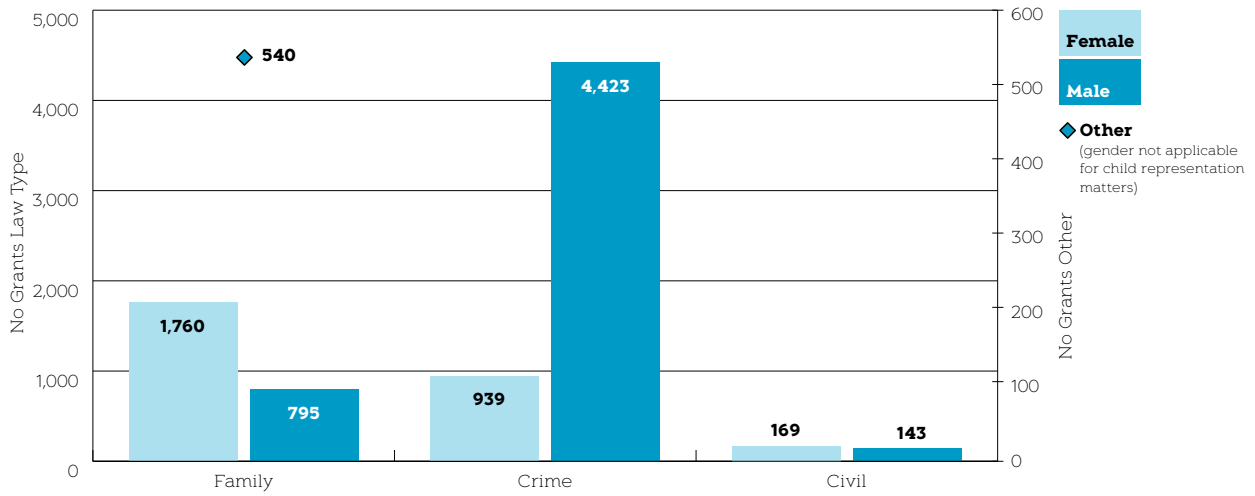
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SERVICES OTHER THAN LEGAL REPRESENTATION (COMMONWEALTH)

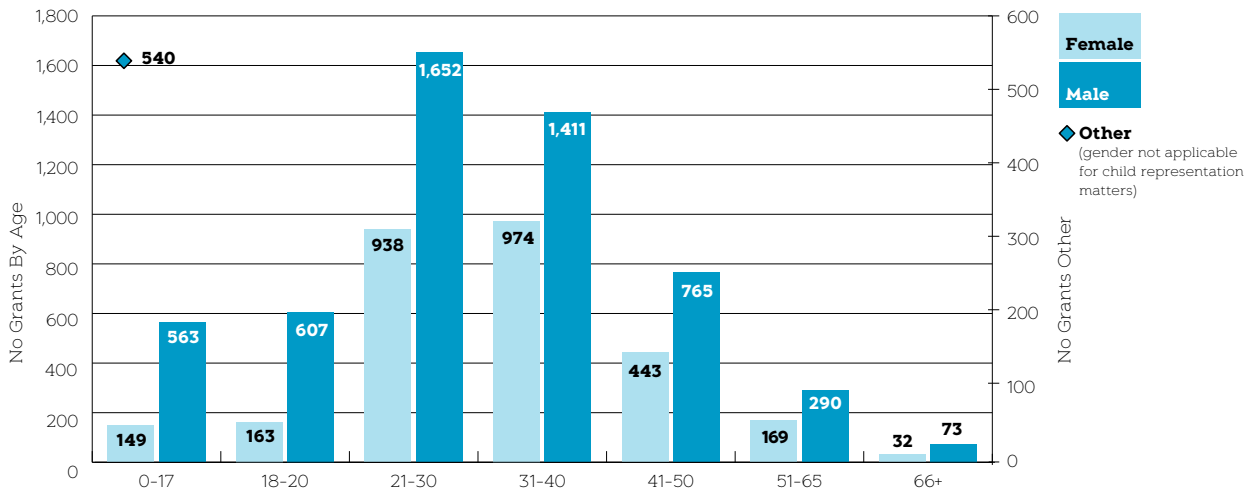


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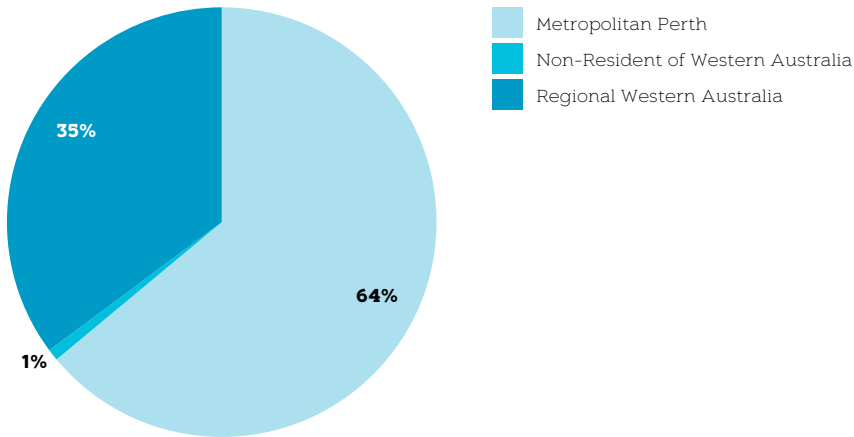
AID GRANTED BY GENDER AND LAW TYPE



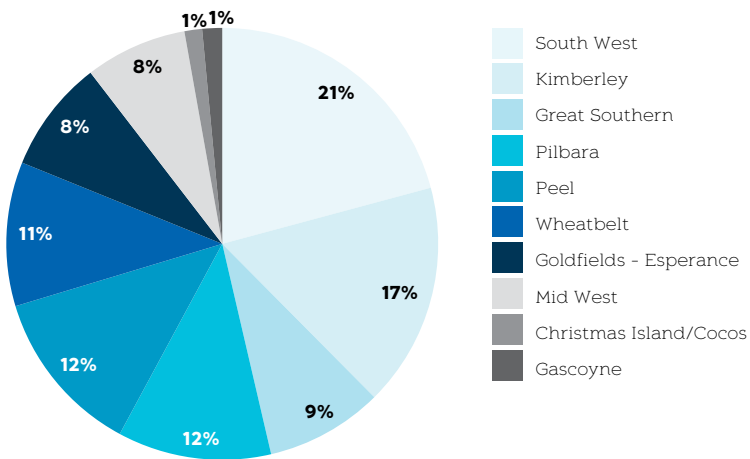
AID GRANTED BY GENDER AND AGE GROUP



RESIDENCY OF LEGAL AID CLIENTS IN 2011-12



RESIDENCY OF LEGAL AID CLIENTS IN 2011-12 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 1976* 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 WA 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, is nominated by the Minister of Commerce who is responsible 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 March 2012, Cabinet approved the nomination of Mr John Prior by the State Attorney General as a replacement for Mr Rick Cullen who completed his term of appointment in December 2011.

In 2011-12 there were 8 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. The Audit Committee is chaired by Mr Dion Smith. Mr Bradley is 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 State 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 1976*.

3.3 COMMISSION MEMBERS

Mr Stuart Shepherd – Chairman



Stuart Shepherd was appointed Chairman of the Legal Aid Commission in June 2011, as the Western Australian Attorney General's nominee. Mr Shepherd studied law at the University of Western Australia and was admitted to practice in the

Supreme Court of Western Australia in 1987. He undertook his articulated clerkship at Keall Brinsden and was subsequently employed at Clayton Utz, primarily in commercial litigation and dispute resolution. For eight years Mr Shepherd practiced in the UK where he was a partner at Burton Copeland London, acting principally in corporate and commercial litigation, corporate regulation, disciplinary and major fraud, trade and industry, tax and excise prosecutions. He has been instructed in numerous cross-jurisdictional matters involving the United States, Scotland, Switzerland, Liechtenstein, Gibraltar and the Channel Islands. He was a member of a panel of solicitors acting pro bono for inmates on death row in the Bahamas. Since returning to Perth, Mr Shepherd has practiced at Mallesons and was a partner at Bennett & Co and Lavan

Legal. He has been a member of the Law Society's Courts Committee and Brief Editorial Committee and is currently the legal member on the Joondalup Health Campus, Human Research Ethics Committee. He has lectured in advocacy for the Articles Training Program and regularly presents seminars on areas relevant to his practice. Mr Shepherd was called to the bar in 2008.

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 2012. 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 8 of the 8 Commission meetings held in 2011-12.

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 Warrabee 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 Warrabee. 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 5 Commission meetings prior to completing her term of appointment in December 2011.

Mr Rick Cullen



Rick Cullen was appointed a Commissioner in January 1995 as a nominee of the Law Society of Western Australia. He is a graduate of the University of Western Australia in Science and Law and since his admission as a lawyer in 1977 has practised in a variety of

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 3 Commission meetings prior to completing his term of appointment in December 2011.

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 8 Commission meetings held in 2011-12.

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. He was first appointed as Commissioner of WorkSafe Western Australia in

1998. He 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. Since 1998, Mr Bradley has served as a member of the Commission for Occupational Safety and Health and since 2000 has been a member of the WorkCover Board. Mr Bradley attended 6 of the 8 Commission meetings held in 2011-12.

Mr Dion Smith



Dion Smith was appointed a Commissioner in December 2010 as a nominee of the State Attorney General. He is an Economics Graduate of the University of Western Australia, and a University of NSW/ University of Sydney MBA

Alumni. From 1993 to 2007 he worked for Integrated Workforce in various executive and management capacities, his final role there being Chief Operating Officer. He worked for TSS Weststaff from 2007 to 2011, in the position of Executive Director. He is currently employed by Mining People International as General Manager Sales and Strategy. He has served on the Board of two publicly listed recruitment and professional services companies as an Executive Director. He was also a Board Member for the WA State Branch of Save the Children from 2006 - 2008. Mr Smith attended 7 of the 8 Commission meetings held in 2011-12.

Mr John Prior



John Prior was appointed a Commissioner in March 2012 as a nominee of the Law Society of WA. Mr Prior was admitted to practice in the Supreme Court of Western Australia in December 1985. He was a partner with Williams Ellison, Barristers and

Solicitors, from 1993-2005 and in the year 2006 commenced practice as an independent barrister at Francis Burt Chambers. Mr Prior practices in the areas of criminal law, liquor licensing and sporting tribunals and accepts briefs to appear as both prosecution and defence counsel in all criminal law jurisdictions. He was President of the Criminal Lawyers Association of Western Australia from 1998-2000, was a Councillor of the Law Society of Western Australia from 2006-2011 and Convenor of the Criminal Law Committee from 2003-2010. Mr Prior has also been a member of the Racing Penalties Appeals Tribunal of Western Australia since 1993 and has remained a member of the Investigation Tribunal for Western Australian Amateur Football League since 1998. He has been legal counsel for the Fremantle Football Club since 1995. Mr Prior chaired the Western Australian Health Minister's Ministerial Task Force on Drug Law Reform in 2001-2004. Mr Prior attended 3 of the 3 Commission meetings held since his appointment in March 2012.

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 1976* 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 June 2012.

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.



Julie Jackson

Acting Director Family Law
Joined Legal Aid WA in 1987.



Malcolm Bradshaw

Director Business Services
Joined Legal Aid WA in 2009.



Lex Payne

Director Regions
Joined Legal Aid WA in 1985.

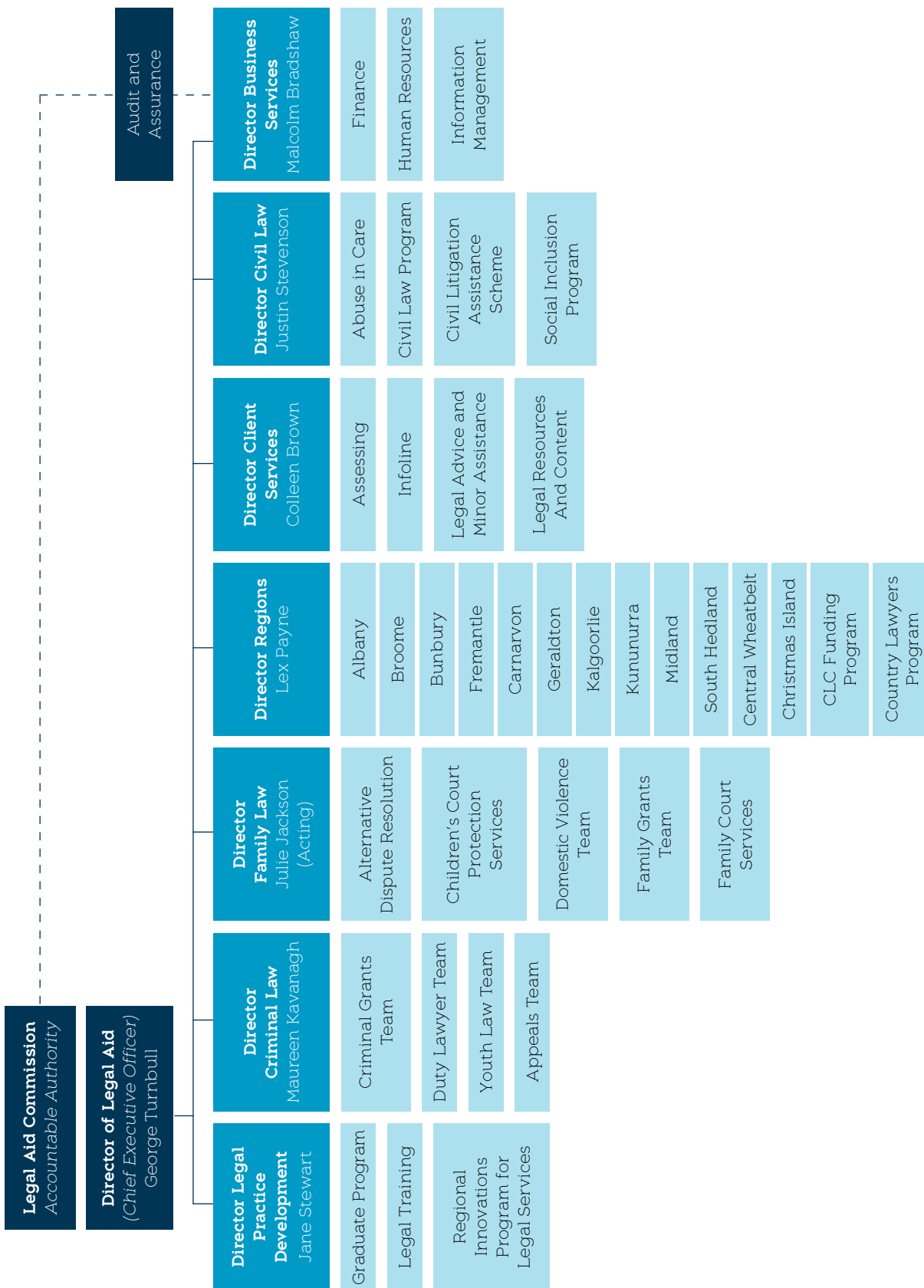


Justin Stevenson

Director Civil Law
Joined Legal Aid WA in 2010.

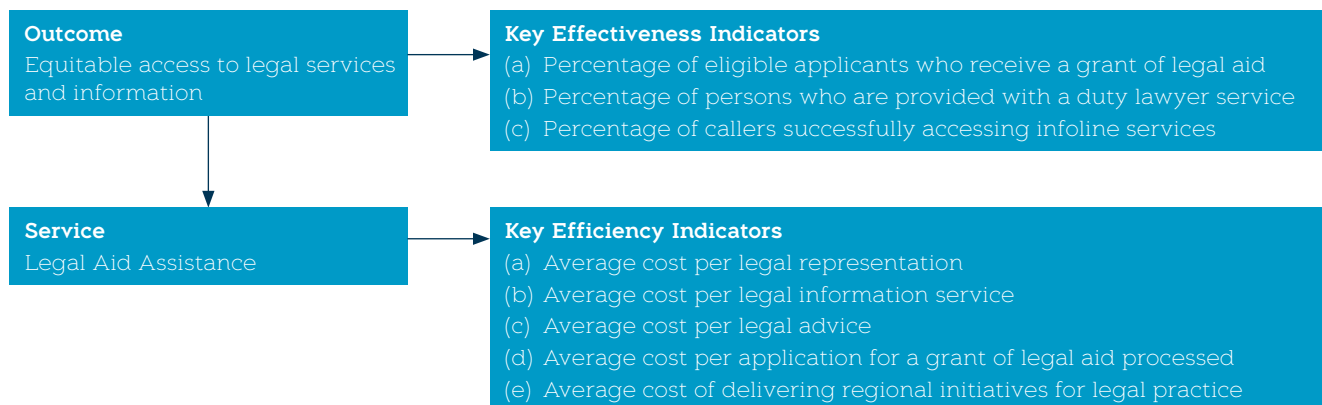
LEGAL AID WA ORGANISATION STRUCTURE

As at 30 June 2012



3.7 PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED 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

Equitable access to legal services and information.

Agency Service Delivered

Legal Aid Assistance.

Our Services

The community and target groups require access to and the provision of quality legal services. This service responds to the demand for legal assistance through application of priority guidelines. This is achieved through the provision 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. Legal Advice, duty lawyer services and community legal education is provided to assist the wider community to access fair solutions to legal problems at the earliest opportunity.

For the community		For target groups			For legal service providers
Information and advice	Duty lawyer services	Legal advice, Minor assistance and Advocacy	Legal representation	Community education services	Regional initiatives for legal practice
To assist members of the public to identify legal problems, understand the alternatives for resolution and the resources available to them in pursuing a legal solution. Includes referral to other agencies and is delivered through public counters in all offices and by 1300 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, the Family Court of WA and the Children's Court.	To assist people facing legal issues with advice and practical help, including 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 lawyers.	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.	To increase the presence of lawyers in regional and remote areas of Western Australia and to ensure legal practice training and professional development is available to providers of legal services in regional and remote areas of Western Australia. Country lawyers are employed, trained and supervised by Legal Aid WA and training and professional development is delivered through legal practice training and interactive online learning systems.

Changes to Outcome Based Management Framework

There were no changes to the Legal Aid WA's Outcome Based Management Framework during 2011-12.

Shared Responsibilities with Other Agencies

The Legal Aid Commission did not share any responsibilities with other agencies in 2011-12.

4. AGENCY PERFORMANCE

ACTUAL RESULTS VERSUS BUDGET TARGETS

FINANCIAL TARGETS

	2011-12 Target ⁽¹⁾ \$000	2011-12 Actual \$000	Variation ⁽²⁾ \$000
Total cost of services (expense limit) <i>(sourced from Statement of Comprehensive Income)</i>	63,232	65,016	1,784 ^(a)
Net cost of services <i>(sourced from Statement of Comprehensive Income)</i>	34,899	36,141	1,242 ^(b)
Total equity <i>(sourced from Statement of Financial Position)</i>	13,239	19,011	5,772 ^(c)
Net increase/(decrease) in cash held <i>(sourced from Statement of Cash Flows)</i>	-2,599	2,306	4,905 ^(d)
Approved full time equivalent (FTE) staff level	336	301	-35 ^(e)

- As specified in the budget statements for 2011-12.
- Further explanations are also contained in Note 32 'Explanatory statement' to the financial statements.
 - The variation is due to additional legal service expenses incurred for grants of legal aid relating to criminal expensive cases (\$3,357,000), offset by lower than expected employee benefit expenses for salaries and staff related expenses (\$1,285,000).
 - The variation is due to additional cost of services explained above and additional Commonwealth grants and contributions (\$887,000).
 - The variation is due to an increase in the value of non-current receivables and intangible assets, and the net increase in cash held explained below.
 - The variation is due to additional receipts for grants to State Community Legal Centres (\$1,016,000), additional State Government grant funding (\$2,591,000), additional Commonwealth Government grant funding (\$723,000) and lower than expected employee benefit payments for salaries and staff related payments (\$1,982,000), offset by higher than expected legal services payments (\$1,739,000).
 - There was a reduction in the number of Country Lawyer placements available in stakeholder non-government organisations during 2011-12 (14 FTE) and 16 FTE in the Law Graduate program that are currently filling vacant substantive positions.

SUMMARY OF KEY PERFORMANCE INDICATORS

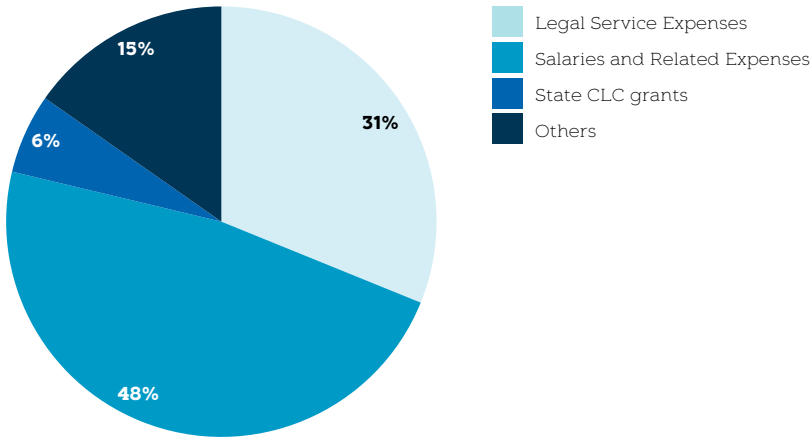
	2011-12 Target ⁽¹⁾	2011-12 Actual	Variation ⁽²⁾
<i>Outcome: Equitable access to legal services and information.</i>			
Key Effectiveness Indicators:			
Percentage of eligible applicants who receive a grant of legal aid	75%	70%	(7%)
Percentage of persons who are provided with a duty lawyer service	25%	21%	(16%)
Percentage of callers successfully accessing infoline services	88%	86%	(2%)
<i>Service: Legal Aid Assistance</i>			
Key Efficiency Indicators:			
Average Cost per legal representation	\$3,123	\$3,722	(\$599)
Average cost per legal information service	\$29	\$36	(\$7)
Average cost per legal advice	\$196	\$204	(\$8)
Average cost per application for a grant of legal aid processed	\$262	\$302	(\$40)
Average cost of delivery regional initiatives for legal practice	\$14,429	\$16,554	(\$2,125)

- As specified in the budget statements for 2011-12.
- Explanations for the variations between target and actual results are presented in Disclosures and Legal Compliance under the Performance Indicators for 2011-12.

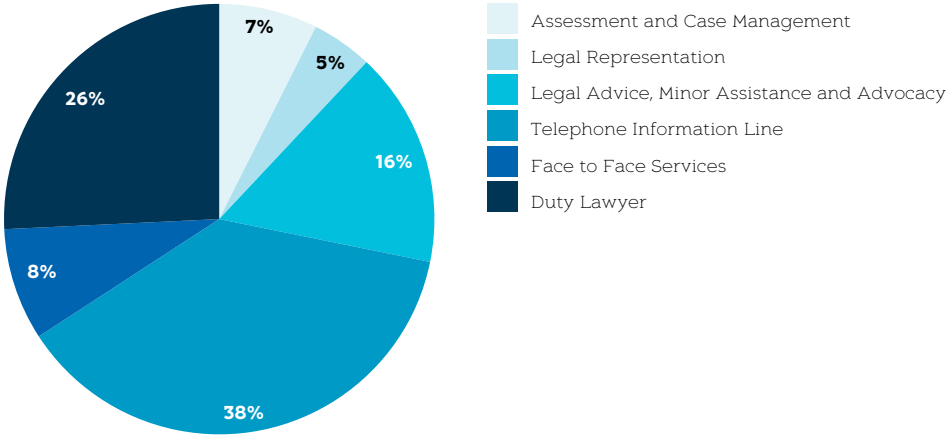
ALLOCATION OF RESOURCES TO SERVICES

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.

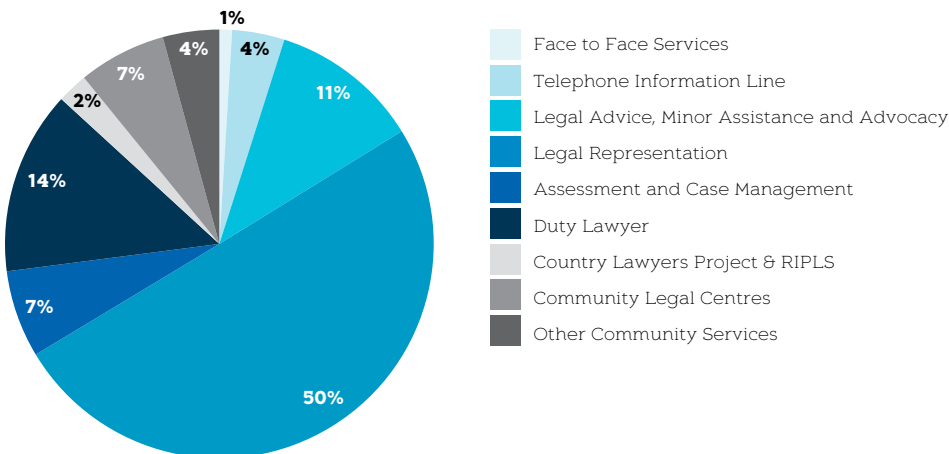
ALLOCATION OF RESOURCES 2012



OUTPUTS BY SERVICE TYPE 2012



RESOURCES BY SERVICE TYPE 2012



5. REPORT ON OPERATIONS

5.1 CRIMINAL LAW DIVISION

Main functions

- Duty lawyer services in the Magistrate's Courts and the Children's Court.
- Legal advice and minor assistance to clients in criminal matters.
- Legal representation for clients where grants of aid have been awarded.
- Prison visiting information service.
- Preparing and presenting criminal appeals.
- Briefing private legal practitioners, where appropriate.

Issues and achievements for 2011-12

- Preparation of a submission to the Commonwealth Attorney General in relation an Indonesian citizen being held in a Western Australian prison, on a conviction of people smuggling. The submission requested the Attorney General to exercise the Royal Prerogative of mercy on the basis of the client's instructions to the effect that he was a minor at the time of the offence. The Attorney General granted the person an early release from prison under section 19AP of the *Crimes Act 1914* (Cth), on the basis of exceptional circumstances justifying his immediate release.
- Continued cooperation with members of the Bar to have Legal Aid WA lawyers act as instructing solicitors in major criminal matters before the Supreme Court of Western Australia.
- Ensuring that vulnerable clients facing serious matters before the Magistrate's Courts receive legal representation in situations where, due to funding restrictions, representation would not ordinarily be available.
- Additional pressure has been placed upon the duty lawyer service in metropolitan courts as a consequence of the reduced service delivery capacity of the Aboriginal Legal Service of WA.



APPEALS TEAM – CRIMINAL LAW DIVISION

Natalie Sinton is a member of Legal Aid WA's Criminal Appeals Team. In 2012, Natalie prepared a submission to the Commonwealth Attorney General, seeking to have the Royal Prerogative of Mercy applied to an Indonesian national who was currently serving a sentence in a Western Australian prison, on a conviction of people smuggling. The basis of Ms Sinton's submission was evidence to the effect that the person was a minor at the time of the offence. The person who was the subject of the submission to the Attorney General was eventually repatriated to Indonesia, with the Attorney exercising powers available under the Sentencing Act.

Issues and challenges for 2012-13

- Revise resource allocation within the Criminal Law Division to respond to increases in demand for criminal law services in the most effective and efficient manner.
- Assist the courts to develop and implement new specialist programs, such as the Mental Health Court announced as part of the 2012-13 State Budget.
- Continue to develop and expand community legal education programs. This will include developing new legal information resources for imprisoned people, in conjunction with the Civil Law, Legal Practice Development and Client Service Divisions.
- Increase duty lawyer service delivery in response to the withdrawal of services by the Aboriginal Legal Service and general increases in the number of people appearing before the Magistrate's Courts.
- Continue to attract eminent practitioners to present case conferences to in-house practitioners, as part of a program of ongoing professional development. Access to case conferences for regional staff is now being enhanced through the digital capture and online storage of presentations.

5.2 FAMILY LAW DIVISION

Main functions

- A range of functions provided by the Domestic Violence Legal Unit, including violence restraining order duty lawyer services; representation in defended hearings, telephone advice and assistance; and family violence education and victim support in partnership with other agencies.
- Duty lawyer services in the Family Court and the Children's Court which include the provision of legal advice, document preparation, advocacy with the Department for Child Protection and other agencies, legal representation in court and information and referrals to other non legal support services.
- Legal representation for parties involved in family law and child protection litigation and dispute resolution processes.

- Legal representation for children as the independent children's lawyer in family law disputes and child representatives in child protection matters.
- Dispute resolution services within the scope of family law and child protection.

Issues and achievements for 2011-12

- Through implementation of the recommendations from the evaluation, enhanced the Signs of Safety program which seeks to engage families in decision making and divert protection and care matters from the Children's Court, in partnership with the Department for Child Protection, King Edward Memorial Hospital and the Perth Children's Court.
- The Integrated Services Reference Committee, managed by Legal Aid WA, continued its examination of the merits of integrating the protection and care jurisdiction of the Children's Court of WA into the Family Court of WA. This Committee was established in 2010 with the endorsement of the State Attorney General and includes stakeholder representation from the Department for Child Protection, the Children's Court of WA, Family Court of WA, Magistrate's Court and the State and Commonwealth Attorney-General's Departments.

Issues and challenges for 2012-13

- Growing and developing the in-house family law practice, with an emphasis on establishing a succession plan for emerging independent children's lawyers and child representatives.
- Providing necessary training and mentoring arrangements to respond to an increase in the number of junior practitioners to be assigned to the Family Law Division in 2012-13 and the future.
- Significant input has continued to be given to State and Commonwealth law reform initiatives in the area of family law, child protection and domestic violence during 2011-12. This input into a range of Commonwealth and State initiatives and reviews will continue, both locally and through National Legal Aid, in 2012-13.

- Identify and implement necessary practice changes to respond to recent family violence amendments to family law legislation.
- Implement and monitor the use of family domestic violence common risk assessment principles into Legal Aid WA family law services.
- Continue to seek funding sources to expand the Signs of Safety pre-birth and pre-hearing conference program to regional Western Australia.
- Continue to work with key stakeholders to examine the merits of integrating the protection and care jurisdiction of the Children’s Court with the Family Court of WA.

5.3 CIVIL LAW DIVISION

Main functions

- Advice and representation in a broad range of civil law matters.
- Duty lawyer services at Administrative Appeals Tribunal and the State Administrative Tribunal.
- Administering the Civil Litigation Assistance Scheme.
- Advice, minor assistance and advocacy in civil law matters provided through Legal Aid WA’s Social Inclusion Program, for clients with complex or multiple needs.

Issues and achievements for 2011-12

- Awarded the first successful applications under the Civil Litigation Assistance Scheme with funding to pursue matters related to District Court claim against a mortgage broker and her insurer; and a Federal Court claim against a financial planner.
- Provided funding to defend mortgage foreclosure actions by banks in cases where there was strong evidence to suggest improper or fraudulent conduct by finance brokers.
- Provided representation for a person appearing before the Corruption and Crime Commission – this is the first occasion where Legal Aid WA has provided direct representation, rather than fund representation through a private practitioner.

- Commenced an appeal to the Supreme Court of WA in an important case regarding the rights of a person in the Human Rights stream of the State Administrative Tribunal, with respect to the making of guardianship and administration orders.

Issues and challenges for 2012-13

- Continue to develop the civil law program to ensure that it meets client needs and values a human rights based approach to access to justice.
- Work collaboratively with other Legal Aid WA divisions and external agencies to identify and prioritise client needs and deliver civil law services.
- Enhance the capacity of the in-house civil practice to take on more case work and deliver more early intervention services.
- Continue to develop the role played by the Social Inclusion Program in providing targeted advice and minor assistance to the most disadvantaged people in our community.
- Increase the number of successful applications for funding under the Civil Litigation Assistance Scheme.

5.4 REGIONS DIVISION

Main functions

- Operates regional offices from locations outside of the Perth CBD, with offices at Fremantle, Midland, Bunbury, Albany, Kalgoorlie, Geraldton, South Hedland, Broome, Kununurra, and satellite offices at Carnarvon and Christmas Island. Each office operates as a microcosm of the broader Legal Aid organisation, offering services in areas including duty lawyer and legal representation of criminal and family law matters.
- Provides duty lawyer support for court circuits to remote areas of Western Australia.
- Manages the Community Legal Centre funding program and the Country Lawyers Program, on behalf of external agencies.

Issues and achievements for 2011-12

- Official opening of Legal Aid WA's permanent office at Kununurra, providing a base for delivering the full range of Legal Aid WA services across the East Kimberley.
- Established a satellite office at Carnarvon to provide a limited range of Legal Aid WA services.
- Experienced significant increases in demand in some metropolitan and regional locations, particularly for duty lawyer services, following the withdrawal of the Aboriginal Legal Service of WA from these areas.

Issues and challenges for 2012-13

- Consider approaches for the ongoing operation of the Country Lawyers Program in an environment of uncertain funding support by the Commonwealth.
- Respond to increases in demand for Legal Aid WA services as a result of the withdrawal of the Aboriginal Legal Service from a number of courts in suburban Perth and regional Western Australia.
- Plan and develop solutions for future office accommodation requirements in Bunbury, Fremantle and South Hedland.

COMMUNITY LEGAL CENTRE FUNDING 2011-2012

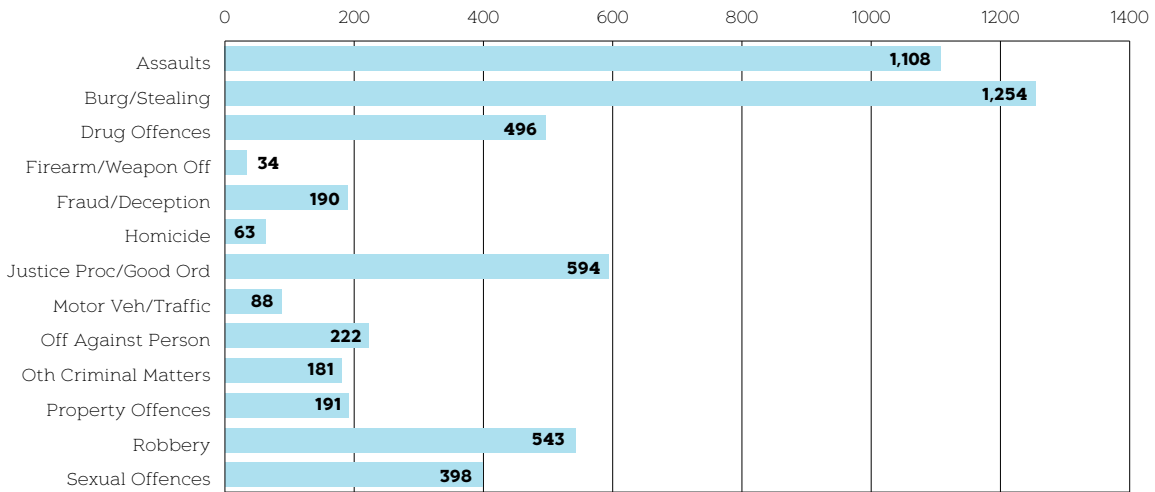
Centres	Common-wealth CLC Funding	Common-wealth One-Off CLC Funding	Family Relationships Centre Funding	Legal Contribution Trust Funding	State Community Legal Centre Funding	TOTALS
Albany CLS	\$254,780.00		\$34,324.00	\$53,500.00		\$342,604.00
Bunbury CLC	\$183,944.00		\$27,460.00		\$55,242.93	\$266,646.93
CASE for Refugees	\$120,588.00				\$6,258.30	\$126,846.30
Citizens Advice Bureau				\$81,400.00	\$55,242.93	\$136,642.93
CLC Association					\$152,165.27	\$152,165.27
Consumer Credit Legal Service	\$132,532.00	\$30,000.00			\$381,708.58	\$544,240.58
Environmental Defenders Office (WA)	\$93,408.00	\$15,000.00			\$123,672.95	\$232,080.95
Fremantle CLC	\$85,804.00	\$70,000.00	\$25,424.00		\$136,258.00	\$317,486.00
Geraldton RC	\$352,736.00		\$52,628.00		\$138,516.23	\$543,880.23
Goldfields CLC	\$252,932.00		\$32,288.00			\$285,220.00
Gosnells CLC	\$221,916.00		\$25,424.00		\$219,096.71	\$466,436.71
Kimberley CLS	\$397,648.00		\$34,324.00	\$111,119.00		\$543,091.00
Mental Health Law Centre					\$736,578.00	\$736,578.00
Northern Suburbs CLC	\$272,048.00		\$25,424.00	\$300,000.00		\$597,472.00
Peel CLC		\$15,000.00	\$45,764.00		\$422,513.09	\$483,277.09
Pilbara LS	\$332,476.00	\$80,000.00				\$412,476.00
SCALES	\$188,544.00		\$25,424.00		\$156,656.80	\$370,624.80
Street Law Centre WA Inc	\$71,192.00	\$32,000.00		\$105,000.00		\$208,192.00
Sussex Street CLS	\$318,592.00		\$25,424.00	\$114,120.00	\$6,883.28	\$465,019.28
Tenants Advice Service	\$139,724.00					\$139,724.00
Welfare Rights & Advocacy Service	\$195,120.00			\$37,200.00	\$13,454.07	\$245,774.07
Wheatbelt CLC				\$160,000.00		\$160,000.00
Women's Law Centre	\$429,140.00	\$45,455.00	\$40,368.00			\$514,963.00
Youth Legal Service WA	\$83,952.00			\$71,000.00	\$227,681.01	\$382,633.01
Practice Cert. Rebate - All Centres				\$33,000.00		\$33,000.00
TOTAL ALLOCATED FUNDS	\$4,127,076.00	\$287,455.00	\$394,276.00	\$1,066,339.00	\$2,831,928.15	\$8,707,074.15



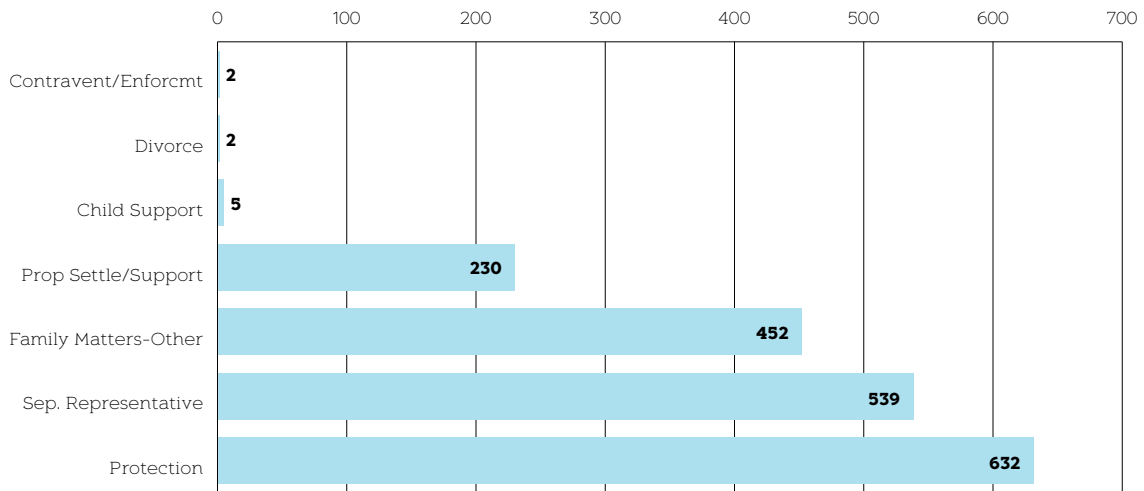
CARNARVON SATELLITE OFFICE

In 2012 Legal Aid WA established a permanent presence at Carnarvon, with a one person office consisting of a lawyer, assisted by resources from Legal Aid WA's Geraldton office. Hannah Hawkins is Legal Aid WA's first permanently based lawyer in Carnarvon, a role which sees her providing duty lawyer services, representing clients on criminal law matters, providing legal assistance services in a broad range of matters and linking up legal assistance services on other matters.

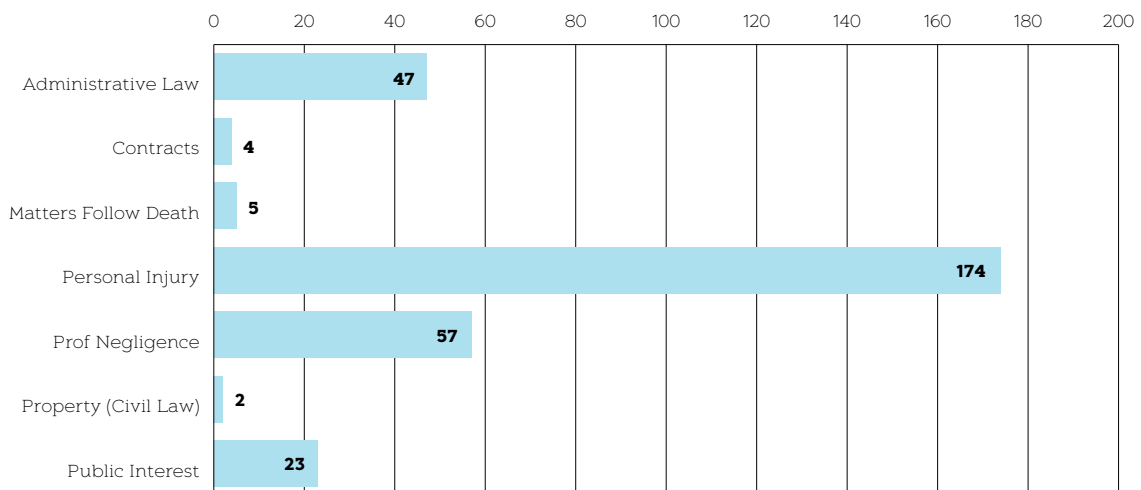
CRIMINAL LAW APPLICATIONS GRANTED BY MATTER GROUP



FAMILY LAW APPLICATIONS GRANTED BY MATTER GROUP



CIVIL LAW APPLICATIONS GRANTED BY MATTER GROUP



5.5 LEGAL PRACTICE DEVELOPMENT DIVISION

Main functions

- The Legal Practice Development Division works to enhance professional practice standards through programs of continuing professional development, as required under the *Legal Profession Act 2008* and associated delegated legislation.
- Manages the training program for Graduates-at-Law and Restricted Practitioners.
- Provides internal and external training services for the broader profession through the delivery of the annual 'Summer Series' professional development seminars and the online 'Train n Track' platform.
- Assists with the management of the Clayton Utz pro-bono circuit program, which places lawyers from Clayton Utz into remote legal practice opportunities around Western Australia.
- Manages Legal Aid WA's annual Quality Legal Practice certification by the Law Society of WA.
- Maintains a process of continuous improvement for the delivery of technology based training solutions.

Issues and achievements for 2011-12

- Delivered the annual Summer Series of legal professional development for the local profession, with Legal Aid WA providing a complimentary subscription to lawyers operating in the not-for-profit sector. In 2011-12 the Summer Series was extended to three full days, to provide a day of seminars in each of criminal law, family law and civil law.
- Continued to provide a number of programs to promote the physical and mental health, and personal safety, of Legal Aid WA staff who work in frontline positions. The various programs are consistent with a growing awareness across the profession that legal professionals are subject to high levels of stress and work related health issues.
- Launched the 'Train n Track' online learning system, which provides training for lawyers that satisfies the continuing professional development requirements of the Legal Practice Board of Western Australia.

Issues and challenges for 2012-13

- Continue the delivery of online learning modules for practitioners in regional and remote Western Australia, through the 'Train n Track' program. In 2012-13, submissions will be presented to the Commonwealth Attorney General's Department for funding to augment the delivery of Train n Track modules through the National Broadband Network, as it is implemented throughout regional Western Australia.
- Continue to deliver Legal Aid Western Australia's delivery of accredited in-house training for Graduates-at-Law.
- Continue to deliver and enhance programs to strengthen the personal and professional resilience of practitioners and other staff who, through the nature of their day-to-day work, are placed in situations of extreme pressure.
- Develop a program of systematic audit to promote a high level of quality control for the proposed restructure of Legal Aid WA's private practitioner panel arrangements.
- Develop and implement online and in person safety training for all relevant Legal Aid WA staff.
- Develop a platform for the orderly storage and retrieval of Legal Aid WA's multi-media resources.

5.6 CLIENT SERVICES DIVISION

Main functions

- Assessing applications for grants of aid.
- Providing an information and telephone referral service for queries of a general nature from members of the public.
- Providing legal advice and minor assistance for members of the public requiring initial advice and/or assistance with handling their own legal issues.
- Providing legal information and education on a range of legal issues to the public and external stakeholders through various options, including the internet.
- Engaging the private profession to act in a wide range of criminal, family and civil law matters.

Issues and achievements for 2011-12

- Continued to increase the level of audit scrutiny of private practitioners who accept assigned grants of aid to ensure that the acquittal of all funds from Legal Aid WA is undertaken in accordance with relevant Legal Aid WA guidelines.
- Delivered the DVD series 'When Separating', to provide guidance and advice to couples who are dealing with the initial stages of marital separation. 'When Separating' covers essential issues including communicating with children, division of assets and domestic violence.
- In response to increased demand for grants of aid for indictable matters and more complex family law matters, applied periodic adjustments to Legal Aid WA's eligibility criteria to ensure that the awarding of grants remained within Legal Aid WA's budget capacity.
- Successfully implemented LAW Office, a new grants management system, to replace the legacy LA Office information system.

Issues and challenges for 2012-13

- Work towards the upgrading of the level of security and enhancement of Legal Aid WA's Grants Online system, with a particular focus on improving system functionality.
- Map the intake and assessment journey of people presenting for assistance from Legal Aid WA, including:
 - the processes associated with determining whether an applicant is eligible for a grant of aid and/or suitable for participation in a dispute resolution program
 - an examination of how these processes could be done differently to provide a more streamlined approach and greater efficiency with the intention of providing future cost savings which are sufficiently tangible to be reflected in Legal Aid WA's future budgeted expenses.
- Respond to approaches by community members and organisations, develop a number of new community legal education programs, including:

- a range of legal information resources for persons who are currently serving terms of imprisonment
- programs based around the "What's the Law" initiative recently announced by the Commonwealth Attorney General.

TOP 30 EARNERS LEGAL AID WA FEE EARNERS

1	Ian Hope	\$641,654.49
2	Bannerman Solicitors	\$399,585.75
3	Reader Lawyers & Mediators	\$361,202.90
4	David Mckenzie Legal Pty Ltd	\$340,748.71
5	Andrew Maughan & Associates Solicitors	\$300,469.05
6	Ferrier Athanasiou & Kakulas Pty Ltd	\$281,416.50
7	J D Hawkins And Associates	\$274,522.47
8	Holden Barlow	\$259,533.65
9	CMS Legal	\$258,152.65
10	Calverley Johnston	\$254,679.51
11	McDonald & Sutherland	\$230,766.26
12	CPK Legal	\$230,472.45
13	Andrew Williams Barrister & Solicitor	\$220,324.17
14	Thames Legal	\$220,047.32
15	Marc Saupin	\$219,275.10
16	George Giudice Law Chambers	\$215,785.04
17	Pacy Solicitors	\$209,290.40
18	Seamus Rafferty Barrister & Solicitor	\$199,112.00
19	Nick Lemmon Barrister & Solicitor	\$196,869.20
20	Michael Tudori & Associates	\$195,967.20
21	Ben Tyers Barrister & Solicitor	\$192,882.91
22	Ian Macfarlane	\$191,572.30
23	Carol Penn Lawyer	\$191,369.40
24	Susan Jean Crisp	\$181,133.60
25	Shadgett Legal Pty Ltd	\$178,977.75
26	Kevin Prince Barrister & Solicitor	\$177,862.46
27	Judy Seif, Barrister	\$174,857.30
28	Lmb (Wa) Pty Ltd	\$164,140.10
29	Bates Legal Pty Ltd	\$161,944.35
30	Simon Watters	\$159,651.60



WHEN SEPARATING

Legal Aid WA's Client Services Division achieved great success in 2012 with the launch of *When Separating*, a DVD series aimed at mainstream couples dealing with the early stages of marital separation. The DVDs cover the key issues of communicating with children, domestic violence, dealing with separation from a distance, and property settlement. The production of *When Separating* recognises that for many people the cost of legal advice can be prohibitive, and the reality that the majority of people dealing with separation and divorce will not be eligible for a Legal Aid funded lawyer.

When Separating was scripted and produced in-house by Legal Aid WA staff, assisted by emerging Western Australian film makers Dean Butler and Shane Piggott. The *When Separating* team in this photo are (from left to right) Mary Cameron, Su Mahalingham, Pru Hawkins, Colleen Brown and Naomi Brown.

5.7 BUSINESS SERVICES DIVISION

Main functions

The Business Services Division provides corporate services to support the operation of all other divisions of Legal Aid Western Australia. The key services delivered by Business Services are:

- 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.
- Assistance on matters of policy which require coordination across Legal Aid WA and other parts of Government.
- Providing a secretariat to Legal Aid WA's Board of Commissioners.

Issues and achievements for 2011-12

- Completed the delivery of the LAW Office information system, which replaced the redundant LA Office information system. LAW Office was developed with the cooperation of Legal Aid Queensland, and is the primary information system for the management of client and grant information.
- Conducted a trial legal needs survey in Geraldton, as a possible model for a broader annual legal needs survey across regional Western Australia.
- Developed a framework for new occupational health and safety processes, consistent with proposed harmonised legislative requirements at a national level.
- Commenced the procurement process for new head office accommodation for Legal Aid WA beyond 2015.

Issues and challenges for 2012-13

- Establishing and strengthening an appropriate governance model for the LAW Office information system.
- Continue to develop a comprehensive risk management strategy, which includes ongoing management of Legal Aid WA's Risk Register and risk treatment plans, as well as business continuity and disaster recovery plans for the organisation.
- Ensure Legal Aid WA has appropriate mechanisms in place to ensure that the organisation complies with proposed new occupational health and safety laws, due to commence in 2013.
- Manage and enhance the role of the Jurisdictional Forum, established as a communications and information sharing mechanism under the National Partnership Agreement for Legal Assistance Services.
- Develop a solution to address Legal Aid WA's office accommodation needs beyond the expiry of the existing lease at 55 St Georges Terrace in 2015. This includes identifying appropriate premises for occupancy by Legal Aid WA beyond 2015 and being advanced in the lease negotiation process.
- Establishing a performance management system which links desired outcomes under Legal Aid WA's strategic and business plans to the expected deliverables of individual Directors.

6. SIGNIFICANT ISSUES IMPACTING UPON THE AGENCY

6.1 ABORIGINAL LEGAL SERVICE OF WA – CHANGE IN SERVICE DELIVERY PRIORITIES

- The Commonwealth funded Aboriginal Legal Service of WA (“ALSWA”) plays an extremely important role in providing access to legal services for Aboriginal people in Western Australia. It operates across many locations in the State, including remote areas where issues of access to justice are often at their most acute.
- In 2011-12, ALSWA advised Legal Aid WA that due to a constrained funding position, it will proceed to withdraw services from some areas of metropolitan and regional Western Australia. For Legal Aid WA this withdrawal of services by ALSWA has been most noticeable at duty lawyer level in the Magistrate’s Courts at locations including Fremantle, Midland, Armadale, Rockingham, Derby, Morawa, Exmouth, Three Springs and Tom Price. The clients formerly assisted by ALSWA in these locations are now being assisted by Legal Aid WA.
- In addition, ALSWA has, until recently, been operating with a single lawyer at South Hedland, which includes circuits to locations such as Karratha and Roebourne. This level of resourcing by ALSWA has resulted in Legal Aid WA handling around 80 per cent of Aboriginal clients in this region.
- Over the past 12 months Legal Aid WA has also observed an increase in the order of 20 per cent in the number of grant of aid applications in the State criminal jurisdiction from people identifying themselves as Aboriginal. This data is being investigated further, but potentially suggests that ALSWA’s capacity to provide representation for people at trial may also be reduced due to funding constraints.
- Legal Aid WA is now collecting data to determine the impact of ALSWA’s reduced service levels on demand for Legal Aid WA duty lawyer services, and minor assistance and legal advice services.
- Legal Aid WA is highly supportive of the role of ALSWA, particularly in regional Western Australia. Providing legal services across the entire State is a costly undertaking, and comes with the added difficulty of attracting and retaining legal staff that are prepared to work in regional and remote areas. In this context, any decision by the Commonwealth to increase ALSWA’s funding would be very well received.

6.2 REVIEW OF PRIVATE PRACTITIONER PANEL ARRANGEMENTS

- Legal Aid WA relies heavily on private practitioners to provide services funded through grants of aid. A private practitioner may be engaged through the express choice of the client or appointed by Legal Aid WA as a result of capacity or conflict issues within the in-house practice.
- Over a number of years there has been a ‘juniorisation’ of a significant proportion of the private practitioners who are prepared to accept work from Legal Aid WA at the prevailing legal aid rate of remuneration – currently \$140 per hour.
- Legal Aid WA considers that this arrangement is not sustainable into the medium term. An internal review of private practitioner panel arrangements has therefore been initiated which aims to establish a panel of more senior lawyers, which is subject to more rigorous quality control standards.
- To assist in establishing a panel of more senior lawyers, it becomes very important to increase the legal aid rate of remuneration. During 2012-13 Legal Aid WA will be working with Government to consider approaches for increasing private practitioner rates.

6.3 LEGAL AID WA HEAD OFFICE ACCOMMODATION

- Legal Aid WA currently occupies 5,000 square metres of office space at 55 St Georges Terrace, under a lease which expires in 2015. The net rental rate for most of this accommodation - which is classified as Grade B by the Property Council of Australia - is in the order of \$280 per square metre. This is significantly lower than the prevailing market rate of between \$650 to \$700 per square metre.
- Expressions of interest have been requested from the market for a new long term lease from 2015 onwards. While Legal Aid WA will make every effort to reduce costs by reducing the required net lettable area, it remains a reality that office accommodation costs will increase, in line with market conditions.
- Legal Aid WA will work with Government during 2012-13 to establish a new funding base from 2015-16 onwards to account for new accommodation costs. This will enable Legal Aid WA to negotiate the terms of a new lease within firm funding parameters.



Financial Disclosures
and Legal Compliance
2011-2012

7. DISCLOSURES AND LEGAL COMPLIANCE

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

LEGAL AID COMMISSION OF WESTERN AUSTRALIA

Report on the Financial Statements

I have audited the accounts and financial statements of the Legal Aid Commission of Western Australia.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

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 for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Legal Aid Commission of Western Australia at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Legal Aid Commission of Western Australia during the year ended 30 June 2012.

Controls exercised by the Legal Aid Commission of Western Australia are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Commission's Responsibility for Controls

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Legal Aid Commission of Western Australia based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the Legal Aid Commission of Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Legal Aid Commission of Western Australia for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

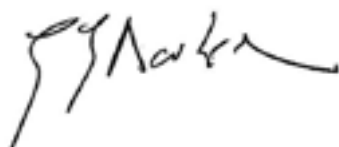
In my opinion, the key performance indicators of the Legal Aid Commission of Western Australia are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of Legal Aid Commission of Western Australia for the year ended 30 June 2012 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. I have not been engaged to report on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
23 August 2012

Disclosures and Legal Compliance


Financial Statements

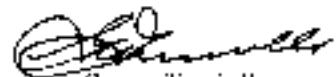
Certification of Financial Statements

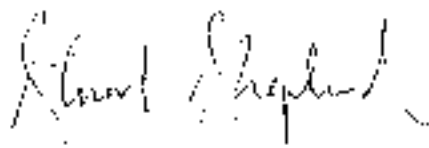
For the year ended 30 June 2012

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 2012 and the financial position as at 30 June 2012.

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: 10 August 2012


George Tennant
Director
Date: 10 August 2012


Stuart Sheppard
Chairman
Date: 14 August 2012

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

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	29,680,798	26,583,001
Supplies and services	7	5,253,826	4,884,726
Depreciation and amortisation expense	8	746,793	638,533
Accommodation expenses	9	3,363,271	2,706,499
Legal services expenses	10	20,252,447	18,609,382
Loss on disposal of non-current assets	16	16,516	-
Other expenses	11	5,701,907	5,027,433
Total cost of services		65,015,558	58,449,573
Income			
<i>Revenue</i>			
User charges and fees	12	3,009,242	2,903,392
Commonwealth grants and contributions	13	20,891,192	20,921,670
Interest revenue	14	1,790,814	1,313,536
Other revenue	15	3,182,897	4,190,712
Total Revenue		28,874,145	29,329,309
<i>Gains</i>			
Gain on disposal of non-current assets	16	-	55,247
Total Gains		-	55,247
Total income other than income from State Government		28,874,145	29,384,556
NET COST OF SERVICES	28	36,141,413	29,065,018
Income from State Government			
State Government funding	17	36,234,339	31,429,459
Royalties for Regions Fund		239,003	149,000
Total income from State Government		36,473,342	31,578,459
SURPLUS/(DEFICIT) FOR THE PERIOD	27	331,929	2,513,441
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	27	329,000	274,680
Changes in asbestosis reserve		-	-
Gains/(losses) recognised directly in equity		-	-
Total other comprehensive income		329,000	274,680
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		660,929	2,788,121

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 2012

	Note	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	28	24,544,480	22,354,547
Restricted cash and cash equivalents	18, 28	1,217,213	1,213,163
Receivables	19	2,919,628	3,922,444
Other current assets	20	48,722	12,359
Total Current Assets		28,730,043	27,502,512
Non-Current Assets			
Restricted cash and cash equivalents	18, 28	562,146	450,041
Receivables	19	3,815,952	3,258,426
Property, plant and equipment	21	2,708,674	2,596,944
Intangible assets	22	1,235,146	533,346
Total Non-Current Assets		8,321,917	6,838,758
TOTAL ASSETS		37,051,960	34,341,270
LIABILITIES			
Current Liabilities			
Payables	24	11,807,871	10,186,052
Provisions	25	4,463,950	3,672,004
Other current liabilities	26	159,242	545,606
Total Current Liabilities		16,431,063	14,403,662
Non-Current Liabilities			
Provisions	25	1,609,528	1,587,168
Total Non-Current Liabilities		1,609,528	1,587,168
TOTAL LIABILITIES		18,040,591	15,990,830
NET ASSETS		19,011,369	18,350,440
EQUITY			
Contributed equity	27	595,669	595,669
Reserves		2,098,567	1,769,567
Accumulated surplus/(deficit)		16,317,133	15,985,204
TOTAL EQUITY		19,011,369	18,350,440

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 2012

	Note	Contributed equity \$	Reserves \$	Accumulated surplus/(deficit) \$	Total equity \$
Balance at 1 July 2010	27	595,669	1,494,887	13,471,763	15,562,319
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2010		595,669	1,494,887	13,471,763	15,562,319
Surplus		-	-	2,513,441	2,513,441
Other Comprehensive Income		-	274,680	-	274,680
Total comprehensive income for the period		-	274,680	2,513,441	2,788,121
Balance at 30 June 2011		595,669	1,769,567	15,985,204	18,350,440
Balance at 1 July 2011		595,669	1,769,567	15,985,204	18,350,440
Surplus		-	-	331,929	331,929
Other Comprehensive Income		-	329,000	-	329,000
Total comprehensive income for the period		-	329,000	331,929	660,929
Balance at 30 June 2012		595,669	2,098,567	16,317,133	19,011,369

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

LEGAL AID COMMISSION OF WESTERN AUSTRALIA
STATEMENT OF CASH FLOWS

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM STATE GOVERNMENT			
State Government Funding		36,430,415	31,311,795
Royalties for Regions Fund		239,003	149,000
Net cash provided by State Government		36,669,418	31,460,795
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(28,622,993)	(26,101,774)
Supplies and services		(5,337,275)	(4,755,262)
Accommodation		(3,315,893)	(2,624,499)
Legal services		(19,102,767)	(17,297,999)
GST payments on purchases		(3,863,303)	(3,505,023)
Other payments		(5,719,230)	(5,032,583)
Receipts			
User charges and fees		2,675,731	2,525,891
Commonwealth grants and contributions		20,726,921	20,921,670
Interest received		1,588,889	1,331,746
GST receipts on sales		216,609	298,812
GST receipts from taxation authority		3,657,719	3,086,641
Other receipts		3,983,605	3,336,791
Net cash provided by/(used in) operating activities	28	(33,111,988)	(27,815,589)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(1,262,948)	(1,329,126)
Receipts			
Proceeds from sale of non-current physical assets	16	11,608	97,188
Net cash provided by/(used in) investing activities		(1,251,341)	(1,231,938)
Net increase/(decrease) in cash and cash equivalents		2,306,089	2,413,268
Cash and cash equivalents at the beginning of period		24,017,750	21,604,481
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	28	26,323,839	24,017,750

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

7.2 FINANCIAL STATEMENTS AND NOTES

NOTE 1. AUSTRALIAN ACCOUNTING STANDARDS

General

The Commission's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes 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*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2012.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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, except for 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 (\$).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Commission's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses 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.

(c) Reporting entity

The reporting entity comprises the Commission. There are no related bodies. Refer to note 36 '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.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before 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 fair 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. See also note 17 'Income from State Government' for further information.

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 at fair value in the period in which Legal Aid obtains control over the funds. Legal Aid obtains control of the funds at the time the funds are deposited into Legal Aid's bank account.

Gains

Realised and unrealised gains 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

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 the 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 historical cost 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.

In the absence of market-based evidence, 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.

Land and buildings are independently valued 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 judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation 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.

Depreciation 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	2 to 10 years
Office equipment	5 to 10 years
IT equipment	3 to 4 years
Motor vehicles	2 to 3 years

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 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.

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.

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

The expected useful lives of each class of intangible asset are:

Software ^(a)	5 to 10 years
(a) Software that is not integral to the operation of any related hardware	

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed \$5,000. Other development costs are expensed as incurred.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

(h) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at 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 the 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.

See also note 23 'Impairment of assets' for the outcome of impairment reviews and testing.

Refer also to note 2(n) 'Receivables' and 19 'Receivables' for impairment of receivables.

(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

Operating leases 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:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

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 (see note 24 'Payables') represent the amount due to staff but unpaid at 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 27th pay period occurs instead of the normal 26.

No interest is received on this account (see note 18 'Restricted cash and cash equivalents').

(n) Receivables

Un-secured debtors

Unsecured debtors are recognised at 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 allowance 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 debtors are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). Secured receivables are only payable to the Commission on the sale or other alienation of the secured property. Due to the long term nature of these receivables, a provision for discount is raised which enables the receivable to be shown at Net Present Value. The collectability of secured receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off.

See also note 2(k) 'Financial Instruments' and note 19 'Receivables'.

(o) Payables

Payables are recognised 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 settlement is generally within 30 days.

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

See also note 2(k) 'Financial Instruments' and 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.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual 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 liability is settled.

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as 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.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long service leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as 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.

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

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 12 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 current provision as employees can leave the scheme at their discretion at any time.

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 10 weeks leave per calendar year. The provision recognises the value of salary set aside for 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) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS 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.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share. See also note 2(q) 'Superannuation expense'.

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 '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'.

See also note 11 'Other expenses' and note 25 'Provisions'.

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, and the GESBS.

(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 at fair value. Where the resource received represents a service that the Commission would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(t) Jointly controlled operations

The Commission has no interest in joint ventures that are jointly controlled operations.

(u) Comparative figures

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

NOTE 3. JUDGEMENTS 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 judgements regularly.

Operating lease commitments

The Commission has entered into a number of leases for buildings for branch 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 leases for motor vehicles. 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

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount 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 and 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 become 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 of leasehold improvements is revised to include the extended term.

Long service leave

Several estimations and assumptions used in calculating the Commission's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave 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 expected long repayment period. The Commission uses its judgement to determine the average repayment period for 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 2011 that impacted on the Commission.

AASB 1054	<p><i>Australian Additional Disclosures</i></p> <p>This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i>, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.</p>
AASB 2009-12	<p><i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</i></p> <p>This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.</p>
AASB 2010-4	<p><i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]</i></p> <p>The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. This carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.</p> <p>The amendments to AASB 101 clarify the presentation of the statement of changes in equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the financial period for each component of equity is no longer required. There is no financial impact.</p>
AASB 2010-5	<p><i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]</i></p> <p>This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.</p>
AASB 2010-6	<p><i>Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]</i></p> <p>This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.</p>
AASB 2011-1	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]</i></p> <p>This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.</p>
AASB 2011-5	<p><i>Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.</p>

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 of the 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.

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation - Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 11	<p><i>Joint Arrangements</i></p> <p>The Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>This Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 <i>Employee Benefits</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in September 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

		Operative for reporting periods beginning on/after
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investment in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 2009-11	<p><i>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 Int 10 & 12]</i></p> <p>[Modified by AASB 2010-7]</p>	1 Jul 2013
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013

		Operative for reporting periods beginning on/after
AASB 2011-6	<p><i>Amendments to Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with the Australian Accounting Standards - Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit and loss subsequently (reclassification adjustments). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 1091, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 <i>Employee Benefits</i> in September 2011. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.</i></p> <p>This Standard give effect to Australian Accounting Standards - Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jan 2013
AASB 2012-1	<p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013

NOTE 6. EMPLOYEE BENEFITS EXPENSE

	2012 \$	2011 \$
Wages and salaries ^(a)	27,150,958	24,357,038
Superannuation - defined contribution plans ^(c)	2,529,840	2,225,963
	29,680,798	26,583,001

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

(b) Leave entitlements include a superannuation contribution component.

(c) Defined contribution plans include West State, Gold State and GESB Super Scheme (contribution paid).

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

Employment on-costs liability is included at note 25 'Provisions'.

NOTE 7. SUPPLIES AND SERVICES

Communications	645,383	627,409
Consumables	1,048,987	974,189
Consultants Fees	405,240	371,927
Maintenance	568,641	582,263
Travel	433,833	522,665
Information technology	1,081,765	956,616
Practicing Certificates and Fees	224,588	169,899
Other ^(a)	845,389	679,759
	5,253,826	4,884,727

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

NOTE 8. DEPRECIATION AND AMORTISATION EXPENSE

<u>Depreciation</u>		
Buildings	4,000	4,680
Office equipment	4,357	2,914
IT equipment	323,495	280,108
Motor vehicles	258	26,177
Fixtures and fittings	1,348	1,392
Leasehold improvements	210,046	266,477
Furniture	325	35
Total depreciation	543,829	581,784
<u>Amortisation</u>		
Intangible assets	202,964	56,749
Total amortisation	202,964	56,749
Total depreciation and amortisation	746,793	638,533

NOTE 9. ACCOMMODATION EXPENSES

	2012 \$	2011 \$
Lease rentals	3,315,297	2,636,493
Repairs and Maintenance	47,974	70,006
	3,363,271	2,706,499

NOTE 10. LEGAL SERVICES EXPENSES

<u>Grant of aid expenses</u>		
Casework and Disbursement Costs	19,984,606	18,315,111
	19,984,606	18,315,111
<u>Other service expenses</u>		
Legal advice	199,931	197,535
Duty lawyer	67,910	96,736
	267,841	294,271
	20,252,447	18,609,382

Asbestosis case costs (cash basis) of \$0 in 2011/12 (\$0 in 2010/11) have not been included under Legal services 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

Bad debts written off	81,988	46,933
Doubtful debts expense	(45,462)	12,241
Employment on-costs ^(a)	8,000	(11,901)
Staff training	152,969	174,648
State CLC program	3,898,694	3,404,872
Other staff related expenses	1,075,140	921,284
Other	530,578	479,355
	5,701,907	5,027,433

(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

	2012 \$	2011 \$
Client contributions and fees on grants of aid	1,290,311	1,204,004
Recovered costs on grants of aid	1,476,468	1,471,009
Legal advice fees	49,469	43,265
Duty lawyer fees	144,464	144,339
Freedom of information	30	65
Community legal education	48,500	40,710
	3,009,242	2,903,392

NOTE 13. COMMONWEALTH GRANTS AND CONTRIBUTIONS

National Partnership Agreement on Legal Assistance Services	20,263,532	20,231,255
Country Lawyers Funding	100,000	300,000
Christmas/Cocos Islands	527,660	390,415
	20,891,192	20,921,670

The National Partnership Agreement (NPA) on Legal Assistance Services was enacted in July 2010 for a period of four years. This year represents the second year of the four year agreement. The terms of the funding are generally intended to fund matters within the Commonwealth jurisdiction, the NPA also seeks to promote investments in preventative law and early intervention initiatives. The funded amount for 2011-12 was \$19.58 million, with a further \$510,532 in supplementary funding for Commonwealth expensive criminal cases.

The Christmas/Cocos island grant is related to Indian Ocean Territory funding received on an ongoing basis.

NOTE 14. INTEREST REVENUE

Interest earned on Legal Aid Operational Funds	1,578,128	1,367,075
Implicit interest write back on debtors ^(a)	212,686	(53,539)
	1,790,814	1,313,536

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

NOTE 15. OTHER REVENUE

	2012 \$	2011 \$
State - Specific purpose contributions	100,545	98,864
Other miscellaneous income	444,686	475,085
Legal contribution trust	1,652,162	1,407,795
Country Lawyer placement recoup	888,269	1,710,296
Department of Immigration and Ethnic Affairs	97,235	498,672
	3,182,897	4,190,712

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

<u>Costs of disposal of non-current assets</u>		
Plant, equipment and vehicles	28,124	41,941
<u>Proceeds from disposal of non-current assets</u>		
Plant, equipment and vehicles	11,608	97,187
Net gain/(loss)	(16,516)	55,246

NOTE 17. INCOME FROM STATE GOVERNMENT

Appropriation received during the period:		
Legal Aid Assistance Grant ^(a)	35,516,000	29,630,000
Other State Community Legal Centre Funding	718,339	1,799,459
Royalties for Regions Fund	239,003	149,000
	36,473,342	31,578,459

(a) The Legal Aid Commission is an output of the Department of Attorney General for the purposes of the State Budget, and receives the State Government funded Legal Aid Assistance Grant through the Department.

NOTE 18. RESTRICTED CASH AND CASH EQUIVALENTS

	2012 \$	2011 \$
<u>Current</u>		
Asbestosis account ^(a)	1,206,663	1,206,663
Child representation trust fund ^(b)	3,000	6,500
Commonwealth Paid Parent Fund	7,550	-
	1,217,213	1,213,163
<u>Non-current</u>		
Accrued salaries suspense account (27th pay provision) ^(c)	562,146	450,041
	562,146	450,041
	1,779,359	1,663,204

(a) These unspent funds held in trust account are only to be used for the purpose of legal aid relating 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 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	1,206,663	1,206,663
<u>Revenue:</u>		
- Recovered costs	-	-
- Interest	-	-
	1,206,663	1,206,663
<u>Expenditure:</u>		
- Private practitioners	-	-
- Reclassification to cash assets	-	-
Balance at end of period	1,206,663	1,206,663

NOTE 19. RECEIVABLES

	2012 \$	2011 \$
<u>Current</u>		
Debtors - unsecured	3,072,514	4,109,767
Allowance for impairment of receivables	(389,674)	(435,136)
GST receivable	236,788	247,813
Total current	2,919,628	3,922,444
<u>Non-current</u>		
Debtors - secured	4,198,755	3,853,915
Allowance for impairment of receivables	(20,000)	(20,000)
Allowance for discount	(362,803)	(575,489)
Total non-current	3,815,952	3,258,426
Total Receivables	6,735,580	7,180,870

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	455,136	442,894
Amounts written off during the period	-	-
Amounts recovered during the period	-	-
	455,136	442,894
Doubtful debt expense recognised in the statement of comprehensive income	(45,462)	12,242
Balance at end of year	409,674	455,136

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 6.14 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 2.668% (2011: 4.875%) using the 5 year government bond rate (per Financial Review) at June 30, 2012.

NOTE 20. OTHER ASSETS

<u>Current</u>		
Prepayments	48,722	12,359
Total current	48,722	12,359

NOTE 21. PROPERTY, PLANT, AND EQUIPMENT

	2012 \$	2011 \$
<u>Land</u>		
At fair value ^(a)	540,000	415,000
	540,000	415,000
<u>Buildings</u>		
At fair value ^{(a) (b)}	400,000	200,000
	400,000	200,000
<u>Fixtures and fittings</u>		
At cost	17,966	17,966
Accumulated depreciation	(7,458)	(6,110)
	10,508	11,856
<u>Leasehold improvements</u>		
At cost	2,882,728	2,752,421
Accumulated depreciation	(1,756,903)	(1,565,711)
	1,125,825	1,186,710
<u>Furniture and equipment</u>		
At cost	2,191,334	2,190,414
Accumulated depreciation	(1,558,992)	(1,407,294)
	632,341	783,120
<u>Motor vehicles</u>		
At cost	-	31,506
Accumulated depreciation	-	(31,248)
	-	258
	2,708,674	2,596,944

(a) Land and buildings were re-valued as at 1 July 2011 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2012 and recognised 30 June 2012. In undertaking the revaluation, fair value was determined by reference to market values for land: \$540,000 and buildings: \$400,000 (30 June 2011: land: \$415,000 and buildings: \$200,000).

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

Reconciliation:

2012	Land \$	Buildings \$	Fixtures and Fittings \$	Leasehold Improve- ments \$	Furniture and Equipment \$	Vehicles \$	Total \$
Carrying amount at start of period	415,000	200,000	11,856	1,186,712	783,119	258	2,596,945
Additions	-	-	-	\$180,784	177,399	-	358,184
Disposals	-	-	-	(31,625)	-	-	(31,625)
Revaluation increments	125,000	204,000	-	-	-	-	329,000
Revaluation decrements	-	-	-	-	-	-	-
Impairment losses ^(a)	-	-	-	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-	-	-	-
Depreciation	-	(4,000)	(1,348)	(210,046)	(328,177)	(258)	(543,829)
Carrying amount at end of period	540,000	400,000	10,508	1,125,825	632,341	0	2,708,674

2011	Land \$	Buildings \$	Fixtures and Fittings \$	Leasehold Improve- ments \$	Furniture and Equipment \$	Vehicles \$	Total \$
Carrying amount at start of period	111,000	234,000	17,060	911,275	675,646	68,376	2,017,357
Additions	-	-	-	541,914	390,530	-	932,444
Disposals	-	-	(3,812)	-	-	(41,941)	(45,753)
Revaluation increments	304,000	4,680	-	-	-	-	308,680
Revaluation decrements	-	-	-	-	-	-	-
Impairment losses ^(a)	-	(34,000)	-	-	-	-	(34,000)
Impairment losses reversed ^(a)	-	-	-	-	-	-	-
Depreciation	-	(4,680)	(1,392)	(266,477)	(283,057)	(26,177)	(581,784)
Carrying amount at end of period	415,000	200,000	11,856	1,186,712	783,119	258	2,596,944

(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 a previously valued asset is written-down to recoverable amount, the loss is recognised as a revaluation decrement in the Statement of Changes in Equity.

NOTE 22. INTANGIBLE ASSETS

	2012 \$	2011 \$
<u>Computer software</u>		
At cost	1,704,760	799,995
Accumulated amortisation	(469,614)	(266,649)
Accumulated impairment losses	-	-
	1,235,146	533,346

Reconciliation:

<u>Computer software</u>		
Carrying amount at start of period	533,346	189,601
Additions	904,764	-
Work in progress	-	400,494
Revaluation increments	-	-
Revaluation decrements	-	-
Amortisation expense	(202,964)	(56,749)
Carrying amount at end of period	1,235,146	533,346

NOTE 23. IMPAIRMENT OF ASSETS

There were no indications of impairment to property, plant and equipment or intangible assets at 30 June 2012.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. 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 2012 that have either been classified as assets held for sale or written off.

NOTE 24. PAYABLES

<u>Current</u>		
Grant of aid commitments	10,572,924	9,298,527
Accrued expenses ^(a)	351,722	370,762
Accrued salaries ^(b)	852,055	495,221
Staff benefit fund	30,600	21,372
Income received in advance	400	-
Unclaimed monies	170	170
Total current	11,807,871	10,186,052

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

(b) Accrued salaries: Amount owing is six (6) salary days as last pay occurred on 21 June 2012 (2011 - The last pay occurred on 23 June 2011).

See also note 2(o) 'Payables' and note 33 'Financial Instruments'

NOTE 25. PROVISIONS

	2012 \$	2011 \$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	1,850,072	1,636,220
Long service leave ^(b)	2,505,380	1,955,409
Deferred leave	46,142	-
Purchased leave	20,907	46,480
	4,422,501	3,638,110
<i>Other provisions</i>		
Employment on-costs ^(c)	41,449	33,894
	41,449	33,894
	4,463,950	3,672,004
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	1,594,295	1,572,380
	1,594,295	1,572,380
<i>Other provisions</i>		
Employment on-costs ^(c)	15,233	14,788
	15,233	14,788
	1,609,528	1,587,168

(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 end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	1,458,508	1,354,240
More than 12 months after the reporting period	391,564	281,980
	1,850,072	1,636,220

(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 end of the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	840,574	598,582
More than 12 months after the reporting period	3,259,101	2,929,207
	4,099,675	3,527,789

(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'.

Movements in other provisions

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

	2012 \$	2011 \$
<u>Employment on-cost provision</u>		
<i>Current</i>		
Carrying amount at start of period	33,894	41,746
Additional provisions recognised	7,555	-
Payments/other sacrifices of economics benefits	-	(7,852)
Carrying amount at end of period	41,449	33,894
<i>Non-current</i>		
Carrying amount at start of period	14,788	18,838
Additional provisions recognised	445	-
Payments/other sacrifices of economics benefits	-	(4,050)
Carrying amount at end of period	15,233	14,788

NOTE 26. OTHER LIABILITIES

<u>Current</u>		
Department of Child Protection Funding in advance	148,692	539,106
Child representation trust fund	3,000	6,500
Commonwealth parenting fund	7,550	-
Total current	159,242	545,606

NOTE 27. EQUITY

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

Contributed equity

Balance at start of period	595,669	595,669
<u>Contribution by owners</u>		
Capital Appropriation	-	-
Total contributions by owners	-	-
<u>Distribution to owners</u>		
Net assets transferred to government	-	-
Total distributions to owners	-	-
Balance at end of period	595,669	595,669

Capital appropriations

TI 955 *Contributions by Owners Made to Wholly Owned Public Sector Entities* designates capital appropriations as contributions by owners in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*.

Distributions to owners

TI 955 requires non-reciprocal transfers of net assets to Government to be accounted for as distributions to owners in accordance with AASB Interpretation 1038.

Reserves

	2012 \$	2011 \$
<u>Asset revaluation surplus</u>		
Balance at start of period	562,904	288,224
Net revaluation increments/(decrements):		
Buildings	204,000	(29,320)
Land	125,000	304,000
Balance at end of period	891,904	562,904
<u>Asbestosis account reserve</u>		
Balance at start of period	1,206,663	1,206,663
<u>Income:</u>		
Recovered costs	-	-
<u>Expenditure</u>		
Private practitioners fees	-	-
Balance at end of period	1,206,663	1,206,663
Total balance at end of period	2,098,567	1,769,567

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)

Balance at start of period	15,985,204	13,471,763
Result for the period	331,929	2,513,441
Income and expense recognised directly in equity	-	-
Balance at end of period	16,317,133	15,985,204
Total Equity at end of period	19,011,369	18,350,440

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:

	2012 \$	2011 \$
Cash and cash equivalents	24,544,480	22,354,547
Restricted cash and cash equivalents (note 18 'Restricted cash and cash equivalents')	1,779,359	1,663,204
	26,323,839	24,017,751

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

Net cost of services	(36,141,413)	(29,065,018)
<u>Non-cash items:</u>		
Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	746,793	638,533
Doubtful debts expense (note 11 'Other expenses')	45,462	(12,241)
Net (gain)/loss on disposal of property plant and equipment (note 16 'Net gain/(loss) on sale of non-current assets')	(16,516)	(55,247)
Implicit right back of interest revenue	(212,686)	53,539
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	431,738	(1,129,005)
Other current assets	(36,363)	31,755
Non-current receivables	(557,526)	(209,931)
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	1,621,819	1,645,342
Current provisions	791,946	282,607
Other current liabilities	(389,706)	(112,325)
Non-current provisions	22,360	85,048
Net GST receipts/(payments) ^(b)	571,078	150,924
Change in GST in receivables/payables ^(c)	11,025	(119,570)
Net cash provided by/(used in) operating activities	(33,111,989)	(27,815,589)

(a) 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.

(b) This is the net GST paid/received, ie. cash transactions.

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

NOTE 29. COMMITMENTS

The commitments below are inclusive of GST where relevant.

Lease commitments

	2012 \$	2011 \$
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	2,547,316	2,310,386
Later than 1 year and not later than 5 years	4,814,331	5,721,130
Later than 5 years	525,591	112,338
	7,887,238	8,143,853

Representing:

Non-cancellable operating leases ^(a) ^(b) ^(c)	7,887,238	8,143,853
	7,887,238	8,143,853

Non-cancellable operating lease commitments

Commitments for minimum accommodation lease payments are payable as follows:		
Within 1 year	2,393,653	2,174,171
Later than 1 year and not later than 5 years	4,718,094	5,649,722
Later than 5 years	525,591	112,338
	7,637,338	7,936,230

(a) The Commission has entered into property leases which are non-cancellable leases with terms ranging up to 10 years, with rent payable monthly in advance. Contingent rent provisions within the lease agreements require that the minimum lease payments shall be increased by a combination of CPI or a pre-determined percentage per annum. Options exist to renew the leases at the end of the various terms for additional terms.

(b) Accommodation operating lease commitments for the financial year only include property and car parking lease expenses as required by the Accounting Standards and Treasurer's Instructions.

Commitments for minimum motor vehicle lease payments are payable as follows:		
Within 1 year	153,663	136,215
Later than 1 year and not later than 5 years	96,237	71,408
Later than 5 years	-	-
	249,900	207,623

(c) The Commission has entered into motor vehicle leases which are non-cancellable leases with terms ranging up to 3 years, with payments payable monthly in advance.

NOTE 30. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent liabilities in addition to the liabilities included in the financial statements (2011: Nil).

The commission is currently pursuing a contingent asset in relation to an outstanding client contribution for legal services provided of \$267,290 (2011: Nil).

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

There were no events after the end of the reporting period, favourable and/or unfavourable, that occurred between the end of the reporting period and the date when the financial statements are authorised for issue.

NOTE 32. EXPLANATORY STATEMENT

This statement provides details of any significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012. Significant variations are considered to be those greater than 10% or \$5 million.

Significant variances between estimated and actual results for 2012

	2012 Estimate \$	2012 Actual \$	Variation \$
Legal services expense	17,363,791	20,252,447	2,888,656
User charges and fees	2,553,187	3,009,242	456,055
Interest revenue	1,200,000	1,790,814	590,814
Other revenue	4,411,311	3,182,897	(1,228,414)

Legal services expense

Additional State expensive cases expenses (\$1.931 million) and additional Commonwealth expensive cases expenses (\$1.426 million). Additional costs incurred for grants of legal aid relating to criminal expensive cases are offset by supplementary funding from government each year. A grant of aid for criminal matter is considered an expensive case when it exceeds \$26,000 for State matters and \$40,000 for Commonwealth matters.

User charges and fees

Higher than expected costs recovered form State Court hearings (\$0.347 million) and higher than expected recoup of Landgate lodgement costs (\$0.257 million)

Interest revenue

Higher than expected interest revenue earned from investment of surplus funds in term deposits and higher than expected funds on deposit (\$0.378 million)

Other revenue

Lower than expected revenue recouped from non-government organisations participating in the Country Lawyers program (\$1.304 million) offset by higher than expected revenue from the Commonwealth Immigration tender (\$0.303 million) and higher distributions from the Legal Contribution Trust (\$0.652 million). The reduction to revenue recouped from the Country Lawyers program is offset by a reduction to salary and salary on costs expenditure and is a result of less lawyers available for placement in the Country Lawyers program.

Significant variances between actual results for 2011 and 2012

	2012 Actual \$	2011 Actual \$	Variation \$
<u>Income</u>			
Interest revenue	1,790,814	1,313,536	477,278
Other revenue	3,182,897	4,190,712	(1,007,815)
State Government Grant	36,473,342	31,578,459	4,894,883
<u>Expenses</u>			
Employee benefits expense	29,680,798	26,583,001	3,097,797
Depreciation and amortisation	746,793	638,533	108,260
Accommodation expense	3,363,271	2,706,499	656,772
Other expenses	5,701,907	5,027,433	674,474

Interest revenue

Interest revenue earned continues to trend higher resulting from investment of surplus funds in term deposits.

Other revenue

Lower revenue recouped from non-government organisations participating in the Country Lawyers program and the Commonwealth Immigration Tender accounted for the reduction within Other Revenue of \$1.007m

State Government Grant

The \$4.894 million dollar increase is due to additional funding received for an increase in the number of duty lawyers as well as an increase in grants for legal representation within the Magistrates Courts, approved in the 2011-12 State Budget

Employee Benefits Expense

Additional duty lawyers approved in the 2011-12 State Budget and additional resources allocated to the Commonwealth funded priorities under the National Partnership Agreement on Legal Assistance Services significantly increased salary costs from 2010-11. District allowance costs more than doubled from the prior year and the infoline temporary staff contract rate also increased by around 33%.

Depreciation & amortisation

Increased amortisation expenses relating to the commissioning of an internally generated intangible asset to replace Legal Aid WA's grants management system realised an increase in amortisation by approximately \$150,000.

Accommodation Expense

Accommodation expenses increased by 24% as a result of increased accommodation space requirements for the additional duty lawyers approved in the 2011-12 State budget and additional staffing resources allocated to the Commonwealth funded priorities under the National Partnership Agreement on Legal Assistance Services.

Other expenses

Increased State Community Legal Centre grants expenditure and additional staff relocation costs accounted for the increase within Other Expenses of \$0.668 million

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 risks. 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 allowance for impairment as shown in the table at note 33(c) 'Financial instruments disclosures' and note 19 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts 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 debts 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 on invested funds 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.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows including drawdown's of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments. The Commission attempts to maximise revenues from surplus funds by fixed term deposit investments chosen. 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 surplus, cash and cash equivalents and restricted cash and cash equivalents investments. Other than as detailed in the interest rate sensitivity analysis table at note 33(c), the Commission is not exposed to interest rate risk because apart from amounts of restricted cash, all other cash and cash equivalents and restricted cash are either non interest bearing or fixed interest bearing and have no borrowings.

The Commission's policy is to manage changes in interest rates by using 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:

	2012 \$	2011 \$
<u>Financial Assets</u>		
Cash and cash equivalents ^(a)	24,544,480	22,354,547
Restricted cash and cash equivalents	1,779,359	1,663,204
Receivables ^(b)	6,498,792	6,933,057
<u>Financial Liabilities</u>		
Payables	11,807,871	10,186,052

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

(b) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial instrument disclosures

Credit risk

The following tables discloses the Commission's maximum exposure to credit risk and the ageing 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 ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

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

The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Aged analysis of financial assets								
	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets	
			Up to 3 months	3 months to 1 year	1 year to six years	More than 6 years		
	\$	\$	\$	\$	\$	\$	\$	
2012								
Cash & cash equivalents	24,544,480	24,544,480	-	-	-	-	-	-
Restricted cash & cash equivalents	1,779,359	1,779,359	-	-	-	-	-	-
Receivables ^(a)	6,498,792	-	-	1,733,970	262,966	2,463,485	2,038,369	-
	32,822,631	26,323,839	-	1,733,970	262,966	2,463,485	2,038,369	-
2011								
Cash & cash equivalents	22,354,547	22,354,547	-	-	-	-	-	-
Restricted cash & cash equivalents	1,663,204	1,663,204	-	-	-	-	-	-
Receivables ^(a)	6,933,057	-	-	3,311,442	252,904	1,713,115	1,655,596	-
	30,950,807	24,017,751	-	3,311,442	252,904	1,713,115	1,655,596	-

(a) The amounts of receivables excludes the GST recoverable from the ATO (statutory receivable).

[Liquidity risk and interest rate exposure](#)

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure analyses only the carrying amounts of each item.

Interest rate exposure and maturing analysis of financial assets and financial liabilities										
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity Dates			
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$		Up to 3 months \$	3 months to 1 year \$	1 year to 6 years \$	More than 6 years \$
2012										
<u>Financial Assets</u>										
Cash and cash equivalents		24,544,480	15,631,191	4,112,723	4,800,566	-	-	-	-	-
Restricted cash and cash equivalents		1,779,359	1,768,809	-	10,550	-	-	-	-	-
Receivables ^(a)	2.668 ^(b)	6,48,792	-	-	6,498,792	-	1,733,970	262,966	2,463,485	2,038,369
		3,822,631	17,400,000	4,112,723	11,309,908	-	1,733,970	262,966	2,463,485	2,038,369
<u>Financial Liabilities</u>										
Payables		11,807,871	-	-	11,807,871	-	-	-	-	-
		11,807,871	-	-	11,807,871	-	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

(b) The interest rate used in the tables above is 2.668% (2011: 4.875%) which is the 5 year government bond rate as at June 30 2012.

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

Interest rate exposure and maturing analysis of financial assets and financial liabilities															
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity Dates								
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$		Up to 3 months \$	3 months to 1 year \$	1 year to 6 years \$	More than 6 years \$					
2011															
<u>Financial Assets</u>															
Cash and cash equivalents		22,354,547	14,243,296	7,703,661	407,590	-	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents		1,663,204	1,656,704	-	6,500	-	-	-	-	-	-	-	-	-	-
Receivables ^(a)	4.875 ^(b)	6,933,057	-	-	6,933,057	-	3,311,442	252,904	1,713,115	1,655,596					
		30,950,808	15,900,000	7,703,661	7,347,147	-	3,311,442	252,904	1,713,115	1,655,596					
<u>Financial Liabilities</u>															
Payables		10,186,052	-	-	10,186,052	-	-	-	-	-	-	-	-	-	-
		10,186,052	-	-	10,186,052	-	-	-	-	-	-	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

(b) The interest rate used in the tables above is 2.668% (2011: 4.875%) which is the 5 year government bond rate as at June 30 2012.

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

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 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
2012	\$	\$	\$	\$	\$
<u>Financial assets</u>					
Cash and cash equivalents ^(a)	24,537,405	(245,374)	(245,374)	245,374	245,374
Restricted cash and cash equivalents	1,779,359	(17,794)	(17,794)	17,794	17,794
Total Increase/(Decrease)		(263,168)	(263,168)	263,168	263,168
2011					
<u>Financial assets</u>					
Cash and cash equivalents ^(a)	22,347,622	(223,476)	(223,476)	223,476	223,476
Restricted cash and cash equivalents	1,663,204	(16,632)	(16,632)	16,632	16,632
Total Increase/(Decrease)		(240,108)	(240,108)	240,108	240,108

(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 COMMISSION AND SENIOR OFFICERS

Remuneration of members of the Commission

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

\$		\$		2012	2011
	0	-	10,000	5	5
	20,001	-	30,000	1	1
	380,001	-	390,000	-	1
	420,001	-	430,000	1	-
				\$	\$
The total remuneration of the members of the Commission				479,355	442,130

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

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

Remuneration of senior officers

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

\$		\$		2012	2011
	0	-	100,000	-	1
	100,001	-	110,000	-	1
	140,001	-	150,000	1	1
	150,001	-	160,000	1	-
	160,001	-	170,000	1	-
	170,001	-	180,000	-	1
	180,001	-	190,000	-	2
	190,001	-	200,000	3	1
	200,001	-	210,000	-	1
	210,001	-	220,000	1	1
	220,001	-	230,000	1	-
				\$	\$
The total remuneration of senior officers				1,487,729	1,414,993

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

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

NOTE 35. REMUNERATION OF AUDITOR

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

	2012 \$	2011 \$
Auditing the accounts, financial statements and key performance indicators	74,000	69,000

The remuneration of auditor is included at note 7 'Supplies and services'. The remuneration to 30 June 2012 was not accrued as work was not substantially completed. This amount excludes GST.

NOTE 36. RELATED BODIES

The Commission had no related bodies during the financial year.

NOTE 37. AFFILIATED BODIES

The Commission had no affiliated bodies during the financial year.

NOTE 38. SPECIAL PURPOSE ACCOUNTS

Special Purpose Account

[\(i\) Child Representation Trust Fund^{\(a\)}](#)

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 period	6,500	26,237
Receipts	-	-
Payments	(3,500)	(19,737)
Balance at end of period	3,000	6,500

Special Purpose Account

[\(ii\) Client Trust Fund^{\(a\)}](#)

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

Balance at start of period	80,556	61,878
Receipts	346,481	460,505
Payments	(309,094)	(441,827)
Balance at end of period	117,944	80,556

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 of money are involved or as the court so directs.

(a) Established under section 16(1)(c) of FMA.

NOTE 39. SUPPLEMENTARY FINANCIAL INFORMATION

(a) Write-Offs

	2012 \$	2011 \$
Debts written off during the year that were authorised by the Commission.	81,988	46,933

NOTE 40. SPECIAL CATEGORY FUNDING

During the course of the year the Commission realised expenditure related to legal representation costs in support of five 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	122,628
Additional funding 2010/11	-
Additional funding 2011/12	-
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)
Expenditure 2010/11	(39,550)
Expenditure 2011/12	-
Funds remaining 30 June 2012	193,364

(ii) Department of Child Protection (DCP) Legal Fund

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

	2012 \$	2011 \$
Balance at start of period	772,369	779,363
Funding	34,050	123,014
Expenditure	(106,422)	(130,008)
Balance at end of period	699,997	772,369

(iii) 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 period	33,421	(48,159)
Receipt from Commonwealth	527,660	390,415
User charges and fees	21,196	98,116
Expenditure	(443,736)	(406,951)
Balance at end of period	138,541	33,421

(iv) 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 \$26,000. The reconciliation of the expensive cases fund for 2011/2012 is as follows:

Balance at start of period	(138,491)	277,255
Adjustment relating to prior years	-	5,216
Supplementary funding	2,298,000	828,000
Expenditure	(1,931,041)	(1,248,961)
Funds owing at end of period	228,468	(138,491)

(v) Commonwealth Expensive Cases

Arrangements exist with the Commonwealth 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 \$40,000. The reconciliation of the expensive cases fund for 2011/12 is as follows:

Balance at start of period	(424,947)	19,014
Supplementary Funding	510,532	1,019,254
Expenditure	(1,426,442)	(1,463,215)
Funds owing at end of period	(1,340,857)	(424,947)

NOTE 41. COMMUNITY LEGAL CENTRES

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

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

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

	State	Commonwealth
Balance at start of period	991,946	414,384
Receipts	2,630,017	4,677,387
Payments	(1,533,528)	(4,947,464)
Balance at end of period	2,088,435	144,307

7.3 ADDITIONAL KEY PERFORMANCE INDICATOR INFORMATION

KEY PERFORMANCE INDICATORS

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Legal 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 2012.



Stuart Shepherd
Chairman

Date: 14 August 2012



George Turnbull
Director

Date: 10 August 2012

Detailed Information in Support of Key Performance Indicators

Agency funds are limited and determining the extent and type of assistance provided to clients is central to Legal Aid WA 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: Equitable access to legal services and information.

Agency Services Delivered: The community and target groups require access to and the provision of quality legal services. This is achieved through the provision 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. Legal Advice, duty lawyer services and community legal education is provided to assist the wider community to access fair solutions to legal problems at the earliest opportunity.

OUR SERVICES:

For the community		For target groups			For legal service providers
Information and advice	Duty lawyer services	Legal advice, Minor assistance and Advocacy	Legal representation	Community education services	Regional initiatives for legal practice
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, the Family Court of WA and the Children's Court.	To assist people facing legal issues with advice and practical help, including 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.	To increase the presence of lawyers in regional and remote areas of Western Australia and to ensure legal practice training and professional development is available to providers of legal services in regional and remote areas of Western Australia. Country lawyers are employed, trained and supervised by Legal Aid WA and training and professional development is delivered through legal practice training and interactive online learning systems.

Effectiveness Indicators

The outcome sought by Legal Aid WA as a result of the services provided is equitable access to legal services and information.

Equitable access to legal services is measured by the proportion of eligible applicants who receive a grant of aid and the extent to which duty lawyer services are available to ensure that all 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. 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 is regulated by policies and procedures relating to clients’ means, the nature and seriousness of their legal problem and the availability of resources.

Equitable access to legal information is measured by the extent to which members of the public are able to access Legal Aid WA’s Infoline service to identify legal problems, understand the alternatives for resolution and the resources available in pursuing a legal and non-legal solution.

DESIRED OUTCOMES AND KEY EFFECTIVENESS/EFFICIENCY INDICATORS

Agency Level Government Desired Outcome: Equitable access to legal services and information.

Effectiveness Indicators	2010 Actual	2011 Actual	2012 Target	2012 Actual	Reasons for significant variance between current actuals and target and prior year comparative
Percentage of eligible applicants who receive a grant of legal aid	75%	77%	75%	70%	The percentage of eligible applicants receiving a grant of aid has decreased due to restrictions placed on the number of grants of aid approved, to offset the increased legal representation costs of funding more indictable criminal matters in the superior courts and more complex family law matters.
Percentage of persons who are provided with a duty lawyer service	18%	19%	25%	21%	The increased target in 2012 reflects the increased capacity provided through an additional 10 duty lawyers, which have been funded in the 2011-12 budget. The percentage of persons who are provided with a duty lawyer service is less than target due to delays recruiting the additional duty lawyers resources.
Percentage of callers successfully accessing infoline services	86%	89%	88%	86%	

Service: Legal Aid Assistance

Key efficiency indicators	2010 Actual	2011 Actual	2012 Target	2012 Actual	Reasons for significant variance between current actuals and target and prior year comparative
Average cost per legal representation	2,744	3,192	3,123	3,722	The increase in the estimated average cost of legal representation is due to a higher demand for funding indictable matters in the superior courts and professional and expert report costs associated with more complex family law matters.
Average cost per legal information service	25	30	29	36	The increase in average cost per legal information service is due to a 33% increase in call centre contractor costs and a diversion of output producing staff to project work.
Average cost per legal advice	160	195	196	204	
Average cost per application for a grant of legal aid processed	271	282	262	302	The increase in the average cost per application for a grant of aid is due to a diversion of output producing staff from grants to project work to design and implement a new grants assessment system and the costs of operating a dual system during the change over period.
Average cost of delivering regional initiatives for legal practice	24,482	11,679	14,429	16,554	The increase in the average cost of delivering regional initiatives for legal practice is due to the lower number of regionally based attendees participating in training. In comparison, the large number of regionally based attendees participating in training in 2011 was a direct result of one-off mandatory resilience training in all regional centres.

* Note: Significant variances are considered to be those greater than 5%.

7.4 MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

7.5 OTHER FINANCIAL DISCLOSURES

Pricing policies of services provided

Legal Aid WA 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.

Capital Works

No capital projects were completed in 2011-12.

Employee and industrial relations

EMPLOYEE PROFILE 2011/2012

Level	Lawyers			Paralegal			Administration			Graduates			TOTAL 2010/11	TOTAL 2011/12	% 2010/11	% 2011/12
	P	O	C	P	O	C	P	O	C	P	O	C				
Cadet									1				1	1	0.32%	0.30%
1				1	1		8						12	10	3.79%	2.99%
2				21	4		37	3					61	65	19.24%	19.40%
3				39	6		9	4			8		62	66	19.56%	19.70%
4				8			8	1					18	17	5.68%	5.07%
5				8			6						15	14	4.73%	4.18%
6							6						6	6	1.89%	1.79%
7							2						2	2	0.63%	0.60%
8							3						3	3	0.95%	0.90%
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	0.32%	0.30%
Class 4													0	0	0.00%	0.00%
Special Division								1					1	1	0.32%	0.30%
S/C Level 1	12	21											27	33	8.52%	9.85%
S/C Level 2	29	3					1						27	33	8.52%	9.85%
S/C Level 3	12	5											13	17	4.10%	5.07%
S/C Level 4	22	2											28	24	8.83%	7.16%
S/C Level 5	10												9	10	2.84%	2.99%
S/C Level 6	24												22	24	6.94%	7.16%
S/C Level 7	2												2	2	0.63%	0.60%
S/C Level 8	1												3	1	0.95%	0.30%
S/C Level 9	1												2	1	0.63%	0.30%
S/C Level 10	4												2	4	0.63%	1.19%
TOTAL	117	31	0	77	11	0	81	9	0	0	8	0	317	335	100%	100%

Includes staff on LWOP:

2010/2011 LWOP 12 Females/1 Male

2011/2012 LWOP 9 Females

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

P = Permanent Employee

O = Contract Employee

C = Casual Employee

Staff Development

Legal Aid WA has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional, resilient and flexible workforce with the ability to adapt to a changing business environment and demand for our services.

During the financial year, we provided a range of in-house and external training to our staff. We also delivered compulsory Continuing Professional Development training to legal staff and the legal profession and our stakeholders. The value of training provided was \$210,624 (including GST). As the result of our commitment to staff training and development, we are recognised as an industry leader in the legal profession.

Workers Compensation

Five compensation claims of a minor nature were recorded during the financial year. This compares with seven compensation claims of a minor nature recorded in 2010-11.

7.6 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.

7.7 OTHER LEGAL REQUIREMENTS

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Commission incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

Total expenditure for 2011-12 was \$34,430

Expenditure was incurred in the following areas:

Advertising Agencies	\$18,638	Adcorp	\$8,102
		Print Logic	\$10,075
		Kwik Kopy	\$461
Market Research Organisations	\$10,075	Advantage Communications and Marketing	\$10,370
Polling Organisations	Nil		Nil
Direct mail organisations	Nil		Nil
Media advertising organisations	\$5,421	The West Australian	\$5,421

Contracts with Senior Officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Legal Aid Commission of Western Australia other than normal contracts of employment of services.

Insurance premiums to indemnify any director

An insurance premium of \$5,296.50 (including GST) was paid to Jardine Lloyd Thompson for Director's and Officers' liability insurance.

Professional conduct

Legal Aid WA and individual legal practitioners employed by or receiving remuneration from Legal Aid WA, are required, where applicable, to comply with the *Legal Profession Act 2008*, *Legal Profession Regulations 2009*, *Legal Profession Rules 2009*, and *Legal Profession Conduct Rules 2010*.

Application of Accountability Legislation

Section 56 of the *Legal Aid Commission Act 1976* states that the provisions of the Financial Management Act 2006 regulating the financial administration, audit and reporting of statutory authorities apply to and in respect of the Commission and its operations.

Annual Estimates for the Year Ended 30 June 2013

	\$
COST OF SERVICES	
Legal Service Expenses	
Casework Costs	17,692,460
Disbursements	1,073,600
Sundry Casework Expenses	41,500
Other Service Expenses	286,506
TOTAL Legal Service Expenses	19,094,066
Salaries and Related Expenses	
Salaries and Allowances	28,055,962
Staff Related Expenses	4,029,848
TOTAL Salaries and Related Expenses	32,085,810
Other Operating Expenses	
Communications	731,804
Services and Contracts	5,951,646
Consumables	1,045,556
Maintenance	579,339
Other	588,324
Depreciation	1,113,753
TOTAL Other Operating Expenses	10,010,423
Other Grants	
State Community Legal Centres	3,671,952
TOTAL Other Operating Expenses	3,671,952
TOTAL COST OF SERVICES	64,862,251
REVENUE FROM SERVICES	
Contributions	2,625,450
Revenue from Services	167,185
Other Operating Revenue	2,045,080
Legal Contribution Trust Fund	1,000,000
Interest Revenue	1,400,000
TOTAL REVENUE FROM SERVICES	7,237,716
NET COST OF SERVICES	(57,624,535)
REVENUE FROM GOVERNMENT	
Commonwealth Revenues	
National Partnership Agreement for Legal Assistance Services	19,916,000
Christmas/Cocos Island	540,535
Country Lawyers Funding	100,000
TOTAL Commonwealth Revenues	20,556,535
State Revenues	
Legal Aid Assistance Grant	34,627,000
Other Funding State Community Legal Centres	593,000
Royalties for Regions Fund	248,000
TOTAL State Revenues	35,468,000
TOTAL REVENUE FROM GOVERNMENT	56,024,535
SURPLUS/(DEFICIT) FOR THE PERIOD	(1,600,000)

Compliance with Public Sector Standards and Ethical Codes

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.

- 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 all staff;
- Standards information is provided to job applicants;
- Ongoing mentoring support is available to managers and recruiters;
- During 2011-12 two breach of standards claims were received. Both claims were investigated. No breach of standard was identified.

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 continues to be delivered to staff;
- A trained group of Grievance and Contact Officers are available to all staff. Two new Contact Officers were trained during the reporting period;
- Two allegations of non-compliance with the WA Code of Ethics were received in 2011-12. The allegations were substantiated and action was taken accordingly.

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;
- A trained group of Grievance and Contact Officers are available to all staff;
- Two allegations of inappropriate behaviour were received in 2011-12. The allegations were substantiated and action was taken accordingly.

Recordkeeping Plans

Legal Aid WA submitted a revised recordkeeping plan to the State Records Office on the 19 March 2012 for consideration. It has been approved in principle by the State Records Office and referred to the State Records Commission for formal approval.

Efficiency and effectiveness of the organisations recordkeeping systems.

An audit of recordkeeping in Legal Aid WA was conducted in April 2012.

The organisation conducts a recordkeeping training program.

Legal Aid WA conducts a recordkeeping training program that includes both online recordkeeping awareness training and in person training on the recordkeeping system and information classification.

Efficiency and effectiveness of the recordkeeping training.

Feedback from the recordkeeping training program is reviewed on an ongoing basis.

Organisations induction program addressing employee roles and responsibilities.

Recordkeeping awareness training forms part of the induction program and assists in raising employee awareness of their recordkeeping responsibilities and obligations.

7.8 GOVERNMENT POLICY REQUIREMENTS

Occupational Safety, Health and Injury Management

Statement of Legal Aid WA's commitment to occupational safety and health and injury management with an emphasis on Executive commitment.

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.

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;
- Providing bicycle parking and shower and locker facilities;
- Wellness seminars;
- Openly discussing resilience related issues and encouraging debriefing practices;
- Making trained Contact Officers available to staff in all parts of our organisation;
- Supporting work-life balance and the use of flexible work options, where operationally suitable;
- Managing the use of accrued leave;
- Interested staff are taking part in the Global Corporate Challenge. All participants are challenged to walk 10,000 steps per day or more.

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

Forums for the circulation of *occupational safety and health* related information include:

- Incident and risk reporting procedures, including a new avenue to report incidents specifically relating to resilience;
- Safety updates and information circulated to staff via the intranet;
- Resilience training provided to 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;
- Risk inspections;
- Risk Register.

Statement of compliance with the injury management requirements of the Workers' Compensation and Injury Management Act 1981 including the development of return to work plans.

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 an assessment of the occupational safety and health management system has been completed (within the past five years or sooner) using a recognised assessment tool and reporting the percentage of agreed actions completed.

Legal Aid WA did not complete an accredited assessment during the reporting period.

A report of annual performance for 2011-12 against the following:

Indicator		Actual 2011-12		
Number of Fatalities		Zero (0)		
Lost Time Injury/Diseases (LTI/D) incidence rate		Zero (0)		
Lost Time Injury Severity Rate		Zero (0)		
Percentage of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks.		All staff returned to work within 13 weeks		
Percentage of Managers trained in OSH and Injury management responsibilities.		Zero (0)		
Fin Year	Number of Fatalities	Number of Lost Time Injury or Disease	Number of Severe Claims	Lost Time Injury Severity Rate
2010-11	0.00	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	0.00

8. LEGAL AID OFFICES

PERTH OFFICE

55 St Georges Terrace
Perth WA 6000

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

TELEPHONE INFORMATION LINE

General Inquiries 1300 650 579

National Relay Service:
(for hearing and speech impaired) 133 677
Translating and interpreting services 131 450

WEBSITE

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
1 Midland Square
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

98 Konkerberry Drive
Kununurra WA 6743

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

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) 9025 1300
Facsimile (08) 9091 2077

MIDWEST & GASCOYNE REGIONAL OFFICE

Unit 7, The Boardwalk
273 Foreshore Drive
Geraldton WA 6530

Telephone (08) 9921 0200
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PILBARA REGIONAL OFFICE

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South Hedland WA 6722

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WEST KIMBERLEY REGIONAL OFFICE

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15-17 Dampier Terrace
Broome WA 6725

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Christmas Island, Indian Ocean WA 6798

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LEGAL AID
WESTERN AUSTRALIA