



## Legal Aid Commission of NSW



2005-2006 Annual Report

# Our role

The Legal Aid Commission of NSW provides legal aid services in New South Wales. It is the largest legal aid agency in Australia.

The Commission is established under the *Legal Aid Commission Act 1979* to improve access to justice by providing a range of legal services to socially and economically disadvantaged people. We are an independent statutory body.

We work in partnership with private practitioners who receive funding from the Commission to represent legally-aided clients. In 2005–2006, private practitioners represented 45% of all legal aid clients.

In 2005–2006 we provided 502,390 client services, which included case grants, duty appearances, legal advice, information services and community legal education through our head office, 20 regional offices and private practitioners.

The Commission reports to the NSW Attorney General, The Hon. Bob Debus, MP.

## Our mission

To deliver a range of innovative, high quality legal services to our clients and the community, to assist them to resolve their legal problems.

## Our vision

To ensure that people who are economically and socially disadvantaged can understand, protect and enforce their legal rights and interests.

## Our values

**Integrity:** Acting ethically at all times

**Professionalism:** Providing high quality services

**Efficiency:** Using resources responsibly

**Equity:** Ensuring equal access to services

**Innovation:** Finding better ways to do things.

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# Achievements in 2005–2006

# Focus for 2006–2007

## 1. Improved quality, range and accessibility of our client services

- Survey shows clients are highly satisfied with our advice services
- Simplified our means test and increased thresholds
- Developed an online means test indicator
- Increased services to Aboriginal clients
- Established a Coronial Inquest Unit
- Expanded our grants of aid in human rights matters
- Established an agreement with the Coalition of Aboriginal Legal Services
- Held 2,135 family mediation conferences

## 2. Improved systems and processes in order to work more effectively

- Developed new performance indicators
- Conducted best practice reviews of four key service areas
- Achieved a 30% increase in private law firms lodging legal aid applications online
- Introduced file review and audit systems across all legal program areas as well as for private practitioners

## 3. Continued to build an organisation of skilled and committed people

- Over 1,600 employee attendances at 200 training sessions
- Set up a career development program for new lawyers and recent graduates
- More staff enrolled in comprehensive business management training
- Lawyers attended a new intensive advocacy training program

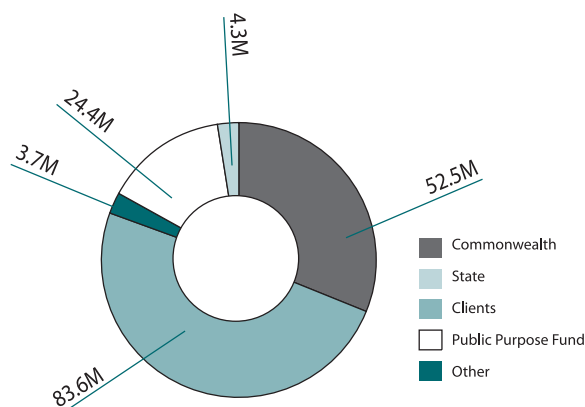
## 4. Helped to shape the justice system through policy and reform work

- Prepared 29 law reform submissions
- Helped establish the NSW Legal Assistance Forum (NLAF)—a statewide forum on planning and delivering legal services
- Introduced a new case conferencing system to reduce late guilty pleas

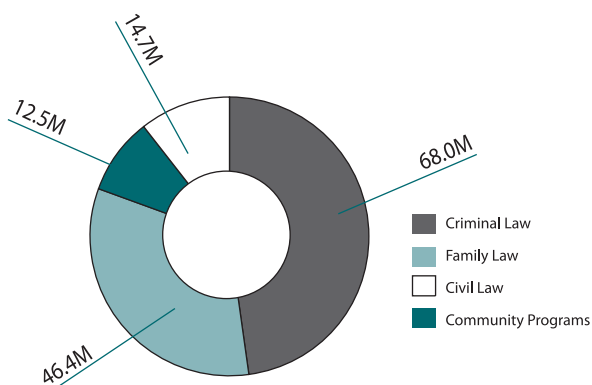
- Improve services to **rural clients** by implementing the Regional Solicitor Program and developing a Rural Client Service Strategy
- Expand our **civil law services** to additional locations
- Implement new service delivery initiatives for **Aboriginal clients**
- Implement a **Graduate Recruitment Program**
- Implement the outcomes of our **best practice reviews** of Children's Care and Protection Service, Mental Health Advocacy Service and Prisoners Legal Service
- Develop **new computer systems** for managing grants of legal aid and cases

# Budget and service delivery highlights

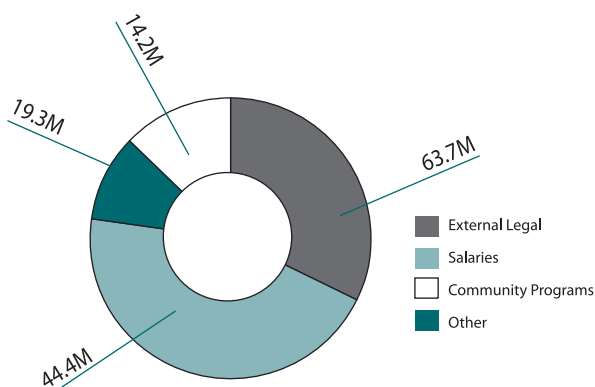
Source of funds (\$M)



Fund expenditure by program (\$M)



Where the funds are spent (\$M)



## Funding

The Commission receives its income from the Commonwealth and NSW Governments, the Public Purpose Fund and client contributions. Combined income for 2005–2006 was \$168.526 million, and expenditure was \$141.598 million.

The Commission undertakes work for the Commonwealth Government on the basis of a four-and-a-half year agency agreement, which ends on 31 December, 2008.

## Financial highlights

- Operating surplus of \$12.748M (before capital and individually significant items).
- Funding from the State Government increased by \$4.031M or 5.1% and from the Commonwealth Government by \$2.125M or 4%.
- The Trustees of the Public Purpose Fund increased their base funding by 25% or \$4.863M.
- Payments of \$63.650M were made to private lawyers who provide legal services to the Commission and our clients.
- Net assets increased from \$13.487M to \$40.264M.
- Expenditure for Community Programs increased from \$14.136M to \$14.720M.

For more details, see [Financial Overview](#) on page 59.

## Service highlights

- Overall services to clients increased by 24%–26% in civil law, 30% in family law and 19% in criminal law.
- Established a Coronial Inquest Unit.
- Held 2,135 Alternative Dispute Resolution conferences in family law matters, with a 86% (full or partial) settlement rate.
- Introduced case conferencing in indictable criminal matters.
- Increased use of audiovisual facilities for client service.
- Expanded child support and children's care and protection services in regional areas.

For more details, see [Clients](#) on pages 12–19.

# Key performance indicators

The Commission works with other justice agencies to provide the people of New South Wales with a fair and equitable and efficient justice system where people take action to protect their legal rights and comply with their legal responsibilities, and where socially and economically disadvantaged members of the community have equality before the courts.

The Commission's services contribute to these outcomes by:

- Increasing the community's awareness of legal rights and responsibilities; and
- Ensuring that socially and economically disadvantaged people receive appropriate legal representation and court outcomes.

The Commission's key performance indicators as seen below, measure how well the Commission is performing in accomplishing these results for the community.

Focus area—KPI	Measures	04-05 Result	05-06 Target	05-06 Result*
<b>Community awareness of legal rights and responsibilities</b>				
<ul style="list-style-type: none"> <li>• Advice provided is accurate, timely and helpful</li> <li>• Community has access to information and advice</li> </ul>	% of clients satisfied with quality of advice provided by Commission staff (bi-annual survey)	N/A	70%	86-92%
	Average waiting time for advice appt (wks)	1.1	1.1	1.1
	No. of community accessing information	157,968	217,699	242,011
	Per 100,000 of community	(2,332)		(3,534)
	No. of community accessing advice services	74,481	75,853	80,052
	Per 100,000 of community	(1,099)		(1,169)
	No. of community accessing publications	302,067	302,000	289,778
	Per 100,000 of community	(4,459)		(4,230)
	No. of community accessing community legal education sessions	5,892	5,900	9,328
Per 100,000 of community	(87)		(136)	
No. of internet pages accessed by the community	N/A	1,900,000	2,259,901	
<b>Accessibility to Legal Aid</b>				
<ul style="list-style-type: none"> <li>• Socially and economically disadvantaged people receive appropriate legal</li> </ul>	Means test income limit as a % of national minimum weekly wage (1995 base)	40.7%	44.6%	44.6%
	% of Local Court sittings serviced by duty solicitor schemes	100%	100%	100%
<b>Representation service standards</b>				
<ul style="list-style-type: none"> <li>• Representation services are conducted according to law and best practice</li> </ul>	% of satisfactory comprehensive inhouse file reviews	N/A	85%	99.3%
	No. of Commission lawyers with specialist accreditation	85	75	106
	No. of Commission lawyers attending inhouse and MCLE** training sessions	1,405	1,450	1,652

\*On or above target

\*\*MCLE: Mandatory Continuing Legal Education

# Summary of services by program

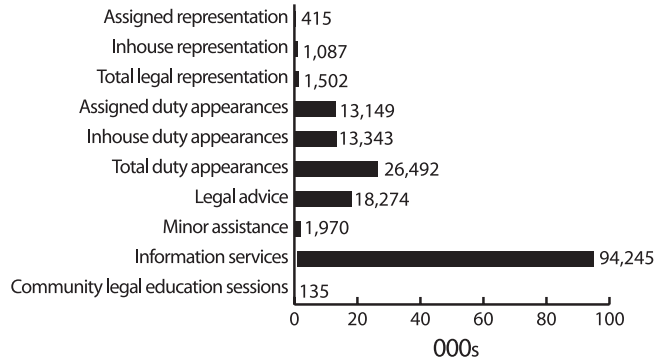
## WHAT WE SPENT

## SERVICES PROVIDED

### CIVIL LAW

**Total expenditure \$12.545M**  
 - State \$9.312M  
 - C'wealth \$3.233M

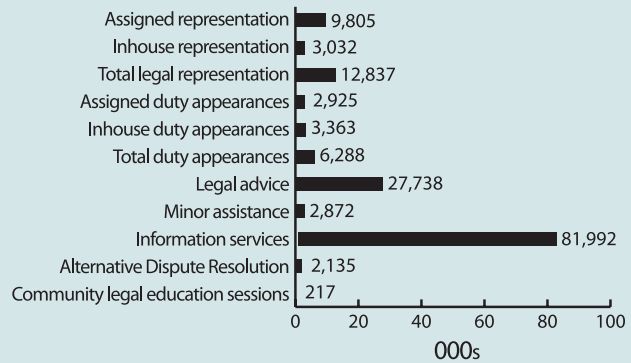
See pages 16–18 for more detail



### FAMILY LAW

**Total expenditure \$46.406M**  
 - State \$10.653M  
 - C'wealth \$35.753M

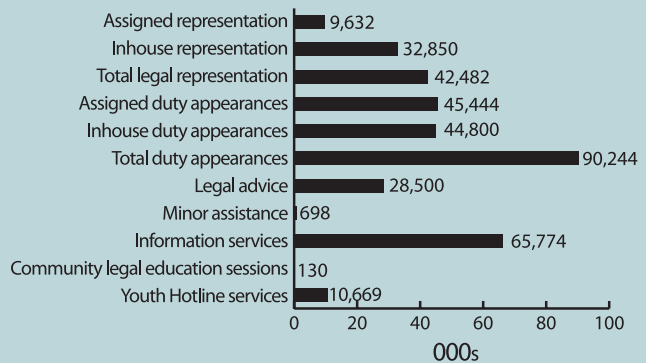
See pages 14–16 for more detail



### CRIMINAL LAW

**Total expenditure \$67.927M**  
 - State \$63.369M  
 - C'wealth \$4.558M

See pages 19–21 for more detail



### COMMUNITY PROGRAMS

**Total expenditure \$14.720M**  
 - State \$9.574M  
 - C'wealth \$5.146M

See pages 24–26 and 112–113 for more detail

#### Legend

- ADR: Alternative Dispute Resolution
- ATSI: Aboriginal and Torres Strait Islander
- CLC: Community Legal Centre
- CLE: Community Legal Education
- C'wealth: Commonwealth
- WDVCAP: Women's Domestic Violence Court Assistance Program
- WDVCAS: Women's Domestic Violence Court Assistance Scheme

WHAT WE DO	WHAT WE ACHIEVED THIS YEAR	THE YEAR AHEAD
<p>Case representation</p> <p>Legal advice and minor assistance</p> <p>General civil law information</p> <p>Community legal education</p> <p>Veterans' Advocacy Service</p> <p>Mental Health Advocacy Service, including duty appearances before magistrates and the Mental Health Review Tribunal</p>	<p>Increased services to clients by 26%</p> <p>Established a Coronial Inquest Unit</p> <p>Expanded policies in public interest human rights matters</p> <p>Entered an agreement with the Coalition of Aboriginal Legal Services</p> <p>Expanded our Women in Prison project</p> <p>Expanded services to Aboriginal clients</p> <p>Commenced the Inappropriate Lending Practices Project</p> <p>Reviewed the Mental Health Advocacy Service</p>	<p>Improve services to Aboriginal communities</p> <p>Expand the program to meet identified service delivery needs across New South Wales</p> <p>Increase mental health duty services to service additional hospital places</p> <p>Implement recommendations from the Mental Health Advocacy Service review</p> <p>Evaluate the Coronial Inquest Unit pilot</p> <p>Work with Air Force Associations to improve access to legal aid services to veterans</p>
<p>Case representation</p> <p>Duty appearances at Local and Family Courts</p> <p>Legal advice and minor assistance</p> <p>General family law information</p> <p>Alternative Dispute Resolution Conferencing</p> <p>Community Legal Education</p> <p>Representation and assistance in children's care and protection matters</p>	<p>Increased services to clients by 30%</p> <p>Held 2,135 ADR conferences, with full or partial settlement in 86% of them</p> <p>Introduced an ADR pilot in property matters</p> <p>Established a child support duty scheme at the Sydney Federal Magistrates Court</p> <p>Introduced advice clinics in Armidale and Gunnedah</p> <p>Expanded child support and care and protection services in regional areas</p> <p>Reviewed the Care and Protection Service</p>	<p>Develop relationships and referral arrangements with the new Family Relationship Centres opening on 1 July 2006</p> <p>Establish a priority telephone line to link Commission services with the Family Relationships Advice Line</p> <p>Develop service plans to meet client needs arising from major changes to the child support system</p> <p>Provide more services in regional areas especially for Aboriginal clients – both adults and children in the central west of NSW</p> <p>Implement the recommendations of the Care and Protection Review</p>
<p>Case representation</p> <p>Duty appearances at Local Court</p> <p>Legal advice and minor assistance</p> <p>General criminal law information</p> <p>Youth HotLine</p> <p>Adult and Youth Drug Court Programs</p> <p>Community Legal Education</p>	<p>Increased services to clients by 19%</p> <p>Introduced case conferencing for indictable matters</p> <p>Delivered training to private practitioners doing legal aid work in regional areas</p> <p>Reviewed the Prisoners Legal Service</p> <p>Increased the use of audio visual facilities in gaols</p> <p>Piloted self-help education sessions in Parramatta (drink driving charges)</p> <p>Worked with the Local Courts and Police Service on a Domestic Violence Court Intervention Model pilot</p>	<p>Identify ways reducing the incidence of unrepresented persons receiving a custodial sentence</p> <p>Develop services for clients using new and expanded courts in the Sydney Metropolitan area (Bankstown, Blacktown, Mt Druitt)</p> <p>Develop services for clients of the Children's Court at the new Parramatta Court Precinct</p> <p>Improve services to, and assignment rates, for clients in custody facing defended hearings</p> <p>Provide more training in criminal law and practice standards for private practitioners in regional areas</p> <p>Work with clients and other agencies to ensure the effectiveness of case conferencing in reducing late pleas of guilty in the District Court</p>
<p>Distribute State and Commonwealth funding to 32 Community Legal Centres</p> <p>Distribute State funding to 33 WDVCA schemes, providing assistance to women at 55 courts throughout the State</p> <p>Provide a domestic violence solicitor scheme at 12 courts to represent all women making ADVO applications</p>	<p>CLCs conducted a number of successful landmark cases</p> <p>WDVCAs provided 33,915 services to women</p> <p>Translated the brochure <i>Helping you go to court to get an Apprehended Violence Order</i> into 15 community languages</p> <p>The WDVCA annual conference, attended by 155 people, celebrated the Program's 10th birthday</p>	<p>Implement the recommendations of the Joint Review of the NSW Community Legal Centre Program</p> <p>Extend the Children's Court Assistance Scheme to Cobham and Bidura Children's Courts</p> <p>Find new ways for justice system agencies to work together in order to improve services to women experiencing domestic violence</p> <p>Review the Domestic Violence Solicitor Scheme</p> <p>Develop an online resource and information tool and best practice database</p>

# Corporate Plan 2005–2007

## BUSINESS STRATEGIES

<p><b>Client services</b></p> <p><b>The needs of our clients and the community will drive us to improve the quality, range, responsiveness and accessibility of our services.</b></p>	<ul style="list-style-type: none"> <li>• Identify and implement innovative and flexible ways to more effectively meet client and community needs</li> <li>• Ensure our policies allow for the widest range of people in need to access our services</li> <li>• Develop policies and procedures that support the early resolution of disputes and the use of diversionary programs</li> <li>• Drive the co-ordinated delivery of legal services through effective partnerships with other legal service providers across the State</li> <li>• Provide consistency in the delivery of our services across the State</li> </ul>
<p><b>Skilled and committed people</b></p> <p><b>The Commission will be a professionally and personally rewarding place to work. We will support our staff to be highly skilled, responsive, innovative and flexible team members.</b></p>	<ul style="list-style-type: none"> <li>• Strengthen our position as a leading legal firm by attracting skilled people to rewarding jobs</li> <li>• Strengthen organisational capacity by developing the skills and talent of all our people</li> <li>• Identify ways to enhance the role of administrative and clerical staff in the Commission</li> <li>• Provide lawyers with diversity and an improved career path within the Commission</li> </ul>
<p><b>Strong systems and processes</b></p> <p><b>We will continue to improve our systems and processes to help us work more effectively and make sound business decisions.</b></p>	<ul style="list-style-type: none"> <li>• Ensure our policies and procedures are equitably and consistently applied</li> <li>• Improve the accuracy, timeliness and accessibility of management information</li> <li>• Provide our staff with improved business and management tools</li> <li>• Simplify our business processes</li> <li>• Use feedback from clients, partners and stakeholders to enhance the delivery of our services</li> </ul>
<p><b>Shaping the justice system</b></p> <p><b>We will be at the forefront of policy development and innovation in the justice system, ensuring that the interests of our clients are identified and acknowledged by a fair and responsive justice system.</b></p>	<ul style="list-style-type: none"> <li>• Maximise our contribution to legal service policy and reform</li> <li>• Target opportunities to bring about procedural reform in the justice system</li> <li>• Enhance and broaden our relationships with stakeholders, government and community agencies</li> <li>• Alert policy makers to the financial and operational impact of proposed legislation and policy decisions on the Commission</li> </ul>



PERFORMANCE INDICATORS	OUTCOMES	PAGE
A self assessment means test for clients is available on our website by 31/12/05	Means test indicator developed and available on the Legal Aid website	12
A client service strategy for ATSI clients is piloted by 30/6/06	Developed guidelines: <i>Making Our Services Work for Aboriginal People</i>	13
Minor assistance services in family law are introduced by 30/6/06	2,875 minor assistance services provided to 30 June 2006	-
A pilot of ADR for property matters in family law is conducted by 30/6/06	100 conferences conducted in property matters	15
A proposal for the statewide implementation of the Cooperative Legal Service Delivery model is developed by 31/12/05	Proposal developed and accepted with implementation in two additional regions of Albury/Wagga Wagga and the Hunter.	23
The role locations and structure of operations in Sydney West are reviewed by 30/6/06	Review completed	42
Practice/Procedure Manuals are developed for all program areas by 30/6/06	Manuals developed for all three legal program areas as well as the Grants Division and Records Management	42
A recruitment strategy for the Commission incorporating graduate employment and summer clerkships is implemented by 30/6/06	Graduate Recruitment program developed with first intake due in February 2007	28
A comprehensive induction program for new starters is implemented by 30/6/06	The new Induction Framework document has been developed and will be implemented by 30 September 2006.	28
A review of office support organisational roles and structures at head office and regional offices is undertaken by 30/6/06	Review deferred while the impact of new case management systems is assessed	-
Voluntary job rotation is introduced across all program areas by 30/6/06	Voluntary job rotation has been implemented and has become an active approach to staffing.	28
File review and audit systems are implemented in all legal program areas and for private practitioners by 30/6/06	File review and audit systems have been implemented in the three program areas and an audit priority strategy established for panel private practitioners	41, 42, 45
A data warehouse is established for all Legal Aid applications by 30/6/06	A data warehouse has been established and integration with other operating systems is complete	44
Key Performance Indicators and Business Activity Measures are implemented by 31/12/05	Key Performance Indicators were implemented in October 2005.	38
Introduce a case management system across all program areas	A pilot is currently underway in criminal law and will commence shortly for family law with implementation in civil law to commence in late 2006.	43
Usage of E-Lodgement is expanded to criminal cases by 30/6/06	54% of private practitioner applications in Local Court crime and 36% of applications in Children's Court crime are e-lodged as at mid June 2006.	45
Commission's client policies are rewritten in plain language by 30/6/06	Work has commenced with two chapters of the Manual due for completion in July 2006 and majority of the remaining chapters by December 2006.	41
A client survey is undertaken by 30/6/06	A client survey was conducted during March and April 2006	12
The NSW Legal Assistance Forum for statewide collaboration on service delivery is established by 31/10/05	Forum has been established and meets on a quarterly basis. Working Groups have been set up to progress the development of specific issues.	47
The Commission's response to the Criminal Case Processing reforms is implemented and evaluated by 30/6/06	The Case Conferencing process began on 1 January 2006.	41
Legal aid information kits are developed by 31/12/05	Kits developed for target areas in civil, family and criminal law.	-
Business Rules are published on the For Legal Practitioner (FLP) website or the Commission's Intranet by 30/6/06	Completed	-
The impact on the Commission and its clients of law reform proposals is identified and included in Commission submissions	Completed. Included on an ongoing basis.	-



## Chairman's report

**“The Commission now has a strong platform to meet the increasing community need for its services.”**

**I am again delighted to provide this report in connection with the 27th annual report of the Legal Aid Commission of New South Wales.**

The Commission had a successful year in all respects. I believe it now has a strong platform, both financially and in terms of organisational support, to meet the increasing community need for its services.

**Some of the highlights last year include:**

- The Commission's overall services to its clients increased by 24%. Services to clients increased by 19% for criminal law, 26% for civil law and 30% for family law.
- The Commission has developed an online means test indicator to assist clients and private practitioners to determine whether they satisfy the means test requirements for legal aid. This is a first for Legal Aid Commissions around Australia.
- Our means test has been simplified and the eligibility criteria has been increased to improve eligibility for assistance.
- We have been able to increase our representation in a number of areas including the establishment of a Coronial Inquest Unit, a pilot program for conferencing property matters and the expansion of our alternative dispute resolution conferencing program.

A key objective of the Commission is to explore the means to improve co-ordination and co-operation between service providers. For example:

- the Cooperative Legal Service Delivery model which was commenced in March 2004 has been expanded to operate in two further regions – Albury/Wagga Wagga and the Hunter;
- the Commission has entered into an agreement with the Coalition of Aboriginal Legal Services to improve access to civil law advice services to Aboriginal communities.

During the year Mark Richardson retired as a member of the Commission. Mark was the representative of the Law Society on the Commission. I would like to thank Mark for his valuable contribution. Mark's replacement is Ms Pauline Wright.

Once again, I thank Bill Grant and all of the team at the Commission for their dedication to the continuing improvement of the provision of legal aid in New South Wales.

**Phillip Taylor, Chairman**



## CEO's report

**I am pleased to present the Commission's Annual Report for 2005–2006—a year in which the Commission has significantly increased its service delivery numbers in nearly all areas of operations.**

The staff of the Commission, in conjunction with our private practitioner colleagues have provided greater numbers of services to our clients in all of our practice areas, criminal, family and civil. We have also significantly increased our community legal education sessions with a corresponding substantial increase in the number of people accessing these services. I am also very pleased that the Commission has again provided more services to the Aboriginal community and we look forward to working with the new Aboriginal Legal Service Limited to continually improve our services to Aboriginal people.

**“We have been able to expand and enhance our service delivery to the economically and socially disadvantaged members of our community.”**

The Commission has had a busy year but we have still been able to expand and/or enhance our service delivery to the economically and socially disadvantaged members of our community. For example, the Commission has established:

- a Coronial Inquest Unit to increase access to representation in inquests where questions of public interest arise;
- the Commission's Cooperative Legal Service Delivery model and as a result rolled the model out to an additional two areas at Albury/Wagga and the Hunter;
- expansion of the e-lodgement facility to criminal cases;
- a legal service which visits women in custody, providing them with civil and family law assistance;
- a Legal Aid Human Rights Committee to focus

on promoting and protecting human rights in public interest human rights matters.

This year the Commission conducted its first client satisfaction survey in relation to our advice services. The survey indicated a high to very high level of satisfaction with:

- 91.5% of clients indicating they were satisfied with the services of our clerical staff.
- 85.9% indicating satisfaction with the services of our lawyers, and
- 90.5% indicating that they would recommend our services to another person.

The Commission was able to again raise the fees it pays to private practitioners. This continues our commitment to our private practitioner colleagues to try to pay a return for undertaking legal aid work which goes closer to reflecting commercial reality. There is still much to achieve in this area.

The Commission was also able, for the first time in 10 years—and with the assistance of the Public Purpose Fund—to commence the process of updating its means test. The Commission is committed to bring the thresholds completely up to date as soon as possible. The Commission also created a Means Test Indicator on its website so that potential clients can calculate if they pass the Commission's means test, and therefore qualify for legal aid.

During the year the Commission again demonstrated its commitment to working with its service delivery partners to better coordinate the provision of services to our clients, by assisting to establish the NSW Legal Assistance Forum of peak bodies involved in the delivery of public legal issues. This body is working extremely well in its first year of operation.

The senior management and staff of the Commission now look forward to another year of innovation and expansion of our services to better assist the economically and socially disadvantaged members of our community.

**Bill Grant, OAM, CEO**

# Our services

## Information

Our legal information services are free and can be accessed by the general community. Our staff can help with any initial inquiries about a legal problem and legal processes and will send written information to help clients understand their situation and the availability of legal aid. Our staff will help clients work out what to do next, and the best place to go if they need further assistance.

## Youth Hotline

Our telephone hotline provides legal advice to young people who are in trouble with the police. The services operate 9am to midnight on weekdays, with a 24 hour service between Friday and Sunday and on public holidays.

## Legal advice and minor assistance

Legal advice is free and available to our clients over the phone, face-to-face and through video-conferencing. Our lawyers will help clients to identify their problem, inform them of their legal rights and obligations and help them to understand what course of action can be taken. The lawyer may also draft letters or other documents for the client and make telephone calls on their behalf to help resolve their problem.

## Community legal education and publications

We provide free information, publications and information kits to all people in New South Wales to help them understand their legal rights and responsibilities. We conduct information sessions at venues across New South Wales and for community groups, schools and other organisations on request. The sessions can be tailored to suit the needs or interests of particular groups.

We provide a wide range of brochures and information kits explaining the law and legal processes. Our brochures are available at our offices, many community organisations and on our website.

## Duty solicitor services

The Commission provides a lawyer (called a duty solicitor) to all sittings of the Local Court and at some other courts. Duty solicitors act for people appearing in a Local Court on a criminal charge for the first time and who have no one to represent

them. Usually the duty lawyer will give some initial legal advice and, if necessary, apply for bail and for the case to be adjourned so the client can obtain legal advice and representation. The duty solicitor can also help people apply for legal aid. The duty solicitor service is free.

The Commission also provides duty solicitor services at some sittings of the Family Court of Australia and the Federal Magistrates Court.

## Legal representation

The Commission provides legal representation to people who meet our eligibility tests in most criminal law, family law and civil law matters. Clients need to apply for legal aid using our Legal Aid Application form. Only people with income and assets below a certain level can obtain legal aid. Most people granted legal aid are required to pay a small contribution towards the costs of their legal representation.

## Alternative Dispute Resolution (ADR)

We provide Alternative Dispute Resolution conferences in family law matters to resolve disputes at an early stage. The parties are given the opportunity to negotiate a settlement that suits them both without the need to go to court. If a settlement is reached, consent orders are drafted and filed in the Family Court. At least one of the parties must have a grant of legal aid before a conference is organised.

## Specialist services

Our specialist services are provided by experienced lawyers and other staff with specialist knowledge in particular areas of law. Services include:

- Children's Legal Service
- Mental Health Advocacy Service
- Prisoners Legal Service
- Adult Drug Court
- Youth Drug and Alcohol Court
- Child Support Service
- Child Care and Protection Legal Service
- Veterans' Advocacy Service
- Human Rights Unit
- Coronial Inquest Unit
- Client Assessment and Referral Unit.

## Our clients



**The Commission provides information, advice, minor assistance, representation and community legal education to its clients. The Commission consists of several divisions, with a wide scope of service delivery. This section outlines client service highlights, achievements, forecasts, and the work of key partnerships conducted in 2006.**

# Client services

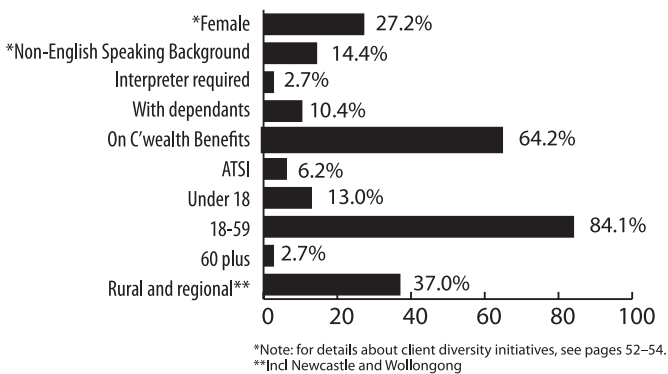
## Our clients

The Legal Aid Commission ensures that community members suffering disadvantage through financial or social circumstances have access to valuable legal assistance across a range of services including information, advice, alternate dispute resolution, community legal education and court representation. The Commission's work directly contributes to socially and economically disadvantaged members of our community achieving equality before the courts.

In 2005–2006 we provided 502,390 client services—an increase of 24% on the previous year. The Commission's client base in 2005–2006 remains relatively stable. The increasing trend in services delivered to Aboriginal people continued its growth as did the number of clients in receipt of Commonwealth benefits. Small variations in numbers within other client groups were noted.

### Commission-wide client profile

(based on total cases and inhouse duty services)



## Major achievements

### Survey results show high satisfaction

In March/April 2006, we undertook a survey of clients using our legal advice services in order to measure client satisfaction and identify areas for improvement.

Almost 92% of clients indicated that they were satisfied with the services delivered by clerical staff

and 86% were satisfied with the services delivered by Commission lawyers.

The overwhelming majority of clients surveyed (90.5%) said they would recommend our services to another person.

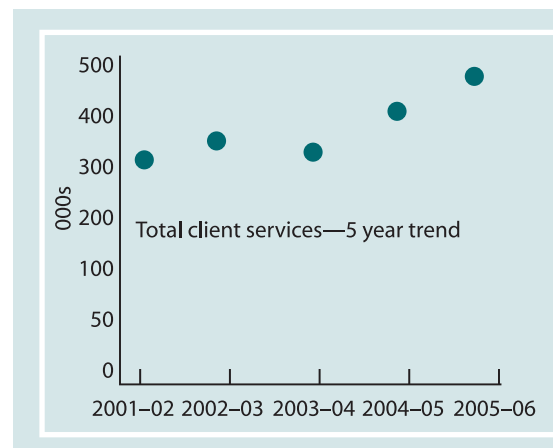
Clients reported that the most positive aspects of their visit to a Legal Aid office were "the lawyers/ clerical staff/everybody was interested, helpful and polite" and "got the advice needed", and only a small number of clients reported negative aspects, such as "disappointment with information/advice" and "waiting time in office".

### More people can access legal aid

We simplified our means test for legal aid applicants receiving Centrelink income support payments at the maximum rate. We increased the income and asset test thresholds. Under the new limits, more people who cannot afford a private lawyer will be able to qualify for legal aid.

### New online tool—a national first

In a first for legal aid commissions around Australia, the Commission developed a self-assessment means test indicator. Now, anyone visiting our website can quickly navigate a simple process to calculate if they are likely to be eligible for a grant of legal aid. Since its launch in April 2006, over 500 people per week have used the indicator. Other government and community agencies have been quick to embrace the new tool and incorporate it into their daily work.



**We increased our services to clients by 24% in 2005–2006. Our business priority this year was to improve the quality, range, responsiveness and accessibility of our services for our clients and the community.**

*Our customer service officers are very happy with Legal Aid's new indicator as it is simple, uses plain language and can easily be explained to our customers.*

*We now use this tool in training our new staff about the means test. It has certainly given them greater confidence in talking over means test eligibility with customers.*

*Amanda Templeman  
Project Manager, Service Development  
LawAccess NSW*

**Improving Aboriginal service delivery**

The number of Legal Aid services provided to Aboriginal clients has increased over the past five years, and is expected to grow further as the Commission strengthens its working partnership with Aboriginal Legal Services.

To ensure Legal Aid effectively meets the needs of Aboriginal people throughout NSW, the Commission developed new guidelines on delivering culturally appropriate services for Aboriginal people. *Making our Services Work for Aboriginal People* will assist our staff to be aware of the difficulties faced by Aboriginal people in accessing the justice system, and help ensure that they communicate sensitively with Aboriginal clients.

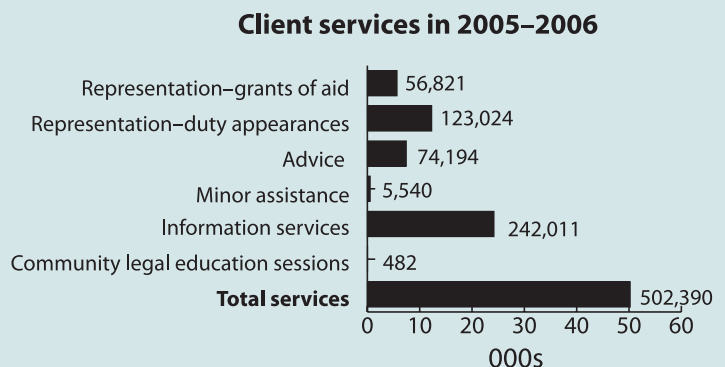
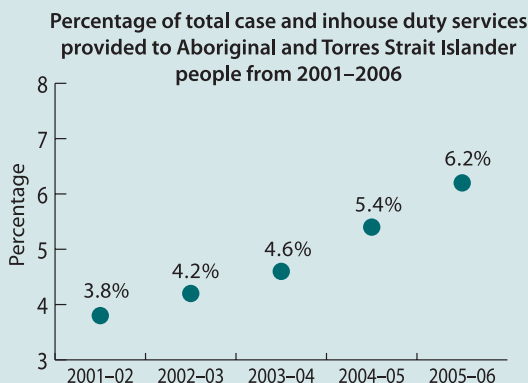
The guidelines were developed in consultation with a wide range of Aboriginal organisations and individuals, including the Coalition of Aboriginal Legal Services (now the Aboriginal Legal Service (NSW/ACT) Limited) and NSW Aboriginal Justice Advisory Committee.

The Commission continued to provide Aboriginal Awareness training to staff.

We also increased our community legal education program to Aboriginal people living in regional and remote areas through participation in Combined Forums, a joint government initiative. Along with a number of other government departments, we visited Aboriginal communities around the State to advise about our services. This year, Commission lawyers attended forums at Bourke, Brewarrina, Dubbo, Lismore, Newcastle, Nowra, Port Macquarie, Queanbeyan and Walgett.

**The year ahead**

- The Commission will develop and implement a Client Service Charter to support its commitment to clients. The charter will help clients know what to expect when using our services, how to provide feedback and ensure that we resolve and record client complaints and feedback effectively. The charter will be closely aligned with the Commission's vision, mission and values.
- We will implement new service delivery initiatives for Aboriginal clients in partnership with Aboriginal Legal Services.
- A new Rural Client Service Strategy will help ensure people living in isolated areas have better access to Legal Aid services.
- There will be an expansion of our civil law services to additional new locations.



# Family law

**This division assists people in resolving disputes arising from family breakdown (including mediation and advice in child support and care and protection matters). This division encompasses the Family Law Section, Child Support Service, Child Care and Protection Legal Service, and the Alternative Dispute Resolution Unit. It provides services in our Sydney Central office and 20 regional offices.**

## Major achievements

This year, the division expanded its community outreach and duty lawyer services so that more people around NSW have access to a range of family law services.

### Achievements included:

- Introducing a pilot program to conference property matters and expanding the Commission's Alternative Dispute Resolution Conferencing Program by holding 2,135 family law conferences. A full or partial settlement was achieved in 86% of those conferences.
- Establishing a specialised child support duty scheme at the Federal Magistrates' Court at Sydney.
- Introducing regular free advice clinics in isolated regional areas including Cobar, Armidale and Gunnedah, as well as Wellington, with a focus on providing services to indigenous clients.
- Extending the network of child support outreach services to include San Remo, Parkes, Cowra, Gilgandra, Narromine, Narrandera, Jerilderie,

Deniliquin, Hay and Balranald.

- Expanding our Care and Protection Legal Service to the Dubbo office to increase services to clients in the central west and west of the State.
- Solicitors from our Parramatta office participated in the Living in Harmony initiative of the Family Court, Parramatta registry. The project aimed to resource and educate bicultural educators from emerging communities including Somali, Eritrean, Afghani, South Sudanese, Iraqi and Ethiopian in family law and the legal system. The project was a partnership between the Family Court and the Department of Immigration and Multicultural Affairs, Baulkham Hills Holroyd Parramatta Migrant Resource Centre, the Department of Community Services, NSW Police and Legal Aid.

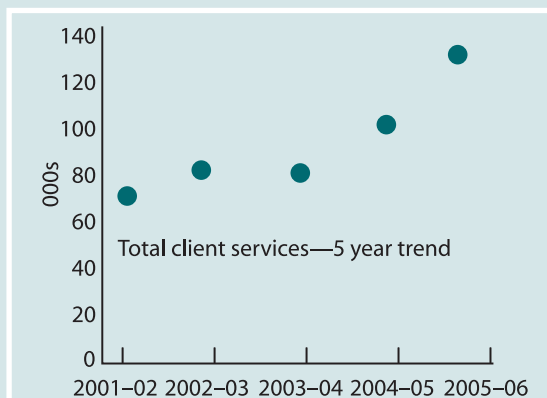
## Family law cases: successful outcomes

### Interstate dispute settles

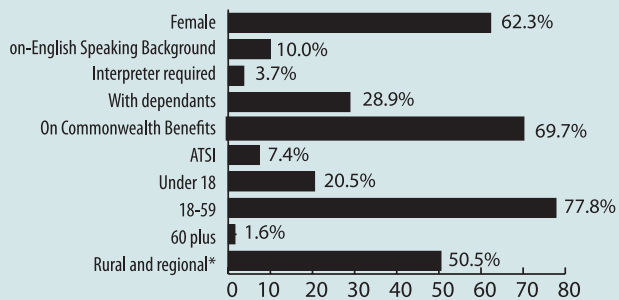
Our client had fled interstate with her two children, escaping years of domestic violence. The older child had been living with the father and our client was served with a recovery order concerning both children. With Legal Aid's help, she resisted the recovery order and successfully obtained final orders for residence.

### Unexplained injury to child

We represented a young child who had sustained major, inexplicable head injuries. Due to the nature of these injuries, the court had to deal



## Family law client profile (based on total cases and inhouse duty services)



\*Includes Newcastle and Wollongong



with complex medical evidence in the fields of neurology, ophthalmology, radiology, paediatrics and audiology. To assist the court, the child’s representative arranged for a meeting of experts to distill all the medical issues into a final summary on which they could all agree. During the hearing, three of the main medical experts were sworn in and went into the witness box together. Each had a copy of the summary, and elaborated upon his/her own position, and also commented on the positions of the others. This case was a good example of how conferences and a collective of experts can assist the Children’s Courts in dealing with the complex medical evidence that is often typical of these matters.

**The year ahead**

The Family Law Division will respond to major changes to family law, family dispute resolution and child support legislation being introduced in July 2006. These will include:

- Developing relationships and referral arrangements with the new Family Relationship Centres opening on 1 July 2006
- Establishing a priority telephone line to link Legal Aid Commission services with the Family Relationship Advice Line
- Planning further initiatives in service delivery to meet client need arising from the major changes to be introduced in the child support system

**Highlight case—family law**

**Mother reunited with her child**

We acted for a mother in a care and protection appeal in the District Court. The matter had previously been appealed to the Supreme Court on the issue of interim contact and is reported as *Re Liam [2005] NSWSC 74* – now one of the leading cases on the duty of the Children’s Court in contact matters.

The child, now five, was two years old at the time of the District Court appeal. He had lived with our client from birth to 15 months, when he was removed by the Department of Community Services (DoCS) after concerns were raised about our client’s drinking, gambling, mental health and aggression.

The magistrate found there was no realistic possibility of “restoration” and placed S under the parental responsibility of the Minister until the age of 18. He ordered minimum contact to our client of two hours once every two months, extended to three hours when S turns five. (This decision is reported as In the matter of *Spencer, 2005 CLN 7*.)

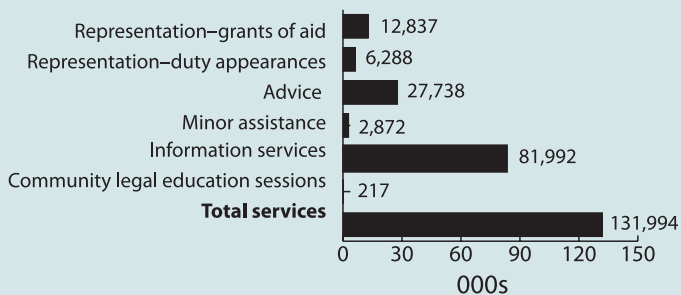
At the hearing, the magistrate said it was unfortunate there was no children’s court clinic assessment. On appeal, an assessment order was made. The clinician found that, although S had been separated from our client for over 12 months, their relationship was well-developed, stable and secure. This was also supported by many supervised contact reports.

The clinician recommended that S be returned to his mother, subject to our client attending therapy for her mental health issues. However, DoCS maintained that the magistrate’s orders should remain.

After an appeal that ran for 13 days, the District Court judge found that there was a realistic possibility of restoring the child to his mother and directed DoCS to prepare a new permanency plan.

The new plan (including specific undertakings by our client) placed S in the parental responsibility of the Minister for two years with a view to returning him to his mother within six months. This means S will be back in our client’s full time care by October 2006.

**Family law client services in 2005–2006**



# Civil law

- Reviewing the standards for our Alternative Dispute Resolution Program chairpersons, to ensure the ADR program continues to deliver high quality services which comply with the accreditation provisions being introduced in the family law reforms.
- Introducing the development of parenting plans as an alternative in formalising agreements reached in dispute resolution conferences.
- Continuing professional development programs to ensure staff are able to meet the challenges of the major reforms in family law and child support.

## Key challenges

Positioning the division to work effectively with the new Family Relationship Centres.

A key commitment will be to provide more services in regional areas especially those focusing on the needs of indigenous clients—both adults and children—in the central west of NSW.

**This division assists people with a range of civil law problems including housing, debt, social security, public interest and discrimination issues and hearings before specialist tribunals. The division provides services in the Sydney CBD office and 10 regional offices, expanding to six more locations in 2006–2007. This division includes the Civil Law Section, Veterans' Advocacy Service and Mental Health Advocacy Service.**

## Major achievements

- A Coronial Inquest Unit was established in March 2006 to increase representation to people in inquest matters, particularly those raising issues that are of public interest. In its first three months of operation, the unit received 14 applications for aid.
- Civil law policies were expanded to provide grants of aid in human rights matters that raise public interest issues. A Human Rights Committee comprising representatives of the Law Society, Bar Association and University of NSW has been established to make recommendations in relation to grants of aid in these matters. The Committee has held its first meeting and a number of grants of aid have been made.
- Our Women in Prison project was expanded, providing a civil advice service to female inmates at five prisons across the state, thereby meeting a service gap for a particularly disadvantaged client group.
- We expanded civil law services to Aboriginal clients by employing an additional solicitor at our Lismore office to provide outreach to Aboriginal communities in the far north of the state. We have also commenced a new civil law advice service at the offices of the Aboriginal Legal Service at Redfern.
- An agreement between the Commission and the Coalition of Aboriginal Legal Services will improve access to civil law advice services for Aboriginal communities. Under the agreement, Commission solicitors attend a number of Aboriginal Legal Service (ALS) offices to provide

advice services. The ALS facilitates the service by providing resources including office space, access to computers and administrative support.

- We embarked on a joint project with the Public Interest Advocacy Centre and a number of private law firms to address human rights concerns about children held in detention within the criminal justice system. The project involves undertaking casework as well as identifying and seeking solutions to systemic problems.
- In a joint project with the Public Interest Advocacy Centre and the Public Interest Law Clearing House, we assisted the increasing number of Commission clients who are at risk of losing their homes due to inappropriate lending practices. The Inappropriate Lending Practices Project provides representation in relevant cases as well as identifying and seeking solutions to systemic issues.
- The Veteran’s Advocacy Service entered into an agreement with the Returned Services League for referral of matters to the Service.

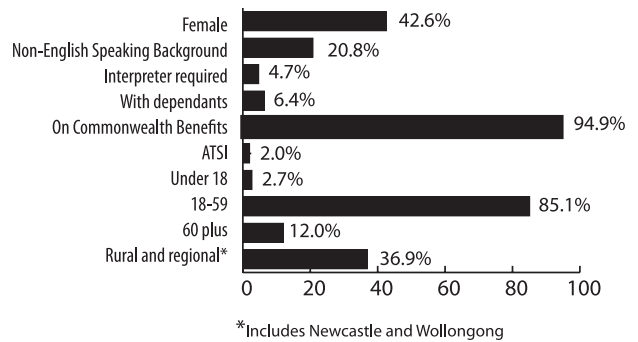
**Civil law cases: excellent outcomes**

Civil lawyers represented extremely disadvantaged clients in a wide range of matters.

**Unjust mortgage contract**

A disability pensioner who suffers various health problems and is the primary carer of two dependant children, was persuaded to enter into a loan and

**Civil law client profile**  
(based on total cases and inhouse duty services)



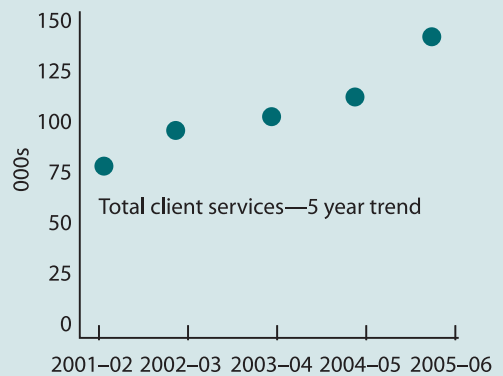
mortgage contract by a con man, leaving her with a mortgage over her home. The Supreme Court set aside the contract, finding that the mortgage was unjust and the lender acted unconscionably.

**Tenant keeps her home**

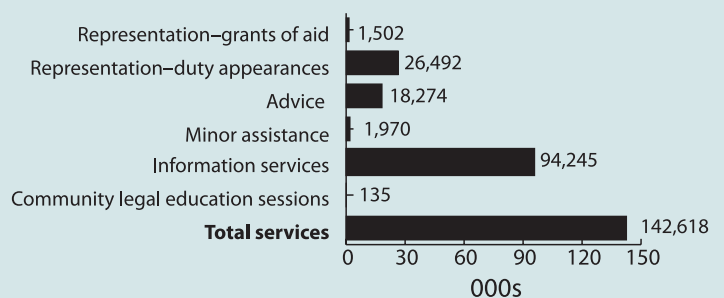
A mother with several children was seriously behind in her rent. The Department of Housing terminated her tenancy, leaving the family facing hardship and separation. We assisted the mother in appealing the decision. The matter was settled with the department agreeing to continue the tenancy.

**Assisting mentally ill prisoners**

Our client was sentenced to a term of imprisonment for assault causing bodily harm. The client had been certified as mentally ill while on remand for the offence and the magistrate, when sentencing him, ordered that he be released at the end of his non parole period. When the time



**Civil law client services in 2005–2006**



came for release from prison, The Department of Corrective Services refused to release our client arguing that the parole conditions ordered by the court did not apply to the client because he was mentally ill.

We successfully applied to the Supreme Court to have the Department's decision overturned and our client was released from prison after his non parole period so that he could enter a psychiatric hospital and receive medical assistance.

### The year ahead

The civil law program will be expanded to meet identified service delivery needs across New South Wales. This will improve our capacity to provide consistent statewide services in a number of areas including Lismore, Gosford, Campbelltown, Penrith, Nowra and Wagga Wagga.

Our mental health duty services will be increased to service additional hospital places. A number of new mental health services will commence in the next financial year including at Lismore and Hornsby. We will provide duty services for magistrates hearings servicing these new facilities.

After its first year of operation, we will evaluate the Coronial Inquest Unit, assessing its effectiveness in providing quality representation in coronial inquest matters and representing the public interest in relevant cases.

The Veterans' Advocacy Service (VAS) will develop initiatives in cooperation with service organisations, to enhance access to the service to veterans across the state. Next year, VAS will work with Air Force Associations to improve access to veterans who are members.

### Key challenges

To improve service delivery in rural areas and to Aboriginal communities.

To provide greater access to civil legal services across the State.

### Highlight case—civil law

#### Changes for young wards

Some of our cases can have a wider community impact. The first inquest conducted by our Coronial Inquest Unit related to the death of a young person who was a ward of the state and in the care of a private agency. The young person appeared to have committed suicide after being accused of a serious offence against another young person in the care of the same agency. However, the offence was not proven and no charges were laid.

The case raised the issue of the adequacy of support and supervision provided to young wards of the state and the responsibility of carers to safeguard the needs of a ward accused of a criminal offence. The Court heard that as a consequence of the death, many changes have been made to the way young wards are cared for.

The Coroner requested the Department of Community Services to ensure clients have access to the Legal Aid Commission's Youth Hotline. The Coroner also referred the matter to the Ombudsman so that the issues raised could be considered throughout the sector.

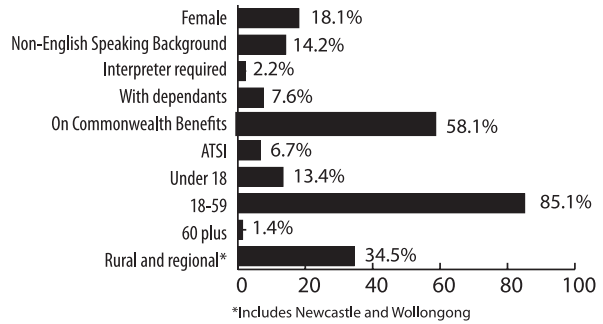
# Criminal law

This division provides legal aid services in all criminal courts from its Sydney CBD office and 19 regional offices. This division includes: Inner City Local Courts, Children’s Legal Service, Advocacy Unit, Committals Unit, Indictable Section, Indictable Appeals, Prisoners Legal Service, Youth Drug and Alcohol Court, and Adult Drug Court.

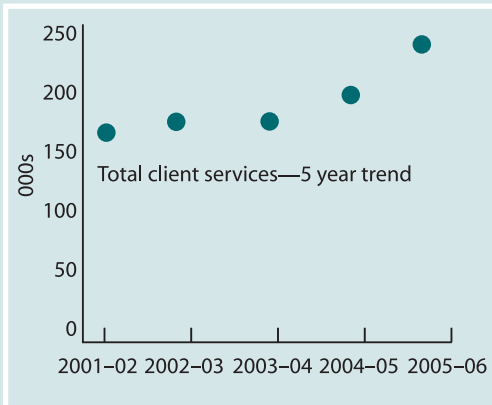
## Major achievements

- We provided clients in custody with better access to lawyers and information by increasing the use of audio-visual link (AVL) facilities. The number of clients assisted via AVL increased from 2,687 in 2004-2005 to 3,550 this year.
- We increased by six, the number of criminal lawyers in the Committals Unit, to maintain a high quality of service to our clients appearing in centralised committals courts in Sydney and regional areas.
- Filling an identified information gap, our Parramatta office piloted a Drink Driving Education Program in January 2006, running fortnightly self-help education sessions for people pleading guilty to drink driving charges. Legal aid is generally not available to people pleading guilty to a charge of driving unless they are likely to go to gaol.
- Legal Aid liaised with the Local Courts and Police Service on a Domestic Violence Court Intervention Model pilot at Wagga Wagga and Campbelltown Local Courts.

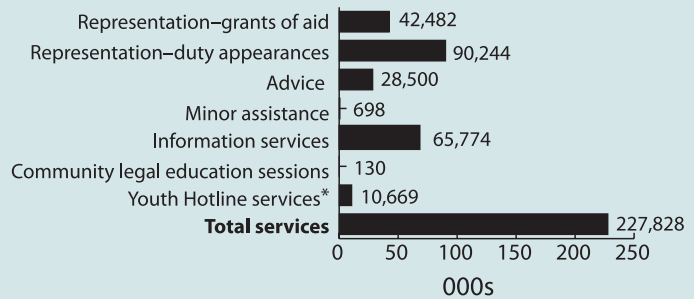
## Criminal law client profile (based on total cases and inhouse duty services)



- As private lawyers are responsible for conducting half the duty work in the state, the Commission has a responsibility to support them in all aspects of duty work. This year, we introduced a new training program on minimum practice standards for duty lawyers. One of the main aims of this initiative was to improve the Commission’s service delivery to clients through private lawyers. Training days on the far north coast and south coast met with great success, leading to a rollout across the state.
- Training has also been provided to the private profession for case conferencing (in conjunction with the Grants Division) across the State which will allow assigned lawyers to better appreciate the requirements of the new reforms relating to indictable matters before the Local Court. The training has assisted lawyers appearing for legally aided clients in such matters. Similar training in regional and remote areas is planned for 2006-2007.



## Criminal law client services in 2005-2006



\*These services are also counted in the Criminal Law Advice and Information results.

Legal aid lawyers are able to offer their clients an alternative to court through the Magistrates Early Referral Into Treatment Program (MERIT). MERIT provides medical treatment rather than custody for people accused of non-violent drug-related crimes at local court level. Legal Aid lawyers across the state played a major role in the success of the MERIT program. This year, MERIT was launched at Fairfield Court on 23 February 2006 where Fairfield legal aid lawyers had made 75% of all referrals received by the program in its first two months.

*Sydney South West Area Health Service is very happy with these results.*

*Matthew Noone, Chair,  
Fairfield Court MERIT Steering*

## Significant cases in criminal law

### ***Walker v Bugden [2005] NSW SC 898***

We appealed to the Supreme Court against a Local Court decision to order a buccal swab be taken from a person suspected of having committed a robbery. No DNA evidence had been identified at the scene of the crime.

The Supreme Court held that there was no material on which the magistrate could be satisfied of the matters set out in s25 of the *Crimes (Forensic*

*Procedures) Act*. The appeal was granted and the order for the buccal swab was vacated.

### ***Motekiai Taufahema v The Queen [2006] NSW CCA 15 2***

Our client was convicted of shooting a police officer and given a 16 year non-parole period. He had been driving a car involved in a police chase when a passenger in the car shot at the police officer and killed him. Our client was convicted of murder on the basis of joint criminal enterprise, and common purpose. The matter was successfully appealed to the Court of Criminal Appeal and our client was acquitted on the basis that there was insufficient evidence pointing to joint criminal purpose. The matter is currently the subject of a Crown Special Leave application to the High Court of Australia.

### **Client graduates from Drug Court program**

Legal Aid represented a woman K, who came into the NSW Drug Court in early 2005. She had been in custody on six prior occasions and had a criminal history which dated back to 1995. As a result of her criminal offences and long-term drug use, her two children had been removed from her care by the Department of Community Services. K had a very rocky start to her Drug Court program, with a warrant issued for her arrest after only two weeks. She was not fulfilling her

## Highlight caselaw—criminal law

### **Aftermath of the Macquarie Fields riots**

In February 2005 the death of two local teenagers in a car accident resulted in four days of rioting by young men and women in Macquarie Fields. The rioting sent shockwaves through Sydney and generated intense media interest and debate across many forums. The Commission represented a large number of people charged over the Macquarie Fields riots. Commission lawyers worked tirelessly to ensure the rights of clients were not over run by the media interest and to stay abreast of the changes in legislation that followed.

These riots (and those at Cronulla) led to sweeping changes to a number of pieces of legislation including the *Bail Act 1978*; *Crimes*

*Act 1900*; and *The Law Enforcement (Powers and Responsibilities) Act 2002*.

Changes to the *Bail Act 1978* included amendments which increased the difficulty in obtaining bail in riot and related matters. Changes to the *Crimes Act 1900*, increased the maximum penalties prescribed for riot and related offences; and increased police powers to deal with future public disorders. The amendments made under *The Law Enforcement (Powers and Responsibilities) Act 2002* are under a sunset clause of two years and are to be monitored and reported on by the Ombudsman. The Commission will remain vigilant and report to the Ombudsman any issues or abuse of the powers we observe during our work to make sure the experiences of our clients under the amendments are voiced.

program commitments, and it appeared she had absconded. Legal Aid then represented her at a 'risk hearing' where the Office of the Director of Public Prosecutions made an application for her to be terminated from the program. Fortunately, she was allowed to remain on the program, and entered into full-time rehabilitation at Jarrah House, a facility used regularly for female participants on the program. She successfully completed the Jarrah House program, and then moved to Guthrie House.

K was able to successfully complete the Drug Court program, and graduated in July 2006. She committed no further offences during that time, remained drug-free, and had her children returned to her care.

### Important legislation

New legislation had a direct impact on this division, leading to an increase in the number of clients we assist and services that we provide. The most significant legislative change was the *Law Enforcement (Powers and Responsibilities) Act, 2002* (LEPRA) that commenced on 1 December 2005, consolidating police powers from a range of legislation: including powers of arrest, questioning, search and entry, search and seizure, and requirements for the issuing of warrants, search and seizure; and also extending police powers following the Cronulla riots.

Other legislation impacting on the Commission and our clients included the abolition of unanimous jury verdicts in criminal trials, changes to the way in which the Parole Authority operates, and the introduction of preventative detention legislation aimed at sex offenders who have completed their sentence but are still perceived to be a threat to the community.

Training was provided at the 2005 and 2006 Criminal Law Conferences to ensure that both Legal Aid and private practitioners are fully aware of the consequences of this legislation.

### The year ahead

The division will focus on providing quality services to:

- clients in new and expanded courts in the Sydney Metropolitan area (Bankstown, Blacktown, Mt Druitt).
- clients of the Children's Court at the new Parramatta Court Precinct opening in February 2007.

Other priorities include:

- Working with the Aboriginal Legal Service (ALS) to provide assistance and legal aid to Aboriginal clients unable to be represented by the ALS.
- Improving services to and assignment rates for clients in custody facing defended hearings.
- Improving training in criminal law and practice standards for private practitioners in regional areas without a legal aid office, including the far west and north west.
- Working with clients and other agencies to ensure the effectiveness of case conferencing in reducing late pleas of guilty in the District Court.
- Providing greater support to private practitioners by increasing their access to legal aid's online resources.

### Key challenge

To reduce the incidence of unrepresented litigants receiving custodial sentences and identify ways of assisting persons without representation to navigate their way through the criminal justice system.

# Community education

## Community legal education

Staff at the Commission provide community legal education sessions (CLE) throughout the state. These sessions deliver information about legal aid services, the law and people's legal rights, often targeting people in isolated areas who cannot easily access free legal information or advice. This year, the number of CLE sessions more than doubled from 231 to 482, with a particular focus on Law Week activities.

We also distributed over 280,000 publications on legal topics to individuals, community and government organisations across the state.

### Law Week: Lawyers meet the kids

During Law Week (27 – 31 March 2006), 70 enthusiastic legal aid lawyers volunteered to help launch a book for school children about the fundamental rules of law.

*Why should I? A fun way to learn about the law* targets 8-12 year olds and covers many aspects of our legal system that touch upon their everyday lives. Lawyers found an eager audience and fielded many questions about punishment, gaol, fair treatment and children's rights.

#### Other initiatives included:

- Providing information about family law at an inter-agency workshop on health, legal and related issues for Aboriginal women in the Brewarrina region
- Holding a will drafting clinic for a community group in the Central West as part of the Cooperative Legal Service Delivery partnership
- Conducting 100 advice clinics for veterans around NSW
- Providing legal advice and information to Aboriginal community workers and residents in western New South Wales, including Bourke, Brewarrina and Walgett. This initiative strengthened our relationship with these communities and enhanced access to Commission services in the region.



*Law Week: Wollongong criminal lawyer Margaret Wall with students at Austinmer Primary School.*

- Joining Combined Forums, a joint initiative of government agencies, to improve access to government services by Aboriginal communities across the state. Civil lawyers have attended forums at Newcastle, Coffs Harbour, Lismore, Nowra, Queanbeyan and Port Macquarie.
- Contributing widely to public discussion and information-sharing through presentations at training days, conferences, seminars and community events.

## The year ahead

The Commission will focus its Community Legal Education Program on:

- Improving access to justice through the provision of information sessions about our services to community organisations and human services agencies.
- Collaborating with other agencies to develop a multimedia resource to complement school curricula.
- Delivering information sessions about mental health and the law in conjunction with government agencies involved in the legal framework within which care, control and treatment is provided to people in NSW with a mental illness.
- Educating people in emerging communities about the legal system.



# Client service partnerships

**The Commission works closely with private lawyers, other legal service providers and community agencies to ensure real equity of access to the law, particularly for the disadvantaged people of New South Wales.**

## Grants Division: building partnerships with private lawyers

The Commission's Grants Division works in partnership with private practitioners to provide representation to legally aided clients.

The division makes decisions on the granting of legal aid and allocates matters to inhouse and private practitioners. Matters conducted by private practitioners are referred to as assigned matters throughout this report.

In 2005–2006, private practitioners represented 45% of all legal aid clients.

This year the division received 28,226 applications for legal aid, comprising: 10,205 applications for legal aid in criminal law; 16,907 applications for legal aid in family law; 1,114 applications for legal aid in civil law.

Grants Division staff also administered 61,518 duty appearances conducted by private practitioners at courts in NSW.

This year, the division also entered a joint partnership with the Public Interest Advocacy Centre (PIAC) and Public Interest Clearing House (PILCH) to assist young people seeking compensation for wrongful arrest and/or malicious prosecution.

## Assigned cases: positive outcomes for clients

### Debts waived

An intellectually disabled client had entered into various finance contracts to purchase cars over a year, resulting in large debts that he was unable to repay. He also entered into a finance contract with an interest rate of 34.95% pa. We granted legal aid for proceedings under consumer credit legislation and also made a complaint to the Australian Competition and Consumer Commission. Settlement negotiations were conducted through the Banking and Financial Services Ombudsman.

These negotiations resulted in Lender A waiving the remaining debt providing our client surrendered the car; Lender B wrote off the loan and reimbursed all payments made; and Lender C sold the car to our client's family and released its interest in it.

### Tenant keeps home

Our client was a tenant living in property owned by the Roads and Traffic Authority. The RTA sought an order from the Consumer Trade and Tenancy Tribunal to terminate the tenancy claiming exemption under s5 of the *Landlord and Tenant (Amendment) Act 1948 (NSW)*. The main issue was whether the RTA was in fact exempt from the provisions of the Act, and whether the Tribunal had the jurisdiction to deal with the matter.

The High Court upheld our client's appeal and made an important decision that the RTA, as a NSW Government Agency, was not the "Crown" under the *Landlord and Tenant (Amendment) Act 1948 (NSW)* and therefore not exempt from its provisions. In doing so, the High Court overturned the long held case of Wynyard Investments and the Commissioner for Railways which had stood since 1955 as the authority that NSW Government agencies were the "Crown" and exempt from legislative provisions which exempted the "Crown". The tenant was able to remain in the premises.

## Regional service partnerships

In June 2004, the Commission established an innovative pilot program in the Central and Far West and the Northern Rivers regions of NSW. The aim of the program was to achieve greater coordination and cooperation between providers of legal services to the socially and economically disadvantaged people and communities in regional NSW and a more seamless experience of the system for its users.

Called the Cooperative Legal Service Delivery Program, the initiative involves government, private and community legal and quasi-legal service providers in identified regions in country NSW and is based on an hypothesis that better coordination and cooperation in planning and delivering such services will enhance the efficient and effective use of scarce resources and improve access to justice for these communities.

# Community programs

The Program establishes legal service delivery regions based on factors such as agency catchment areas, location and accessibility of services, demographic profiles, transport considerations, and legal needs. It brings together key agencies operating in a specific region to form a regional coalition, which meets regularly to plan and coordinate the provision of legal services. The regional coalition identifies gaps and unnecessary duplications in services and develops service delivery priorities and new initiatives for the region. The model provides a framework to build a strategic and coordinated network of legal services at a regional level, and to enhance the community's access to these services.

An innovative aspect of the Program is the inclusion of pro bono legal services provided by large Sydney based private law firms in each of the regions. These firms receive and manage pro bono referrals that cannot be placed locally, and provide other resources to improve the region's capacity to provide legal services.

Following the initial pilot and evaluation, the Model continues to operate in the Central and Far West and Northern Rivers regions and was rolled out to two further regions: Albury/Wagga Wagga and the Hunter. The rollout will continue to a further two regions in 2006–2007.

**The Commission administers two community programs—the Community Legal Centres Funding Program and the Women's Domestic Violence Court Assistance Program (WDVCAP). Their services complement those provided by the Commission. They bring valuable community links into our partnership, and place us in a stronger position to provide quality legal services to far more people across the state.**

## Community Legal Centres Funding Program

Thirty-two centres provide a range of legal services to address the specific needs of disadvantaged sectors of the community. Five centres also provide Children's Court Assistance Scheme services, providing a roster of trained youth workers to work with young people and their families at court.

This year, the Program distributed \$5.061M in funding from the Commonwealth Government, \$4.141M from the State Government and \$1.191M from the Public Purpose Fund. For details see page 112.

## Major achievements

The Inner City Legal Centre established a project on women's employment issues to increase awareness about women's employment rights in the workplace. This project is timely as the changes to industrial relations by the Commonwealth Government have increased client demand for legal advice about employment.

South West Sydney Legal Centre undertook a legal matter that resulted in the first successful Hague Convention application in Fiji. The Fijian proceedings were successful and the mother and her child are now both back living together in Australia. As a result, procedures have been put in place to facilitate future Hague Convention applications.

Redfern Legal Centre produced a Legal Education Kit on the redevelopment of the Redfern/Waterloo area. A copy of this kit can be obtained from the Redfern Legal Centre's web site at [www.rlc.org.au](http://www.rlc.org.au)

The Shoalcoast Community Legal Centre published *The Children's Court, DoCS, My Child and Me* providing plain English information on laws and procedures for parents.

### The year ahead

The Commission will implement the recommendations of the Joint Review of the NSW Community Legal Centre Program.

The Children's Court Assistance Scheme Program will be extended to Cobham and Bidura Children's Courts.

### Women's Domestic Violence Court Assistance Program (WDVCAP)

This Program currently funds 33 Women's Domestic Violence Court Assistance Schemes (WDVCASs) across NSW, servicing 55 local courts. The Program assists women and children to obtain legal protection from domestic violence from the courts through an integrated system of legal representation, specialised support and advocacy and information and referrals to appropriate services for their other needs.

This year the Program received \$3.829M in State Government funding, which is an increase of \$600,000 on 2004–2005. See page 113 for details.

### Major achievements

This year, 33,915 services were delivered under the Program including 2,352 services to Aboriginal women and 4,490 services to women from culturally and linguistically diverse backgrounds. A major review of the Program's finance and administration was completed and a new database created to provide vastly improved Program wide and Scheme specific performance information.

The brochure *Helping you go to court to get an Apprehended Violence Order* was translated into 15 community languages and launched during the week of International Women's Day by Member for Marrickville and Minister for Education and Training, the Hon. Carmel Tebbutt (see photo below).

The Program focused on developing an integrated and consistent response to the provision of assistance with other justice and social system partners, including working with the Apprehended Violence Orders Legal Issues Coordinating Committee (AVLICCC) to identify the reasons behind ADVO withdrawal rates and provide suggestions for improved ways of working with our justice system service partners.

The WDVCAP annual conference celebrated 10 years since the Program's inception. Attended by 155 participants, it provided an opportunity to review past achievements and to look ahead to future challenges.



Minister for Education and Training, the Hon. Carmel Tebbutt, launches the newly translated brochure *Helping you go to court to get an ADVO*.

Left to right are: Carrie Chan (A/Director, Domestic and Family Violence Clearing House), Steve O'Connor (Deputy CEO Legal, Legal Aid Commission), Carmel Tebbutt MP, Toni Brown (DV Worker, Newtown WDVCAS).

## The year ahead

The Domestic Violence Solicitor Scheme (DVSS) will be reviewed, focusing on the quality and level of legal representation provided to clients.

The WDVCAP annual conference will aim to find new ways for justice system agencies to work together in order to provide seamless legal/social welfare services to women experiencing domestic violence.

An online resource and information tool and best practice database will be developed for schemes funded under the Program.

## Client assessment and referral

Many of the positive outcomes for our clients were achieved through lawyers working in close partnership with social workers in our Client Assessment and Referral Unit. This year the unit assisted 571 clients by providing socio-legal assessments, telephone advice and advocacy, including securing 42 discharges for clients with intellectual disabilities and assisting them to avoid custodial sentences.

### Client assessment highlight case: taking a holistic approach

#### Background report helps magistrate decide

This case is an example of how legal aid lawyers and social workers work together to get the best results for their clients.

Our client was a young single pregnant woman about to give birth to her first child. She was charged with five counts of 'obtaining money/ valuable things/ financial advantage, by deception'. She had been arrested for fraudulently processing refunds into her own account when customers returned goods to shops where she was employed.

Legal Aid conducted a social work assessment, an important part of the legal defence as it showed the context in which Ms D committed the frauds.

Ms D was raped by a stranger when she was aged 13. Her family did not offer the support she required after such a traumatic event and Ms D felt betrayed. Her parents appeared to blame her for what had happened and in the end publicly denied the rape had ever taken place. Ms D's behaviour changed dramatically after this and she 'acted out' at school for a number of years. However, she turned

things around in years 11 and 12, finishing her studies and gaining entry to a university.

Over time, she became disillusioned with her studies and decided to pursue a different career path. She became estranged from her family who did not support the direction her life was taking. Ms D began working in retail but her new boyfriend was unemployed for a long stretch of time. She felt she was carrying the financial burden, however whenever she raised this, it caused conflict and at times led to physical violence on his part.

Ms D found out about her pregnancy when she was well over 12 weeks advanced. Her boyfriend moved out shortly after he was told about it.

The magistrate found all the offences were proven but did not proceed to enter convictions on the basis that Ms D enter a two-year good behaviour bond conditional on her remaining on good behaviour and repaying the money.

The magistrate expressly thanked the Client Assessment and Referral Unit for its 'excellent report' and all such reports the court received, saying they were of a very high standard and greatly assisted the court in making its decisions.

# People



**Highly qualified lawyers team up with efficient and customer-friendly support staff to deliver high quality legal services across the State. Our skilled managers and business services staff ensure the Commission operates at its most effective. The Commission aims to be a professionally and personally rewarding place to work for its people. This year, we supported our staff to be highly skilled, responsive, innovative and flexible team members through a range of new training and self-development initiatives.**

# People

**The Commission recognises that it is dependent upon the skills and commitment of its people in its efforts to achieve results for the community. The Commission worked towards providing a stimulating, challenging and rewarding workplace in which our people learn and develop in a team environment and are valued for their contribution.**

The Legal Aid Commission of NSW is a statutory body established under the *Legal Aid Commission Act 1979*.

The Office of the Legal Aid Commission and the Legal Aid Commission Temporary Staff Division are Divisions of the NSW public sector established under the *Public Sector Employment and Management Act 2002* to provide personnel services to the Legal Aid Commission of NSW.

## Staff numbers

As at June 2006, the Commission employed 767 staff in the equivalent of 709 full-time positions with 305 positions located in regional offices and the balance in the Sydney CBD office.

No staff were employed by the Legal Aid Commission Temporary Staff Division.

This reporting period saw a slight increase in the number of legal officers located in regional offices (up by 22, which is approximately 63% of new staff during this period). Full details are provided on page 116.

## Staff numbers in five years

Year	FTE* figures financial year end**	Actual staff number financial year end
<b>2006</b>	<b>709.54</b>	<b>767</b>
2005	675.86	730
2004	669.94	721
2003	634.15	683
2002	565.72	612

\*FTE: full time equivalent      \*\* Page 116 for more details

## Staff movements 2005–2006

New permanent staff	31
Staff departures	45
Staff promotions	19

## Major achievements

### Graduate recruitment program

A new career development program for new lawyers and recent graduates was developed. The program will run for two years and consist of two practice rotations from our criminal, family and civil law divisions. It will involve structured training, supervision and mentoring of participants. There are four positions available in the first intake, commencing 12 February 2007.

### Improved induction processes

Induction is a key process for the Commission. To ensure new starters are given all the tools they need to work effectively, a number of enhancements have been undertaken. They include:

- A new intranet folder of induction related material (including guidelines/forms) has been created.
- The comprehensive *Managers Induction Guide* and *Staff Induction Guide* were reviewed and updated.
- A new Induction Framework document—which included Training and Development options for specific job tasks, was developed and distributed to senior managers for comment. The framework will be implemented by 30 September 2006.

### Legal support officer plan

An Action Plan was developed to identify and address the needs of Legal Support staff. The plan, which will be produced annually, outlines the actions that will be taken to improve work processes and provide better career paths for administrative staff.

### Voluntary job rotation

Voluntary job rotation has been implemented in all practice areas to provide our legal staff with diversity and an improved career path within the Commission.

**Our business priority this year was to support our staff to be highly skilled, responsive, innovative and flexible team members.**

### **Resourcing our managers**

In line with Human Resource's primary role of providing advice and support to managers in managing staff related issues, two key resource packages were developed. The Managers Toolkit contains information for managers in relation to a range of HR management issues. The Toolkit is updated regularly as new information arises and policies are developed.

HR also expanded its highly successful *Management Matters* training program by developing and implementing the *HR Matters for Managers* module, designed to provide managers with an overview of the key issues they face in managing staff within the Commission and within the public sector policy and procedural framework.

Complementing this package, *Finance Matters for Managers* and *Budget Essentials* were also provided as well as a *Manager's Safety Leadership Course*, aimed at developing the occupational health and safety skills of supervisors and managers, and to comply with their legislative responsibilities. Work also began on *Planning Matters for Managers*.

### **Key learning and development activities**

Staff participation in learning and development activities was significant in 2005–2006 with a diverse range of learning activities offered internally or attended externally. There were over 1,600 employee attendances at over 200 inhouse training sessions. This was in addition to 19 seminars and conferences organised by the Legal Services Division with almost 1,000 staff attendances. See page 114 for details.

### **Management training enrolments reached a new high**

Enrolments for the Diploma of Business (Frontline Management), now in its third year, reached 100 in 2005–2006, with 70 staff having graduated by 30 June 2006. The program will expand to include selected community legal centre managers in Group 8 commencing July 2006. The diploma forms a central part of an extensive management development framework implemented at Legal Aid.

### **Lawyers developed their advocacy skills**

In partnership with the Australian Advocacy Institute, we delivered a comprehensive advocacy training program for 40 lawyers from across the Commission. Feedback from the workshop was excellent and it will run as a regular session. We will also schedule additional sessions focusing on specific advocacy skills areas in the year ahead.

### **Mentoring program**

We implemented the Pilot Open Mentoring Program with eleven mentor/mentee pairs participating. In the review of the pilot, mentees noted benefits such as improved confidence and as well as development of knowledge and skills. They found the program encouraged them to take initiative and raised their level of job satisfaction. Mentors felt the program increased their motivation and led to improvements in how they do their work. The program will continue in 2006–2007.

### **More accredited specialists**

The Specialist Accreditation Program has seen over 100 lawyers within the Commission gain specialist accreditation: 75 in criminal law, 24 in family law; four in children's law; two in advocacy and one in personal injury. The Commission has identified the number of our lawyers possessing specialist accreditation to be a key indicator of the quality of the legal services we provide.

The Law Society of NSW Specialist Accreditation program identifies registers and monitors lawyers specialising in 13 areas of law. Each accredited specialist lawyer must have at least five years full time practice with at least three years speciality work, and pass rigorous examinations in law, communications, problem solving and client services.

In 2005–2006, the Commission significantly increased the number of its lawyers holding specialist accreditation from 68 lawyers to 106.

### **Other initiatives included:**

- Opening a new training centre in our Sydney CBD office in December 2005 with two fully equipped training rooms plus a 'break out room' for small group work. The facilities have been in

# People

constant use this year and have been praised by staff and visitors alike.

- Developing closer links with community legal centres (CLCs) by involvement in, and hosting of, combined Community Legal Centre Training Network meetings; hosting and facilitating a CLC planning workshop in addition to accepting three CLC managers into Group 8 of the Diploma of Business (Frontline Management).

## Conferences and staff development

Legal Aid conferences were once again well attended with 957 people attending six major law conferences this year, including 463 external people.

Senior managers from across the Commission were accepted into the Premier's Department sponsored executive development programs, including the Executive Masters of Public Administration and the Graduate Diploma in Public Administration. This year, one staff member completed the course and two more enrolled, bringing the total number of sponsored places to six over the past three years.

Commission staff attended external programs in a wide range of legal/professional, IT and management skills areas.

- 368 staff attended 172 external programs, conferences or seminars
- 59 applications for study leave were received and processed during the year with fees assistance through the Further Education Fees Assistance Program (FEFAP) going to 25 of these.

## Equal Employment Opportunity (EEO) achievements

One of Human Resource's key objectives is to promote equal opportunity in employment. Initiatives included:

- An Aboriginal Planning and Development Officer was employed to develop service delivery guidelines for staff working with Aboriginal clients.
- Our Dubbo office employed an Aboriginal/Torres Strait Islander trainee as a Legal Support Officer and in Newcastle, another new trainee started,

becoming the eleventh young Aboriginal person in the Commission's ATSI Traineeship Program.

- Regular Aboriginal Awareness training sessions were held for staff members who are required to interact with Aboriginal people.
- We developed a Graduate Recruitment Program which will provide a placement for Aboriginal and Torres Strait Islander people.
- Providing specialised training for staff in their work with specific client groups. Topics included *Demystifying Mental Illness* and *Working with Moslem Clients*.
- Ongoing Selection Techniques and Selection Techniques refresher courses to ensure our recruitment processes are fair and equitable.
- Finalised and implemented the Preventing Bullying in the Workplace Policy.
- Reviewed the Resolving Grievances and Disputes Policy.

## Occupational health and safety (OH&S)

The OH&S Committee met regularly to review OH&S issues in the Commission and oversee the rollout of the risk management system (see page 39) involving all organisational employees.

The Safety Leadership Course was provided to develop the OH&S skills of supervisors and managers.

All OH&S information was centralised on our intranet site, including a Q & A with information about minimum standards and committee operations and membership.

## Worker's compensation

The cost incurred to 30 June 2006 of new claims reported in 2005–2006 was \$139,026 compared to \$123,031 in 2004–2005, an increase of \$15,995.

The number of accepted claims decreased from 32 in 2004–2005 to 26 in 2005–2006.

There were two mental stress claims in 2005–2006, however, both were ultimately declined after a period of provisional liability. The declined claims amounted to approximately \$30,545 or 22 per cent of the total cost of claims for 2005–2006. The mental stress claims for 2005–2006 are a marked decrease



from the seven mental stress claims recorded in 2004-2005 (three of which were also declined in that year).

There were eight fall/slip and nine body stress claims amounting to \$100,416 in 2005–2006 or 72 per cent of the total cost of claims. The number of claims is equal to the 17 fall/slip and body stress claims in 2004-2005, however, there has been an increase in the cost of these claims which amounted to only \$23,586 in the previous financial year.

The number of full time equivalent (FTE) staff (on average) for this financial year was 709.54, an increase of 33.68 from 675.86 in 2004–2005. This equates to an average claim cost of \$195.94 per staff member compared to \$182.03 per staff member in 2004–2005.

The decrease in claims and increase in associated costs during the period does not exhibit any identifiable pattern, i.e. It occurs over a range of categories and/or locations. Because there are no specific areas which can be identified for targeted action, the Commission will continue to actively monitor all claims. In addition, we will pursue the established risk management approach to health and safety within the Commission with a view to identifying any issues of concern before they can result in injuries/incidents and claims.

### Worker’s compensation claims

Type of claims	No. of claims 2004–2005	No. of claims 2005–2006
Workplace	20	13*
On duty not at office	2	10
Journey	9	4
Recesses – lunchtime & authorised breaks	3	1
<b>Total claims accepted</b>	<b>32</b>	<b>26</b>
<b>Claims declined</b>	<b>3</b>	<b>2*</b>

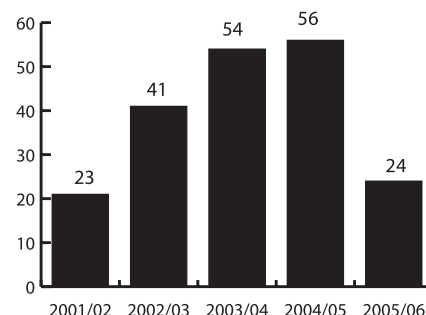
\* Of the 13 claims that related to injuries that occurred in the workplace, two were declined.

### Record of work related incidents resulting in injury

Type of injury/ accident	No. of reports 2004–2005	No. of reports 2005–2006
Workplace	25	11
On duty not at office	7	5
Journey	15	7
Recesses – lunchtime & authorised breaks	9	1
<b>Total injuries/incidents</b>	<b>56</b>	<b>24</b>

Note: The total number of reported incidents resulting in injury has decreased significantly since the last financial year as the figures for 2004–2005 included both Notifications of Injury and Worker’s Compensation Claims.

### Total injuries/incidents within Commission staff 2001–2006



### Employee relations

Human Resources staff assisted the Criminal Division implement the Criminal Case Processing Reforms (page 41) by establishing key positions in the newly established Committals Practice including the development of Legal Support Officer, Committals positions.

A review of the positions of Solicitors-in-Charge (senior lawyers managing our regional offices), commenced, as a means of developing a clearer understanding of their responsibilities.

Commission staff were members of committees that provided a forum for important issues. These included the Peak Consultative Committee, the Human Resources Sub- Committee, the



*Left: Coffs Harbour's birthday celebrations—10 years of service to over 31,000 clients. Photo courtesy of The Coffs Harbour Advocate.*

Occupational Health and Safety Committee, the Access and Equity Committee, the Training and Development Steering Committee and the Social Committee (Details on page 123).

#### **Employee-related policies**

We developed a new remote access policy for staff accessing our computer network whilst out of the office, as well as reviewed and updated our Travel Guidelines and Procedures, recruitment procedures and induction guidelines.

#### **Milestones in 2005–2006**

##### **Recognising staff loyalty**

Legal Aid employees display a long-standing commitment to the goals and ideals of our organisation. Fifty members of staff have now undertaken 20 years of service to Legal Aid and our clients. This year, the CEO formally acknowledged the contribution of 14 dedicated employees who had recently reached this personal milestone. They were presented with special certificates at a ceremony coinciding with the Commission's annual Legal Services Conference held in May 2006.

##### **Coffs Harbour celebrates 10th birthday**

In April 2006 our Coffs Harbour office celebrated its 10th birthday (see photo above). The office has provided legal advice and representation to more than 31,000 clients in criminal, civil and family law matters, including phone advice to people in rural and remote areas. Most of the staff who joined the office when it opened its doors, still work there, a testament to their dedication to clients and the fulfilment they get from their work.

### **The year ahead**

The Commission will strengthen its organisational capacity by further developing the skills and talents of its staff. We will achieve this by:

- Implementing the OH&S risk management system across the Commission.
- Providing access to Stay Healthy information for staff targeting particular issues such as health and fitness.
- Reviewing the staff development framework and all staff training programs.
- Implementing the Graduate Recruitment Program.
- Further implementing the Performance Planning and Development Program across the Commission.
- Conducting a second Open Mentoring Program
- Offering the Australian Institute of Advocacy workshop to a greater number of lawyers.

### **Key challenge**

Continue to develop the advocacy skills of our lawyers; bring the Graduate Recruitment Program to fruition; and review office support organisational roles and structures across all work locations by 30 June 2007.

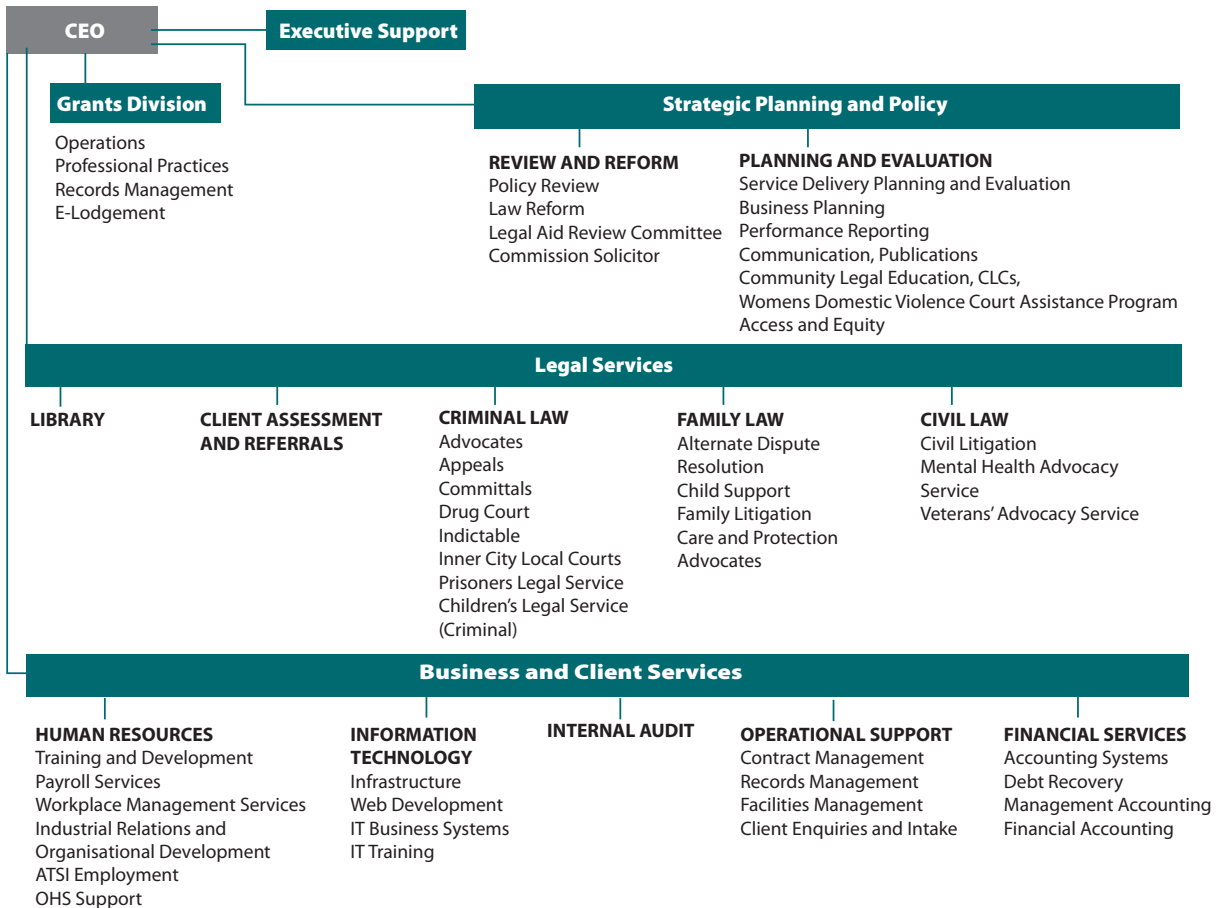
# Organisation



**Our corporate governance framework guides us in fulfilling our legislative objectives and ensures we honour our commitment to the community.**

**The effectiveness of our business systems helps us provide clients with high quality services. This year we improved a wide range of vital business systems and processes.**

# Organisational structure



## The Board of the Legal Aid Commission

A Board with 10 Members establishes the Commission's broad policies and determines its strategic priorities.

There are nine part-time Board Members including the Chairman, and one full-time Member, who is the Commission's Chief Executive Officer. The part-time Board Members are appointed by the NSW Attorney General for a maximum of three years.

### Meetings of the Board

The Board meets monthly, unless a special meeting is convened. There were eleven meetings in 2005–2006.

### Board Members' fees

Part-time Board Members are entitled to be paid fees for their work in attending meetings, reading background papers, sitting on committees and

representing the Commission at meetings with other organizations. The rates of remuneration are \$3,120 per annum (increasing to \$3,370 p.a. from November 2005) for Members and \$26,000 per annum (increasing to \$28,080 p.a. from November 2005) for the Chairperson of the Board. From November 2005, the Chairperson of the Audit and Finance Committee is also paid an additional \$2,527 p.a. for chairing this Committee. No fees are paid to Members who are salaried government employees or who elect to forego payment.

### Committees

The Board is advised on specific matters by a number of committees. These include the Audit and Finance Committee, which advises on budgetary and internal audit matters, and committees for each area of law. Details of these committees are included on pages 121–124.

# Board membership

## As at 1 July 2005 to 30 June 2006



**Mr Bill Grant LLB**  
Appointed by the Attorney General as Chief Executive Officer (see pages 36 and 58 for more information).\*\*



**Mr Phillip Taylor BA LLB, Solicitor**  
Appointed by the Attorney General as Chairperson. Phillip practises in the area of banking and finance as a consultant at Freehills, where he was a partner for many years as well as Chair of the Freehills pro bono committee. 10\*



**Rev Harry Herbert BA BD STM Dip.Legal Studies,**  
Harry is Executive Director of UnitingCare NSW, ACT, representing consumer and community interest. He also chairs the Responsible Gaming Fund and the NSW Social Justice Reference Group. He is the longest serving member of the Board. 8\*



**Mr Simon Moran BA LLB, Solicitor**  
Simon is Principal Solicitor of the Public Interest Advocacy Centre and Public Interest Law Clearing House. He is also a Board Member of several community legal centre groups. 9\*



**Mr Geoff Lindsay BEC LLB(ANU) SC, Barrister**  
Nominated by the NSW Bar Association. Geoff practises principally in the equity and commercial jurisdictions. He is involved in legal publishing. 10\*



**Mr Jack Grahame, Solicitor, LAC NSW**  
Nominated by the Labor Council of NSW. A solicitor for almost 40 years, Jack was in private practice before joining the Commission's Prisoners Legal Service in 1991. 11\*



**Ms Linda Webb OAM (B.A., University of Canberra) FAIM MAICD**  
Linda is a consultant and serves on several government boards. Her areas of expertise are governance, community services and procurement. In 2001, Linda was awarded a medal as a Member of the Order of Australia for services to public administration and to social policy. 6\*

**ABSENT**  
**Mr Mark Richardson BA, LLB(ANU), LLM(Syd)**  
Nominated by the Law Society of NSW (Resigned 04/06). Mark served as Director of the Commission 1989–1992. He is a member of several boards. 4\*  
Alternate: Ms Pauline Wright BA LLB 2\*  
**Mr Philip Bickerstaff, MCom**  
(Commenced 08/05). Phil retired from the NSW Public Sector in February 2005, after 37 years, 29 of those with the NSW Treasury, and 16 years as Branch Director. Phil was appointed to the Board in August 2005 and chairs the Board's Audit and Finance Sub-Committee. 10\*  
**Ms Anne Britton, BA LLB.**  
Anne is a judicial member of the Administrative Decisions Tribunal and and Related Employees Appeal Tribunal. She has extensive experience in industrial relations and arts and media law. 7\*

\*Meetings attended in 2005–2006  
\*\*Attended 11 meetings, including one as Chair.

# Senior directors



The daily management of the Commission is overseen by the Chief Executive Officer, with assistance from six senior directors.

**Bill Grant, LLB, Chief Executive Officer (SES Level 6)**

**Budget Total: \$156.0 million**

**Staff: (EFT) 709.54 Total Actual: 767**

Bill was appointed as Chief Executive Officer on 26 November 2001. He was previously Deputy Director General of the NSW Attorney General's Department for 10 years. On 12 June, 2006, Bill was awarded the Medal of the Order of Australia for services to the community and to the law, through the NSW Legal Aid Commission. In 2005–2006, Bill focused on building collaborative service partnerships across the justice sector, particularly in the areas of Aboriginal and rural client services.

**Steve O'Connor Dip. Law (BAB), Dip. Crim, Deputy CEO Legal (SES Level 4)**

**Budget Total: \$60.1 million**

**Staff: (EFT) 277.67 Total Actual: 312**

Steve was appointed in September 2003. Previously, he was the Solicitor for Public Prosecutions in the NSW Office of the Director of Public Prosecutions (DPP). In 1999 Steve was appointed an acting Magistrate. Steve is responsible for the statewide practices of the Criminal, Family and Civil Law Divisions. This year, his many achievements include a significant contribution to criminal case conferencing reforms in the justice system.

**Russell Cox BComm, Deputy CEO Business and Client Services (SES Level 4)**

**Budget Total: \$12.6 million**

**Staff: (EFT) 78.94 Total Actual: 81**

Russell has responsibility for the provision of Corporate Services to the Commission and was appointed as the Commission's Deputy CEO, Business and Client Services on 1 September 2003. Russell's prior experience includes senior corporate service appointments in both the public and private sectors.

During the year Russell has overseen the continued improvement of the Business and Client Services Division to enhance services, reduce costs and improve productivity in support of the achievement of the Commission's business objectives.

**Richard Funston BComm, LLB Accredited Criminal Law Specialist Director, Grants (SES Level 2)**

**Budget Total: \$63.8 million**

**Staff: (EFT) 84.74 Total Actual: 91**

Richard recently completed the Executive Masters of Public Administration with the Australian and New Zealand School of Government. Richard's earlier experience includes eight years with Legal Aid in Victoria and four years as Principal Solicitor of the Inner City Legal Centre in NSW. During his nine years with the Legal Aid Commission of NSW, Richard held leadership roles in the Children's Legal Service and the Family and Civil Law Division before being appointed Director Grants in October 2002. Richard is pleased that Grants have been able to expand the roll-out of E-lodgement in Crime, and that the audit team of the Professional Practices Branch has played a positive, educative role with private practitioners.

**Brian Sandland BComm, LLB, Director, Criminal Law (SES Level 2)**

**Budget Total: \$31.5 million**

**Staff: (EFT) 133.6 Total Actual: 141**

Brian has 24 years of experience with the Commission. He held senior management roles in Burwood and head office before being appointed to head this division in August 2003. In 2006 Brian was awarded the Public Service Medal for his contribution to the community through his work for the Legal Aid Commission.

This year, Brian focused on the reallocation of resources to deal with the new courts in the western suburbs, planning for the Parramatta Justice Precinct and strengthening service delivery through comprehensive file audits and reviews.

**Judith Walker BA, Dip Ed.**

**MA (Hons), LLB**

**Accredited Family Law Specialist Director, Family Law, (SES Level 2)**

**Budget Total: \$16.2 million**

**Staff: (EFT) 58.89 Total Actual: 62**

Judith's vast experience includes working in the Department of Government and Public Administration at the University of Sydney, as a lawyer in private practice, then with the NSW Law Reform Commission and from 1987 with the Commission. Judith was Senior Solicitor in the Family Litigation Section and Acting Director, Family Law before being permanently appointed in July 2004. Judith's main achievement this year was to ensure that the family law practice would be well equipped to represent clients under the major family law changes that took place on 1 July 2006. Other achievements were the introduction of dispute resolution in property matters and the implementation of minor assistance in family law and child support.

**Stella Sykiotis BComm, LLB, Director Civil Law (Senior Officer Grade 1)**

**Budget Total: \$10.1 million**

**Staff: (EFT) 53.3 Total Actual: 56**

Stella has worked as a community lawyer since 1988 with a particular focus on consumer protection law. She began work at the Commission in the Civil Law Program in 1996. Stella was appointed to her current position of Director, Civil Law in November 2003. This year, her comprehensive client service strategy included expanding services to Aboriginal communities, women in prison, people in immigration detention, and people living in isolated areas of New South Wales. Stella's main achievements this year included creating a new Coronial Inquest Unit, expanding civil law policies in relation to public interest human rights matters and reviewing the Mental Health Advocacy Service.

# Corporate governance

## Our Corporate Governance framework

The Commission is established and operates in accordance with the *Legal Aid Commission Act 1979* to provide legal aid and other services in accordance with the Act. Our purpose is to ensure that legal aid is provided in the most effective, efficient and economical manner; and that legal aid is readily available and easily accessible to disadvantaged persons throughout New South Wales,

The Commission's corporate governance framework ensures that the Commission operates in accordance with its legislative objectives and honours its commitment to the community as expressed in our Vision and Mission statements.

The Commission's work is guided by a set of values which express the Commission's commitment to ensuring that all member of the community have access to high quality professional legal services.

The Commission reports to the NSW Attorney General, the Honourable Bob Debus, MP. An independent Board oversees the Commission's general management and long-term strategic direction (see page 35 for members and their curriculum vitae).

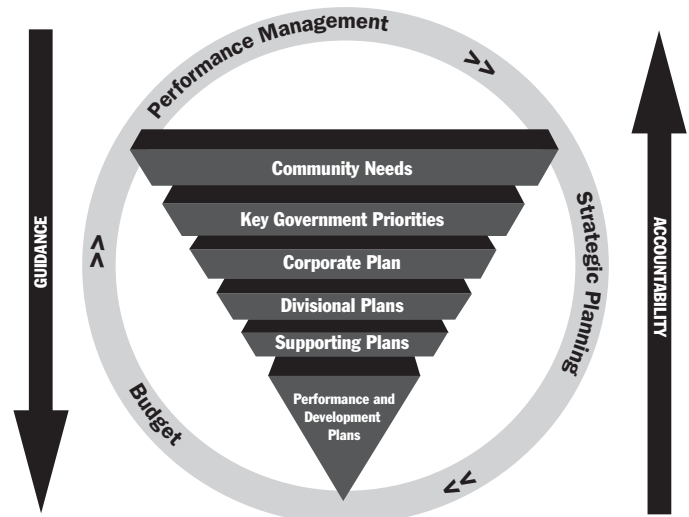
The day-to-day management of the Commission is overseen by the Chief Executive Officer with the assistance of the Executive. The Executive (members are listed on page 36) met fortnightly to discuss and decide upon Commission policy direction and organisational management.

## Corporate planning

The Commission's corporate planning framework guides the Commission in planning the delivery of its services, allocating resources and reporting and evaluating performance across all levels of the organisation.

The Framework integrates the following planning activities:

1. Results and Service Plan
2. Corporate Plan
3. Business Plans
4. Operational Support Plans
5. Performance Planning and Development Plans (Team and Individual)



*The Corporate Planning Framework*

The framework provides direction and guidance for work undertaken by divisions and individual officers and operational accountability across the Commission through structured and regular business and management information reports. The framework guides all the Commission's work and the results we want to achieve for the community.

## Code of Conduct

The Commission has a *Code of Conduct* that reflects its organisational and government values, vision and mission. The code sets out the standards and guidelines for our staff to follow in relation to ethical decision making, protecting confidential information and dealing professionally and fairly with clients. The code was not amended in this reporting period.

## Delegations

The Commission used its Delegations Authority to manage and control expenditure and to ensure that financial and operational decisions are made by senior relevant officers. This year we reviewed and updated our Delegations Authority to reflect changes to the Commission's structure and policies governing our work processes.

# Measuring performance

In 2005, the Commission developed a new set of performance indicators to help the Commission meet its objectives and achieve results for the community. The indicators are grouped into two results areas:

- **Increased community awareness of legal rights and responsibilities:** by providing community access to accurate, timely and helpful legal information and advice.

- **Ensuring the courts operate efficiently and effectively:** by providing access to skilled legal representatives who can achieve appropriate court outcomes for clients by conducting court cases in accordance with the law and best practice.

Some of the new measures involve the analysis of data previously not collected by the Commission. The Commission will be using trend analysis over the next two to three years to establish benchmarks and estimates for future results indicators.

Focus area—KPI	Measures	04-05 Result	05-06 Target	05-06 Result*
<b>Community awareness of legal rights and responsibilities</b>				
<ul style="list-style-type: none"> <li>• Advice provided is accurate, timely and helpful</li> <li>• Community has access to information and advice</li> </ul>	% of clients satisfied with quality of advice provided by Commission staff (bi-annual survey)	N/A	70%	86-92%
	Average waiting time for advice appt (wks)	1.1	1.1	1.1
	No. of community accessing information	157,968	217,699	242,011
	Per 100,000 of community	(2,332)		(3,534)
	No. of community accessing advice services	74,481	75,853	80,052
	Per 100,000 of community	(1,099)		(1,169)
	No. of community accessing publications	302,067	302,000	289,778
	Per 100,000 of community	(4,459)		(4,230)
	No. of community accessing community legal education sessions	5,892	5,900	9,328
	Per 100,000 of community	(87)		(136)
No. of internet pages accessed by the community	N/A	1,900,000	2,259,901	
<b>Accessibility to Legal Aid</b>				
<ul style="list-style-type: none"> <li>• Socially and economically disadvantaged people receive appropriate legal</li> </ul>	Means test income limit as a % of national minimum weekly wage (1995 base)	40.7%	44.6%	44.6%
	% of Local Court sittings serviced by duty solicitor schemes	100%	100%	100%
<b>Representation service standards</b>				
<ul style="list-style-type: none"> <li>• Representation services are conducted according to law and best practice</li> </ul>	% of satisfactory comprehensive inhouse file reviews	N/A	85%	99.3%
	No. of Commission lawyers with specialist accreditation	85	75	106
	No. of Commission lawyers attending inhouse and MCLE** training sessions	1,405	1,450	1,652

\*On or above target

\*\*MCLE: Mandatory Continuing Legal Education



# Accountability

## Accountability

The Board, Chief Executive Officer, senior management and staff have established a control environment that provides reasonable assurance that the objectives of the Commission will be achieved. The internal audit function assesses the adequacy of the control environment on a risk management basis.

### In 2005–2006 we:

- Developed a three-year Internal Audit Program.
- Developed and implemented an Annual Audit Plan.
- Updated the Commission’s Risk Assessment.
- Updated the Internal Audit Charter.

Internal Audits carried out during 2005–2006:

- Purchasing and Accounts Payable
- Applications for Legal Aid (civil and family law)
- Private Practitioner Management (criminal, family and civil law)
- General Computer Controls
- Occupational Health and Safety
- Revenue/Debtor Management, Accounts Receivable
- Compliance with the *Legal Aid Commission Act 1979*.

### Risk management and internal controls

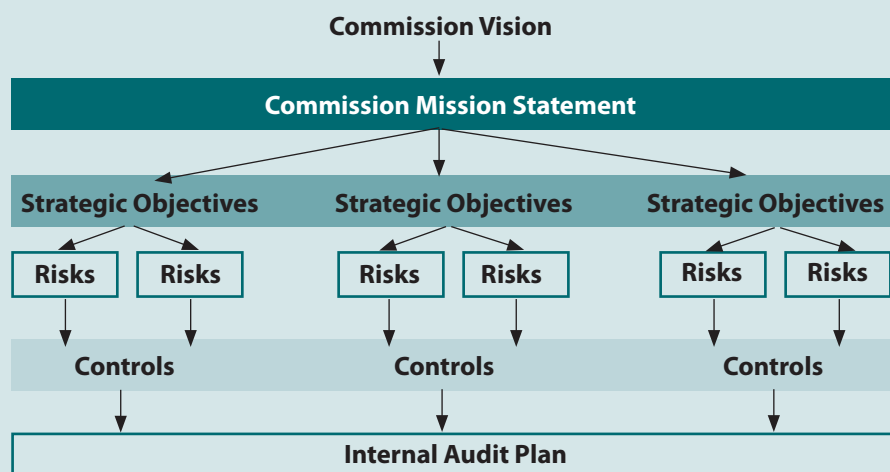
The Commission regularly conducts a risk assessment of its activities covering both strategic and operational risks. The prime objective of the

process is to identify key operational risks facing the Commission and also to identify what controls have been established to manage and monitor the key risks identified. The current risk assessment was prepared in 2005.

The risk assessment is used to prepare the three-year audit plan and each year an annual audit plan is prepared based upon the three-year plan. Each annual audit plan also includes provision for additional audits should circumstances change and further audits are required. The preparation of the risk assessment is based upon a methodology recognising inherent risk and control effectiveness.

The Commission’s internal auditors are Deloitte Touche Tohmatsu. Each audit has a stated objective and scope of activity. All recommendations to improve controls require a management response on what action will be taken and a date by when action will be complete. The internal audit function is overseen by the Board Audit and Finance Committee. The committee met 11 times last year to advise the Board on financial reporting practices, business policies and management and internal controls. Its Terms of Reference were recently updated in recognition of the recommendations of the Public Accounts Committee’s Report on the Review of Operations of Audit Committees. (More details about the Board, its role and membership are on page 121).

*Risk Assessment Approach Diagram*



**Legal Aid Review Committee Appeals and Outcomes 2005 – 2006**

Program Area	Allowed	Disallowed	Pending	Withdrawn	Total Appeals	Appeals Allowed (%)
Civil Law	7	114	11	3	135	5.19
Criminal Law	58	192	6	3	259	22.39
Family Law	72	370	26	2	470	15.32
<b>Total</b>	<b>137</b>	<b>676</b>	<b>43</b>	<b>8</b>	<b>864</b>	<b>15.86</b>

**Complaints handling**

Receiving and responding to complaints in a professional, fair and timely manner is an essential component of the Commission's mission to provide high quality services.

In June 2005, the Commission issued new complaints handling procedures. The new guidelines are designed to:

- help resolve customer dissatisfaction about the service they receive or believe they should receive by providing clear guidance to staff on how to receive and resolve complaints; and
- assist the Commission to identify problems and change procedures to prevent similar dissatisfaction and complaints in the future.

The new complaints handling procedures are supported by a new brochure outlining a simple process for lodging complaints with the Commission.

The Commission has also established a complaints register to gather and analyse information about the number and nature of complaints in order to better understand our clients' expectations about the services we deliver. The new processes will allow the Commission to report annually on the number and nature of complaints received.

This year, we received complaints from the Ombudsman's Office (4), the Independent Commission Against Corruption (1), the Office of the Legal Services Commissioner (1) and the Law Society of NSW (1).

**Legal Aid Review Committees**

Five Legal Aid Review Committees determine appeals that relate to legal aid applications and grants of legal aid. They consider:

- appeals against refusals of legal aid
- conditions imposed on grants of legal aid
- variations and terminations of grants
- decisions to decline payment of costs ordered against legally assisted clients.

This year, our review committees allowed appeals in 137 of 864 submitted matters (see table above). Legal Aid Review Committee membership and number of meetings are on page 121.

# Systems and processes

**Divisions improved their systems and processes so they could work more effectively and make sound business decisions.**

## Major achievements

### File review and audits

The Commission introduced file review and audit systems across all its legal program areas and for private practitioners as a means of ensuring that our policies and procedures are equitably and consistently applied. The file reviews and audits particularly focused on ensuring applications for legal aid were determined in accordance with the Commission's eligibility tests and on accurate record keeping.

The file reviews conducted for inhouse lawyers this year showed a 99.3% satisfactory compliance rate.

An audit priority strategy was developed for private practitioners who are members of the Commission's various practitioner panels. Under this strategy, 46 selected practitioners on the Care and Protection, Veterans' Law, and Independent Children's Lawyers panels have been audited.

### Policies and procedures

A plain English rewrite of Commission policies commenced last year, and will be finalised in early 2007. A review of Alternative Dispute Resolution policies will ensure that the Commission is well positioned to deliver high quality services alongside the Family Relationship Centres that are being established by the Commonwealth Government.

### Grants management system

A model was developed setting out how the Grants process will operate in the future when a new Grants Management system is implemented. It was determined that it was feasible to introduce some automated processing of applications and invoices in the new system.

### Best practice service reviews

The Commission continues to work towards improving the quality, range, responsiveness and accessibility of our services. During the year a number of high level reviews of service areas were commenced with a view towards better aligning the Commission's services to new and emerging needs within particular existing client groups.

### *Mental Health Advocacy Service*

The Commission undertook a review of the Mental Health Advocacy Service to improve the service's ability to meet current and projected client service needs. After approval by the Board, the recommendations will be implemented.

### **Best practice reviews commenced (for completion in 2006-2007):**

#### *Care and Protection Service*

Our Children's Care And Protection Service is being reviewed to position the Commission to meet expected significant increases in court cases in this area. The review will also consider more effective ways of providing services in this area.

#### *Prisoners Legal Service*

We commenced a review of the Prisoners Legal Service to establish what legal needs are being met amongst the most disadvantaged within the prison population, and to identify future directions for the service.

#### *Legal Aid Review Committee*

Five Legal Aid Review Committees (LARC) determine appeals from clients about their applications and grants of legal aid. It is very important that clients undertaking this step should find the process easy and efficient. We commenced a review of LARC to improve and simplify our processes.

## Legal practices-improvements made

### **Case conferencing reforms**

The Commission partnered with other criminal justice agencies to introduce the NSW Government's Case Conferencing reforms to the management of legally aided indictable state law matters listed in the Local Court from 1 January 2006. The reforms aim to reduce the number of committals for trial, late pleas of guilty and trials listed before the District Court.

The reforms provide for the prosecution to provide all relevant information in relation to an indictable offence whilst the matter is before the Local Court, to the defendant's lawyers and for a case conference to be held to agree on the

appropriateness of the charges laid. The conference also allows the defendant's lawyers to determine the appropriate plea to be entered and ensure that only those matters that need to be committed for a trial in the District Court, do so.

### **Organisational structures**

The Criminal Law Division completed the restructure of its committals practices to ensure consistent statewide service delivery.

The Family Law Division reorganised duty services at Parramatta Family and Federal Magistrates Court to assist a greater number of unrepresented litigants. The duty service at the Sydney Family Court Registry was expanded to incorporate services provided by Federal Magistrates.

The division also restructured care and protection services in south west Sydney by establishing a full time specialist supervising lawyer to oversee care and protection services in the region. The resources of the Child Support Service and Nowra office family lawyers were combined to establish a joint duty and advice service at Goulburn Local Court.

The Civil Law Division expanded mental health duty services to service additional hospital places established a new Coronial Inquest Unit and created a position of Senior Solicitor for Human Rights matters (See pages 16 and 18 for details).

### **Procedural guidance**

A new Duty Lawyers Manual was developed for both Commission lawyers and private practitioners undertaking duty work throughout the state.

The Family Law Division developed and implemented guidelines for minor assistance in family law matters and non-litigation services in child support to provide more comprehensive services to a wider range of clients needing assistance. The Division also developed the Family Law Practice and Procedures Manual.

The Civil Law Division developed its Civil Law Procedures Manual which contains procedures for staff conducting civil law matters. The manual complements the Commission's Policy Manual and gives clear directions on how to conduct matters, record information and lists the type of matters for

which aid is available.

The Criminal Division commenced work to develop a new procedural manual for staff which will provide comprehensive guidance on all aspects of the Commission's criminal law services.

The Grants Division implemented new business rules to ensure consistency in the granting of aid in civil law matters dealt with by both Commission staff and private practitioners.

### **Ensuring policy and procedural compliance**

File reviews and audits were implemented across the Commission's legal practice areas and for practitioners included in the Commission's practitioner panels.

Reviews undertaken throughout the year on work conducted by Commission lawyers revealed very high levels of compliance with the Commission's policies and procedures.

The Commission's Grants Division commenced audits of panel practitioners in August 2005, reviewing almost 50 practitioners on the Commission's Care and Protection, Independent Children's Lawyers and Veterans panels, and undertaking the first audit of duty solicitor work in the children's care and protection jurisdiction.

### **The year ahead**

- The Commission will review and update its Alternative Dispute Resolution policies to ensure that the Commission is well positioned to deliver these services alongside the Family Relationship Centres which are being established by the Commonwealth Government.
- The new Coronial Inquest Unit will be evaluated, assessing how effective it has been in providing quality representation in coronial inquest matters and representing the public interest in relevant cases.
- The work of the Human Rights Committee will also be evaluated to determine whether it has enhanced the Commission's capacity to make grants of aid in this important area of law.
- Duty services will be provided for magistrates hearings taking place in new mental health services planned for Lismore and Hornsby.

# Business support

- The Criminal Law Division will work with clients and other agencies to ensure the effectiveness of case conferencing in reducing late pleas of guilty in the District Court.
- More training will be provided in criminal law and practice standards for private practitioners in regional areas that do not have a legal aid office.

## Key challenge

To develop new computer systems for managing the granting of legal aid and conduct of cases.

## Strong financial management

The Commission maintained a strong financial control environment to ensure its financial responsibilities were met. Annual budgets were negotiated with each business centre manager to ensure that each manager is fully aware of the financial resources that they have been allocated to achieve their business objectives. Monthly reports were provided comparing actuals to budget and associated revenue and expenditure trends. Detailed monthly financial reports were also provided to the Audit and Finance Committee and the Board. The Commission maintains a small funding reserve each year to provide for unexpected expenditure or revenue reductions. (More details on page 59).

Our Financial Services Branch reviewed the budget process to facilitate greater staff involvement and the timely release of internal budgets.

We updated our delegations manual to provide better guidance to staff in decision-making.

An updated financial reporting format assisted managers to better understand their financial reports. A new electronic financial reporting system displaying financial data in both graphical and statement form, can be accessed at any time by managers in order to ascertain their financial position, download reports and analyse transactions.

The lead-time involved in the preparation of the Commission's monthly financial statements was significantly reduced.

This year, we implemented the Australian

Equivalents of the International Financial Reporting Standards (AEIFRS).

## Improving our use of technology

In a first for legal aid commissions around Australia, our IT staff helped develop a self-assessment means test indicator. See page 12 for details.

### *Expanded use of audio-visual facilities*

The Commission has incorporated audio-visual conferencing (AVL) as a means of expanding client access to our services. The conferencing facilities are used to communicate quickly and easily with clients who are in gaols, people in isolated regional areas who need advice or parties to a family law conference. AVL has many advantages for clients, eliminating travel time, increasing the number of times they can speak to a lawyer and allowing people in different locations to negotiate and settle their dispute with minimum hassle.

During the year the Commission placed audio-visual facilities in an additional eight locations. This brings a total of 15 offices within the Commission with access to audio/video facilities as well as a second studio in Sydney. Throughout the year, AVL was used on 3,691 occasions across all areas of law.

### *Electronic service delivery*

Our Grants and IT areas have worked together to simplify procedures and enhance our partnership with the private profession. Access to online legal aid applications has made doing business with the Commission easier and faster for private practitioners. The introduction of e-Lodgement by the Commission's Grants Division has increased both the Commission's timeliness and quality of processing applications for legal aid. The average time to process an e-lodged application this year was 4.96 days.

We also introduced an initiative to improve communication with our partners through the provision of information by email developments relevant to Legal Aid.

### **New case management system**

The Commission commenced a pilot of a new computer system to better manage legal cases. The

new system was piloted at several locations and replaces manual systems with the computerised capability to track cases, manage all aspects of our legal practices and provide operational and management reports.

**Other IT initiatives included:**

- Developing and improving our intranet and internet sites, providing users with better information while new gateway and scanning systems increased the efficiency of our email systems.
- Implementing a new data warehouse system that provides more useful management reports linking financial and operational data. Several new systems were implemented allowing staff to store information more effectively and to communicate better with their clients.
- Implementing a new Secure Remote Access System to enable users to access the Commission's network whilst away from the office.
- Replacing and upgrading computers and servers.

**Energy saving operations**

This year our Operational Support Unit focused on introducing a range of new environmentally-friendly measures, including upgrading lighting to save on energy and developing an environmentally friendly Motor Vehicle Fleet Plan.

Through its new online stationery ordering system, the unit was able to cut back on paper waste and increase its efficiency whilst maintaining a Commission-wide waste reduction policy in accordance with the Government's Waste Reduction and Purchasing Policy (WRAPP).

Major refurbishments were carried out in Campbelltown, Parramatta, Wollongong, Fairfield, Tamworth, and new premises were negotiated for Manly. The Sydney CBD office was outfitted with a new training centre, and major upgrades carried out on the carpet and facilities. A new Office Accommodation Strategic Plan was prepared, supporting the continued upgrade of our offices to achieve professional and functional facilities.

**The year ahead**

We will further improve our systems and processes by:

- Implementing the results of the best practice service reviews.
- Developing a replacement Grants Management system, including automated processing and decision support.
- Fully implementing the email communication system with our partners.
- Expanding the use of e-lodgement.
- Continuing to undertake audits of duty and panel practitioners.
- Refurbishing Legal Aid offices in Sydney CBD, Coffs Harbour, Parramatta, Wagga Wagga, Bankstown, Lismore, Fairfield and Campbelltown.
- Reviewing and updating records management systems.
- Continuing the computer and equipment replacement programs.
- Introducing an Internal Audit Control Self Assessment Process.

# Partnerships

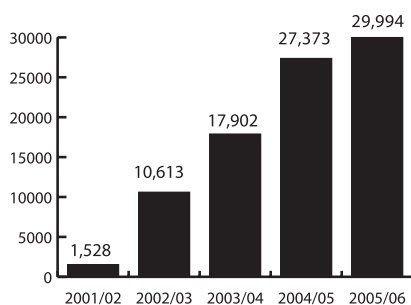
## Major achievements

Since 2002, greater numbers of private practitioners have been lodging applications for legal aid online administered by our Grants Division. By 30 June 2006, 837 firms were registered for E-lodgement, an increase of 30% on this time last year. E-lodgement was also expanded to private practitioners in Local Court and Children's Court criminal law matters.

E-lodgement resulted in fast determination of applications. The average processing time for electronic applications was 4.96 days.

E-Lodgement was introduced for tax invoices for private practitioners doing duty lawyer work. Electronic duty invoices were processed, on average, in 0.6 days.

**E-Lodgement requests received  
2001–2006**



## Practitioners panels

Many private practitioners doing legal aid work are members of panels. The Commission's panels are an important initiative aimed at improving both the delivery of legal aid services to the community and our relationship with private lawyers. Panels are being progressively implemented across practice areas. On appointment to a panel, practitioners sign a service agreement and agree to practice standards and audit arrangements. Legal aid work is then assigned to panel practitioners in accordance with published Grants Allocation Guidelines. Panels are strengthening our relationship with the private profession by ensuring transparency in the assignment process and agreement on the terms on which our relationship is conducted. Panels practice

standards are supporting the delivery of quality legal aid services to our clients.

In 2005–2006, panels operated in Children's Criminal Law Matters (renewed this year with 157 practitioners recommended for appointment); Care and Protection, Court of Criminal Appeal, Veterans' Law and Independent Children's Lawyers.

Audits of panel practitioners commenced from August 2005, providing valuable opportunities for the Commission to help practitioners to better understand its policies and guidelines. Nearly 50 panel practitioners on the care and protection, child representative and veterans panels have been audited. Additionally, the first ever audit of duty applications has been undertaken in care and protection duty.

We also established a Monitoring Committee under the *Legal Aid Commission Act*, which will make recommendations concerning private practitioners who are alleged to have breached their panel service agreements. Recommendations may include removal or suspension from the panel.

Since taking carriage of applications to recover costs in both assigned legally aided and inhouse criminal matters in 2004–2005, costs of over \$1,000,000 have been recovered.

In other initiatives:

- A committal lump sum fee structure to accommodate case conferencing was introduced from 1 January 2006. Business Rules and training accompanied the introduction.
- We introduced significant fee increases for legal aid work undertaken by private practitioners.
- The Legal Aid Commission Regulation, 2006 was gazetted in March 2006. The regulation enables the Commission to appoint practitioners to panels for periods from two years up to five years. For most panels there will be no closing date, so practitioners may apply to join a panel at any time.
- Guidelines for solicitors were developed in partnership with the Law Society of NSW for the Duty Solicitor Scheme.

# Shaping the justice system

## The year ahead

The Grants Division will:

- Renew the Care and Protection (specialist Children's Courts), Veterans' Law and Court of Criminal Appeal panels.
- Continue to undertake audits of duty and panel practitioners in accordance with the Commission's Audit Priority Assessment Strategy.
- Roll out E-lodgement for District and Supreme Court trials.
- Establish and implement a new general family law panel for private practitioners undertaking legal aid work.
- Establish a formal policy for reassignments of grants of aid in criminal, family and civil law.
- Assist our family law clients by implementing a referral/transfer system for applications received that are not allocated to a private practitioner.

## Key challenge

To ready the Commission and private practitioners for the business process and system changes that will be introduced in line with the new Grants Management system.

## Law reform

The Commission's law reform work places it at the forefront of policy development and innovation in the justice system, ensuring that the interests of clients are identified and acknowledged by the justice system.

The Commission played an important role in contributing to law reform in NSW, preparing a total of 29 submissions in various areas.

We participated in law reform debates, ensuring that the interests of our clients were identified.

This year, the Commission was involved in a number of law reform initiatives, either providing independent submissions or contributing to submissions made by National Legal Aid.

### Submissions were made to the following bodies:

- The NSW Sentencing Council on court imposed fines and their enforcement.
- The NSW Attorney-General's Department on:
  - The *Children (Detention Centres) Amendment Bill 2006*.
  - Uniform civil procedure rules – expert witnesses
  - Review of the *Community Justice Centres Act 1983*
  - *Crimes (Serious Sex Offenders) Bill 2006*
  - Proposed amendments to s179 of the *Criminal Procedure Act 1986*.
  - the Report of the working party considering the reform of the *Children (Criminal Proceeding Act 1987)* and the merger of the *Children (Criminal Proceedings) Act 1987* and the *Young Offenders Act 1987*
  - A proposal to introduce arrest warrant expiration periods
  - A proposed amendment to the *Evidence (Children) Act 1997 (NSW)*
  - *Crimes (Sentencing Procedure) Amendment (Gang Leaders) Bill 2006*
  - Advocates Immunity (two submissions)
  - the Criminal Procedure Regulations
  - the *Drug Court Act 1998* (two submissions)
  - *Police Powers (Drug Premises) Act 2001*



# Working with other organisations

- The NSW Commission for Children and Young People in relation to its inquiry into children, young people and the built environment.
- The Department of Community Services in relation to its Review of the *Children and Young Persons (Care and Protection) Act 1998*.
- The Commonwealth Attorney-General's Department on:
  - its *Review of the Proceeds of Crime Act 2002*.
  - proposed amendments to the *Family Law Act (Parental Responsibility)*.
- The NSW Ombudsman on:
  - Review of the *Police Powers (Internally Concealed Drugs) Act 2001*.
  - The *Review of the Crimes (Administration of Sentences) Amendment Act*.
- The Administrative Appeals Tribunal on a General Practice direction – workers compensation.
- The NSW Child Sexual Assault Taskforce on Child sexual assault in Aboriginal Communities.
- The Law Society of NSW on the Law Society Information Barrier guidelines.
- The Office of Fair Trading on:
  - Residential Tenancy Law Reform
  - Fair Trading laws relating to telemarketing
  - Issues paper for the Review of Consumer, Trader & Tenancy Tribunal
- The Family Law Council (as part of National Legal Aid's submission) on relocation
- The Department of Community Services on amendments to the *Child Support (Assessment) Act*, and on proposed amendments to the adoption laws in NSW.
- The NSW Law Reform Commission in relation to its inquiry into the consent to medical treatment of young people in detention.

We also drafted a proposal on alternative dispute resolution in care and protection matters for consideration by the Children's Court and the Department of Community Services.

**Staff across the Commission worked closely with other organisations in the community to achieve better results for our clients. During 2005–2006, staff of the Commission worked with many other legal service providers, highlighting the legal needs of disadvantaged communities within a diverse range of public forums and inter-agency working groups.**

#### *NSW Legal Assistance Forum (NLAF)*

The Combined Community Legal Centre Group, the Law and Justice Foundation and the Legal Aid Commission have established a NSW Legal Assistance Forum (NLAF). The forum brings agencies involved in legal service delivery together to facilitate statewide collaboration on the planning and delivery of legal services. This year, NLAF focused on law reform and improvements to meeting client needs. New working groups were set up to focus on:

- Providing better civil law services to Aboriginal people, in particular Aboriginal victims of family violence.
- Examining ways of addressing the barriers to access to advice and representation caused through conflict of interest.

#### *NSW Legal Information and Referral Forum*

Key service providers in NSW find new ways of improving the quality of referral services to clients with legal problems. This year, the forum focused on improving referral from non-legal to legal agencies.

#### **National Legal Aid Committees**

*Australasian Total Legal Aid System (ATLAS) Working Party:* **Mary Whitehead, Wayne Gale**

*Family Law Working Group:* **Judith Walker**

*Grants Working Group:* **Richard Funston, Mary Whitehead**

*Legal Practice Working Group:* **Steve O'Connor**

*National Legal Aid Directors:* **Bill Grant**

*National Legal Aid Steering Committee, Industry Skills Council:* **Elaine Harrison**

*National Legal Aid Sub Committee on Multi-party Dispute Resolution:* **Elaine Harrison**

*National Statistics Working Party:* **Mary Whitehead**

*Primary Dispute Resolution Working Group:* **Elaine Harrison**

#### **Law Society of NSW Committees**

*Children's Law Specialist Accreditation Committee:* **Teresa**

**O'Sullivan, Debra Maher**

*Criminal Law Committee:* **Teresa O'Sullivan, Brian Sandland, Lester Fernandez, Angela Cook, Annmarie Lumsden**

*Family Law Committee:* **Judith Walker, Norman O'Dowd**

*Government Solicitors Committee:* **Mary Whitehead**

*Law Week Planning Committee:* **Penny Adams, Kirsten Cameron**

*NSW Young Lawyers (Executive Council):* **Olivia Connolly**

*Young Lawyers Criminal Law Committee:* **Te'res Sia**

*Young Lawyers Family Law Committee:* **Olivia Connolly (Chair), Alexandra Colquhoun, Christopher Paul**

### **Aboriginal Legal Services**

*Legal Aid Commission of NSW and Sydney Regional Aboriginal Legal Service Corporation Working Group:* **Steve O'Connor, Louise Blazejowska, Brian Sandland, Judith Walker, Paul Hayes, Stella Sykiotis**

*Coalition of Aboriginal Legal Services:* **Steve O'Connor, Brian Sandland**

### **Civil Law Committees**

*Administrative Appeals Tribunal Practice Committee:* **Bill Gerogiannis**

*Administrative Decisions Tribunal, Guardianship and Protected Estates Users Group:* **Nihal Danis**

*Asylum Seekers Interagency:* **Geraldine Read**

*Asylum Seekers Interagency Legal Working Party:* **Phillipa Martin**

*Boarders and Lodgers Action Group:* **Damien Hennessey**

*Combined Forums (ATSI Legal Information Project):* **Sri Ogden, Alex Grosart, Yolanda D'Aquina, Robert Wheeler**

*Consumer Credit Legal Centre:* **Stella Sykiotis (Management Committee)**

*Department of Housing's Anti-Social Behaviour Consultation Forum:* **Sarah Nielsen**

*Discrimination Lawyers Group Steering Committee:* **Fiona Pace**

*Do-it-yourself Discrimination Complaint Kit Project Steering Committee, Kingsford Legal Centre:* **Fiona Pace**

*Getting off the Referral Roundabout Training Video and Kit Project Steering Committee, Kingsford Legal Centre:* **Fiona Pace**

*Industrial Relations Commission User Group:* **David McMillan**

*Insurance Council of Australia, Committee for Consumer Consultation:* **Alex Grosart, David Coorey, Guy Donnellan**

*International Committee of Jurists:* **Elizabeth Biok**

*Illawarra Forum, Mental Health Committee:* **Mathew Turner**

*Mental Health Advocacy Network:* **Nihal Danis**

*Mental Health Liaison Group:* **Bill Grant, Robert Wheeler**

*Minister for Fair Trading, Retirement Villages Advisory Council:* **Lynne Wilkins**

*National Asylum Seekers and Refugee Forum:* **Bill Gerogiannis**

*Office of Fair Trading, Uniform Consumer Credit Working Party:* **John Moratelli, Dave McMillan**

*Office of Fair Trading, Consumer Trader and Tenancy Tribunal Commercial Division Consultative Forum:* **Paul Batley, Cvetanka Jankulovska, David McMillan**

*Office of Fair Trading, Consumer Trader and Tenancy Tribunal Tenancy Division Consultative Forum:* **Damien Hennessey**

*Park and Village Forum:* **Lynne Wilkins, Damien Hennessey**

*People with Mental Health Disorders and Cognitive Disabilities in the Criminal Justice System, Research Project:* **Robert Wheeler**

*Predatory Lending Project:* **John Moratelli, David McMillan**

*Public Housing Issues Working Party:* **Damien Hennessey**

*Public Interest Advocacy Centre:* **Bill Grant (Management Committee)**

*Public Interest Law Clearing House:* **Bill Grant (Director)**

*Refugee Council of Australia:* **Liz Biok**

*Refugee Review Tribunal /Migration Review Tribunal Liaison Committee:* **Geraldine Read**

*Start Out Right Steering Committee (for Illawarra Youth):* **Mathew Turner**

*Supreme Court-Possession Users Group:* **Bill Grant, Robert Wheeler**

*Temporary Protection Visa Project:* **Phillipa Martin**

*Tenancy Legal Working Party:* **Lynne Wilkins, Damien Hennessey, Sarah Nielsen**

*Welfare Rights Centre:* **Elizabeth Biok (Management Board)**

*Western NSW Community Legal Centre:* **Patrick Latham**

### **Criminal Law Committees**

*Attorney General's Working Party on the Children's (Care and Protection) Act and Young Offenders Act:* **Debra Maher**

*Children's Court Advisory Committee:* **Teresa O'Sullivan**

*Children's Court Assistance Scheme Advisory Committee:* **Mia Prodigalidad, Debra Maher, Louise Sutherland, Dennis Roach**

*Court Users Forum:* **Matthew Cogan, Nerissa Keay, John Mulder, Kerry Johnston, Mick O'Loughlin, Peter Hunter**

*Standing Committee of Criminal Justice Chief Executive Officers:* **Bill Grant**

*Youth Action and Policy Association:* **Mia Prodigalidad, Louise Sutherland**

*Youth Justice Advisory Committee:* **Teresa O'Sullivan**

*Youth Justice Coalition:* **Louise Sutherland, Aaron Tang, Mia Prodigalidad, Louise Sutherland**

### **Family Law Committees**

*Bellingen Interagency Group:* **Gene Roche**

*Campbelltown Local Court Users Group:* **Kerrie O'Donnell**

*Care Practice Working Group:* **Judith Walker**

*Centacare (Campbelltown) Advisory Committee:* **Kerrie O'Donnell**  
*Centacare (Wollongong) Advisory Committee:* **Paul Ryan, Vera Temelkovska**

*Child Support Agency, National Registrars Advisory Panel:*  
**Ruth Pilkinton**

*Child Support Agency, State Managers Advisory Panel:* **Sally Cole, Matthew Greenaway**

*Children's Court Advisory Committee:* **Katarzyna Rutkowska**

*Children's Court Working Group:* **Judith Walker**

*Coffs Harbour Court Users Group:* **Gene Roche, Jane Corcoran**

*Coffs Harbour Family Law Practitioners Association:* **Gene Roche, Jane Corcoran**

*Coffs Harbour Interagency Group:* **Gene Roche**

*Court Users Group, Toronto Children's Court:* **Nicola Callander, Phillip Squires**

*Families and Community Services and Indigenous Affairs (FaCSIA):* **Matthew Greenaway**

*Family Court of Australia Domestic Violence Reference Group:*  
**Alex Wearne**

*Family Court's Living in Harmony Partnership:* **Kylie Beckhouse**

*Family Court Magellan Steering Committee:* **Judith Walker**  
*Gateway Committee, Newcastle:* **Kim O'Rourke**

*Greater Metropolitan Domestic Violence Group:* **Maureen Power**

*Greater Sydney Families in Transition, Pathway Network Group:* **Nicki Adams**

*Family Court, Mental Health Support Project Working Party:*  
**Judith Walker**

*Family Court Domestic Violence Committee:* **Alex Wearne**  
*Hunter Valley Family Law Practitioners Association:* **Allan Scally, Kim O'Rourke, Margaret Wood, Nicola Callander, Philip Squires**

*Inner City Legal Centre:* **Paul Guterres (volunteer)**

*Interrelate Contact Centre, Coffs Harbour, Advisory Committee:* **Jane Corcoran, Gene Roche**

*Jean's Place, Marrickville Women's Refuge:* **Dina Lioumis (Board Member)**

*Newcastle Law Society, Children's Law and Community Legal Education Committees:* **Nicola Callander**

*National Steering Committee, Children's Cases Program:*  
**Judith Walker**

*Orange Family Support Service Management Committee:*  
**Jane Fuller**

*Pacific islander and Police Support Community Support Group (Liverpool/Green Valley):* **Atoa Aiolupotea**

*Pathways Committee (Newcastle):* **Kim O'Rourke**

*Relationships Australia Contact Centre (Newcastle):* **Nicola Callander**

*Relationships Australia, Rainbows at Broadmeadows:* **Nicola Callander**

*Shoalcoast Community Legal Centre:* **Richard Hughes (Executive Committee)**

*St James Local Court User Committee:* **Katarzyna Rutkowska**

*Refugee Advice and Caseworker Service, Temporary Protection Visa Project:* **Katie Wrigley**

*Warilla Neighbourhood Centre, Advisory Committee:* **Paul Ryan, Vera Temelkovska**

### Other Committees and Forums

*Administrative Decisions Tribunal:* **Leisha Bubniuk**

*Apprehended Violence Legal Issues Coordinating Committee:*  
**Jacqui Lane, Tracey Corbin-Matchett, Louise Blazejowska**

*Combined Community Legal Centre Training Network:* **Sandy Degrassi**

*Community Legal Centre Review Steering Committee:* **Louise Blazejowska, Dennis Roach, Alan Turner**

*Cross Justice Agency Video Conferencing Steering Committee:*  
**Russell Cox**

*Courtlink:* **Steve O'Connor, Paul Hayes**

*Family and Domestic Violence Senior Officers Group (NSW Family and Domestic Violence Policy):* **Louise Blazejowska, Tracey Corbin-Matchett**

*Law and Justice Foundation Steering Committee, Online Data Digest:* **Kirsten Bowman**

*LawAccess NSW:* **Bill Grant (Board Member)**

*Legal Information Access Centre:* **Bill Grant (Board Member)**

*National Legal Aid Forum Training Reference Group:* **Sandy Degrassi, Louise Blazejowska**

*NSW Legal Assistance Forum:* **Bill Grant (Chair of the Board), Louise Blazejowska**

*NSW Legal Assistance Forum, Aboriginal Client Working Group:* **Louise Blazejowska, Dennis Roach, Steve O'Connor**

*NSW Legal Assistance Forum, Conflict of Interest Working Party:* **Aideen McGarrigle, Louise Blazejowska**

*Privacy Advisory Committee:* **Bill Grant**

*Public Interest Advocacy Centre's Homeless Persons' Legal Service Working Group:* **Christopher Paul**

*Public Sector Learning and Development Network:* **Sandy Degrassi**

*Standing Inter-Agency Advisory Committee on Court Security:*  
**Russell Cox**

*Update of the Domestic Violence Interagency guidelines (Violence Against Women Specialist Unit), Department of Community Services:* **Louise Blazejowska**

*Victims Advisory Board:* **Bill Grant (Chair)**

*Women's Domestic Violence Court Assistance Program Database Review:* **Jacqui Lane, Tracey Corbin-Matchett, Louise Blazejowska, Alan Turner**

*Women's Domestic Violence Court Assistance Program Funding Formula Committee:* **Jacqui Lane, Tracey Corbin-Matchett, Louise Blazejowska, Alan Turner**

# Legislative compliance

## Freedom of information Report

**Name of Agency:** Legal Aid Commission of New South Wales  
**Period:** from 1 July 2005 to 30 June 2006  
**Agency Reference Number:** 48  
**Nil Return:** No  
**Contact Name:** Lyndsay Brooker (02) 9219 5859

## FOI applications

The Commission is an "agency" under the *Freedom of Information Act 1989 (the FOI Act)* and is required to publish certain information and to determine requests for access to, or amendment of, information held by the Commission.

In accordance with its obligations under the *FOI Act*, the Commission published its Summary of

	2004–2005			2005–2006		
	Personal	Other	Total	Personal	Other	Total
<b>New (includes transferred in)</b>	14	10	24	20	6	26
Brought forward	1	1	2	1	2	3
Total to be processed	25	1	26	20	8	28
Completed	10	12	22	14	6	20
Transferred out	1	0	0	1	0	1
Withdrawn	1	0	0	0	0	0
<b>Total Processed</b>	<b>18</b>	<b>7</b>	<b>25</b>	<b>20</b>	<b>8</b>	<b>28</b>
Unfinished (Carried Forward)	0	1	1	7	1	8
<b>Results of FOI Requests</b>						
Granted in full	9	9	18	10	2	12
Granted in part	0	1	1	1	0	1
Refused	0	3	3	3	4	7
Deferred	0	0	0	0	0	0
Completed	9	13	22	14	6	20
<b>Ministerial Certificates</b>						
Issued		nil			nil	
<b>Amendment of Personal Records</b>						
Requests		nil			nil	
<b>Narration of Personal Records</b>						
Requests		nil			nil	
<b>Basis of Disallowing or Restricting Access</b>						
Section 10 (redirected)				1	0	1
Section 19						
(Application incomplete, wrongly directed)	1	0	1	1	0	1
Section 22 (Deposit not paid)	0	0	0	0	0	0
Section 22 (Diversion of resources)	0	0	0	0	0	0
Section 25 (1)(a) (Exempt)	4	0	4	4	0	4
Section 25(1)(b),(c),(d) (Otherwise available)	0	0	0	1	0	1
Section 28(1)(b) (Documents not held)	0	0	0	1	0	1
Section 24(2) (Deemed refused - over 21 days)	0	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>All Completed Requests</b>						
FOI Fees Received	\$180	\$645	\$825	\$180	\$90	\$270

Affairs for the period ending December 2005 and June 2006, and its Statement of Affairs for the period ending June 2006.

This year, we completed 20 FOI requests, granting 13 and refusing seven. The number of applications received by the Commission still remains low, and steady compared to the previous year. The administration of the *FOI Act* did not cause any major diversion of the Commission's resources and had no impact on the Commission's activities.

During 2005–2006, the Commission continued to make information about legal aid and other matters available to the public, where possible, free of charge. The Commission also provided specific information without requiring a formal application and application fee.

The Commission provides advice to staff, members of the public and others about the use and application of the *FOI Act*.

	2004–2005			2005–2006				
	Personal	Other	Total	Personal	Other	Total		
<b>Type of Discount Allowed</b>								
Public Interest	0	0	0	0	0	0		
Financial Hardship Pensioner/Child	7	0	7	9	4	13		
Financial Hardship Non-Profit Organisation	0	0	0	0	0	0		
<b>Total</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>9</b>	<b>4</b>	<b>13</b>		
<b>Days to Process</b>								
0-21 days	4	3	7	5	3	8		
22-35 days	2	2	4	5	1	6		
Over 35 days	6	5	11	5	1	6		
<b>Total</b>	<b>12</b>	<b>10</b>	<b>22</b>	<b>15</b>	<b>5</b>	<b>20</b>		
<b>Processing Hours</b>								
0-10 hrs	12	9	21	9	5	14		
11-20 hrs	0	1	1	6	0	6		
21-40 hrs	0	0	0	0	0	0		
Over 40 hrs	0	0	0	0	0	0		
<b>Total</b>	<b>12</b>	<b>10</b>	<b>22</b>	<b>15</b>	<b>5</b>	<b>20</b>		
<b>Number of requests requiring formal consultation(s)</b>								
Reviews and appeals	Issued		Total		Issued		Total	
Number of internal reviews finalised	0	0	0	0	0	0	0	
Number of Ombudsman reviews finalised	0	0	0	0	0	0	0	
Number of Administrative Decisions								
Tribunal appeals finalised	0	0	0	0	0	0	0	
<b>Internal Review Results</b>								
	Personal		Other		Personal		Other	
	Upheld	Varied	Upheld	Varied	Upheld	Varied	Upheld	Varied
Access refused	0	0	0	0	0	0	0	0
Deferred	0	0	0	0	0	0	0	0
Exempt matter	0	0	0	0	0	0	0	0
Unreasonable charges	0	0	0	0	0	0	0	0
Charge unreasonably incurred	0	0	0	0	0	0	0	0
Amendment refused	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Client diversity

## Protected disclosures

The Commission has a Protected Disclosures Policy in place to enable employees make appropriate disclosures about any instances of corruption, fraud, maladministration or serious and substantial waste of public money without fearing that this will lead to reprisals.

In 2005–2006, the Commission did not receive any notifications under the Protected Disclosures Policy.

## Legislative amendments

On 17 March 2006, the *Public Sector Employment Legislation Amendment Act 2006 (PSELA Act)* changed the employment arrangements for a number of government entities. For the Legal Aid Commission, the legislation has seen the:

- previous Department name of Legal Aid Commission change to 'Office of the Legal Aid Commission' and listing under this title in Part 1, Schedule 1 of the *Public Sector Employment and Management Act*.
- creation of another Division of the Government Service under Part 3 of Schedule 1 of the *Public Sector Employment and Management Act (PSE&M Act)* named the "Legal Aid Commission Temporary Staff Division" which is hosted by the "Office of the Legal Aid Commission"; and
- continuation of a statutory corporation named the "Legal Aid Commission".

The *Legal Aid Commission Regulation 2006* was made under the *Legal Aid Commission Act 1979*. The regulation allows the Legal Aid Commission to extend the term of appointment for private legal practitioners assigned work on behalf of legally assisted persons to a period of up to five years.

## Significant cases

*Khoury & Anor v Hiar & Anor [2006] NSWCA 47*

The Commission joined a legally aided client in defending a costs order sought contrary to s47 of the *Legal Aid Commission Act 1979 (NSW)*. The Court of Appeal confirmed the operation of s47.

In 2002, a successful action was taken against a legally assisted client and a costs order was made against her. The other party's solicitors proceeded

to enforce a judgement in the order of \$50,000 and issued a writ of execution against our client.

Generally, a legally assisted person is not liable for costs ordered against them in relation to work done in the time during which they were legally aided. In the subject proceedings, the Commission sought orders quashing both the judgment and the writ of execution on the grounds that they stood contrary to the requirements of s47 of the Act.

The Commission succeeded in stopping the other party from enforcing the costs judgment against our client.

## Privacy and personal information protection

The *Privacy and Personal Information Protection Act 1998 (PPIP Act)* introduced a set of privacy standards for New South Wales public sector agencies. The Commission has a privacy plan and guidelines to ensure compliance with the Information Protection Principles contained in the *PPIP Act* as modified by the Privacy Code of Practice.

Part 5 of the *PPIP Act* provides that a person who is aggrieved by the conduct of a public sector agency is entitled to a review of that conduct. The Commission has received no applications for internal review under Part 5, and no internal reviews were conducted in 2005–2006.

## Client diversity

The Commission is required by the State Government to address the needs of particular client groups—disabled people, people from culturally diverse backgrounds, and women.

This year, 27.2% of our clients were women and 14.5% were from non-English speaking backgrounds (See pages 14, 17 and 19 for percentage details in different areas of law). Statistics are not available on the number of clients with disabilities.

Strategic planning documents were developed following consultative processes to integrate with the Commission's corporate and business planning objectives. The EAPS Forward Plan and the Disability Action Plan identify how the Commission will undertake to further improve access to and enhance its services to people with a disability or from culturally and linguistically diverse (CALD) backgrounds. These Plans were distributed

electronically across the Commission and to the community and focus on ensuring:

- All members of the community have access to, and aware of our services and programs;
- There is no discrimination against people from “diversity specific” backgrounds in our services or workplace;
- Access and equity principles are incorporated in the Commission’s policies and practices;
- Equitable and consistent service delivery, addressing the specific needs of “diversity” clients.

### Performance highlights—general

**Human Rights:** We established a Human Rights Committee that will recommend grants of aid in public interest human rights matters. People from diverse backgrounds will benefit either directly or indirectly from legal representation undertaken in this area.

**Law Reform:** The Commission has responded to 29 discussion papers that impact on access issues of persons from socially disadvantaged backgrounds (See page 46). The rights of people from diverse backgrounds were highlighted in many submissions. Actual case studies were used to support access and discriminatory practices or concerns.

*Below: The Living in Harmony Project: Legal Aid Family lawyers helping educate emerging communities about the law.*

**Discrimination Law Kit:** In partnership with the Blue Mountains Community Legal Centre, the Civil Law Division started work on a publication that aims to provide a comprehensive guide to assist unrepresented litigants to better understand and pursue their rights under discrimination legislation.

**E-communication:** Our intranet site has been enhanced to include EAPS Policy, Disability Policy, EAPS Forward Plan, and the Disability Action Plan and other relevant resources and training. This will assist all staff providing services to culturally and linguistically diverse clients.

**Statistics:** The Commission collected data that profiled our clients’ backgrounds, enabling us to better target and adapt our services to the diverse needs of clients. All such information is provided voluntarily by clients. Disability data is generally collected indirectly and is self-nominated.

### Ethnic Affairs Priority Statement (EAPS)

*The following projects addressed the needs of people from culturally diverse backgrounds*

**Living in Harmony Project:** In partnership with the Family Court, our family lawyers helped to educate emerging communities about the law and the roles of different government departments. The project included communities from Somalia, Eritrea, Ethiopia, Sudan, Afghanistan and Iraq (see photo below). Legal Aid continues to support this initiative. Bicultural educators have subsequently



presented sessions at legal aid forums highlighting cross cultural issues that should be considered when dealing with African clients.

**Legal Aid liaison network:** We established a network of trained legal aid lawyers to liaise with six specific emerging communities to foster ongoing links in understanding and addressing their specific needs. Targeted communities were Somalia, Eritrea, Ethiopia, Sudan, Afghanistan and Iraq.

**Immigration visas:** We represented applicants from 21 different countries who were granted protection visas based on fear of persecution in their homelands. Countries most represented included Iraq, China, Afghanistan, Sri Lanka, Burma, Kosovo, and Sierra Leone.

**Refugee Week in Sydney south west:** In partnership with the South West Sydney Legal Centre, we provided information to people from many backgrounds including those from Brazil, Sudan and Serbia.

**Audio CD:** We produced an audio CD for people with low literacy skills within newly emerging communities, in the following languages: Amharic, Dari, Dinka, Pushto, Somali, Swahili and Tigrinya.

**Women from CALD backgrounds:** Over 10% of women who are assisted by the Women's Domestic Violence Court Assistance Program identify as being from CALD backgrounds. To ensure that women can better access this service, our brochure Domestic Violence – help with going to court was translated into 15 community languages.

**Interpreters:** Extensive use was made of interpreters for phone and face-to-face professional interviews, community legal education sessions and court hearings. A total of \$654,285 was spent on interpreters and translators.

### Disability Action Plan initiatives

**Discussion paper:** We provided a comprehensive submission along with case studies to the Discussion Paper "Are the rights of people whose capacity is in question being adequately promoted and protected?" sponsored by the Attorney General's Department of NSW.

**Mental health:** We conducted a major review of the Mental Health Advocacy Service to assess its operations and recommend how to improve and address the future needs of the service in meeting the demands of clients and the community. This year, another 40 staff attended our training course *Demystifying Mental Illness*, learning how to identify and work with people with mental illnesses.

### NSW Government Action Plan for Women initiatives

**Women in Prison Project:** We expanded services provided to women in custody through an advice services at five prisons across NSW. This year, we advised 154 women.

**Domestic violence:** Our women's Domestic Violence Court Assistance Program delivered 33,915 services to women, including 2,353 services to Aboriginal women.

### The year ahead

In 2006–2007 Commission will:

- Work with agencies to develop joint ventures to enhance and develop access, awareness and recruitment options for persons with disabilities.
- Investigate how e-communication can be used to provide services to persons with a disability, especially those in rural areas or with mobility issues.
- Assist in Identifying systemic processes in the criminal justice system and its impact on persons with intellectual disabilities and mental health issues.
- The Women's Domestic Violence Court Assistance Program will review its service delivery to marginalised women, including services to women with disabilities.
- Launch our audio-visual CD in seven languages and distribute it widely.
- Conduct legal workshops during Refugee Week for members of new and emerging communities.



# Our policies

**The Commission is a state funded body providing legal assistance in matters arising under New South Wales law. The Commission also has an agreement with the Commonwealth to provide legal assistance in matters arising under Commonwealth law.**

The Commission has developed a range of policies to make decisions which are fair, consistent and financially responsible and target those individuals in the community who have been determined as having high priority for our services.

In deciding whether an applicant is eligible for legal aid, the Commission may apply the following four tests which are summarised below:

- 1. Jurisdiction test – looks at the type of matter for which aid is sought. Legal aid is only available in the following areas of law:**

## **Family law: State**

- Proceedings under the *Property (Relationships) Act 1984*
- Adoption proceedings
- Domestic violence proceedings as set out in the criminal law policies

## **Family law: Commonwealth**

Matters arising under the *Family Law Act 1975*, the *Child Support (Assessment) Act 1989* and the *Child Support (Registration And Collection) Act 1988* limited to;

- Separate representation of children
- Other orders relating to children, including parenting orders, location and recovery orders
- Parenting plans
- Injunctions relating to family violence
- Child support and child maintenance
- Spousal maintenance
- Dissolution and nullity of marriage
- Property proceedings
- Enforcement proceedings, or
- Contempt and breach of court orders proceedings

## **Civil law: State**

- Matters where there is a likelihood of loss of the applicant's dwelling
- Matters involving loss of civil liberties, eg. False

imprisonment, malicious prosecution

- *Protected Estates Act 1983* matters
- Matters under part 3 division 6 or section 41 of the *Public Health Act 1991*
- Matters before the Equal Opportunity Division of the Administrative Decisions Tribunal
- Inquests in limited circumstances
- Consumer protection matters
- Public interest environment matters

Legal aid is also available in state civil law matters where the applicant is at 'special disadvantage.'

## **Applicants at special disadvantage**

Applicants at special disadvantage may be granted assistance in a wider range of matters, for example, personal injury, professional negligence and employment matters. Applicants are at special disadvantage when "proceedings are taken by or for the benefit of a child or a person having substantial difficulty in dealing with the legal system by reason of a substantial psychiatric condition, developmental disability, intellectual impairment or a physical disability".

## **Civil law: Commonwealth**

Matters arising under a *Commonwealth Act*, limited to:

- A decision affecting the receipt or amount of a Commonwealth employee's compensation or a Commonwealth pension, benefit or allowance
- A decision or action by the Commonwealth in relation to a person that has a real prospect of affecting the person's capacity to continue in their usual occupation
- Discrimination
- Migration matters, in limited circumstances (aid is also available under the immigration advice & application assistance scheme (IAAAS) contract between the Commission and the Commonwealth government.)
- Consumer protection
- Proceedings under the *Proceeds of Crime Act 2002*

**Veterans' pension**

- Appeals from decisions of the veterans' review board about war-caused disability pension entitlement or assessment claims under part ii of the *Veterans' Entitlements Act 1988*
- Appeals from decisions of the veterans' review board about claims under the *Military Rehabilitation And Compensation Act 2004*

**Mental health**

- Magistrates inquiries under the *Mental Health Act 1900*
- Proceedings before the Mental Health Review Tribunal
- Representation of forensic patients
- *Guardianship Act 1987* matters
- *Protected Estates Act 1983* matters

**Criminal law: State**

Local court:

- Most criminal matters commenced by a police charge, except for drink driving and related offences unless there is a real possibility of gaol or exceptional circumstances exist
- Committal proceedings
- Domestic violence proceedings
- Annulment applications under part 2 of the *Crimes (Local Courts Appeal And Review) Act 2001*
- Drug court matters

District, Supreme and High Court

- Indictable matters
- Appeals
- Proceedings under part 13A of the *Crimes Act 1900*
- Defendants in prosecutions in the land and environment court under environmental protection legislation in limited circumstances
- Defended charges arising under Commonwealth statute (excluding the proceeds of *Crime Act 1987*) in certain circumstances
- Pleas of guilty in limited circumstances
- Child support representation and assistance for *Child Support (Assessment) Act 1989* proceedings

**Prisoners' matters—State and Commonwealth**

- Visiting justice proceedings
- Parole Board Review Hearings
- Life re-sentencing applications
- Reviews of segregation directions
- Advice and minor assistance in other matters

**Children's matters—State and Commonwealth****Children's criminal matters**

- Proceedings in the Children's Court
- Appeals to District Court
- Committal proceedings
- Sentence matters and trials in the District Court and Supreme Court
- Court Of Criminal Appeal and High Court.

**Children's care matters**

- Proceedings under the *Children and Young Persons (Care And Protection) Act 1998*
- Proceedings in the Children's Court,
- Proceedings in the District Court, Supreme Court and High Court
- Proceedings in the Community Services Division of the Administrative Decisions Tribunal

2. **Means test – the Commission applies a means test which takes into account an applicant's income and assets. Eligibility is determined by assessing the net assessable income (after allowable deductions) and the assets of the applicant and financially associated persons. The means tests apply to both state and Commonwealth matters.**

The means test does NOT apply for:

- Legal advice
- Family law duty matters where the applicant is in custody
- Children in the Children's Court and appeals to the District Court in care matters
- Children in the Community Services Division of the Administrative Decisions Tribunal and appeals to the Supreme Court from the Tribunal
- Children where an order for separate

representation is made by the family court

- First appearance bail applications in the local court
- Most mental health advocacy service matters
- *Veterans' Entitlements Act 1986* matters to ex-service personnel and their dependants (except for war service pension claims)
- Disabled persons before the Guardianship Tribunal and in Supreme Court appeals
- Drug Court matters.

From 10 October 2005, applicants for legal aid receiving one of the eligible Centrelink income support payments, at the maximum rate can use their Centrelink statement of benefit to satisfy the income part of the means test. For further details, see the Commission's website at [www.legalaid.nsw.gov.au](http://www.legalaid.nsw.gov.au).

**3. Merit test – there are two merit tests: one for state law matters; and another for Commonwealth law matters.**

In state law matters, the Commission considers whether it is reasonable in all the circumstances to grant legal aid. Matters include but are not limited to whether the applicant has reasonable prospects of success and any benefit or detriment to the applicant if aid is refused.

In Commonwealth law matters, the applicant must satisfy the following three criteria:

- The reasonable prospects of success test;
- The prudent self-funding litigant test; and
- The appropriateness of spending limited public legal aid funds test.

**A merit test applies in:**

- Most non-criminal matters (civil, family, administrative law matters and veterans' matters)
- Appeals in criminal matters
- Supreme Court bail matters
- Some matters associated with children's court proceedings (eg appeals from the Children's Court to the District Court)

**A merit test does not apply in:**

- Criminal law matters (except appeals and Supreme Court bail applications)
- Children in the Children's Court
- Disabled persons for matters before the Guardianship Tribunal
- Separate representation of children in Family Court proceedings
- Some *Mental Health Act 1900* matters.

**4. Availability of funds test – legal aid will only be granted if the Commission determines that sufficient funds are available.**

**Contributions**

In most cases the Commission requires an initial contribution based on income and assets from a person granted legal aid. Certain cases are exempt.

At the conclusion of the case or the legal aid grant, the Commission may, (depending on the person's financial situation) recover the total costs of a matter where the applicant has recovered a sum of money or other asset or there is a substantial improvement in their financial circumstances.

*For further details of our policies, please contact the Review & Reform Unit in the Strategic Planning and Policy Division on 9219 5859 or 9219 5034.*

# CEO's performance statement



## PERFORMANCE STATEMENT

### CHIEF EXECUTIVE OFFICER, LEGAL AID COMMISSION OF NSW

**NAME:** Bill Grant  
**POSITION:** Chief Executive Officer, Legal Aid Commission of NSW (SES 6)  
**PERIOD:** 1 July 2005 to 30 June 2006

During the period 1 July 2005 to 30 June 2006 the Commission, under the direction of Chief Executive Officer, Mr Bill Grant, has delivered increased services in just about all areas of service delivery. It is particularly pleasing to note that the Commission has undertaken a series of initiatives to increase its service delivery to the Aboriginal Community in NSW with the proportion of the Commission's case and duty services to this community now reaching 6% of its total services (up from 3.8% in 2001)

The Commission has introduced some good initiatives in its Civil Law program with the commencement of the Women in Custody project, providing legal advice and assistance to women with civil and family law problems, particularly targeting Aboriginal women in custody. The Commission also established a Coronial Inquest Unit to provide legal representation in public interest cases for people who have lost a family member. Another new initiative in civil law was the creation of the Human Rights Committee which focuses on promoting and protecting human rights in public interest human rights matters.

Importantly the Commission has during the year tackled the reform of its Means Test by introducing a simplified means test for people who receive a Centrelink income support payment at the maximum rate and by increasing its means test threshold. The Commission has now brought its means test completely up to date which is a considerable step forward for access to its services by the economically and socially disadvantaged members of our community. The Commission also developed a Means Test Indicator, available on the Commission's web-site, which allows clients to quickly assess whether they may be financially eligible under the Commission's means test.

It is also significant that the Commission has increased its fees payable to private practitioners in State matters to better enable it to retain experienced private practitioners undertaking legal aid work. The Co-operative Legal Service Delivery Model which seeks to improve co-operation between key legal service providers was evaluated and strongly endorsed with the Commission rolling out the CLSD Model to the Albury/Wagga Wagga and Hunter Regions in line with the evaluation report recommendations.

The Commission also played a key role in the creation of the NSW Legal Assistance Forum which is a meeting of the key NSW legal service delivery agencies working strategically and collaboratively to improve service delivery to the people of NSW.

The Commission continues to demonstrate a strong commitment to staff training and development. An illustration of this is the development, in conjunction with the University of Technology Sydney of a Diploma of Business in Frontline Management with over 120 staff enrolling in the course and over 70 staff having graduated. The Commission is also rolling out across the Commission a Performance Planning and Development System and a mentoring program having trialled both of these systems in the previous 12 months.

In 2005/06 the Commission implemented a two year Corporate Plan, based upon divisional business plans so that the planning process has been delivered to the operation business areas of the Commission, ensuring the Corporate Plan is very focused on service delivery initiatives.

  
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# Financial overview

## **The Commission had a very successful financial year in 2005–2006, managing to constrain expenditure while at the same time increasing the number of client services.**

The Commission's financial result was a surplus of \$26.777 million, compared to a budgeted surplus of \$4.564 million. Two significant items contributed to the size of the surplus, being:

- A positive movement of \$12.098 million on the Commission's defined benefit superannuation schemes, which has the effect of reducing employee related expenses; and
- A capital allocation from NSW Treasury of \$1.931 million. This results in a higher surplus in the year of acquisition, as the related depreciation expense is spread over a number of years.

Excluding these two items, the surplus before capital items and individually significant items was \$12.748 million or 7.6% of 2005–2006 income before capital.

The 2005–2006 financial year is the first time the Commission has reported under Australian Equivalents to International Financial Reporting Standards (AEIFRS). Comparative information for the 2004–2005 financial year has also been provided. The major impact of the introduction of AEIFRS is the effect on the Commission's defined benefit superannuation schemes, which will become far more volatile than was previously the case. The size of the positive movement in the 2005–2006 financial year is an example of this volatility, which is predominantly caused by changes in the long term government bond rate which is used as the discount rate when calculating the superannuation position. Refer to notes 16 and 27 in the Audited Financial Statements for additional information.

### **Income**

The main sources of funding for the Commission are the State and Commonwealth Governments, the Public Purpose Fund and contributions from legally aided persons.

In 2005–2006, the State Government provided \$83.567 million (\$79.536 million in 2004–2005), the Trustees of the Public Purpose Fund \$24.457 million (\$19.594 million in 2004–2005) and the

Commonwealth Government \$52.493 million (\$50.447 million in 2004–2005).

Included in the funding from the Commonwealth Government was \$2.059 million (\$1.074 in 2004–2005) in discretionary funding for expensive criminal cases costing above \$40,000 under Commonwealth legislation.

Of the funds provided by the State Government, \$1.931 million (\$3.753 million in 2004–2005) was from the State Asset Acquisition program to fund improvements to the Commission's office accommodation, the replacement of previously leased computers and the project to replace the Commission's core business system. No Commonwealth funding was used for this purpose in 2005–2006.

### **Expenses**

The Commission's major expenses are employee related expenses associated with the inhouse legal practice of \$44.363 million (\$56.840 million in 2004–2005) and payments made to private legal practitioners for services to clients for work undertaken on behalf of the Commission of \$63.650 million (\$60.047 million in 2004–2005).

### **Assets**

Assets have increased significantly during 2005–2006 due to an unexpected positive movement of \$12.098 million in the Commission's superannuation position, the State Government's decision to purchase computer equipment that was previously leased and lower than expected expenditure by the Commission which has increased cash balances.

### **Liabilities**

Liabilities have decreased due to the unexpected positive movement in the Commission's superannuation position which was partially offset by increases in employee entitlements, predominantly as a result of salary increases affecting the expected cost of satisfying those entitlements.

# Introduction to financials

**In the 2005–2006 financial year the Legal Aid Commission has changed the format of its financial statements from that of previous financial years.**

Following amendments to the *Public Sector Employment and Management Act 2002*, and a review of the Commission's financial reporting requirements, it has been determined that the Legal Aid Commission economic entity consists of three separate reporting entities; being the Legal Aid Commission (a statutory corporation), the Office of the Legal Aid Commission (a government department), and the Legal Aid Commission Temporary Staff Division (a division of the Government Service). The Office of the Legal Aid Commission provides personnel services to the Legal Aid Commission. The Legal Aid Commission Temporary Staff Division was not utilised during 2005–2006.

In accordance with the requirements of Australian Equivalents to International Financial Reporting Standards, the Commission has prepared a financial report for the **Legal Aid Commission economic entity** (shown in the Consolidated columns in the Legal Aid Commission Financial Statements), for the **Legal Aid Commission statutory corporation** (shown in the Parent columns in the Legal Aid Commission Financial Statements) and for the **Office of the Legal Aid Commission**.

Subsequently, in the following financial report you will find:

- The Consolidated Financial Statements of the Legal Aid Commission economic entity and the Financial Statements of the Legal Aid Commission statutory corporation on pages 61–90;
- The Financial Statements of the Office of the Legal Aid Commission on pages 91–105; and
- Other financial information required by applicable legislation and government policy on pages 106–110.

Comparative financial information for the 2004–2005 financial year has been provided in all Financial Statements.

## LEGAL AID COMMISSION OF NEW SOUTH WALES FINANCIAL REPORT

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## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Independent Audit Report for the Year Ended 30 June 2006



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDIT REPORT

## Legal Aid Commission of New South Wales

To Members of the New South Wales Parliament

**Audit Opinion**

In my opinion, the financial report of the Legal Aid Commission of New South Wales (the Commission):

- presents fairly the Commission's and the consolidated entity's (defined below) financial position as at 30 June 2006 and their performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 41B of the *Public Finance and Audit Act 1983* (the Act), and the *Public Finance and Audit Regulation 2005*.

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

**Scope*****The Financial Report and Board's Responsibility***

The financial report comprises the operating statements, statements of changes in equity, balance sheets, cash flow statements, the program statement - expenses and revenue, the summary of compliance with financial directives and accompanying notes to the financial statements for the Commission and consolidated entity, for the year ended 30 June 2006. The consolidated entity comprises the Commission and the entities it controlled during the year.

The members of the Board of the Commission are responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

***Audit Approach***

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of material misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Board members had not fulfilled their reporting obligations.



## LEGAL AID COMMISSION OF NEW SOUTH WALES

**Independent Audit Report for the Year Ended 30 June 2006**

My opinion does not provide assurance:

- about the future viability of the Commission or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

**Audit Independence**

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



M T Spriggins  
Director, Financial Audit Services

SYDNEY  
19 October 2006

## LEGAL AID COMMISSION OF NEW SOUTH WALES

**Statement by Members of the Board**

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the Legal Aid Commission of NSW, we declare on behalf of the Commission that in our opinion:

1. The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the applicable clauses of the *Public Finance and Audit Regulation 2005*, applicable Australian Accounting Standards, other mandatory professional reporting requirements and Treasury Accounting Policy Statements.
2. The accompanying statements exhibit a true and fair view of the financial position of the Legal Aid Commission of New South Wales as at 30 June 2006 and its transactions for the year then ended.
3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.
4. It should be noted that the Commission is required to bring to account as revenue all funds received from the Commonwealth during the year. When these funds are not fully spent, the balance is held for use in subsequent years and cannot be applied for any other purpose. In 2005/06 the Commission utilised \$0.017 million of the accumulated funds as expenditure exceeded revenue for the year.



**Phillip Taylor**  
Chairman



**Bill Grant**  
Chief Executive Officer

18 October 2006

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Start of Audited Financial Statements

## Operating Statement for the Year Ended 30 June 2006

	Notes	Consolidated			Parent	
		Actual	Actual	Budget	Actual	Actual
		2006	2005	2006	2006	2005
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee related	2(a)	44,363	56,840	57,802	-	-
Personnel services	2(a)	-	-	-	44,363	56,840
Other operating expenses	2(b)	15,907	14,892	13,879	15,907	14,892
Depreciation and amortisation	2(c)	3,281	2,406	3,000	3,281	2,406
Grants and subsidies	2(d)	14,222	13,496	14,251	14,222	13,496
Finance costs	2(e)	175	163	-	175	163
Other expenses	2(f)	63,650	60,047	66,585	63,650	60,047
<b>Total Expenses excluding losses</b>		<b>141,598</b>	<b>147,844</b>	<b>155,517</b>	<b>141,598</b>	<b>147,844</b>
Less:						
<b>Revenue</b>						
Sale of goods and services	3(a)	49,316	47,719	46,186	49,316	47,719
Investment income	3(b)	3,610	2,696	1,902	3,610	2,696
Grants and contributions	3(c)	32,580	26,271	25,196	32,580	26,271
Other revenue	3(d)	137	123	154	137	123
<b>Total Retained Revenue</b>		<b>85,643</b>	<b>76,809</b>	<b>73,438</b>	<b>85,643</b>	<b>76,809</b>
<b>Loss on disposal</b>	4	<b>8</b>	<b>41</b>	-	<b>8</b>	<b>41</b>
<b>Other losses</b>	5	<b>143</b>	<b>292</b>	-	<b>143</b>	<b>292</b>
<b>Net Cost of Services</b>	24	<b>56,106</b>	<b>71,368</b>	<b>82,079</b>	<b>56,106</b>	<b>71,368</b>
<b>Government Contributions</b>						
Recurrent appropriation	7(a)	80,952	75,469	82,927	80,952	75,469
Capital appropriation	7(b)	1,931	3,753	3,716	1,931	3,753
<b>Total Government Contributions</b>		<b>82,883</b>	<b>79,222</b>	<b>86,643</b>	<b>82,883</b>	<b>79,222</b>
<b>SURPLUS FOR THE YEAR</b>		<b>26,777</b>	<b>7,854</b>	<b>4,564</b>	<b>26,777</b>	<b>7,854</b>

The accompanying notes form part of these financial statements

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Statement of Changes in Equity for the Year Ended 30 June 2006

	Notes	Consolidated			Parent	
		Actual 2006 \$'000	Actual 2005 \$'000	Budget 2006 \$'000	Actual 2006 \$'000	Actual 2005 \$'000
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>		-	-	-	-	-
Surplus for the Year		<b>26,777</b>	<b>7,854</b>	<b>4,564</b>	<b>26,777</b>	<b>7,854</b>
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>	18	<b>26,777</b>	<b>7,854</b>	<b>4,564</b>	<b>26,777</b>	<b>7,854</b>

The accompanying notes form part of these financial statements

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Balance Sheet as at 30 June 2006

	Notes	Consolidated			Parent	
		Actual 2006 \$'000	Actual 2005 \$'000	Budget 2006 \$'000	Actual 2006 \$'000	Actual 2005 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	12	52,003	36,253	40,001	52,003	36,253
Receivables	13	5,639	4,857	4,133	5,639	4,857
Other	16	2,861	-	4,026	2,861	-
<b>Total Current Assets</b>		<b>60,503</b>	<b>41,110</b>	<b>48,160</b>	<b>60,503</b>	<b>41,110</b>
<b>Non-Current Assets</b>						
Receivables	13	2,391	2,493	2,493	2,391	2,493
Plant and equipment	14	10,190	10,222	10,212	10,190	10,222
Intangible assets	15	1,466	2,133	2,654	1,466	2,133
<b>Total Non-Current Assets</b>		<b>14,047</b>	<b>14,848</b>	<b>15,359</b>	<b>14,047</b>	<b>14,848</b>
<b>Total Assets</b>		<b>74,550</b>	<b>55,958</b>	<b>63,519</b>	<b>74,550</b>	<b>55,958</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	17	14,373	14,563	14,563	14,373	14,563
Provisions	18	16,115	24,290	5,509	16,115	24,290
<b>Total Current Liabilities</b>		<b>30,488</b>	<b>38,853</b>	<b>20,072</b>	<b>30,488</b>	<b>38,853</b>
<b>Non-Current Liabilities</b>						
Provisions	18	3,798	3,598	19,280	3,798	3,598
Other	19	-	20	20	-	20
<b>Total Non-Current Liabilities</b>		<b>3,798</b>	<b>3,618</b>	<b>19,300</b>	<b>3,798</b>	<b>3,618</b>
<b>Total Liabilities</b>		<b>34,286</b>	<b>42,471</b>	<b>39,372</b>	<b>34,286</b>	<b>42,471</b>
<b>Net Assets</b>		<b>40,264</b>	<b>13,487</b>	<b>24,147</b>	<b>40,264</b>	<b>13,487</b>
<b>EQUITY</b>						
Accumulated Funds	20	40,264	13,487	24,147	40,264	13,487
<b>Total Equity</b>		<b>40,264</b>	<b>13,487</b>	<b>24,147</b>	<b>40,264</b>	<b>13,487</b>

The accompanying notes form part of these financial statements

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Cash Flow Statement for the Year Ended 30 June 2006

	Notes	Consolidated			Parent	
		Actual	Actual	Budget	Actual	Actual
		2006 \$'000	2005 \$'000	2006 \$'000	2006 \$'000	2005 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(55,161)	(52,376)	(56,302)	-	-
Grants and subsidies		(14,222)	(13,496)	(14,251)	(14,222)	(13,496)
Personnel services		-	-	-	(55,161)	(52,376)
Other		(89,963)	(83,859)	(89,707)	(89,963)	(83,859)
<b>Total Payments</b>		<b>(159,346)</b>	<b>(149,731)</b>	<b>(160,260)</b>	<b>(159,346)</b>	<b>(149,731)</b>
<b>Receipts</b>						
Sale of goods and services		48,213	46,894	45,840	48,213	46,894
Interest received		3,514	2,617	1,902	3,514	2,617
Other		43,076	35,601	34,939	43,076	35,601
<b>Total Receipts</b>		<b>94,803</b>	<b>85,112</b>	<b>82,681</b>	<b>94,803</b>	<b>85,112</b>
<b>Cash Flows from Government</b>						
Recurrent appropriation		80,952	75,469	82,927	80,952	75,469
Capital appropriation		1,931	3,753	3,716	1,931	3,753
<b>Net Cash Flows from Government</b>		<b>82,883</b>	<b>79,222</b>	<b>86,643</b>	<b>82,883</b>	<b>79,222</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	24	<b>18,340</b>	<b>14,603</b>	<b>9,064</b>	<b>18,340</b>	<b>14,603</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of plant and equipment		5	28	-	5	28
Purchases of plant and equipment		(2,595)	(5,116)	(5,316)	(2,595)	(5,116)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(2,590)</b>	<b>(5,088)</b>	<b>(5,316)</b>	<b>(2,590)</b>	<b>(5,088)</b>
<b>NET INCREASE IN CASH</b>		<b>15,750</b>	<b>9,515</b>	<b>3,748</b>	<b>15,750</b>	<b>9,515</b>
Opening cash and cash equivalents		36,253	26,738	36,253	36,253	26,738
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	12	<b>52,003</b>	<b>36,253</b>	<b>40,001</b>	<b>52,003</b>	<b>36,253</b>

The accompanying notes form part of these financial statements

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Supplementary financial statements

## Program Statement—Expenses and Revenues for the Year Ended 30 June 2006

(The Program Statement applies to both Parent and Consolidated Entities)

	Program 1* Family Law		Program 2* Criminal Law		Program 3* Civil Law		Program 4* Community Legal Services		Not Attributable		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>AGENCY EXPENSES AND REVENUES</b>												
<b>Expenses excluding losses</b>												
Operating expenses	14,375	17,633	23,776	30,902	5,935	7,886	277	419	-	-	44,363	56,840
Employee related/personnel services	5,149	4,827	8,236	7,778	2,314	2,081	208	206	-	-	15,907	14,892
Other operating expenses	1,092	838	1,739	1,224	437	330	13	14	-	-	3,281	2,406
Depreciation and amortisation	-	-	-	-	-	-	14,222	13,496	-	-	14,222	13,496
Grants and subsidies	58	57	94	83	23	22	-	1	-	-	175	163
Finance costs	25,732	22,739	34,082	33,836	3,836	3,472	-	-	-	-	63,650	60,047
<b>Total Expenses excluding losses</b>	<b>46,406</b>	<b>46,094</b>	<b>67,927</b>	<b>73,823</b>	<b>12,545</b>	<b>13,791</b>	<b>14,720</b>	<b>14,136</b>	<b>-</b>	<b>-</b>	<b>141,598</b>	<b>147,844</b>
<b>Revenue</b>												
Sale of goods and services	(38,576)	(36,624)	(5,483)	(6,092)	(5,257)	(5,003)	-	-	-	-	(49,316)	(47,719)
Investment income	(878)	(669)	(2,389)	(1,767)	(343)	(260)	-	-	-	-	(3,610)	(2,696)
Grants and contributions	(1,833)	(854)	(19,740)	(14,983)	(4,549)	(3,912)	(6,458)	(6,522)	-	-	(32,580)	(26,271)
Other revenue	(19)	(40)	(105)	(79)	(12)	(4)	(1)	-	-	-	(137)	(123)
<b>Total Revenue</b>	<b>(41,306)</b>	<b>(38,187)</b>	<b>(27,717)</b>	<b>(22,921)</b>	<b>(10,161)</b>	<b>(9,179)</b>	<b>(6,459)</b>	<b>(6,522)</b>	<b>-</b>	<b>-</b>	<b>(85,643)</b>	<b>(76,809)</b>
(Gain)/loss on disposal	8	(8)	-	-	-	-	-	-	-	49	8	41
Other (gains)/losses	144	160	50	39	(51)	93	-	-	-	-	143	292
<b>Net Cost of Services</b>	<b>5,252</b>	<b>8,059</b>	<b>40,260</b>	<b>50,941</b>	<b>2,333</b>	<b>4,705</b>	<b>8,261</b>	<b>7,614</b>	<b>-</b>	<b>49</b>	<b>56,106</b>	<b>71,368</b>
<b>Government Contributions **</b>												
										(82,883)	(82,883)	(79,222)
<b>NET EXPENDITURE/(REVENUE) FOR THE YEAR</b>	<b>5,252</b>	<b>8,059</b>	<b>40,260</b>	<b>50,941</b>	<b>2,333</b>	<b>4,705</b>	<b>8,261</b>	<b>7,614</b>	<b>(82,883)</b>	<b>(79,173)</b>	<b>(26,777)</b>	<b>(7,854)</b>

\* The name and purpose of each program is summarised in Note 11.

\*\* Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the 'Not Attributable' column.

## Summary of Compliance with Financial Directives

(The Summary of Compliance with Financial Directives applies to both Parent and Consolidated Entities)

	2006				2005			
	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000
<b>ORIGINAL BUDGET APPROPRIATION /EXPENDITURE</b>								
Appropriation Act	82,927	80,952	3,716	1,931	75,087	2,937	2,937	1,140
Additional appropriations	-	-	-	-	511	-	-	-
S21A PF&AA - special appropriation	-	-	-	-	-	-	-	-
S24 PF&AA - transfers of functions between departments	-	-	-	-	-	-	-	-
S26 PF&AA - Commonwealth specific purpose payments	-	-	-	-	-	-	-	-
	82,927	80,952	3,716	1,931	75,598	2,937	2,937	1,140
<b>OTHER APPROPRIATIONS/ EXPENDITURE</b>								
Treasurer's Advance	-	-	-	-	-	129	-	129
Section 22 - expenditure for certain works and services	-	-	-	-	-	-	-	-
Transfers to/from another agency (s28 of the <i>Appropriation Act</i> )	(1,300)	-	-	-	-	2,484	-	2,484
Enforced Savings - Reduction due to Capital Supplementation	-	-	-	-	(129)	-	-	-
	(1,300)	-	-	-	(129)	2,484	-	2,613
<b>Total Appropriations/Expenditure/ Net Claim on Consolidated Fund (includes transfer payments)</b>	81,627	80,952	3,716	1,931	75,469	5,550	5,550	3,753
<b>Amount drawn down against Appropriation</b>		80,952		1,931				3,753
<b>Liability to Consolidated Fund</b>		-		-				-

Note: The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).



## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting Entity**

The Legal Aid Commission of NSW (the Commission) comprises all entities under its control, namely, the Office of the Legal Aid Commission and Legal Aid Commission Temporary Staff Division. Transactions relating to the Legal Aid Commission Trust Account and the General Trust Fund are not included in the financial statements of the Commission, as the Commission does not control or use these funds for the achievement of its objectives.

In the process of preparing the consolidated financial report for the economic entity consisting of the controlling and controlled entities, namely, the Office of the Legal Aid Commission and Legal Aid Commission Temporary Staff Division, all inter-entity transactions and balances have been eliminated.

The Legal Aid Commission of NSW is a NSW statutory authority. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

This consolidated financial report for the year ended 30 June 2006 has been authorised for issue by the Board on 18 October 2006.

**(b) Basis of Preparation**

The Commission's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian equivalents to International Financial Reporting Standards (AIFRS));
- the requirements of the *Public Finance and Audit Act 1983* and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Plant and equipment and intangible assets are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management as made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

**(c) Statement of Compliance**

The consolidated and parent entity financial statements and notes comply with Australian

Accounting Standards, which include AIFRS.

This is the first financial report prepared based on AIFRS and comparatives for the Year Ended 30 June 2005 have been restated accordingly, except as stated below.

In accordance with AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* and Treasury Mandates, the date of transition to AASB 132 *Financial Instruments Recognition and Measurement* has been deferred to 1 July 2005. As a result, comparative information for these two Standards is presented under the previous Australian Accounting Standards which applied to the Year Ended 30 June 2005.

The basis used to prepare the 2004/05 comparative information for financial instruments under previous Australian Accounting Standards is discussed in Note 1(x) below. The financial instrument accounting policies for 2005/06 are specified in Notes 1(r), 1(s) and 1(u) below.

Reconciliations of AIFRS equity and surplus or deficit for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in Note 27. This note also includes separate disclosure of the 1 July 2005 equity adjustments arising from the adoption of AASB 132 and AASB 139.

**(d) Administered Activities**

The Commission does not administer or control any activities on behalf of the Crown Entity.

**(e) Revenue Recognition**

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

**(i) Parliamentary Appropriations and Contributions**

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the agency obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are now accounted for as liabilities rather than revenue. The Commission had no liability to the Consolidated Fund as at 30 June 2006.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**(ii) Rendering of Services**

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

**(iii) Investment revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

**(f) Employee Benefits, Personnel Services and Other Provisions****(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs**

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within 12 months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds of 5.79% (5.5% in 2004/05) are used to discount long-term annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of payroll tax and workers' compensation insurance premiums which are consequential to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

**(ii) Long Service Leave and Superannuation**

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 06/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value at a rate of 9.74% (9.9% in 2004/05).

The Commission's superannuation position is calculated based on economic assumptions determined by the independent actuary, William Mercer Ltd, as advised by the SAS Trustee Corporation (STC). All Fund assets are invested

by STC at arm's length through independent fund managers. Any variation between the Commission's gross superannuation liability and employer reserve account balance is recognised in the Balance Sheet as an unfunded liability or prepaid contribution. Actuarial gains and losses are recognised in profit or loss in the year they occur. Refer Notes 2(a), 8, 16 & 18.

**(iii) Personnel Services**

To enable the Commission to carry out its functions, all personnel service requirements are provided by the Office of Legal Aid Commission which is a special purpose service entity that is a division of the Government of New South Wales. The personnel service is charged at cost and a management agreement for the payment of these services will be signed in 2006-07.

**(iv) Other Provisions**

Other provisions exist when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted at 7.5%, which reflects the current market assessments of the time value of money and the risks specific to the liability.

**(g) Insurance**

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

**(h) Accounting for the Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- receivables and payables are stated with the amount of GST included.

**(i) Acquisition of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Commission. Cost is the amount of cash or cash equivalents paid or the fair value of the other

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent i.e. deferred payment amount is effectively discounted at an asset-specific rate.

**(j) Capitalisation Thresholds**

Plant and equipment and intangible assets costing \$1,000 and above individually (or forming part of a network costing more than \$1,000) are capitalised.

**(k) Revaluation of Plant and Equipment**

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 05-03). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

The Commission's plant and equipment are non-specialised assets with short useful lives and are measured at depreciated historical cost, as a surrogate for fair value.

**(l) Impairment of Plant and Equipment**

As a not-for-profit entity with no cash generating units, the Commission is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

**(m) Depreciation of Plant and Equipment**

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Commission. Leasehold improvements are amortised over the unexpired period of the lease or estimated useful life whichever is the lesser. Refer Notes 2(c) and 14.

Applicable depreciation rates for each class of depreciable assets are listed below:

	%
Computer Equipment	20-25
Computer Replacement Projects	25
Office Equipment	15
Furniture and Fittings	12.5*

\*Or the term of lease

**(n) Restoration Costs**

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

**(o) Maintenance**

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

**(p) Leased Assets**

The Commission does not have any finance leases for its leased assets. Operating lease payments are charged to the Operating Statement in the periods in which they are incurred. Refer to Note 21(b).

**(q) Intangible Assets**

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the Commission and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

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

The useful lives of intangible assets are assessed to be finite. As there is no active market for the Commission's intangible assets, the assets are carried at cost less any accumulated amortisation. The Commission's intangible assets are amortised using the straight line method over a period of 5 years. Refer Note 2(c) and 15.

As a not-for-profit entity with no cash generating units, the Commission is effectively exempted from impairment testing (refer para (l)).

**(r) Receivables – Year ended 30 June 2006 (refer Note 1 (x) for 2004/05 policy)**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Operating Statement when impaired.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(s) Impairment of financial assets**

An allowance for impairment is established for the Commission's receivables where there is objective evidence that the Commission will not be able to collect all amounts due.

The amount of an impairment loss is recognised in the Operating Statement. Any reversals of impairment losses are reversed through the Operating Statement where there is objective evidence.

**(t) Trust Funds**

The Commission receives monies in a trustee capacity for trusts as set out in Note 25. As the Commission performs a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Commission's own objectives, they are not brought to account in the financial statements.

**(u) Payables – Year ended 30 June 2006 (refer Note 1 (x) for 2004/05 policy)****(i) Incurred Liability**

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(ii) Estimated Liability for Legal Expenditure**

An estimate of the net cost of work in progress by external legal practitioners for referred casework undertaken but not invoiced as at balance date has been included as a provision in the financial statements. The estimate is based on a system-calculated proportion of actual claims paid on a rolling prior twelve months for each matter type. Refer to Notes 2(f) & 17.

The estimated net cost of referred work that is yet to be performed on current grants of aid is disclosed by way of a note. Refer to Note 21(a).

**(v) Budgeted amounts**

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s 21A, s 24 and/or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts i.e. per the audited financial statements (rather than carried forward estimates).

**(w) Comparative Information**

Comparative figures have been restated based on AEIFRS with the exception of financial instruments information, which has been prepared under the previous AGAAP Standard (AAS 33) as permitted by AASB 1.36A (refer para (x) below). The transition to AEIFRS for financial instruments information was 1 July 2005. The impact of adopting AASB 132/139 is further discussed in Note 27.

**(x) Financial instruments accounting policy for 2004/05 comparative period****Investment income**

Interest revenue is recognised as it accrues.

**Receivables**

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

**Payables**

These amounts represent liabilities for goods and services provided to the agency.

**(y) New Australian Accounting Standards issued but not effective**

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 119 (December 2004) *Employee Benefits*;
- AASB 2004-3 amendments to AASB 119 *Employee Benefits*;
- AASB/*Financial Instruments: Disclosures*;
- AASB 2005-10 amendments to AASB 7 *Financial Instruments: Disclosures*.

The possible impact of these Standards in the period of initial application is uncertain.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**2 EXPENSES****(a) Employee related expenses and personnel services****Employee related expenses**

Salaries and wages (including recreation leave)  
 Superannuation—defined benefit plans  
 Superannuation—defined contribution plans  
 Long service leave  
 Workers' compensation insurance  
 Payroll tax

**Total**

The Commission does not employ staff that are directly involved in day-to-day servicing or maintenance.

No salaries and wages expenditure was capitalised in 2005/06 (\$0.624m in 2004/05).

**Personnel services**

Personnel services provided by the Office of the Legal Aid Commission

**Total**

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Salaries and wages (including recreation leave)	46,726	43,964	-	-
Superannuation—defined benefit plans	(10,441)	4,870	-	-
Superannuation—defined contribution plans	3,019	2,970	-	-
Long service leave	1,608	1,718	-	-
Workers' compensation insurance	301	275	-	-
Payroll tax	3,150	3,043	-	-
<b>Total</b>	<b>44,363</b>	<b>56,840</b>	<b>-</b>	<b>-</b>
Personnel services provided by the Office of the Legal Aid Commission	-	-	44,363	56,840
<b>Total</b>	<b>-</b>	<b>-</b>	<b>44,363</b>	<b>56,840</b>

The Commission's staff were supplied by the Legal Aid Commission (the department under Schedule 1 of the *Public Sector Employment and Management Act 2002*) until 17 March 2006 and by the Office of Legal Aid Commission from 17 March 2006. In prior periods, the financial report of the Legal Aid Commission (the statutory authority) recognised and classified all staff related expenses and liabilities as employee benefits, as if the staff were employed by the statutory authority. This policy was adopted because the statutory authority was responsible for meeting these expenses and liabilities. Following amendments to the *Public Sector Employment and Management Act 2002* on 17 March 2006, the NSW Treasury clarified accounting requirements for staff used by one entity who were employees of another entity under the *Public Sector Employment and Management Act 2002*. The Commission should have been accounting for its staff costs as "Personnel Services" to reflect that other organisations supplied personnel services to the Entity. To correct this, amounts previously disclosed as employee related expenses and liabilities have been reclassified as "Personnel Services". This prior adjustment has no impact on the operating result or equity of the current or prior reporting periods.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>(b) Other operating expenses</b>				
Other operating expenses include the following:				
Operating lease rental expense - minimum lease payments	5,533	5,667	5,533	5,667
Telephone	653	660	653	660
Library resources	672	601	672	601
Consultants	172	295	172	295
Contractors	1,636	693	1,636	693
Stationery, stores and provisions	505	384	505	384
Computer running costs	1,051	1,402	1,051	1,402
Printing	157	169	157	169
Records management	473	419	473	419
Travel compensation	602	459	602	459
Interpreters' fees (non-case)	272	256	272	256
Postage	351	365	351	365
Cleaning	224	199	224	199
Practicing certificates	189	184	189	184
Electricity and gas	263	206	263	206
Insurance	78	98	78	98
Auditor's remuneration - audit or review of financial reports	116	60	116	60
Internal audit and audit of Trust Account	130	80	130	80
Courier and freight	42	44	42	44
Expenses written back	-	529	-	529
Maintenance	1,789	1,159	1,789	1,159
Other	999	963	999	963
<b>Total</b>	<b>15,907</b>	<b>14,892</b>	<b>15,907</b>	<b>14,892</b>
<b>(c) Depreciation and amortisation expenses</b>				
<b>Depreciation</b>				
Fit-out costs - office accommodation	1,390	1,234	1,390	1,234
Other plant and equipment	1,224	658	1,224	658
	2,614	1,892	2,614	1,892
<b>Amortisation</b>				
Software	667	514	667	514
<b>Total</b>	<b>3,281</b>	<b>2,406</b>	<b>3,281</b>	<b>2,406</b>
Refer Notes 1(m), 1(q), 14 & 15.				
<b>(d) Grants and subsidies</b>				
Domestic Violence Court Assistance Program	3,829	3,264	3,829	3,264
Community Legal Centres	10,393	10,232	10,393	10,232
<b>Total</b>	<b>14,222</b>	<b>13,496</b>	<b>14,222</b>	<b>13,496</b>
Grants to Community Legal Centres are funded by way of specific Commonwealth and discretionary State funds.				
<b>(e) Finance costs</b>				
Unwinding of discount rate	175	163	175	163
<b>Total</b>	<b>175</b>	<b>163</b>	<b>175</b>	<b>163</b>

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**(f) Other expenses**

Solicitor services provided by private practitioners  
 Barrister services provided by private practitioners  
 Disbursements

**Total**

Includes an estimate of the net cost of work in progress by external legal practitioners who have provided services but not submitted an invoice to the Commission at balance date.

**3 REVENUE****(a) Sale of goods and services****Rendering of services**

Family Law  
 Criminal Law  
 Civil Law  
 Commonwealth funding<sup>1</sup>

**Total**

<sup>1</sup>Base funding of \$45.054m (\$44.084m in 2004/05) was received from the Commonwealth Government under the Provision of Legal Assistance Agreement. This is a four-year agreement between the Commission and the Commonwealth that commenced on 1 July 2004. In the second year of the agreement, expenditure exceeded income by \$0.017m (income exceeded expenditure by \$1.104m in 2004/05).

**(b) Investment income**

Interest on outstanding accounts  
 Interest on cash assets

**Total**

Refer to Notes 1(e)(iii), 1(x) & 26(c)

**(c) Grants and contributions**

Law Society Public Purpose Fund<sup>1</sup>  
 Commonwealth Government Community Legal Centre base grants<sup>2</sup>  
 Other grants and contributions<sup>3</sup>

**Total**

<sup>1</sup>This fund provided a grant of \$23.190m (\$18.385m in 2004/05) to provide legal aid services in State matters.

Other specific grants from this fund include:

Environmental Defenders Office  
 Public Interest Advocacy Centre  
 Expansion of court assistance to children

**Total**

<sup>2</sup>\$5.192m in Community Legal Centre (CLC) base grants (\$5.063m in 2004/05) received from the Commonwealth Government were distributed to various CLCs. The amount of the grant to individual CLCs is determined by the Commonwealth.

	Consolidated		Parent	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
Solicitor services provided by private practitioners	39,382	35,134	39,382	35,134
Barrister services provided by private practitioners	15,804	17,031	15,804	17,031
Disbursements	8,464	7,882	8,464	7,882
<b>Total</b>	<b>63,650</b>	<b>60,047</b>	<b>63,650</b>	<b>60,047</b>
Family Law	1,420	1,294	1,420	1,294
Criminal Law	1,665	1,349	1,665	1,349
Civil Law	1,177	992	1,177	992
Commonwealth funding <sup>1</sup>	45,054	44,084	45,054	44,084
<b>Total</b>	<b>49,316</b>	<b>47,719</b>	<b>49,316</b>	<b>47,719</b>
Interest on outstanding accounts	100	113	100	113
Interest on cash assets	3,510	2,583	3,510	2,583
<b>Total</b>	<b>3,610</b>	<b>2,696</b>	<b>3,610</b>	<b>2,696</b>
Law Society Public Purpose Fund <sup>1</sup>	24,457	19,594	24,457	19,594
Commonwealth Government Community Legal Centre base grants <sup>2</sup>	5,192	5,063	5,192	5,063
Other grants and contributions <sup>3</sup>	2,931	1,614	2,931	1,614
<b>Total</b>	<b>32,580</b>	<b>26,271</b>	<b>32,580</b>	<b>26,271</b>
Environmental Defenders Office	478	462	478	462
Public Interest Advocacy Centre	550	536	550	536
Expansion of court assistance to children	239	211	239	211
<b>Total</b>	<b>1,267</b>	<b>1,209</b>	<b>1,267</b>	<b>1,209</b>

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<sup>3</sup> Other Grants and contributions include:				
- Part of the Commonwealth Government Community Legal Centre base grants used to meet administrative costs	28	95	28	95
- Commonwealth Government special purposes funds for refugee matters under separate contract	160	131	160	131
- State Department of Juvenile Justice for the Juvenile Justice Visiting Legal Service	240	147	240	147
- State Attorney General's Department Youth Drug Court	114	86	114	86
- State Attorney General's Department - to establish and run video conferencing facilities within the Commission	306	81	306	81
- NSW Police - ERISP Project	24	-	24	-
- Commonwealth Government special funding for expensive criminal cases	2,059	1,074	2,059	1,074
<b>Total</b>	<b>2,931</b>	<b>1,614</b>	<b>2,931</b>	<b>1,614</b>
<b>(d) Other revenue</b>				
Miscellaneous	137	123	137	123
<b>Total</b>	<b>137</b>	<b>123</b>	<b>137</b>	<b>123</b>
<b>4 LOSS ON DISPOSAL</b>				
Loss on disposal of plant and equipment				
Proceeds from disposal	5	28	5	28
Less: Written down value of assets disposed	13	69	13	69
<b>Total</b>	<b>(8)</b>	<b>(41)</b>	<b>(8)</b>	<b>(41)</b>
<b>5 OTHER LOSSES</b>				
Impairment loss on receivables	143	292	143	292
<b>Total</b>	<b>143</b>	<b>292</b>	<b>143</b>	<b>292</b>
<b>6 CONDITIONS ON CONTRIBUTIONS</b>				
All funds received from the Commonwealth in a financial year are required to be brought to account as revenue in that reporting period. Any funds not spent in a year must be carried forward for use in subsequent years and may not be applied for any other purpose. The Commission will carry forward \$4.600m of unspent funds at 30 June 2006 to be utilised in future years (\$4.617m was carried forward at 30 June 2005).				
<b>7 APPROPRIATIONS</b>				
<b>(a) Recurrent Appropriations</b>				
Total recurrent drawdowns from Treasury (per Summary of Compliance) <sup>1</sup>	80,952	75,469	80,952	75,469
<b>Total</b>	<b>80,952</b>	<b>75,469</b>	<b>80,952</b>	<b>75,469</b>
Comprising:				
Recurrent appropriations (per Operating Statement)	80,952	75,469	80,952	75,469
<b>Total</b>	<b>80,952</b>	<b>75,469</b>	<b>80,952</b>	<b>75,469</b>

<sup>1</sup>The Consolidated Fund Appropriation includes State Government's special purpose recurrent funding and other specific schemes.



## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**(b) Capital Appropriations**

Total capital drawdowns from Treasury (per Summary of Compliance)<sup>1</sup>

**Total**

Comprising:

Capital appropriations (per Operating Statement)

**Total**

<sup>1</sup>Actual capital expenditure was below the capital appropriation by \$1.785m and was due primarily to a change in the timing of the replacement of the Commission's core business system.

**8 INDIVIDUALLY SIGNIFICANT ITEMS**

The Commission's financial position for the State Authorities Superannuation schemes changed from an unfunded liability in 2004/05 to a net surplus at 30 June 2006 resulting in \$12.098m being taken up as a reduction to the superannuation expense for the year.

State Authorities Superannuation schemes surplus/(deficit)

**Total**

Consolidated		Parent	
2006	2005	2006	2005
\$'000	\$'000	\$'000	\$'000
1,931	3,753	1,931	3,753
<b>1,931</b>	<b>3,753</b>	<b>1,931</b>	<b>3,753</b>
1,931	3,753	1,931	3,753
<b>1,931</b>	<b>3,753</b>	<b>1,931</b>	<b>3,753</b>
2,530	(9,568)	-	-
<b>2,530</b>	<b>(9,568)</b>	<b>-</b>	<b>-</b>

**9 ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES**

There are no liabilities and/or expenses that have been assumed by the Crown Entity or other government agencies.

**10 TRANSFER PAYMENTS**

The Commission did not have any transfer payments in 2005/06 (nil in 2004/05).

**11 PROGRAMS/ACTIVITIES OF THE COMMISSION****Program 1*****Legal Aid and Other Legal Services for Eligible Persons in Disputes Arising from Family Relationships***

*Objective:* To provide legal services for eligible persons under Commonwealth Family law and relevant State legislation.  
To promote the role of alternative dispute resolution in family law matters.

**Program 2*****Legal Aid and Other Legal Services for Eligible Persons in Criminal Law Matters***

*Objective:* To provide legal services for eligible persons in relation to criminal charges, including domestic violence.

**Program 3*****Legal Aid and Other Legal Services for Eligible Persons in Civil Law Matters***

*Objective:* To provide legal services for eligible persons in civil law matters that fall within Commission guidelines.

**Program 4*****Funding for Community Legal Centres and Other Community Legal Services***

*Objective:* To provide community based legal services in generalist and specialised legal areas. To provide court assistance and other support to female victims of domestic violence. To undertake community legal education and provide advice to the socially and economically disadvantaged.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**12 CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
Short term deposits

**Total Cash**

Refer to Notes 26(a) & 26(c).

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and short term deposits.

Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:

Cash and cash equivalents (per Balance Sheet)

**Closing cash and cash equivalents (per Cash Flow Statement)**

The Commission has a business credit card facility of \$0.015m (same in 2004/05), which is the total of the credit limit for all issued credit cards. The balance in this facility is cleared monthly.

**13 CURRENT/NON-CURRENT ASSETS-RECEIVABLES****Current**

Sale of goods and services  
Less: Allowance for impairment

Other debtors  
GST recoverable from Australian Taxation Office  
Prepayments

**Total Current****Non-Current**

Sale of goods and services  
Less: Allowance for impairment

**Total Non-Current**

Receivables from the sale of goods and services (both current and non-current) in the amount of \$3.083m (\$3.238m in 2004/05) are secured by way of caveat.

**14 NON-CURRENT ASSETS - PLANT AND EQUIPMENT****Previous year**

Gross Carrying Amount  
Less: Accumulated depreciation and impairment

**Net Carrying Amount at Fair Value****Current year**

Gross Carrying Amount  
Less: Accumulated depreciation and impairment

**Net Carrying Amount at Fair Value**

Consolidated		Parent	
2006	2005	2006	2005
\$'000	\$'000	\$'000	\$'000
302	1,152	302	1,152
51,701	35,101	51,701	35,101
<b>52,003</b>	<b>36,253</b>	<b>52,003</b>	<b>36,253</b>
52,003	36,253	52,003	36,253
<b>52,003</b>	<b>36,253</b>	<b>52,003</b>	<b>36,253</b>
1,415	1,258	1,415	1,258
275	287	275	287
1,140	971	1,140	971
668	435	668	435
2,116	2,727	2,116	2,727
1,715	724	1,715	724
<b>5,639</b>	<b>4,857</b>	<b>5,639</b>	<b>4,857</b>
3,644	3,882	3,644	3,882
1,253	1,389	1,253	1,389
<b>2,391</b>	<b>2,493</b>	<b>2,391</b>	<b>2,493</b>
22,700	18,923	22,700	18,923
12,478	10,686	12,478	10,686
<b>10,222</b>	<b>8,237</b>	<b>10,222</b>	<b>8,237</b>
25,209	22,700	25,209	22,700
15,019	12,478	15,019	12,478
<b>10,190</b>	<b>10,222</b>	<b>10,190</b>	<b>10,222</b>

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Reconciliation</b>				
A reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current reporting period is set out below.				
<b>Net carrying amount at start of year</b>	<b>10,222</b>	<b>8,237</b>	<b>10,222</b>	<b>8,237</b>
Additions	2,595	3,946	2,595	3,946
Disposals	(87)	(169)	(87)	(169)
Depreciation expense	(2,614)	(1,892)	(2,614)	(1,892)
Write back on disposal	74	100	74	100
<b>Net carrying amount at end of year</b>	<b>10,190</b>	<b>10,222</b>	<b>10,190</b>	<b>10,222</b>
Refer Notes 1(m) & 2(c).				
<b>15 INTANGIBLE ASSETS</b>				
<b>Previous year</b>				
Gross Carrying Amount	4,448	3,807	4,448	3,807
Less: Accumulated depreciation and impairment	2,315	1,861	2,315	1,861
<b>Net Carrying Amount at Fair Value</b>	<b>2,133</b>	<b>1,946</b>	<b>2,133</b>	<b>1,946</b>
<b>Current year</b>				
Gross Carrying Amount	4,448	4,448	4,448	4,448
Less: Accumulated depreciation and impairment	2,982	2,315	2,982	2,315
<b>Net Carrying Amount at Fair Value</b>	<b>1,466</b>	<b>2,133</b>	<b>1,466</b>	<b>2,133</b>
<b>Reconciliation</b>				
A reconciliation of the carrying amounts of intangible assets at the beginning and end of the current reporting period is set out below.				
<b>Net carrying amount at start of year</b>	<b>2,133</b>	<b>1,946</b>	<b>2,133</b>	<b>1,946</b>
Additions (from internal development or acquired separately)	-	1,170	-	1,170
Amortisation (recognised in "depreciation and amortisation")	(667)	(514)	(667)	(514)
Expenses written back	-	(529)	-	(529)
Write back on derecognition of assets	-	60	-	60
<b>Net carrying amount at end of year</b>	<b>1,466</b>	<b>2,133</b>	<b>1,466</b>	<b>2,133</b>
Refer Notes 1(q) & 2(c).				
<b>16 CURRENT ASSETS—OTHER</b>				
Prepaid Superannuation Contributions Reserve <sup>1</sup>	2,861	-	-	-
Receivable from the Office of the Legal Aid Commission	-	-	2,861	-
<b>Total</b>	<b>2,861</b>	<b>-</b>	<b>2,861</b>	<b>-</b>

<sup>1</sup>Represents the balance of the Prepaid Superannuation Contributions Reserve held by the State Authorities Superannuation Trustee Corporation (STC) for SASS and SANCS in 2005/06 (deficit of \$3.270m in 2004/05). The Prepaid Superannuation Contributions Reserve includes interest earned by the reserve.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**The Pooled Fund**

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS).

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members.

Refer to Notes 1(f)(ii), 2(a), 8, 18 & 27.

The position of the superannuation funds at 30 June 2006 is as follows:

	SASS	SANCS	SSS	Total
<b>Members Numbers</b>				
Contributors	107	154	47	
Deferred benefits	-	-	11	
Pensioners	-	-	26	
Pensions fully commuted	-	-	14	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Accrued Liability as at 30 June 2006	18,379	4,232	38,504	61,115
Less: Estimated Reserve Account				
Closing Balance as at 30/06/06	20,380	5,092	38,173	63,645
<b>Prepaid Contributions/(Unfunded Liability) as at 30/06/06</b>	<b>2,001</b>	<b>860</b>	<b>(331)</b>	<b>2,530</b>

The calculation of SSS, SASS and SANCS liabilities was performed by the Actuary, William Mercer Ltd and is based on the requirements of AASB 119.

**Assets and liabilities recognised in the balance sheet**

	2006 \$'000	2005 \$'000
Present value of defined benefit obligations	61,115	63,196
Fair value of plan assets	(63,645)	(53,628)
	(2,530)	9,568
Surplus in excess of recovery available from schemes	-	-
Unrecognised past service cost	-	-
<b>Net (asset)/liability disclosed in balance sheet</b>	<b>(2,530)</b>	<b>9,568</b>

**Movement in net liability/(asset) recognised in the balance sheet**

Net liability at start of the year	9,568	6,282
Net expense as recognised in operating statement	(10,441)	4,870
Contributions	(1,657)	(1,584)
<b>Net (asset)/liability disclosed in balance sheet</b>	<b>(2,530)</b>	<b>9,568</b>

**Total expense recognised in operating statement**

Current service cost	1,641	1,515
Interest on obligation	3,547	3,277
Expected return on plan assets	(4,066)	(3,405)
Net actuarial losses (gains) recognised in year	(11,563)	3,483
Change in surplus in excess of recovery available from schemes	-	-
Past service cost	-	-
Losses (gains) on curtailments and settlements	-	-
<b>Total included in "employee benefits expense"</b>	<b>(10,441)</b>	<b>4,870</b>

**Actual return on plan assets**

<b>8,600</b>	<b>6,128</b>
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## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**Valuation method and principal actuarial assumptions at reporting date**

(i) The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Economic Assumptions	30-Jun-06	30-Jun-05
Discount rate	5.9% pa	5.2% pa
Expected return on plan assets	7.6%	7.3%
Expected rate of salary increases	4.0% pa to 2008 3.5% pa thereafter	4% pa
Expected rate of CPI increase	2.5% pa	2.5% pa

**17 CURRENT LIABILITIES - PAYABLES**

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Accrued salaries, wages and on-costs	514	301	-	-
Office of the Legal Aid Commission - accrued salaries, wages and on-costs	-	-	514	301
Creditors - Legal	1,417	2,854	1,417	2,854
Creditors - Administrative	2,423	1,902	2,423	1,902
Prepaid grants received	188	104	188	104
Accrual of estimated legal expenses <sup>1</sup>	9,831	9,402	9,831	9,402
<b>Total</b>	<b>14,373</b>	<b>14,563</b>	<b>14,373</b>	<b>14,563</b>

<sup>1</sup>Being accrual of the estimated net cost of work in progress by external legal practitioners who have not submitted claims to the Commission at balance date. The allocation between current and non-current is system-generated and based on the experience of payment of accounts within 1 year and over 1 year of the work done by external legal practitioners. Refer to Notes 1(u)(ii) & 2(f).

**18 CURRENT/NON-CURRENT LIABILITIES - PROVISIONS****Current****Employee benefits and related on-costs**

Provision for recreation leave to be taken within 12 months	4,023	3,846	-	-
Provision for recreation leave to be taken after 12 months	671	662	-	-
Provision for long service leave to be taken within 12 months	637	872	-	-
Provision for long service leave to be taken after 12 months	8,930	7,851	-	-
Provision for related on-costs	1,523	1,491	-	-
Superannuation unfunded liability <sup>1</sup>	331	9,568	-	-
Office of the Legal Aid Commission - provision for personnel services	-	-	16,115	24,290
<b>Total Current</b>	<b>16,115</b>	<b>24,290</b>	<b>16,115</b>	<b>24,290</b>

<sup>1</sup>Represents the balance of the unfunded liability held by the State Authorities Superannuation Trustee Corporation (STC) for the State Superannuation Scheme in 2005/06 (\$6.298m in 2004/05). The liability is net of the reserve account balance for the scheme. Refer Notes 1(f)(ii), 2(a), 8, 16 & 27.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Non-Current</b>				
<b>Employee benefits and related on-costs</b>				
Provision for long service leave	1,136	1,078	-	-
Provision for related on-costs	151	184	-	-
Office of the Legal Aid Commission - provision for personnel services	-	-	1,287	1,262
	<b>1,287</b>	<b>1,262</b>	<b>1,287</b>	<b>1,262</b>
<b>Other Provisions</b>				
Restoration costs <sup>1</sup>	2,511	2,336	2,511	2,336
	<b>2,511</b>	<b>2,336</b>	<b>2,511</b>	<b>2,336</b>
<b>Total Non-Current</b>	<b>3,798</b>	<b>3,598</b>	<b>3,798</b>	<b>3,598</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	16,115	24,290	-	-
Provisions - non-current	1,287	1,262	-	-
Accrued salaries, wages and on-costs (Note 17)	514	301	-	-
	<b>17,916</b>	<b>25,853</b>	-	-
<sup>1</sup> Refers to the present value of estimated cost of make good obligations (in accordance with AASB 137) that will arise when existing office accommodation leases expire. The provision is adjusted annually for unwinding and changes in discount rates. Any cost variations in make good expenses at the time of implementation will be recognised in the operating statement.				
<b>Movements in provisions (other than employee benefits)</b>				
Carrying amount at start of financial year	2,336	2,173	2,336	2,173
Unwinding/change in the discount rate	175	163	175	163
<b>Carrying amount at end of financial year</b>	<b>2,511</b>	<b>2,336</b>	<b>2,511</b>	<b>2,336</b>
<b>19 NON-CURRENT LIABILITIES - OTHER</b>				
Lease Incentive	-	20	-	20
<b>Total</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>
<b>20 CHANGES IN EQUITY</b>				
<b>Accumulated Funds</b>				
Balance at the beginning of the financial year	13,487	5,633	13,487	5,633
Surplus for the year	26,777	7,854	26,777	7,854
<b>Balance at the end of the financial year</b>	<b>40,264</b>	<b>13,487</b>	<b>40,264</b>	<b>13,487</b>

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**21 COMMITMENTS FOR EXPENDITURE****(a) Other Expenditure Commitments**

Aggregate other expenditure contracted for at balance date and not provided for in the financial statements:

**Not later than one year**

Outstanding purchase orders

Estimated future commitment of external legal services<sup>1</sup>

**Later than one year and not later than 5 years**

Estimated future commitment of external legal services<sup>1</sup>

**Total (including GST)**

<sup>1</sup>Represents the estimated future commitment for external legal services provided for both inhouse and assigned grants of aid. The future internal cost of cases conducted by the Commission's inhouse practice has been excluded because the amount of the liability cannot be reliably measured.

**(b) Operating Lease Commitments**

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year

Later than one year and not later than 5 years

Later than 5 years

**Total (including GST)**

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Outstanding purchase orders	351	66	351	66
Estimated future commitment of external legal services <sup>1</sup>	29,782	30,541	29,782	30,541
Later than one year and not later than 5 years				
Estimated future commitment of external legal services <sup>1</sup>	5,842	5,991	5,842	5,991
<b>Total (including GST)</b>	<b>35,975</b>	<b>36,598</b>	<b>35,975</b>	<b>36,598</b>
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	6,292	4,793	6,292	4,793
Later than one year and not later than 5 years	19,339	15,941	19,339	15,941
Later than 5 years	-	2,654	-	2,654
<b>Total (including GST)</b>	<b>25,631</b>	<b>23,388</b>	<b>25,631</b>	<b>23,388</b>

Refer to Note 1(p).

The operating lease commitments above relate to the rental of office accommodation and supply of computer hardware.

The total commitments in (a) and (b) above include input tax credits of \$5.600m (\$5.453m in 2004/05) that are expected to be recoverable from the Australian Taxation Office.

**22 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Commission has no contingent liabilities or assets at 30 June 2006 (nil at 30 June 2005).

**23 BUDGET REVIEW****Operating Statement****Net Cost of Services**

The actual net cost of services was lower than budget by \$25.973m primarily due to:

- an improvement in the net superannuation position for defined benefit superannuation schemes held on the Commission's behalf by the SAS Trustee Corporation which resulted in a downward non-cash adjustment of \$12.098m in employee related expenses. Refer notes 1(f)(ii), 2(a), 8, 16 & 18.
- lower than expected expenditure on Other Expenses reflecting less expenditure on private legal practitioners than had been anticipated in the budget. Refer note 2(f).
- higher than budgeted revenue from the sale of goods and services reflecting the receipt of greater funding from the Expensive Commonwealth Criminal Cases Fund and additional cost recoveries in legal cases than originally anticipated. Refer note 3(a).
- additional revenue from investments resulting from higher cash balances invested and better than anticipated investment returns. Refer note 3(b).

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

- higher than budgeted funding from the Public Purpose Fund for service delivery enhancements. These enhancements will result in additional expenses equal to the funding provided; however there was a timing difference between the receipt of the revenue and the full impact of the expense increases. Refer note 3(c).

**Balance Sheet****Current Assets**

Current assets are \$12.343m higher than budget and predominantly due to higher cash balances held than was expected in the budget. This resulted from higher than expected revenue received from funders, higher interest revenue and lower expenditure on other expenses.

**Non-Current Assets**

Non-current assets were \$1.312m lower than budget and due mainly to:

- lower than expected expenditure on intangible assets due to a change in the timing of expenditure on the replacement of the Commission's core business system.
- a reduction in receivables.

**Current Liabilities**

The increase in current liabilities of \$10.416m compared to budget is predominantly due to the recognition of recreation and unconditional long service leave as current liabilities in accordance with Australian Equivalents to International Financial Reporting Standards, which was not reflected in the budget.

**Non-Current Liabilities**

The reduction in non-current liabilities of \$15.502m is predominantly due to:

- the change in classification of recreation leave and unconditional long service leave from a non-current liability to a current liability.
- an improvement in the net superannuation position for defined benefit superannuation schemes held on the Commission's behalf by the SAS Trustee Corporation which resulted in a downward non-cash adjustment of \$12.098m. This adjustment fully extinguished the liability for superannuation that had been anticipated in the budget.

**Cash Flow Statement****Cash Flows from Operating Activities**

There was no significant variance in cash payments compared to budget.

Cash receipts exceeded budget by \$12.122m due to higher than budgeted funding from the Expensive Commonwealth Criminal Cases Fund, higher than budgeted recoveries of costs in legal cases, additional investment revenue and higher than budgeted funding from the Public Purpose Fund for service delivery enhancements.

Cash flows from government were lower than budget by \$3.760m and due to:

- lower than expected expenditure on intangible assets due to a change in the timing of expenditure on the replacement of the Commission's core business system. These funds will be expended in future years.
- the return of funds to the Consolidated Fund due to a delay in the commencement of criminal case processing reforms to the justice system. These reforms were anticipated to commence on 1 July 2005 but delayed till 1 January 2006. Much of the funding returned to the Consolidated Fund has been rolled over to be expended in the 2007–2008 financial year as part of the two year seed funding for the reforms.

**Cash Flows from Investing Activities**

Cash used in investing activities was \$2.726m lower than budget due to lower than expected expenditure on intangible assets which reflected a change in the timing of expenditure on the replacement of the Commission's core business system. These funds will be expended in future years.



## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

	Consolidated		Parent	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>24 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES</b>				
Reconciliation of cash flows from operating activities to the net cost of services as reported in the Operating Statement:				
Net cash from operating activities	(18,340)	(14,603)	(18,340)	(14,603)
Cash Flows from Government/Appropriations	82,883	79,222	82,883	79,222
Depreciation and amortisation	3,281	2,406	3,281	2,406
Expenses Written back	-	529	-	529
(Increase)/decrease in allowance for impairment	148	(52)	148	(52)
Increase/(decrease) in provisions	(7,975)	5,245	(7,975)	5,245
(Increase)/decrease in prepayments and other assets	(3,689)	(560)	(3,689)	(560)
(Decrease)/increase in creditors	(210)	(860)	(210)	(860)
Loss on disposal of plant and equipment	8	41	8	41
<b>Net cost of services</b>	<b>56,106</b>	<b>71,368</b>	<b>56,106</b>	<b>71,368</b>
<b>25 TRUST FUNDS</b>				
The Commission administers, but does not control the funds in the following trusts:				
<b>Legal Aid Commission General Trust Fund<sup>1</sup></b>				
Cash balance at the beginning of the financial year	195	195	195	195
Add: Receipts	-	-	-	-
Less: Expenditure	195	-	195	-
<b>Cash balance at the end of the financial year</b>	<b>-</b>	<b>195</b>	<b>-</b>	<b>195</b>
<b>Legal Aid Commission Trust Account<sup>2</sup></b>				
Cash balance at the beginning of the financial year	618	444	618	444
Add: Receipts	1,416	1,625	1,416	1,625
Less: Expenditure	1,608	1,451	1,608	1,451
<b>Cash balance at the end of the financial year</b>	<b>426</b>	<b>618</b>	<b>426</b>	<b>618</b>

As the Commission performs only a custodial role in respect of trust monies, and because the monies cannot be used for the achievement of its objectives; that is, the definition criteria for assets is not met, trust funds are not brought to account in the financial statements, but are shown in the notes for information purposes. Refer to Note 1(u).

<sup>1</sup>Legal Aid Commission General Trust Fund

Pursuant to Section 63(3) of the *Legal Aid Commission Act 1979*, a separate account is maintained for verdict and settlement moneys held on behalf of legally aided persons represented by private practitioners, substantially in the civil law program. The Commission may recover some costs upon finalisation of these matters.

<sup>2</sup>Legal Aid Commission Trust Account

Pursuant to Section 64A of the *Legal Aid Commission Act 1979*, a Legal Aid Commission Trust Account is maintained for verdict and settlement moneys held on behalf of legally aided persons represented by Commission in-house practitioners. The Commission may recover some costs upon finalisation of these matters.

## 26 FINANCIAL INSTRUMENTS

The Commission's principal financial instruments are outlined below. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments for speculative purposes. The Commission does not use financial derivatives.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

**(a) Cash**

Cash comprises cash on hand and Commission funds that are held in advance accounts, the general operating bank account and deposits at call and short term with TCorp. Interest is earned on the daily balances of the bank accounts and deposits at call and short term with Tcorp. Refer Notes 12 & 26(c). The average rate of interest earned on bank accounts was 5.02% (2004/05 5.0%).

**(b) Receivables**

All receivables are recognised as amounts receivable at balance date. Collectability of trade debts is reviewed on an ongoing basis and debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). The carrying amount approximates fair value. Interest is charged on overdue trade debtors' accounts under section 71A of the *Legal Aid Commission Act 1979* as amended and applicable interest rates were as follows:

- overdue debt (*Section 31A of Legal Aid Commission Act*) —4.5% (half of local court rate)
- Local Court judgements (*Section 39 of Local Court (Civil Claims) Act*) —9.0%
- Family Court judgements (*Section 117B of Family Law Court Act*)—10.25%.

**(c) Authority Deposits**

The Commission has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. The interest rate payable by Tcorp is negotiated initially and is fixed for the term of the deposit.

	2006 Carrying Amount \$'000	2006 Net Fair Value \$'000	2005 Carrying Amount \$'000	2005 Net Fair Value \$'000
At call	6,701	6,701	7,101	7,101
Less than one year	45,000	45,000	28,000	28,000
<b>Total</b>	<b>51,701</b>	<b>51,701</b>	<b>35,101</b>	<b>35,101</b>

The deposits at balance date were earning an average interest rate of 5.74% (2004/05 5.58%), while over the year the average interest rate was 5.59% (2004/05 5.41%) on a weighted average deposit of \$58.963m (2004/05 \$45.031m) during the year. No deposits were held for more than one year.

**(d) Bank Overdraft**

The Commission does not have a bank overdraft facility.

**(e) Payables and Accruals**

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made within 14 days from the date of the receipt of the invoice. The Commission did not incur any penalty interest for late payment of claims.

**27 THE FINANCIAL IMPACT OF ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AEIFRS)**

The Commission has applied the AEIFRS for the first time in the 2005-06 financial report. The key areas where changes in accounting policies have impacted the financial report are disclosed below. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts arise from options in AEIFRS that were not available or not applied under previous AGAAP. The Commission has adopted the options mandated by NSW Treasury for all NSW public sector agencies. The impacts disclosed below reflect Treasury's mandates and policy decisions.

The impacts of adopting AEIFRS on total equity and surplus as reported under previous AGAAP are shown below. There are no material impacts on the Commission's cash flows.

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

## (a) Reconciliations – 1 July 2004 and 30 June 2005

## Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS:

	Notes	30 June 2005** \$'000	1 July 2004* \$'000
<b>Total equity under previous AGAAP</b>		<b>26,833</b>	<b>12,116</b>
<b>Adjustments to accumulated funds</b>			
Derecognition of intangible assets	i	(30)	(90)
Defined benefit superannuation adjustment for change in discount rate	ii	(12,870)	(6,497)
Effect of discounting long-term annual leave	iii	55	104
Recognition of restoration costs	iv	(501)	-
<b>Adjustments to other reserves</b>			
Nil		-	-
<b>Total equity under AEIFRS</b>		<b>13,487</b>	<b>5,633</b>

\* = adjustments as at the date of transition

\*\* = cumulative adjustments as at date of transition plus the year ended 30 June 2005

## Reconciliation of surplus under AGAAP to surplus under AEIFRS:

Year ending 30 June 2005	Notes	\$'000
<b>Surplus under AGAAP</b>		<b>14,717</b>
Derecognition of intangible assets	i	60
Defined benefit superannuation adjustment for change in discount rate	ii	(6,373)
Effect of discounting long-term annual leave	iii	(49)
Recognition of restoration costs	iv	(501)
<b>Surplus under AEIFRS</b>		<b>7,854</b>

Based on the above, if AEIFRS were applied in 2004-05 this would increase the Net Cost of Services from \$64,505 to \$71,368.

- i. AASB 138 *Intangible Assets* requires all research costs to be expensed and restricts the capitalisation of development costs. Previous AGAAP permitted some research and development costs to be capitalised when certain criteria were met. As a result, some previously recognised intangible assets were derecognised. Further, intangibles can only be revalued where there is an active market, which is unlikely to occur. Therefore, revaluation increments and decrements have been derecognised and intangible assets recognised at amortised cost. As derecognition had occurred at balance date 1 July 2004, a write-back of expenses and accumulated depreciation was required when the derecognition was actually brought to account at 30 June 2005. This has reduced the amount of intangible assets by a smaller amount and increased the relevant amortisation expense by \$0.060m for 30 June 2005. The research expense will also decrease by \$0.060m for 30 June 2005.  
The adoption of AASB 138 has also resulted in certain reclassifications from property, plant and equipment to intangible assets (e.g. computer software).
- ii. AASB 119 *Employee Benefits* requires the defined benefit superannuation obligation to be discounted using the government bond rate as at each reporting date, rather than the long-term expected rate of return on plan assets. Where the superannuation obligation is not assumed by the Crown, this will increase the defined benefit superannuation liability (or decrease the asset for those agencies in an overfunded position) and change the quantum of the superannuation expense. The superannuation liability increased by \$6.373m and a corresponding increase in the superannuation expense was recognised for 30 June 2005.
- iii. AASB 119 *Employee Benefits* requires present value measurement for all long-term employee benefits. Previous AGAAP provided that wages, salaries, annual leave and sick leave were measured at nominal value in all circumstances. The Commission has long-term annual leave benefits and accordingly now measures these benefits

## LEGAL AID COMMISSION OF NEW SOUTH WALES

## Notes to the Financial Statements for the Year Ended 30 June 2006

at present value, rather than nominal value, thereby decreasing the employee benefits liability. This also decreases employee benefits expense by \$0.049m for 30 June 2005.

- iv. AASB 116 requires the cost and fair value of property, plant and equipment to be increased to include the estimated restoration costs, where restoration provisions are recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. These restoration costs must be depreciated and the unwinding of the restoration provision must be recognised as a finance expense. This treatment was not required under previous AGAAP. This has increased provisions by \$2.173m and the net carrying amount of property, plant and equipment by \$2.173m at 1 July 2004. Depreciation expense has increased by \$0.338m and finance costs have increased, as the present value discount unwinds, by \$0.163m for 30 June 2005.

**(b) Financial Instruments – 1 July 2005 first time adoption impacts**

As discussed in Note 1(c), the comparative information for 2004-05 for financial instruments has not been restated and is presented in accordance with previous AGAAP. AASB 132 and AASB 139 have been applied from 1 July 2005 and there were no financial impacts for the Commission on the 1 July 2005 AEIFRS operating result and opening equity. The Commission has adopted the options mandated by NSW Treasury for all NSW public sector agencies.

**(c) Grant recognition**

The Legal Aid Commission, a not-for-profit entity, has applied the requirements in AASB 1004 *Contributions* regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the previous AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 147 *Revenue from Non-Exchange Transactions (Including Taxes and Transfers)*. If the ED 147 approach is applied, revenue and/or expense recognition will not occur until either the Commission supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 147 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

**28 RELATED PARTY**

The Legal Aid Commission provided management, accounting and administrative services to its special purpose service entity, the Office of the Legal Aid Commission, for no charge. The total value of the services rendered cannot be reliably measured.

**29 AFTER BALANCE DATE EVENTS**

No events have occurred subsequent to balance date, which will materially affect the financial statements.

**END OF AUDITED FINANCIAL REPORT**

## OFFICE OF THE LEGAL AID COMMISSION FINANCIAL REPORT

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## OFFICE OF THE LEGAL AID COMMISSION

**Independent Audit Report**

GPO BOX 12  
Sydney NSW 2001

**INDEPENDENT AUDIT REPORT**

Office of the Legal Aid Commission

To Members of the New South Wales Parliament

**Audit Opinion**

In my opinion, the financial report of the Office of the Legal Aid Commission (the Office):

- presents fairly the Office's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 41B of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2005*.

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

**Scope*****The Financial Report and Chief Executive Officer's Responsibility***

The financial report comprises the operating statement, statement of changes in equity, balance sheet, cash flow statement and accompanying notes to the financial statements for the Office, for the year ended 30 June 2006.

The Chief Executive Officer of the Office is responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

***Audit Approach***

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Chief Executive Officer in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

## OFFICE OF THE LEGAL AID COMMISSION

**Independent Audit Report**

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Chief Executive Officer had not fulfilled his reporting obligations.

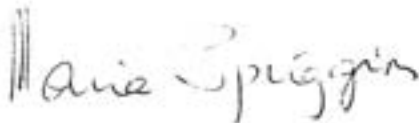
My opinion does not provide assurance:

- about the future viability of the Office,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

**Audit Independence**

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



M T Spriggins  
Director, Financial Audit Services

SYDNEY  
19 October 2006

## OFFICE OF THE LEGAL AID COMMISSION

**Statement by Chief Executive Officer**

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the Office of Legal Aid Commission, we declare on behalf of the Office that in our opinion:

1. The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2005*, applicable Australian Accounting Standards, other mandatory professional reporting requirements and Treasury Accounting Policy Statements.
2. The accompanying financial statements exhibit a true and fair view of the financial position of the Office of the Legal Aid Commission as at 30 June 2006 and transactions for the year then ended.
3. There are no circumstances that render any particulars included in the financial statements to be misleading or inaccurate.



**Bill Grant**  
Chief Executive Officer



**Ra Jennings**  
Acting Chief Finance Officer

18 October 2006



## OFFICE OF THE LEGAL AID COMMISSION

## Start Of Audited Financial Statements

## Operating Statement for the Year Ended 30 June 2006

	Notes	Actual 2006 \$'000	Actual 2005 \$'000
<b>Expenses excluding losses</b>			
Operating expenses			
Employee related	2	44,363	56,840
<b>Total Expenses excluding losses</b>		<b>44,363</b>	<b>56,840</b>
Less:			
<b>Revenue</b>			
Personnel services	3	44,363	56,840
<b>Total Revenue</b>		<b>44,363</b>	<b>56,840</b>
<b>Net Cost of Services</b>	13	-	-
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		-	-

*The accompanying notes form part of these financial statements*

## OFFICE OF THE LEGAL AID COMMISSION

**Statement of Changes in Equity for the Year Ended 30 June 2006**

Notes	Actual 2006 \$'000	Actual 2005 \$'000
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>	-	-
Surplus / (deficit) for the Year	-	-
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>	-	-

*The accompanying notes form part of these financial statements*

## OFFICE OF THE LEGAL AID COMMISSION

## Balance Sheet as at 30 June 2006

	Notes	Actual 2006 \$'000	Actual 2005 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Receivables	8	16,629	24,591
Other	9	2,861	-
<b>Total Current Assets</b>		<b>19,490</b>	<b>24,591</b>
<b>Non-Current Assets</b>			
Receivables	8	1,287	1,262
<b>Total Non-Current Assets</b>		<b>1,287</b>	<b>1,262</b>
<b>Total Assets</b>		<b>20,777</b>	<b>25,853</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	514	301
Provisions	11	16,115	24,290
Other	12	2,861	-
<b>Total Current Liabilities</b>		<b>19,490</b>	<b>24,591</b>
<b>Non-Current Liabilities</b>			
Provisions	11	1,287	1,262
<b>Total Non-Current Liabilities</b>		<b>1,287</b>	<b>1,262</b>
<b>Total Liabilities</b>		<b>20,777</b>	<b>25,853</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b>EQUITY</b>			
Accumulated Funds		-	-
<b>Total Equity</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements

## OFFICE OF THE LEGAL AID COMMISSION

**Cash Flow Statement for the Year Ended 30 June 2006**

	Notes	Actual 2006 \$'000	Actual 2005 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(55,161)	(52,376)
<b>Total Payments</b>		<b>(55,161)</b>	<b>(52,376)</b>
<b>Receipts</b>			
Legal Aid Commission - personnel services		55,161	52,376
<b>Total Receipts</b>		<b>55,161</b>	<b>52,376</b>
<b>NET CASH FLOWS FROM OPERATING</b>	13	-	-
<b>NET INCREASE IN CASH</b>			
Opening cash and cash equivalents		-	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>-</b>	<b>-</b>

*The accompanying notes form part of these financial statements*

## OFFICE OF THE LEGAL AID COMMISSION

## Notes to the Financial Statements for the Year Ended 30 June 2006

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting entity**

The Office of the Legal Aid Commission is a Division of the Government Service, established pursuant to Part 1 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the Legal Aid Commission of New South Wales Accounts. It is domiciled in Australia and its principal office is at 323 Castlereagh Street, Haymarket, Sydney. The Office of the Legal Aid Commission's objective is to provide personnel services to the Legal Aid Commission of New South Wales, the parent entity, at cost.

The financial report was authorised for issue by the Chief Executive Officer on 18 October 2006.

**(b) Basis of preparation**

This is a general purpose financial report prepared in accordance with the requirements of Australian Accounting Standards (which include Australian equivalent to the International Financial Reporting Standards (AIFRS), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005*, and specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations.

The accrual basis of accounting has been adopted in the preparation of the financial report, except for cash flow information.

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

**(c) Statement of Compliance**

This is the first financial report prepared based on AIFRS and comparatives for the Year Ended 30 June 2005 have been restated accordingly, except as stated below.

In accordance with AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* and Treasury Mandates, the date of transition to AASB 132 *Financial Instruments: Recognition and Measurement* has been deferred to 1 July 2005. As a result, comparative information for these two Standards is presented under the previous

Australian Accounting Standards which applied to the Year Ended 30 June 2005.

The financial instrument accounting policies for 2005/06 are specified in Notes 1(e), 1(f) and 1(i) below.

**(d) Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

**(e) Receivables – Year ended 30 June 2006 (refer Note 1(h) for 2004/05 policy)**

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for doubtful debts and the resulting loss is recognised in the income statement.

Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable. Any other loss or gain arising when a receivable is derecognised is also recognised in the income statement.

**(f) Payables – Year ended 30 June 2006 (refer Note 1(h) for 2004/05 policy)**

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost if the effect of discounting is immaterial.

## OFFICE OF THE LEGAL AID COMMISSION

## Notes to the Financial Statements for the Year Ended 30 June 2006

**(g) Employee benefit provisions and expenses**

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement. Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date.

Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Superannuation and leave liabilities are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Long-term long service leave and annual leave (ie that is not expected to be taken within twelve months) is measured at present value using a discount rate equal to the market yield on government bonds (9.74%).

Superannuation and long service leave provisions are actuarially assessed prior to each reporting date and are measured at the present value of the estimated future payments.

All other employee benefit liabilities (ie for benefits falling due wholly within twelve months after reporting date) are assessed by management and are measured at the undiscounted amount of the estimated future payments.

The amount recognised for superannuation and long service leave provisions is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligations are to be settled directly.

The amount recognised in the income statement for superannuation and long service leave is the net total of current service cost, interest cost, the expected return on any plan assets, and actuarial gains and losses. Actuarial gains or losses are recognised as income or expense in the year they occur.

The actuarial assessment of superannuation and long service leave provisions uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield rate on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market expectations for the period over which the obligations are to be settled.

**(h) Financial instruments accounting policy for 2004/05 comparative period***Receivables*

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

*Payables*

These amounts represent liabilities for goods and services provided to the agency.

**(i) Financial Instruments – 1 July 2005 first time adoption impacts**

As discussed in Note 1(c), the comparative information for 2004-05 for financial instruments has not been restated and is presented in accordance with previous AGAAP. AASB 132 and AASB 139 have been applied from 1 July 2005 and there were no financial impacts for the Office on the 1 July 2005 AEIFRS operating result and opening equity. The Office has adopted the options mandated by NSW Treasury for all NSW public sector agencies.

**(j) New Australian Accounting Standards issued but not effective**

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 119 (December 2004) *Employee Benefits*;
- AASB 2004-3 amendments to AASB 119 *Employee Benefits*;
- AASB 7 Financial Instruments: *Disclosures*;
- AASB 2005-10 amendments to AASB 7 *Financial Instruments: Disclosures*.

The possible impact of these Standards in the period of initial application is uncertain.

## OFFICE OF THE LEGAL AID COMMISSION

## Notes to the Financial Statements for the Year Ended 30 June 2006

**2 EXPENSES****Employee related expenses**

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including recreation leave)	46,726	43,964
Superannuation - defined benefit plans	(10,441)	4,870
Superannuation - defined contribution plans	3,019	2,970
Long service leave	1,608	1,718
Workers' compensation insurance	301	275
Payroll tax	3,150	3,043
<b>Total</b>	<b>44,363</b>	<b>56,840</b>

The Office does not employ staff that are directly involved in day-to-day servicing or maintenance.

No salaries and wages expenditure was capitalised in 2005/06 (\$0.624m in 2004/05).

**3 REVENUE****Rendering of services**

Personnel services revenue	44,363	56,840
<b>Total</b>	<b>44,363</b>	<b>56,840</b>

The Office of the Legal Aid Commission provides personnel services to the Legal Aid Commission in terms of the *Public Sector Employment and Management Act 2002* (PSEMA) and the recent *Public Sector Employment Legislation Amendment Act 2006* (PSELLA) at cost.

**4 INDIVIDUALLY SIGNIFICANT ITEMS**

The Office's financial position for the State Authorities Superannuation schemes changed from an unfunded liability in 2004/05 to a net surplus at 30 June 2006 resulting in \$12.098m being taken up as a reduction to the superannuation expense for the year.

State Authorities Superannuation schemes surplus / (deficit)	2,530	(9,568)
<b>Total</b>	<b>2,530</b>	<b>(9,568)</b>

Refer Notes 2, 9, 11.

**5 ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES**

There are no liabilities and/or expenses that have been assumed by the Crown Entity or other government agencies.

**6 TRANSFER PAYMENTS**

The Office did not have any transfer payments in 2005/06 (nil in 2004/05).

**7 PROGRAMS / ACTIVITIES OF THE OFFICE**

The Office of the Legal Aid Commission provides personnel services to the Legal Aid Commission so that the Commission may deliver legal services to eligible persons under Commonwealth law and State legislation and undertake community legal education and provide advice to the socially and economically disadvantaged.

## OFFICE OF THE LEGAL AID COMMISSION

## Notes to the Financial Statements for the Year Ended 30 June 2006

**8 CURRENT / NON-CURRENT ASSETS - RECEIVABLES****Current**

Legal Aid Commission - accrued salaries, wages and on-costs<sup>1</sup>

Legal Aid Commission - provision for employee benefits<sup>1</sup>

**Total Current****Non-Current**

Legal Aid Commission - provision for employee benefits<sup>1</sup>

**Total Non-Current**

<sup>1</sup>All expenses incurred by the Office in providing personnel services to the Legal Aid Commission are recovered from the Commission as they are incurred at cost. Current and non-current employee benefits are measured in accordance with AASB 119 and include recreation leave, long service leave, superannuation and related on-costs. Refer Note 11.

**9 CURRENT ASSETS - OTHER**

Prepaid Superannuation Contributions Reserve<sup>1</sup>

**Total**

<sup>1</sup>Represents the balance of the Prepaid Superannuation Contributions Reserve held by the State Authorities Superannuation Trustee Corporation (STC) for SASS and SANCS in 2005/06 (deficit of 3.270m in 2004/05). The Prepaid Superannuation Contributions Reserve includes interest earned by the reserve.

**The Pooled Fund**

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS).

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members.

Refer Notes 2, 4 & 11.

The balances of the superannuation funds that are prepaid at 30 June 2006 are as follows:

	SASS	SANCS	SSS	Total
<b>Members Numbers</b>				
Contributors	107	154	47	
Deferred benefits	-	-	11	
Pensioners	-	-	26	
Pensions fully commuted	-	-	14	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Accrued liability	18,379	4,232	38,504	61,115
Less: Estimated reserve account closing balance	20,380	5,092	38,173	63,645
<b>Prepaid Contributions / (Unfunded Liability) as at 30/06/06</b>	<b>2,001</b>	<b>860</b>	<b>(331)</b>	<b>2,530</b>

The calculation of SSS, SASS and SANCS liabilities was performed by the Actuary, William Mercer Ltd and is based on the requirements of AASB 119.



## OFFICE OF THE LEGAL AID COMMISSION

## Notes to the Financial Statements for the Year Ended 30 June 2006

	2006 \$'000	2005 \$'000
<b>Assets and liabilities recognised in the balance sheet</b>		
Present value of defined benefit obligations	61,115	63,196
Fair value of plan assets	(63,645)	(53,628)
	<b>(2,530)</b>	<b>9,568</b>
Surplus in excess of recovery available from schemes	-	-
Unrecognised past service cost	-	-
<b>Net (asset)/liability disclosed in balance sheet</b>	<b>(2,530)</b>	<b>9,568</b>
<b>Movement in net liability/(asset) recognised in the balance sheet</b>		
Net (asset)/liability at start of the year	9,568	6,282
Net expense as recognised in operating statement	(10,441)	4,870
Contributions	(1,657)	(1,584)
<b>Net (asset)/liability disclosed in balance sheet</b>	<b>(2,530)</b>	<b>9,568</b>
<b>Total expense recognised in operating statement</b>		
Current service cost	1,641	1,515
Interest on obligation	3,547	3,277
Expected return on plan assets	(4,066)	(3,405)
Net actuarial losses (gains) recognised in year	(11,563)	3,483
Change in surplus in excess of recovery available from schemes	-	-
Past service cost	-	-
Losses (gains) on curtailments and settlements	-	-
<b>Total included in "employee benefits expense"</b>	<b>(10,441)</b>	<b>4,870</b>
<b>Actual return on plan assets</b>	<b>8,600</b>	<b>6,128</b>

**Valuation method and principal actuarial assumptions at reporting date**

(i) The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

## (ii) Economic Assumptions

	30-Jun-06	30-Jun-05
Discount rate	5.9% pa	5.2% pa
Expected return on plan assets	7.6%	7.3%
Expected rate of salary increases	4.0% pa to 2008 3.5% pa thereafter	4.0% pa
Expected rate of CPI increase	2.5% pa	2.5% pa

**10 CURRENT LIABILITIES - PAYABLES****Current**

Accrued salaries, wages and on-costs

**Total Current**

	2006 \$'000	2005 \$'000
Accrued salaries, wages and on-costs	514	301
<b>Total Current</b>	<b>514</b>	<b>301</b>

## OFFICE OF THE LEGAL AID COMMISSION

## Notes to the Financial Statements for the Year Ended 30 June 2006

**11 CURRENT / NON CURRENT LIABILITIES - PROVISIONS****Current****Employee benefits and related on-costs**

	2006 \$'000	2005 \$'000
Provision for recreation leave to be taken within 12 months	4,023	3,846
Provision for recreation leave to be taken after 12 months	671	662
Provision for long service leave to be taken within 12 months	637	872
Provision for long service leave to be taken after 12 months	8,930	7,851
Provision for related on-costs	1,523	1,491
Superannuation unfunded liability <sup>1</sup>	331	9,568
<b>Total Current</b>	<b>16,115</b>	<b>24,290</b>

<sup>1</sup>Represents the balance of the unfunded liability held by the State Authorities Superannuation Trustee Corporation (STC) for the State Superannuation Scheme in 2005/06 (\$6.298m in 2004/05). The liability is net of the reserve account balance for the scheme. Refer Notes 2, 4 & 9.

**Non-Current****Employee benefits and related on-costs**

Provision for long service leave	1,136	1,078
Provision for related on-costs	151	184
<b>Total Non-Current</b>	<b>1,287</b>	<b>1,262</b>

**Aggregate employee benefits and related on-costs**

Provisions - current	16,115	24,290
Provisions - non-current	1,287	1,262
Accrued salaries, wages and on-costs (Note 10)	514	301
	<b>17,916</b>	<b>25,853</b>

**12 CURRENT LIABILITIES - OTHER**

Liability to Legal Aid Commission<sup>1</sup>

	2,861	-
<b>Total</b>	<b>2,861</b>	<b>-</b>

<sup>1</sup>Represents the balance of the Prepaid Superannuation Contributions Reserve held by the State Authorities Superannuation Trustee Corporation (STC) for SASS and SANCS in 2005/06 (deficit of \$3.270m in 2004/05). The Prepaid Superannuation Contributions Reserve includes interest earned by the reserve account. As all superannuation contributions are recovered from the Legal Aid Commission, any prepaid contributions are therefore repayable to the Commission.

## OFFICE OF THE LEGAL AID COMMISSION

## Notes to the Financial Statements for the Year Ended 30 June 2006

**13 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES**

Reconciliation of cash flows from operating activities to the net cost of services as reported in the Operating Statement:

Net cash from operating activities

Increase/(decrease) in provisions

(Increase /decrease in prepayments and other assets

(Decrease)/increase in creditors

**Net cost of services**

2006 \$'000	2005 \$'000
-	-
(8,150)	1,902
5,076	(1,978)
3,074	76
-	-

**14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Office has no contingent liabilities or assets at 30 June 2006 (nil at 30 June 2005).

**15 COMMITMENTS FOR EXPENDITURE**

The Office did not have any expenditure commitments in 2005/06 (nil in 2004/05).

**16 FINANCIAL INSTRUMENTS**

The Office's principal financial instruments are outlined below. These financial instruments arise directly from the Office's operations or are required to finance the Office's operations. The Office does not enter into or trade financial instruments for speculative purposes. The Office does not use financial derivatives.

**(a) Receivables**

The Office does not have any trade debtors. All receivables are predominantly recoveries from the Legal Aid Commission for personnel expenses incurred. The carrying amount of the receivables is at cost.

**(b) Payables**

Payables include accrued wages, salaries, superannuation and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement. A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted. All payables are measured at face value or historical cost.

**17 RELATED PARTY**

The Office of the Legal Aid Commission received management, accounting and administrative services from its parent entity, the Legal Aid Commission of NSW, for no charge. The total value of the services rendered cannot be reliably measured.

**18 AFTER BALANCE DATE EVENTS**

No events have occurred subsequent to balance date, which will materially affect the financial statements.

**END OF AUDITED FINANCIAL REPORT**

## Other information

### 1. PAYMENT PERFORMANCE

#### (a) Payments to Creditors

The Commission processed 94.62% of invoices received within 30 days during 2005/06 compared to 93.84% in 2004/05.

Period	2006		2005	
	Invoices	%	Invoices	%
Within 30 days	66,774	94.62	73,314	93.84
Over 30 days	3,794	5.38	4,816	6.16
<b>Total</b>	<b>70,568</b>	<b>100.00</b>	<b>78,130</b>	<b>100.00</b>

Creditors aged analysis at the end of each quarter is as follows:

Quarter	Current (ie within due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 60 and 90 days overdue \$'000	More than 90 days overdue \$'000
September	1,894	79	18	30	351
December	1,116	131	20	28	41
March	1,465	704	100	30	92
June	238	1,047	25	15	92

Accounts paid within 30 days by quarter is as follows:

Quarter	Target %	Achieved %	Amount Paid within 30 Days \$'000	Total Amount Paid \$'000
September	100.0	95.33	20,868	21,890
December	100.0	93.37	18,509	19,758
March	100.0	91.07	14,965	16,432
June	100.0	96.30	29,022	30,136

#### (b) Ageing of Unpaid Creditors (Private Practitioners)

Legal creditors at 30 June 2006 and 2005 were aged as follows:

0 – 60 days		61 – 90 days		91 – 120 days		Over 120 days		Total	
2005/06 \$'000	2004/05 \$'000	2005/06 \$'000	2004/05 \$'000	2005/06 \$'000	2004/05 \$'000	2005/06 \$'000	2004/05 \$'000	2005/06 \$'000	2004/05 \$'000
1,310	2,378	15	230	92	18	0	228	1,417	2,854
92.45%	83.33%	1.06%	8.05%	6.49%	0.62%	0	8.0%	100%	100%

## Other information

The above table indicates 92.45% (2004/05 83.33%) of invoices on hand are aged under 60 days of invoice date. Due to the complexity of some matters, payment of private practitioner accounts may be deferred for a number of reasons, including:

1. The account is not sufficiently detailed and further information has to be obtained from the private practitioner.
2. There is a dispute over whether the work billed for was actually authorised under the terms of the grant of aid.
3. The account has been prepared using an inappropriate scale of fees and has to be amended by the Commission.
4. The private practitioner has rendered an account before a court judgement has been handed down, and assessment of the account has been deferred until judgement, in order to ensure the application of the appropriate scale of fees.
5. The private practitioner has not responded to an inquiry initiated by the Commission as a result of the proceedings, which may finalise in a Section 46 cost recovery.
6. Party/party costs in favour of the legally assisted person have yet to be recovered.

In these circumstances, a large proportion of the "overdue" accounts are not in fact overdue, but deferred. This is especially so in the civil law practice.

### 2. ANNUAL REPORTING LEGISLATION REQUIREMENTS

The following information, not disclosed elsewhere in these accounts and reports, is required to be disclosed under annual reporting legislation.

The *Legal Aid Commission Act 1979* prescribes the method by which the Commission is to administer its finances. The Act provides for the establishment of a Legal Aid Fund for legal and administrative payments, and the maintenance of a separate account for monies received for and on behalf of legally assisted persons represented by private practitioners and those represented by Commission solicitors.

#### Funding

A four and a half year agreement between the Commission and the Commonwealth for the provision of legal aid in Commonwealth matters commenced in 2004-05. The agreement provides for a base funding amount which is indexed annually in accordance with the indexation figures used by the Australian government in the annual budget process.

Funding provided under the agreement is as follows:

Year	\$'000
2004/05	44,084
2005/06	45,054
2006/07	45,871
<b>Total</b>	<b>135,009</b>

The State Government provides annual funding for State based matters from the Consolidated Fund and for capital projects including the progressive upgrade of the Commissions information systems.

An annual contribution is also received from the Public Purpose Fund for State based matters. Refer to Note 3(c).

Certain clients utilising legal aid contribute to the cost of their representation. Refer Note 3(a).

## Other information

### Audit Remuneration

Audit fees comprise

	2006 \$'000	2005 \$'000
Deloitte Touche Tohmatsu	128	76
Audit Office of NSW	116	60
Thomas Davis & Co	2	2
Internal Audit Bureau of NSW	-	2
<b>Total</b>	<b>246</b>	<b>140</b>

### Consultants

#### Engagements equal to or more than \$30,000

Consultant	\$	Purpose
CFW Spice Pty Ltd	19,875	Review of Community Legal Centre Funding
<b>Total</b>	<b>19,875</b>	(\$132,835 in 2004/05)

#### Engagements equal to less than \$30,000

<b>Total Number</b>	<b>14</b>
<b>Total Consultants</b>	<b>171,655</b>

### Charitable and Deductible Gift Recipient Institution

The Legal Aid Commission is a Charitable Institution and a Deductible Gift Recipient institution under The New Tax System. Gifts to the Commission of monies or property with a value of \$2, or more, may be claimed by the donor as a tax deduction.

### Unclaimed Monies

Pursuant to Section 14 of the Public Finance and Audit Act 1983, all unclaimed monies are forwarded to the Treasury for credit to the Consolidated Fund and are available for refund from that account. No unclaimed amounts have been held in the accounts of the Legal Aid Commission.

### Risk Management

The Legal Aid Commission maintains insurance policies for motor vehicles, workers compensation, miscellaneous, property and public liability with the NSW Treasury Managed Fund.

The 2005/06 premiums for workers compensation insurance increased by 19.87% to \$320,430 (2004/05 \$267,310). The motor vehicle insurance premium decreased, by 4.40% to \$27,190 (2004/05 \$28,440). The premiums were based on a mixture of claims experience benchmarks for similar organisations and a premium incentive system.

### Worker's Compensation

The cost incurred to 30 June 2006 of new claims reported in 2005/06 was \$139,026 compared to \$123,031 in 2004/05, an increase of \$15,995.

The number of accepted claims decreased from 32 in 2004/05 to 26 in 2005/06.

There were two mental stress claims in the 2005/06 reporting period, however both were ultimately declined after a period of provisional liability. These declined claims totalled approximately \$30,545, or 21.97% of the total claims cost for 2005/06.

There were 8 fall/slip and 9 body stress claims amounting to \$100,416 in 2005/06, or 72.23% of the total claims cost. The number of claims in 2004/05 for fall/slip and body stress was 17, however, the cost increased by \$76,830 from \$23,586 in 2004/05 to \$100,416 in 2005/06.

The number of full-time equivalent (FTE) staff (on average) for this financial year was 710, an increase of 34 from 676 in 2004/05. This equates to an average claim cost of \$195.94 per staff member compared to \$181.98 per staff member in 2004/05.

## Other information

### Motor Vehicle Claims

The number of motor vehicle claims was 11 in 2005/06 (7 in 2004/05) which incurred a cost of \$18,373 (\$39,426 in 2004/05). The number of vehicles in the Commission fleet decreased by 1 to 47 in 2005/06 (an increase of 5 to 48 in 2004/05), giving an average claim cost per vehicle of \$390 (\$821 in 2004/05).

### Investment Performance

The Commission is authorised under section 65 of *The Legal Aid Commission Act 1979* to invest funds that are not immediately required. The avenues of investment are restricted to any securities approved by the Treasurer on the recommendation of the Minister.

During 2005/06 the Commission invested its available funds in the Treasury Corporation's 11am call account. The average yield for this account was 5.49% (5.28% in 2004/05). Since November 2000, the Commission has also invested funds in 30 days Fixed Term deposits with the Treasury Corporation. The average yield from this deposit was 5.59% (5.47% in 2004/05). The Commission provides for its daily expenditure needs via an on-call account which is domiciled with the Commonwealth Bank of Australia. The average yield obtained from this account was 5.02% (5.0% in 2004/05). Income of \$3.298m was derived from the investment of Commission funds during 2005/06 compared to \$2.434m in 2004/05. The variation is due to higher average cash balances held during the year.

### 2006/07 Budget Estimates

	<b>\$'000</b>
Total Income	170,368
Total Expenditure	170,368
<b>Operating Surplus</b>	<b>-</b>

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# Appendices

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# Community Legal Centres (CLCs) Funding Program Grants 2005–2006

We provided funding for 32 community legal centres across NSW

Community Legal Centre	Commonwealth Funding (\$)	State Funding (\$)	Public Purpose Funding (\$)	Total Funding (\$)
Blue Mountains CLS	91,288	147,700		238,988
Central Coast LC	178,099	14,580	35,000	227,679
Combined CLC Group		231,804		231,804
Consumer Credit LC	125,718	109,192		234,910
Court Support Scheme	29,970	5,177	5,000	40,147
Domestic Violence Advocacy Service		362,985		362,985
Environmental Defender's Office	85,241	158,729	477,940	721,910
Far West CLC	226,096			226,096
Hawkesbury/ Nepean CLC	125,854	106,057		231,911
HIV/AIDS LC	61,470	71,045		132,515
Hunter CLC	190,115	211,808	8,000	409,923
Illawarra LC	365,891	166,979	35,000	567,870
Immigration Advice & Rights Centre	88,644	201,247		289,891
Inner City LC	91,286	134,151		225,437
Kingsford LC	153,831	107,884		261,715
Macarthur LC	199,833	164,629	35,000	399,462
Macquarie LC	140,917	229,437	45,453	415,807
Marrickville LC	139,324	238,781		378,105
Mt Druitt & Area CLC	177,864	14,562		192,426
NSW Disability Discrimination LC	182,381	32,444		214,825
North & North West CLS	178,831	14,636		193,467
Northern Rivers CLC	248,602	19,803		268,405
Public Interest Advocacy Centre	103,648	101,825	549,856	755,329
Redfern Legal Centre	141,836	208,401		350,237
Shoalcoast CLC	227,370	101,222		328,592
South West Sydney LC	178,559	196,679		375,238
Tenants' Union of NSW	68,139	101,581		169,720
The Aged-care Rights Service	30,658	2,072		32,730
Welfare Rights Centre	206,309	102,536		308,845
Western NSW LC	251,860	20,039		271,899
Wirringa Baiya AWLC		294,330		294,330
Women's Legal Service	770,880	268,924		1,039,804
<b>TOTAL</b>	<b>5,060,514</b>	<b>4,141,239</b>	<b>1,191,249</b>	<b>10,393,002</b>

# Women's Domestic Violence Court Assistance Program (WDVCAP) Funding 2005–2006

We provided funding to 33 WDVCSs\* as well as the Program's Training and Resource Unit

Service Provider	Corresponding WDVCS	Total Amount Provided (\$)
Albury/Wodonga Women's Centre	Albury WDVCS	63,087
Creating Links Co-operative Ltd.	Bankstown WDVCS	98,904
Broken Hill Family Support Service	Broken Hill WDVCS	88,879
Burwood Community Welfare Service	Inner West WDVCS	138,793
Carrie's Place Women's & Children's Services Inc.	Maitland	76,660
CCDVCS Management Committee	Central Coast WDVCS	142,635
Centacare	Hornsby WDVCS	83,484
Dubbo Women's Housing	Dubbo WDVCS	133,741
Dubbo Women's Housing	Bourke/Brewarrina WDVCS	96,818
Elizabeth Evatt Community Legal Centre	Blue Mountains WDVCS	90,567
Hawkesbury Community Legal Centre	Hawkesbury WDVCS	70,904
Hunter Women's Domestic Violence Court Service Inc.	Hunter WDVCS	151,005
Kempsey Family Support Service Inc.	Kempsey WDVCS	78,956
Macarthur Community Legal Centre	Macarthur WDVCS	123,491
Macquarie Legal Centre	Parramatta/Ryde WDVCS	117,279
Manly Warringah Women's Resource Centre	Manly/Warringah WDVCS	114,092
Manning Valley Neighbourhood Service	Taree WDVCS	108,313
Marrickville Legal Centre	Newtown WDVCS	88,264
Moree Women's Domestic Violence Court Assistance Inc.	Moree WDVCS	105,014
Northern Rivers Community Legal Centre	Northern Rivers WDVCS	271,250
Pam's Place Inc.	Blacktown WDVCS	117,279
Penrith Women's Health Centre	Penrith/Mt Druitt WDVCS	168,293
Redfern Legal Centre	Redfern WDVCS	117,279
Sister's Housing Enterprises Inc.	Wagga Wagga WDVCS	78,956
South West Sydney Community Legal Centre	Liverpool/Fairfield WDVCS	144,491
Southern Women's Group	Bega WDVCS	60,275
Sutherland Shire Family Support Service	Southern Sydney WDVCS	119,322
The Junction Neighbourhood Centre	Waverley WDVCS	110,825
The Women's Shelter Armidale Inc.	Armidale WDVCS	73,316
UnitingCare Burnside	Hastings WDVCS	62,178
Warrina Women's & Children's Refuge	Coffs Harbour WDVCS	62,178
Wollongong Women's Centre	Illawarra WDVCS	120,555
Women's Legal Services NSW	Training & Resource Unit	257,059
YWCA of Sydney	Nowra WDVCS	87,025
Non-Recurrent Grants		7,636
<b>TOTAL</b>		<b>3,828,817</b>

\*Women's Domestic Violence Court Assistance Scheme.

# Training and development

## Courses conducted 1 July 2005 to 30 June 2006

Course Title	No. of Sessions	Participants
<b>Internal Training Programs (most sessions also attract MCLE points)</b>		
Aboriginal Awareness	3	32
Advanced Business Writing	2	10
Advocacy – Defended Hearings	2	25
Budget Essentials	2	8
Business Writing Skills	3	20
CASES	13	43
Community Legal Education Management System	11	46
Corporate Induction	5	63
Critical Incident Management	2	20
Demystifying Mental Illness	4	40
Diploma of Business (FLM) (various sessions)	24	336
EEO & Anti Discrimination	2	23
Ergonomic & Office Safety	3	13
Finance Matters for Managers	4	11
Interpersonal Skills & Customer Service	3	11
Job Seeking Skills	6	30
Job Seeking Follow-up	4	4
Managing Aggressive and Violent Behaviour	3	40
Means & Merit Tests	4	59
Mentoring Program	1	11
Modern Business Writing for Legal & Senior Staff	2	17
New Managers & Supervisors	4	19
OH&S Induction	4	46
Plain Language	1	16
Policy Process (The)	5	18
Records Management	5	47
Resolving Workplace Conflict	1	15
Safety Leadership Workshop	3	18
Selection Techniques	14	126
Selection Techniques Refresher	1	11
Spicing Up Your Presentations	1	2
Stress Management	4	22
Time Management	2	12
Working With Muslim Clients	3	29
Writing Better Briefs	1	17
<b>Subtotal</b>	<b>153</b>	<b>1,260</b>

Course Title	No. of Sessions	Participants	
		External	Total
<b>Internal Legal Education (MCLE)</b>			
Criminal Law Seminars	2		18
Civil Law Seminars	5		67
Family Law Seminars (includes Induction)	2		12
<b>Total</b>	<b>9</b>		<b>97</b>
<b>Internal Conferences</b>			
Civil Law Conferences	1	8	48
Criminal Law Conferences	3	167	391
Family Law Conferences	3	88	194
Legal Services Conference	2	150	150
WDVCAP Conference	1	18	155
ADR Chairpersons Conference - Mediation	1		19
<b>Total</b>	<b>11</b>	<b>431</b>	<b>957</b>
<b>Alternative Dispute Resolution Training</b>			
Conference Organisers and Grants staff	1		50
<b>Total</b>	<b>1</b>		<b>50</b>
<b>External Programs</b>			
Attendance at external training programs	46		81
Attendance at external IT training programs	19		47
Attendance at external seminars	89		167
Attendance at external conferences	18		73
<b>Total</b>	<b>172</b>		<b>368</b>
<b>Information Management and Technology</b>			
Desktop Upgrade Sessions			
E-lodgement	11		26
Icebuilder	11		11
Introduction to Excel	4		6
LA Office	26		85
Lawdocs	24		121
Regional Office Visits	3		15
Word (Various)	10		17
<b>Total</b>	<b>89</b>		<b>281</b>
<b>Grants Officer Training</b>			
E-lodgement (Grants Run)	35		122
E-lodgement (Grants run External)	9	170	170
Criminal Law (Internal)	23		148
Criminal Law (External)	14	358	358
Records	4		40
Family Law	41		164
<b>Total</b>	<b>126</b>	<b>528</b>	<b>1,002</b>

# Human resource information

## Head Office/Regional FTE Staff as at 30 June 2006

Head Office	404.07
Regional Offices	305.47
<b>Total Staff</b>	<b>709.54</b>

## Effective Full-time FTE Staff as at 30 June 2006

CEO / SES	6
Legal Officers	362.48
Legal and Admin Support Staff	341.06
<b>Total Staff</b>	<b>709.54</b>

Number of actual staff by employment basis	Total staff	Men	Women	ATSI	Minority (1)	1st language not English	PWAD <sup>(2)</sup>	PWAD <sup>(2)</sup> Workplace adjustment
Permanent Full Time	516	168	348	3	109	81	32	9
Part-time	106	9	97	0	15	11	5	2
Temporary Full Time	115	24	91	5	23	18	4	2
Part-time	24	3	21	0	3	3	3	0
Contract SES	6	5	1	0	0	0	0	0
Non - SES	0	0	0	0	0	0	0	0
Casual	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>Total</b>	<b>767</b>	<b>209</b>	<b>558</b>	<b>8</b>	<b>150</b>	<b>113</b>	<b>44</b>	<b>13</b>
<b>Actual Staff Total</b>	<b>767</b>							

Number of actual staff by level	Total staff	Men	Women	ATSI	Minority (1)	1st language not English	PWAD <sup>(2)</sup>	PWAD <sup>(2)</sup> Workplace adjustment
<b>Salary Range</b>								
<\$32,606	3	0	3	1	0	0	1	1
\$32,606 - \$42,824	16	5	11	0	5	5	1	0
\$42,825 - \$47,876	197	17	180	4	38	31	14	3
\$47,877 - \$60,583	141	22	119	1	31	22	8	2
\$60,584 - \$78,344	239	80	159	2	52	40	12	3
\$78,345 - \$97,932	153	74	79	0	23	14	8	4
> \$97,932 (non SES)	12	6	6	0	1	1	0	0
> \$97,932 (SES)*	6	5	1	0	0	0	0	0
<b>Total</b>	<b>767</b>							
<b>Actual Salary Total</b>	<b>767</b>							

Number of actual staff by area of work <sup>(3)</sup>								
	Head Office	Regional	Total					
Legal Officers	164	201	365					
Administrative	264	138	402					
<b>Total</b>	<b>365</b>	<b>402</b>	<b>767</b>					

(1) People from racial, ethnic, ethno-religious minority groups.

(2) PWAD - People with a disability

(3) Does not include leave without pay (LWOP), Maternity LWOP and staff seconded to other agencies where LAC is paying less than 50% of salary.

\*Executive Position Holders on or above Level 5: The value of the total remuneration package for the CEO (SES Level 6) is \$267,300.

# Legal program operational statistics

## Combined legal programs

Case Matters	2003-04	2004-05	2005-06	% change from previous year
Applications Received	62,804	62,578	65,150	4.1%
Applications Refused	8,140	8,481	8,288	-3.0%
Inhouse Grants	35,907	35,918	36,969	2.9%
Assigned Grants	18,438	18,028	19,852	10.1%
<b>Total Case Grants</b>	<b>54,345</b>	<b>53,946</b>	<b>56,821</b>	<b>5.3%</b>
<b>Grant Rate</b>	87.0%	86.4%	87.4%	1.0%
Applications Determined	62,485	62,427	65,049	4.2%
Applications Undetermined @ year end	348	147	102	-30.6%
Grants Finalised	56,958	51,889	61,391	18.3%
<b>Current Grants on Hand @ year end</b>	<b>35,200</b>	<b>38,051</b>	<b>33,716</b>	<b>-11.4%</b>
<b>Duty Appearances</b>				
Inhouse Appearances	59,388	59,999	61,506	2.5%
Assigned Appearances	54,363	57,974	61,518	6.1%
<b>Total Duty Appearances</b>	<b>113,751</b>	<b>117,973</b>	<b>123,024</b>	<b>4.3%</b>
<b>Other Services</b>				
Advice	65,315	74,481	74,512	0.0%
Minor assistance	N/A	N/A	5,540	N/A
Information	122,036	157,968	242,011	53.2%
<b>Total Other Services</b>	<b>187,351</b>	<b>232,449</b>	<b>322,063</b>	<b>38.6%</b>
<b>Total Client Services*</b>	<b>355,447</b>	<b>404,368</b>	<b>501,908</b>	<b>24.1%</b>

## Criminal law

Case Matters	2003-04	2004-05	2005-06	% change from previous year
Applications Received	44,994	44,336	45,836	3.4%
Applications Refused	3,634	3,224	3,283	1.8%
Inhouse Grants	32,123	32,273	32,850	1.8%
Assigned Grants	9,009	8,732	9,632	10.3%
<b>Total Case Grants</b>	<b>41,132</b>	<b>41,005</b>	<b>42,482</b>	<b>3.6%</b>
<b>Grant Rate</b>	91.9%	92.7%	92.8%	0.1%
Applications Determined	44,766	44,299	45,765	3.5%
Applications Undetermined @ year end	249	104	72	-30.8%
Grants Finalised	44,247	39,933	45,368	13.6%
<b>Current Grants on Hand @ year end</b>	<b>19,169</b>	<b>20,698</b>	<b>17,786</b>	<b>-14.1%</b>
<b>Duty Appearances</b>				
Inhouse Appearances	44,780	44,089	44,800	1.6%
Assigned Appearances	41,757	43,990	45,444	3.3%
<b>Total Duty Appearances</b>	<b>86,537</b>	<b>88,088</b>	<b>90,244</b>	<b>2.4%</b>
<b>Other Services</b>				
Advice	22,492	26,461	28,500	7.7%
Minor assistance	N/A	N/A	698	N/A
Information	25,730	35,152	65,774	87.1%
<b>Total Other Services</b>	<b>48,222</b>	<b>61,613</b>	<b>94,972</b>	<b>54.1%</b>
<b>Total Client Services*</b>	<b>175,891</b>	<b>190,706</b>	<b>277,698</b>	<b>19.4%</b>

\*Excludes community legal education services which are reported separately on page 92.

# Legal program operational statistics

## Family law

Case Matters	2003-04	2004-05	2005-06	% change from previous year
Applications Received	15,719	16,128	16,908	4.8%
Applications Refused	3,584	4,370	4,045	-7.4%
Inhouse Grants	3,001	2,828	3,032	7.2%
Assigned Grants	9,054	8,891	9,805	10.3%
<b>Total Case Grants</b>	<b>12,055</b>	<b>11,719</b>	<b>12,837</b>	<b>9.5%</b>
<b>Grant Rate</b>	77.1%	72.8%	76.0%	3.2%
Applications Determined	15,639	16,089	16,882	4.9%
Applications Undetermined @ year end	87	38	26	-31.6%
Grants Finalised	11,307	10,606	14,302	34.8%
<b>Current Grants on Hand @ year end</b>	<b>13,546</b>	<b>14,929</b>	<b>13,701</b>	<b>-8.2%</b>
<b>Duty Appearances</b>				
Inhouse Appearances	1,384	2,050	3,363	64.0%
Assigned Appearances	3,734	3,429	2,925	-14.7%
<b>Total Duty Appearances</b>	<b>5,118</b>	<b>5,479</b>	<b>6,288</b>	<b>14.8%</b>
<b>Other Services</b>				
Advice	24,131	29,460	27,738	-5.8%
Minor assistance	N/A	N/A	2,872	N/A
Information	38,722	54,237	81,992	51.2%
<b>Total Other Services</b>	<b>62,853</b>	<b>83,697</b>	<b>112,602</b>	<b>34.5%</b>
<b>Total Client Services*</b>	<b>80,026</b>	<b>100,895</b>	<b>131,727</b>	<b>30.6%</b>

## Civil law

Case Matters	2003-04	2004-05	2005-06	% change from previous year
Applications Received	2,091	2,114	2,406	13.8%
Applications Refused	922	887	900	1.5%
Inhouse Grants	783	817	1,087	33.0%
Assigned Grants	375	405	415	2.5%
<b>Total Case Grants</b>	<b>1,158</b>	<b>1,222</b>	<b>1,502</b>	<b>22.9%</b>
<b>Grant Rate</b>	55.7%	57.9%	62.5%	4.6%
Applications Determined	2,080	2,109	2,402	13.9%
Applications Undetermined @ year end	12	5	4	-20.0%
Grants Finalised	1,404	1,350	1,721	27.5%
<b>Current Grants on Hand @ year end</b>	<b>2,485</b>	<b>2,424</b>	<b>2,229</b>	<b>-8.0%</b>
<b>Duty Appearances</b>				
Inhouse Appearances	13,224	13,851	13,343	-3.7%
Assigned Appearances	8,872	10,555	13,149	24.6%
<b>Total Duty Appearances</b>	<b>22,096</b>	<b>24,406</b>	<b>26,492</b>	<b>8.5%</b>
<b>Other Services</b>				
Advice	18,692	18,560	18,274	-1.5%
Minor assistance	N/A	N/A	1,970	N/A
Information	57,584	68,579	94,245	37.4%
<b>Total Other Services</b>	<b>76,276</b>	<b>87,139</b>	<b>114,489</b>	<b>31.4%</b>
<b>Total Client Services*</b>	<b>99,530</b>	<b>112,767</b>	<b>142,483</b>	<b>26.4%</b>

\*Excludes community legal education services which are reported separately on page 92.



## Veterans's Advocacy

Case Matters	2003-04	2004-05	2005-06	% change from previous year
Applications Received	313	346	321	-7.2%
Applications Refused	29	31	10	-67.7%
Inhouse Grants	113	125	149	19.2%
Assigned Grants	169	189	162	-14.3%
<b>Total Case Grants</b>	<b>282</b>	<b>314</b>	<b>311</b>	<b>-1.0%</b>
<b>Grant Rate</b>	90.7%	91.0%	96.9%	5.9%
Applications Determined	311	345	321	-7.0%
Applications Undetermined @ year end	5	1	-	-100.0%
Grants Finalised	360	339	390	15.0%
<b>Current Grants on Hand @ year end</b>	<b>490</b>	<b>468</b>	<b>389</b>	<b>-16.9%</b>
<b>Other Services</b>				
Advice	2,153	2,999	2,716	-9.4%
Minor assistance	N/A	N/A	1,150	N/A
Information	74	117	111	-5.1%
<b>Total Other Services</b>	<b>2,227</b>	<b>3,116</b>	<b>3,977</b>	<b>27.6%</b>
<b>Total Client Services</b>	<b>2,509</b>	<b>3,430</b>	<b>4,288</b>	<b>25.0%</b>

## Mental Health Advocacy

Case Matters	2003-04	2004-05	2005-06	% change from previous year
Applications Received	157	186	348	87.1%
Applications Refused	23	54	56	3.7%
Inhouse Grants	41	96	233	142.7%
Assigned Grants	28	35	43	22.9%
<b>Total Case Grants</b>	<b>69</b>	<b>131</b>	<b>276</b>	<b>110.7%</b>
<b>Grant Rate</b>	75.0%	70.8%	83.1%	12.3%
Applications Determined	92	185	332	79.5%
Applications Undetermined @ year end	17	1	-	-100%
Grants Finalised	137	192	265	38.0%
<b>Current Grants on Hand @ year end</b>	<b>277</b>	<b>341</b>	<b>306</b>	<b>-10.3%</b>
<b>Duty Appearances</b>				
Inhouse Appearances	9,701	9,884	9,275	-6.2%
Assigned Appearances	7,783	10,431	12,605	20.8%
<b>Total Duty Appearances</b>	<b>17,484</b>	<b>20,315</b>	<b>21,800</b>	<b>7.7%</b>
<b>Other Services</b>				
Advice	235	51	97	90.2%
Minor assistance	N/A	N/A	4	N/A
Information	500	349	471	35.0%
<b>Total Other Services</b>	<b>735</b>	<b>400</b>	<b>572</b>	<b>43.0%</b>
<b>Total Client Services</b>	<b>18,288</b>	<b>20,846</b>	<b>22,728</b>	<b>9.0%</b>

## Alternative Dispute Resolution

Number of conferences	1,732	2,022	2,135	5.6%
Agreements reached	1,509	1,770	1,837	3.8%
Agreement rate	87.1%	87.5%	86.0%	-1.5%

## Inhouse and private practitioners allocation of legal work

	Inhouse Practitioner	Inhouse Practitioner %	Private Practitioner	Private Practitioner %	Total
<b>Family Law</b>					
Duty Appearances	3,363	53.5%	2,925	46.5%	<b>6,288</b>
Grants of Legal Aid	3,032	23.6%	9,805	76.4%	<b>12,837</b>
<b>Total</b>	<b>6,395</b>	<b>33.4%</b>	<b>12,730</b>	<b>66.6%</b>	<b>19,125</b>
<b>Criminal Law</b>					
Duty Appearances	44,800	49.6%	45,444	50.4%	<b>90,244</b>
Grants of Legal Aid	32,850	77.3%	9,632	22.7%	<b>42,482</b>
<b>Total</b>	<b>77,650</b>	<b>58.5%</b>	<b>55,076</b>	<b>41.5%</b>	<b>132,726</b>
<b>Civil Law</b>					
Duty Appearances	13,343	50.4%	13,149	49.6%	<b>26,492</b>
Grants of Legal Aid	1,087	72.4%	415	27.6%	<b>1,502</b>
<b>Total</b>	<b>14,430</b>	<b>51.5%</b>	<b>13,564</b>	<b>48.5%</b>	<b>27,994</b>
<b>Commission Total</b>					
Duty Appearances	61,506	50.0%	61,518	50.0%	<b>123,024</b>
Grants of Legal Aid	36,969	65.1%	19,852	34.9%	<b>56,821</b>
<b>Total</b>	<b>98,475</b>	<b>54.8%</b>	<b>81,370</b>	<b>45.2%</b>	<b>179,845</b>

## Commonwealth and State allocation of Legal Aid services

	State Matter	State Matter %	Commonwealth Matter	Commonwealth Matter %	Total
<b>Family Law</b>					
Grants	3,686	28.7%	9,151	71.3%	<b>12,837</b>
Duty Appearances	3,532	56.2%	2,756	43.8%	<b>6,288</b>
Advice	1,403	5.1%	26,335	94.9%	<b>27,738</b>
Minor assistance	153	5.3%	2,719	94.7%	<b>2,872</b>
Information Services	13,576	16.6%	68,416	83.4%	<b>81,992</b>
<b>Total</b>	<b>22,350</b>	<b>17.0%</b>	<b>109,377</b>	<b>83.0%</b>	<b>131,727</b>
<b>Criminal Law</b>					
Grants	41,910	98.7%	572	1.3%	<b>42,482</b>
Duty Appearances	89,720	99.4%	524	0.6%	<b>90,244</b>
Advice	28,153	98.8%	347	1.2%	<b>28,500</b>
Minor assistance	693	99.3%	5	0.7%	<b>698</b>
Information Services	61,380	93.3%	4,394	6.7%	<b>65,774</b>
<b>Total</b>	<b>221,856</b>	<b>97.4%</b>	<b>5,842</b>	<b>2.6%</b>	<b>227,698</b>
<b>Civil Law</b>					
Grants	948	63.1%	554	36.9%	<b>1,502</b>
Duty Appearances	26,416	99.7%	76	0.3%	<b>26,492</b>
Advice	12,816	70.1%	5,458	29.9%	<b>18,274</b>
Minor assistance	528	26.8%	1,442	73.2%	<b>1,970</b>
Information Services	84,826	90.0%	9,419	10.0%	<b>94,245</b>
<b>Total</b>	<b>125,534</b>	<b>88.1%</b>	<b>16,949</b>	<b>11.9%</b>	<b>142,483</b>

Youth Hotline	Advice	Information	Total
Criminal Law	6,830	2,264	9,094
Family Law	9	265	274
Civil Law	45	1,256	1,301
<b>Total</b>	<b>6,884</b>	<b>3,785</b>	<b>10,669</b>

Community Legal Education	2005-06
Criminal Law	130
Family Law	217
Civil Law	135
<b>Total</b>	<b>482</b>

## Legal Aid Review Committees

Five Legal Aid Review Committees determine appeals which relate to legal aid applications and grants of legal aid, helping to ensure our clients have fair and equitable access to legal aid services. (See page 40.)

*Committee membership as at 30 June 2006:*

### Legal Aid Review Committee No. 1

Ms Julie Burton - Chairperson, Minister's Nominee (alternates Mr I Linwood and Mr P Anet)

Mr J A McCarthy QC, Bar Association/Law Society Nominee (alternates Mr P Menzies QC and Mr P Blacket SC)

Ms W Faulkes, Lay Member (alternate Mr D Sword)

Legal Aid Review Committee No. 2

Mr P Robinson - Chairperson, Minister's Nominee (alternates Mr D Norris and Mr Brad Row)

Mr W Terracini SC, Bar Association/Law Society Nominee (alternates Ms A Healey and Mr M Buscombe)

Mr D Kelly, Lay Member (alternate Dr W Porges)

### Legal Aid Review Committee No. 3

Mr K Garling - Chairperson, Minister's Nominee (alternates Mr R Rodgers and Ms G Mahony)

Mr T Stern - Bar Association/Law Society Nominee (alternates Mr W Ball and Mr D Anderson)

Ms T Heness - Lay Member (alternate Mr D Kelly)

### Family Law Legal Aid Review Committee No. 1

Ms M Barbaro - Chairperson, Minister's Nominee (alternates Ms J Townsend and Ms A Tomlin)

Mr G Moore - Bar Association/Law Society Nominee (alternates Mr R Schonell and Mr J Berry)

Ms B Smith - Lay Member (alternate Ms R Kusuma)

### Family Law Legal Aid Review Committee No. 2

Ms C Goodhand - Chairperson, Minister's Nominee (alternates Mr J McDonnell and Ms C Tassone)

Mr D Holmes - Bar Association/Law Society Nominee (alternates Mr P Lewis and Ms A Parkin)

Ms L Fisher, Lay Member (alternate Ms R Kusuma)

## Committee Activities 2005–2006

Committee No. 1 met on 8 occasions and held 4 teleconferences.

Committee No. 2 met on 8 occasions and held 3 teleconferences.

Committee No. 3 met on 8 occasions and held 4 teleconferences.

Family Law Committee No. 1 met on 12 occasions and held 3 teleconferences.

Family Law Committee No. 2 met on 13 occasions and held 6 teleconferences.

## Board Committees

Section 68 of the *Legal Aid Commission Act 1979* enables the Commission to establish special consultative committees in order to advise the Board in the exercise of its functions under the *Act*. In 2005–2006, a range of committees made recommendations to the Board in matters relating to the Commission's operations. In doing that, they each sought the advice of senior staff and considered all relative options as a pre-requisite to framing recommendations to the Board.

**The following Committees played a significant role during the year:**

### Board Audit and Finance Committee

The primary objectives of the Board Audit and Finance Committee are to assist the members of the Board including the Chief Executive Officer in discharging their responsibilities relating to:

- financial reporting practices,
- business ethics, policies and practices,
- accounting policies, and
- management and internal controls.

It also provides a forum for communication between the Board, Chief Executive Officer, senior management, the internal and external auditors and ensures the integrity of the internal audit function. The BAFC has a Terms of Reference stating the objectives, authority, duties and responsibilities, access and reporting procedures of the Committee. The Terms of Reference were recently updated in recognition of the recommendations of the Public

Accounts Committee's Report on the Review of Operations of Audit Committees.  
The Board nominates the Audit and Finance Committee members and the Chairman.

*The members are:*

	Meetings Attended
Phillip Bickerstaff, Chair, Independent	10
Phillip Taylor, Independent	10
Bill Grant, CEO	10
Russell Cox, Deputy CEO, Business & Client Services	10
Attendance	
Stephen O'Malley Director, Corporate Finance	11
Eleven meetings were held in 2005–2006.	

#### **Civil Law Sub-Committee**

The Committee did not meet in 2005–2006

#### **Community Legal Centres Funding Sub-Committee**

Advised the Board on funding for community legal centres.

*The members are:*

Rev. Harry Herbert (Chair), Board Member  
Simon Moran, Board Member  
Michelle Jones, Chairperson, Combined Community Legal Centre's Group NSW  
Polly Porteous, Director, Combined Community Legal Centre's Group NSW  
Louise Blazejowska, A/Manager, Service Delivery, Planning and Evaluation, LAC  
Dennis Roach, Manager CLC Funding Program, LAC  
Three meetings were held in 2005–2006.

#### **Criminal Law Sub-Committee**

This committee did not meet in 2005–2006.

#### **Family Law Sub-Committee**

This committee did not meet in 2005–2006.

#### **Grants Committee**

Made recommendations to the Board in relation to the work of the Grants Division.

*The members are:*

Phillip Taylor (Chair), Board Member  
Richard Gulley, NSW Law Society  
Geoff Lindsay SC, Bar Association, Board Member  
Richard Funston, Director, Grants, LAC  
There were three meetings in 2005–2006.

### **Advisory Committees**

#### **Cooperative Legal Service Delivery Model Steering Committee**

Advised the CEO on the implementation of the CLSD project (See page 23).

*The members are:*

Louise Blazejowska (Chair), A/Manager, Service Delivery Planning & Evaluation, Strategic Policy and Planning Division, LAC  
Grant Arbuthnot, Tenants Advice Advocacy Program  
Kylie Beckhouse, Family Law Division, LAC  
Anne Cregan, Blake Dawson Waldron  
Lauren Finestone, LawAccess NSW  
Kim Gabler Service Delivery Planning & Evaluation, Strategic Policy and Planning Division, LAC  
Jenny Lovrich, National Pro Bono Resources Centre  
John McKenzie, Aboriginal Legal Service (NSW/ACT) Limited  
Patrick O'Callaghan, Western Community Legal Centre  
Georgina Perry, Allens Arthur Robinson  
Polly Porteous, NSW Community Legal Centres  
Laura Ravalico, Legal Information Access Centre  
Sue Scott, NSW Law and Justice Foundation  
Sandra Stevenson, Public Interest Law Clearinghouse  
Alan Turner, Service Delivery Planning & Evaluation, Strategic Policy and Planning Division, LAC  
Gina Vizza, Community Justice Centres  
Sue Walden, Legal Information Access Centre

Kate Wandmaker, Western Community Legal Centre  
Four meetings were held in 2005–2006.

#### **Environmental Consultative Committee**

Advised the Commission on public interest environmental law matters and made recommendations on whether grants of legal aid should be made.

*The members are:*

Professor David Farriar, University of Wollongong  
Dr Alan Jones, Australian Museum  
Mr Andrew Kelly, University of Wollongong (alternate member)  
Associate Professor Paul Adams, University of NSW (alternate member)  
Lyndsay Brooker, Review and Reform, Strategic Planning and Policy, LAC  
Five meetings were held in 2005–2006.

#### **Women's Domestic Violence Court Assistance Program Advisory Committee**

Advised the CEO on the implementation, administration and guidelines of the WDVCA including funding priorities.

*The members are:*

Louise Blazejowska (Chair) A/Manager, Service Delivery Planning and Evaluation, LAC  
Jacqui Lane / Tracey Corbin-Matchett, Manager WDVCA, LAC  
Cheryl Alexander, Penrith WDVCA Coordinator  
Deborah Sykes, Moree WDVCA Coordinator  
Bev Lazarou, Southern Sydney WDVCA Coordinator  
Kim Price, Manager, Women's Legal Service NSW  
Amanda English, Local Courts, Attorney General's Department  
Maria Kissouri, Training & Resource Unit, Women's Legal Service NSW  
April Pham, VAW Specialist Unit, Department of Community Services  
Meredith MacDonald, Executive Officer, Intellectual Disability Rights Service Inc,  
Jane Corpuz-Brock, Executive Officer, Immigrant Women's Speakout

Christine Robinson, Manager, Wirringa Baiya Aboriginal Women's Centre

Sarah Blazey (LAC Board Rep) Elizabeth Evatt  
Community Legal Centre

Rebekah Birmingham, Aboriginal Specialist Worker, Bourke/Bre WDVCA

Victoria Colebrook, Aboriginal Specialist Worker, Taree WDVCA

Three meetings were held in 2005–2006.

LAC = Legal Aid Commission

### **Internal Committees**

#### **Equal Employment Opportunity (EEO) Steering Committee**

The EEO Committee continued to meet until mid 2006, providing advice to the CEO on strategies to promote EEO within the Commission.

*The members are:*

Anita Anderson (Chairperson), Director, Strategic Planning and Policy

Bronwyn McCutcheon (Executive Officer), HRM Branch, Business and Client Services Division

Cathryn Jenkins (A/Executive Officer), HRM Branch, Business & Client Services Division

Lisa Staples (Committee Assistant), HRM Branch Business and Client Services Division

Kylie O'Neill (PSA representative), Wollongong Regional Office

Alex Grosart (PSA representative), Civil Litigation, Civil Law Division

Sue Emery (PSA representative), Civil Litigation Division

Julie Morgan, Executive Unit

Laurel Russ (ATSI Employment Officer), HRM Branch, Business and Client Services Division

Helen Doyle, Grants Division

Deirdre Scott, IM&T Branch, Business and Client Services Division

Leshia Bubniuk, Service Delivery Planning and Evaluation

Edwina Hunter (Alternate PSA representative), Newcastle Regional Office

### **Access and Equity Committee**

In May 2006 the new Access and Equity Committee was established. This committee's terms of reference include EEO issues, as well as addressing "diversity" issues relating to staff or community members from culturally and linguistically diverse backgrounds, persons with disabilities, Aboriginal people, women, and people in rural areas. The committee will advise the CEO on policies and strategies to ensure the Commission can deliver equitable services to the community.

*The members are:*

Anita Anderson (Chairperson), Director, Strategic Planning and Policy

Leshia Bubniuk, Access and Equity Co-ordinator, Strategic Planning and Policy

Dora Dimos, Grants Division

Christine Johnson, Regional Admin Co-ordinator

David Fenech, Business & Client Services Division

Sue Emery, Legal Officer

Alex Grosart, Legal Officer

Bronwyn McCutcheon, Human Resource Management Branch, Business & Client Services Division

The committee met for the first time in June 2006.

### **Occupational Health and Safety (OH&S) Committee**

In accordance with s18 of the *Occupational Health and Safety Act*, the committee's role is to ensure the healthy, safety and welfare of people in the workplace.

*The members are:*

*Employer representatives*

Russell Cox, Executive

Jennifer Bulkeley, Human Resources

Nohad Ghibely, (Executive Officer), Human Resources

June Woolcott, Business and Client Services

Christine Johnson, Executive

*Employee representatives*

Kylie O'Neil, (Chairperson), Southern Region

Jane Costigan, Northern Region

Paul Gallagher, Northern Region

Susan Davitt, Southern Region

Siobhan Mullany, Metropolitan Region

Kathy Trajkovski (Alternate), Metropolitan Region

Sue Emery, Metropolitan Region

Jacqueline Green, Metropolitan Region

Six meetings were held in 2005–2006.

### **Other committees**

**Aboriginal Justice Steering Committee**

**Conflict of Interest Working Party**

**Expensive Cases Committee**

**Family Law Working Party**

**Grants/Civil Liaison Committee**

**Grants/ADR Liaison Committee**

**Grants Crime Coordination Committee**

**Human Resources Sub-Committee**

**Human Rights Committee**

**IT Consultative Committee**

**Monitoring Committee (Practitioner Panels)**

**Peak Consultative Committee (PCC)**

**Proceeds of Crime Committee**

**Training and Development Consultative Committee**

# Glossary

## **Aboriginal and Torres Strait Islander (ATSI)**

A person who identifies as Aboriginal or Torres Strait Islander and is accepted by the community.

## **Advice**

Legal advice provided to a client by Legal Aid solicitors. Includes advice given over the telephone.

## **Alternate Dispute Resolution (ADR)**

A non-adversarial dispute resolution process facilitated by a neutral third party, resolving disputes by consensus.

## **Applications approved/granted**

Applications for legal aid that have been approved within this reporting period. Includes authorisations under s33 of the *Legal Aid Commission Act 1979*.

## **Applications determined**

Applications that have been approved or refused within the reporting period.

## **Applications received**

Applications for legal aid received within this reporting period.

## **Applications refused**

Applications for legal aid that have been refused within this reporting period.

## **Applications undetermined**

Applications for legal aid where no determination has been made, including applications which are pending or suppressed (e.g. while the client is asked to provide further material in order to determine the application).

## **Assigned**

Refers to legal services performed by private lawyers.

## **CALD**

Clients from culturally and linguistically diverse backgrounds.

## **Casework**

Civil, family, criminal, administrative law, mental health and veterans' matters for which legal aid is granted. Does not include duty appearances.

## **Community Legal Education (CLE)**

Information sessions about legal aid and the law given to the public, professional groups, community organisations and agencies.

## **Current applications on hand**

Applications for legal aid which have not been finalised by the end of the reporting period.

## **Dependant**

A person who is financially dependent on the legal aid client, whether or not they reside with the legal aid client.

## **Determination date**

In casework matters, the date when an application is approved or refused.

## **Duty appearances**

Legal advice and representation for some first-time court appearances.

## **EAPS**

Ethnic Affairs Priority Statement.

## **EEO**

Equal Employment Opportunity.

## **EFT**

Effective full-time. Represents the number of staff positions equating to 35 hours per week.

## **E-Lodgement**

Online lodgement/transfer of an application or proforma invoice from a private practitioner's practice or inhouse family law office.

## **Family law conference**

A meeting/mediation session between the people involved in a family law dispute, arranged by Legal Aid.

## **Grants of aid**

Approval for casework matters, including s33 authorisations.

## **Information**

General information services about the justice system or information about legal aid services provided by Legal Aid staff.

## **Inhouse**

Refers to any legal or other service provided by employees of the Commission.

## **Means test**

Income and assets test used to determine eligibility for legal aid. Applies to both State and Commonwealth matters.

## **MERIT (Magistrates Early Referral Into Treatment)**

A diversionary program designed to open the door to medical treatment rather than custody for those accused of non-violent drug-related crimes.

## **Merit test**

Test used to determine the eligibility for aid. There are different merit tests for State and Commonwealth matters.

## **Minor assistance**

Advice and work done in the giving of advice (i.e. simple correspondence, phone call) but not where a formal legal aid application is submitted.

## **NESB**

Non English-Speaking Background

## **NESC**

Born in non-English-Speaking country.

## **Reporting period**

From 1 July 2005 to 30 June 2006.

## **Section 33 authorisations**

Approval for expenditure under s33 *Legal Aid Commission Act 1979* (e.g. medical reports or counsel opinion) to determine the merit of a matter in the granting of aid.

## **Total assistance**

Total of numbers of applications approved, s33 authorisations granted, advice, minor assistance and community information services provided.

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If there is no office near you, call LawAccess NSW on  
1300 888 529 for information, referral and advice.



People who are hearing/ speech impaired can communicate with us through TTY 9219 5126 or by calling the National Relay Service (NRS) on 133 677.

**Legal Aid**  
NEW SOUTH WALES