



Northern Territory Legal Aid Commission

ANNUAL REPORT 2000 - 2001



6th Floor, National Mutual Centre,
9 - 11 Cavenagh Street, Darwin, NT
Locked Bag 11
Darwin, NT 0801
Telephone: (08) 8999 3000
Fax: (08) 8999 3099

Northern Territory Legal Aid Commission

The Hon. Peter Toyne MLA
Attorney-General
Parliament House
State Square
DARWIN NT 0800

Dear Attorney-General

The year ending 30 June 2001 has been tumultuous for the administration of justice in the Northern Territory. The vigorous community debate on mandatory sentencing and related issues contributed to an unprecedented scrutiny of the responsibilities and relationships between the executive and the judiciary, of judicial appointments, the legal profession and the Law Society and the role of legal aid organisations.

It is essential for the overall health of the community that the fundamental rights of the underprivileged and minorities are protected. The Legal Aid Commission must continue to act on matters of social justice, regardless of the popularity or otherwise of the issue.

From the commencement of the Commission by the Legal Aid Act on 1 July 1990, the management has been appointed by the government of the day:

- — the Chairman appointed by the Attorney-General;
- — a Commissioner appointed by the Attorney-General (has been the CEO of Attorney-General's Department);
- — a Commissioner appointed by the Treasurer;
- — a Commissioner to represent community interests;
- — a Commissioner nominated by the Law Society;
- — a Commissioner appointed by the Commonwealth, but now omitted;
- — a Commissioner elected by the staff of the Commission; and
- — the Director as ex officio Commissioner.

The Commissioners are not appointed to act on behalf of the government but are independent and must act in accordance with the Legal Aid Act. The Act entrenches the obligation of the Commission to become involved in issues that may be unpopular with the government.

Section 26 (3) requires the Commission, when making a decision on whether or not to provide assistance to a person, to have regard to the benefit or detriment to the person, or to a section of the public, from the provision or refusal of assistance.

Section 27 specifically authorises the Commission to assist a person having an interest adverse to the Northern Territory.

The fact that the Commission is funded by the governments against whom the Commission may act reflects the mature and sophisticated approach necessary for the provision of legal aid to the community.

The Commission and its staff have looked after its clients and recipients of legal aid effectively and efficiently. The Commission has also raised broad issues of principle with the Commonwealth and Northern Territory Governments and with the courts and tribunals, in such a manner as to maintain individual's rights while retaining the respect of the executive and judiciary.

Next year will present both continuing and fresh challenges to the Commission, with new legislation from new legislators, with new and old clients, with new and old issues.

The core values of society will remain. The Commission will continue to:

- provide an outreach program to the multicultural and diverse Territory community to help understand our system of justice;
- provide access to legal advice and representation in criminal, family and civil matters; and
- ensure that the underprivileged and the disadvantaged receive a fair go.

On behalf of the Commissioners I express my thanks to the Director, Richard Coates, and to the dedicated staff in Alice Springs, Katherine and Darwin for a job really well done under often trying and adverse circumstances.

Yours sincerely



DAVID FARQUHAR
CHAIRMAN
Northern Territory Legal Aid Commission

CONTENTS

DIRECTOR'S REPORT	5	ACHIEVEMENTS	20
CHARTER	7	Prior Years Comparative	20
Duties of Commission	7	Referred:Inhouse Matters.....	21
THE COMMISSIONERS	8	PERFORMANCE	22
Commissioners' Role	8	Performance Indicators 1995/96 To 2000/01	22
COMMITTEES	10	OUTPUT STATISTICS	23
Northern Territory Contingency Legal Aid Fund	10	APPLICATIONS FOR AID	24
Contingency Legal Aid Fund Committee	10	Summary	24
Review Committee	11	Family Law	25
OVERVIEW OF OPERATIONS	12	Criminal Law	26
Legal Advice	12	Civ11 Law	27
Duty Lawyer Services	12	COMMENTS ON FUNDING ARRANGEMENTS,	
Legal Assistance	12	FINANCIAL STATEMENTS	29
Merits Test	12	GENERAL PURPOSE FINANCIAL	
Commission Guidelines	13	STATEMENTS	31
Contributions and Recovery of Costs	13		
Reconsideration and Review of Decisions	13		
Legal Practices	13		
Locations	13		
ORGANISATIONAL STRUCTURE AND OBJECTIVES	14		
Chief Executive Officers Unit	14		
Family, Criminal and Civil Legal Practices	14		
Assignments Practice	14		
Community Legal Education	14		
Strategic and Corporate Services.....	14		
COMMISSION OFFICES AND PRINCIPLE FUNCTIONS	15		
Darwin	15		
Alice Springs Office	15		
Katherine Office.....	15		
STAFFING OF THE COMMISSION	16		
Darwin	16		
Alice Springs	17		
Katherine	17		
Volunteers	17		
Staffing Levels.....	17		
Aboriginal and Torres Strait Islander Cadetship Program	18		
Northern Territory Community Involvement	18		
Resignations/Leave Without Pay	18		
Equal Employment Opportunity	18		
Staff Development	19		
Occupational Health and Safety	19		

DIRECTOR'S REPORT

This was the first year that the Commonwealth did not have a representative on the Commission's Board of Management. Although the Commission has had differences with the Commonwealth over issues of policy, direction and funding, we have been well served by the Commonwealth's representatives on the Board. Terry Gardner, the former head of the Australian Government Solicitor in Darwin, served as a Commissioner for several years. Although we would be regularly opposed to each other in Court he was strident in his defence of the Commission's independence and made a positive contribution at Commission meetings.

More recently the Commonwealth's representatives have come from within the Legal Aid and Family Services Division of the Commonwealth Attorney-General's Department in Canberra. Stephen Bourke took over from Terry Gardner and Chris Meaney was our last Commonwealth Representative. They served on the Commission during what were probably our darkest hours as far as relations with the Commonwealth were concerned. The fact that they were both able to maintain effective working relationships with myself and the other Commissioners greatly assisted us through the difficult process of establishing a satisfactory new funding relationship with the Commonwealth. Their continued support and guidance, together with their particular knowledge of our operations, has enabled them to make valuable suggestions on how we might cope with various Commonwealth related issues that have arisen from time to time.

My fellow Commissioners and I have already expressed our thanks to Stephen and Chris for the valuable contribution they have made to the Commission. I believe that it is appropriate that I record our appreciation of their efforts publicly, and to assure them that as far as the Legal Aid Commission is concerned they have achieved honorary Territorian status.

Although the number of legal aid applications approved this year is slightly less than the record of the previous year, the total grants of 1,986 is still significantly higher than the outputs achieved in any previous years. The Territory has the second highest rate of legal aid grants, proportionate to population, in Australia and is also the only jurisdiction in which legal aid is still readily available to people requiring assistance with civil claims. Almost all of these matters are now referred to private legal practitioners who have also recourse to the Contingency Legal Aid Fund to cover costs of outgoings and disbursements when they undertake to conduct a case on a fee deferred basis.

My time at the Commission is analogous in some respects to the stories of other Territorians who have "stayed on". I came to Legal Aid for two years in 1990 and am now signing off on my eleventh annual report. The "relaxed lifestyle" has certainly not been a factor in my decision to stay on at the Commission. The attraction has always been the people I have been fortunate to work with. The administrative staff, paralegals and lawyers work in an often stressful environment but still manage to maintain a sense of humour whilst achieving quality outcomes for our clients. Their dedication to their work has been an inspiration to me.

I need to express my particular appreciation to two of our longest serving lawyers, Josephine Stone and Suzan Cox. Josephine left the Commission at the end of this year after working with us for 10 years. She took over the job, that no-one wanted, Manager of the Assignments Division. Through her efforts the Commission has forged a strong co-operative relationship with the private practitioners who undertake work on behalf of legally assisted persons. The finances have always been tight and in many areas of the law we are expecting lawyers to work for us at half the commercial rate. As I indicated earlier, this Commission is still providing assistance in civil law matters. This is largely due to the efforts of Josephine Stone.

Suzan Cox, my Deputy Director and head of the Commission's Criminal Law Division, has also been one of the main stays of this organisation. Having an excellent reputation amongst our prison population is not something that most professions strive to achieve. However, as far as the Commission's criminal practice is concerned this is one of our most telling measures of performance and Suzan Cox is a legend at H.M. Prison Berrimah. She is a true fighter for justice on behalf of her clients and has managed to instill that fighting spirit in the rest of her team of criminal lawyers.

Once again, I need to thank the Commission's Chairman, David Farquhar, and my fellow Commissioners for the support they have provided which has allowed us to finish this year on such a successful note.



RICHARD COATES
DIRECTOR
NORTHERN TERRITORY LEGAL AID COMMISSION

12 November 2001

CHARTER

Our CHARTER is to ensure that the protection or assertion of the legal rights and interests of people in the Northern Territory are not prejudiced by reason of their inability to:

- obtain access to independent legal advice;
- afford the financial cost of appropriate legal representation;
- obtain access to the Federal or Territory legal systems; or
- obtain adequate information about access to the law and legal system.

DUTIES OF COMMISSION

In the performance of its function, the Commission shall:

- ensure that legal assistance is provided in the most effective, efficient and economic manner;
- ensure that its activities are carried on consistently with, and do not prejudice, the independence of the private legal profession;
- liaise and co-operate with, and if the Commission considers it desirable to do so, make reciprocal arrangements with, professional bodies representing private legal practitioners and other bodies engaged or interested in the provision of legal assistance in the Territory or elsewhere;
- liaise with professional bodies representing private legal practitioners in order to facilitate the use, in appropriate circumstances, of services provided by private legal practitioners;
- make maximum use of services which private legal practitioners offer to provide on a voluntary basis;
- encourage and permit persons who are not legal practitioners to participate, so far as the Commission considers it practicable and proper to do so, on a voluntary basis, under professional supervision, in the provision of legal assistance by officers;
- provide officers and agencies of the Commonwealth or a State concerned in the provision of legal assistance with such statistical and other information as they reasonably require;
- make its service available to persons eligible for legal assistance by establishing such local offices, and by making such other arrangements, as it considers appropriate;
- determine priorities in the provision of legal assistance as between different classes of persons or classes of matters;
- arrange for the provision of duty lawyer services at sittings in the Territory in such courts as it considers appropriate; and
- endeavour to secure the services of language interpreters, marriage counsellors and other appropriate persons to assist legally assisted persons in connection with matters in respect of which they are provided with legal assistance.

LEGISLATION

The Commission was established under the *Northern Territory Legal Aid Act 1990*. Sections of the Act have been amended by the *Legal Aid Amendment Act 1992*, the *Financial Management (Consequential Amendments) Act 1995* and the *Legal Aid Amendment Act 1998*.

LEGAL AID AGREEMENTS

A new Agreement between the Commonwealth of Australia and the Northern Territory, for provision of legal aid commonwealth matters, was signed in October 2000. This replaced the 1997 agreement.

THE COMMISSIONERS

COMMISSIONERS' ROLE

To ensure that legal assistance is provided in accordance with the Legal Aid Act 1990.

DAVID FARQUHAR

Chairman

Graduated ANU with BA., LLB. Commenced practice in the NT in 1977 as Crown Prosecutor; joined Australian Legal Aid Office in 1979; in private practice since 1980. Currently a partner in a Darwin based legal practice. Chairman Public Sector Disciplinary/Inability Appeals Board. Chairman of Police Appeals Board. Originally appointed to the Commission on 29 June 1990. Appointed Chairman by the Northern Territory Attorney-General on 1 August 1996. Appointment expires 31 July 2002.

Dr. VALERIE ASCHE AM., MSc., PhD., FASM., MAIBiol., Cbiol.

Has had a wide ranging career including Head of the Microbiology Unit at the Menzies School of Health Research (1986-1994); a consultant for the NT Health Services; a University academic, an industrial consultant and Head of a Diagnostic Unit. Has an in depth involvement with the community having been patron of over 35 organisations. Currently patron of 8 community organisations; a member of 10 Boards and editor of *Recent Advances in Microbiology*. Chairperson of TOP FM Community Radio Station. Chairperson of ASEA-REHABS. Appointed to the Commission on 11 August 1998 by the Northern Territory Attorney-General to represent community interests. Appointment expires 31 July 2002.

STUART BARR

Graduated from Adelaide University with a Bachelor of Laws in 1990; graduated from University of South Australia with a Graduate Diploma Legal Practice in 1991. During 1991-1998 practising solicitor with private legal firms in Adelaide, Cairns and Darwin. Accredited Family Law specialist since 1996. Commenced employment with the Commission in July 1998 as Senior Solicitor of the Family and Civil Law Practice. Appointed 10 March 2000 by the Northern Territory Attorney-General after having been elected by staff of the Commission. Appointment expires 31 July 2002.

JANE LARGE

Forty-two years of public service includes the British Civil Service, Commonwealth, State and Northern Territory. Agencies include Foreign Office, Police, Attorney-General's, Law, Mines and Energy and Treasury. Currently on leave pending retirement from a Senior Director position in the Northern Territory Treasury. Member of the Finance Committee, Menzies School of Health Research, Justice of the Peace. Originally appointed 29 June 1990 by the Northern Territory Treasurer. Appointment expires 31 July 2002.

MARGARET LYONS

Graduated 1977 from Melbourne University with a Bachelor of Laws. Practised in Melbourne and Warnambool until mid 1982. Appointed to Northern Territory Department of Law in 1982 with special responsibility for the Women's Advisory Council. Appointed Director of Women's Affairs in 1984. Appointed Director, Industrial Development Department of Business Technology and Communications in 1985. Appointed Assistant Secretary, Corporate Services, in the newly formed Department of Industries and Development in 1987. Appointed Acting Deputy Secretary, Department of the Chief Minister in 1988. Appointed Deputy Public Service Commissioner in 1991. Appointed Deputy Secretary, Department of the Chief Minister in 1993. Resigned in May 1995 from the public sector to contest the Legislative Assembly seat of Fannie Bay. Appointed Chief of Staff, in the Chief Minister's Office in June 1995. Appointed Chief Executive Officer, Attorney-General's Department in September

1997. Appointed Chief of Staff in the Chief Minister's Office July 1999 to June 2000. Resumed appointment as Chief Executive Officer of the Attorney-General's Department in July 2000. Appointed to the Commission on 22 September 1997 by the Northern Territory Attorney-General. Appointment expires 31 July 2002.

EILEEN TERRILL

Graduated University of Adelaide with LLB in 1977. Commenced practice in the Northern Territory in 1977. From 1977 to 1985 employed as a solicitor in local Darwin firms. From 1985 to 1990 in charge of the Family and Civil Law Section of the Australian Legal Aid Office, Darwin. From 1986 to 1990 Director of the Australian Legal Aid Office, Darwin. From 1991 to present, Principal of a small Darwin based legal practice. Councillor of Law Society since 1993. On Executive Committee of the Northern Territory Law Society, 1997-2001. Appointed by the Northern Territory Attorney-General, on the nomination of the Law Society. Originally appointed 29 October 1997. Appointment expires 31 July 2002.

RICHARD COATES

Admitted to practice in Victoria in 1974. First worked in the Territory in 1975 as a locum with the Central Australian Aboriginal Legal Aid Service. From 1975 to 1986 partner in a Melbourne legal firm. From 1986 to 1988 Principal Legal Officer with CAALAS. Appointed Stipendiary Magistrate of the Northern Territory 1988. Appointed as first Director of the Northern Territory Legal Aid Commission (1990). Councillor of the Northern Territory Law Society; Member NAATI Regional Advisors Board; Chairman of the Australasian Legal Assistance Forum and member of the council of the Australian Institute of Judicial Administrators.

COMMITTEES

NORTHERN TERRITORY CONTINGENCY LEGAL AID FUND

The Northern Territory Contingency Legal Aid Fund (CLAF) was established on 1 March 1993 with a seeding grant of \$200,000 from the Law Society Public Purposes Trust. In June 1997 the Fund received a loan of \$200,000 from the Commission's Legal Aid Fund.

CLAF is administered by the Commission's Assignments Practice. The Fund covers disbursements necessarily incurred during the course of litigation such as stamp duty, service fees, expert witnesses' reports, travelling costs and fees associated with expert witnesses. The Fund does not pay for solicitors' or barristers' professional costs or general office expenses such as photocopying, telephone charges or facsimile charges.

The Fund is available for all areas of law, which result in a monetary award to the applicant.

CONTINGENCY LEGAL AID FUND COMMITTEE

COMMITTEE ROLE

Established in accordance with s.16 of the *Legal Aid Act 1990*.

To determine whether or not to grant applications for assistance under the Contingency Legal Aid Fund.

MEMBERSHIP OF THE COMMITTEE

Richard Coates —● Director

Josephine Stone —● Deputy

LAW SOCIETY NOMINEES:

P. Barr

M. Carter

S. Gearin

I. Morris

J. Neill

G. Schneider

S. Southwood

M. Spazzapan

E. Terrill

A. Young

COMMISSION APPOINTEES:

S. Reddy

P. Wright

STATISTICAL INFORMATION

The demands on the fund have been:

	2000/01	1999/00	1998/99	1997/98
Applications Received	17	24	19	28
Applications Approved	13	13	11	16
Applications Withdrawn	1	5	2	5
Applications Refused	1	5	4	6
Applications to be Decided	2	1	2	1

Since the fund commenced in March 1993 there has been a total of 175 applications to the fund. The applications for funding largely relate to personal injury actions such as occupiers' liability, medical negligence and work health. Few applications relating to commercial litigation or family law property settlement have been received.

REVIEW COMMITTEE

COMMITTEE'S ROLE

To review decisions referred to the Committee under s.35(3) of the *Legal Aid Act*, 1990. Under s.35 persons who feel they have been adversely affected by decisions taken on their application for legal aid may seek reconsideration or review of those decisions.

During 2000/01 the Review Committee met on seventeen separate occasions to review twenty-three client requests. The outcome of their deliberations was that twelve decisions were varied in favour of the applicants.

MEMBERSHIP OF THE COMMITTEE

On the 15 March 2001 the following persons were appointed to the Committee for a period of twelve months.

Private Legal Practitioner	—● G. Andrews	M. Carter	B. Cassells
	E. Hutton	R. Lawford	M. Little
	T. Marris	B. O'Loughlin	B. Priestley
	G. Schnieder	S. Sievers	D. Story
	J. Tippet		
Independent person with relevant experience	—● A. Beven	K. Bowley	J. Duguid
	K. Halliday	N. Hunter	F. Hussin
	W. Morton	E. Morris	B. Piper
	T. Prichard	M. Story	
Officer of the Commission	—● S. Barr	L. Bennett	S. Cox
	J. Devlin	E. Harbour	I. Harrison
	M. Johnson	I. Read	H. Spowart
Secretary to Committee	—● A. Athanasiou		

OVERVIEW OF OPERATIONS

The provision of legal services by the Northern Territory Legal Aid Commission is governed by the *Legal Aid Act 1990*.

The Northern Territory Legal Aid Commission is independent of the Territory and Commonwealth Governments. In fact, the Act specifically allows the Commission to help disadvantaged persons in cases where they might be in dispute with, or opposed to, either Government or any public authority or organisation.

The legal services provided by the Commission take the form of legal advice, help from one of our duty lawyers or legal assistance.

LEGAL ADVICE

Commission lawyers will give advice on legal matters free of charge to anyone who is unable to obtain advice or information from a private lawyer for any good reason provided that the interview in which that advice is given does not go beyond 20 minutes.

Advice will be given at the Commission offices or certain Court Houses, during those times as the Director appoints, having regard to the availability of staff.

Unless special circumstances exist, legal advice will not be available for persons who are seeking advice on a matter for which they have previously been refused assistance.

Where, in the opinion of the Director a person has, during their past attendance at advice sessions, behaved in an offensive or abusive manner toward staff members, or repeatedly sought assistance in respect of matters lacking merit, the Director may decline to provide that person with advice.

DUTY LAWYER SERVICES

The Legal Aid Commission provides duty lawyer services either by using its own staff or by funding lawyers in private practice, to such sittings of the Magistrates, Juvenile and other Courts in the Territory as the Director considers appropriate.

Duty lawyers are available to advise accused persons and, if necessary, appear for them in bail and adjournment applications and in appropriate cases to represent them on a guilty plea. Duty lawyers do not appear in defended cases unless the circumstances are exceptional.

In cases of particular hardship or urgency they may also provide rudimentary assistance to persons involved in certain types of civil cases.

LEGAL ASSISTANCE

Legal assistance may be provided under Section 26 of the Act if, and only if: -

- (a) a person is in need of that legal assistance by reason that she or he is unable to afford the cost of obtaining from private legal practitioners the legal services in respect of which legal assistance is sought; and
- (b) it is reasonable in all the circumstances to provide the legal assistance.

The assistance may be provided free or on condition that the assisted person pays part or all of the cost of providing legal assistance.

Thus the Commission must apply two tests to any application for legal assistance - a means test and a "reasonableness" or merits test.

MERITS TEST

In determining whether to grant legal assistance in relation to any matter, regard is had to all relevant matters including:

- (a) the likely cost to the Commission of providing the assistance;

- (b) the nature and extent of any benefit that may accrue to the applicant from the provision of the assistance or of any detriment that the applicant may suffer if assistance is not provided;
- (c) in the case of assistance in relation to a proceeding - the likelihood of the proceedings terminating in a manner favourable to the applicant;
- (d) whether the legal problem or the applicant come within the Commission's or Commonwealth's **priorities** for the provision of legal assistance;
- (e) whether the legal problem is one for which, in accordance with the Commission Guidelines, legal assistance may be provided.

COMMISSION GUIDELINES

The Commission is required by Section 12 to determine, and make known to the public, guidelines to be applied in considering applications for legal assistance and in making decisions as to other specified matters involving the exercise of discretion.

The guidelines were originally published in November 1990 and are revised as necessary from time to time. The Commission, in July 2000, approved the latest revision. They are circulated to interested parties and are available from the Office on request.

CONTRIBUTIONS AND RECOVERY OF COSTS

An important component of the Commission's funding base is the amount recovered from client contributions.

Initial contributions, of at least \$55.00, based on the applicant's income and assets are usually imposed. Interim and final contributions may also be imposed, especially where a legally assisted person's financial circumstances have substantially improved during the currency of a grant of aid.

Where an assisted person is successful, the Commission may recover costs either in complete or partial satisfaction of a final contribution. This will depend on the circumstances of the finalisation of the matter.

RECONSIDERATION AND REVIEW OF DECISIONS

An applicant for legal assistance may request that an unfavourable decision be reconsidered.

Where a decision is confirmed or varied following reconsideration by staff of the Commission, the person affected may request that the decision be referred to a Review Committee for review.

The Review Committee consists of an officer of the Commission, a private legal practitioner and another independent person with relevant experience.

LEGAL PRACTICES

Within its overall operations the Commission operates four legal practices, namely:

- Family Law Practice;
- Criminal Law Practice;
- Civil Law Practice; and
- Assignments Practice.

LOCATIONS

The Commission maintains offices in Darwin, Alice Springs, and Katherine and currently provides services to other major centres by utilising either its own staff or private practitioners. Office locations and contact numbers are detailed on the last page of this annual report.

ORGANISATIONAL STRUCTURE AND OBJECTIVES

CHIEF EXECUTIVE OFFICERS UNIT

OVERALL OBJECTIVES:

- In consultation with the Board of Commissioners provide leadership and direction to the operations of the Commission.

FAMILY, CRIMINAL AND CIVIL LEGAL PRACTICES

OVERALL OBJECTIVES:

- Provide concise initial advice to members of the public in respect of their rights and obligations under any Commonwealth or Northern Territory legislation;
- Where appropriate, refer members of the public to appropriate providers of non-legal services ; and
- Where legal assistance has been granted provide representation of a high standard in a timely and cost efficient manner to clients of the Commission in order to obtain a just and equitable resolution of their law dispute.

ASSIGNMENTS PRACTICE

OVERALL OBJECTIVES:

- Provide an efficient and effective service in assessing applications for legal aid;
- Ensure that services provided by private legal practitioners to Commission clients are cost effective and efficient;
- Administer the Contingency Legal Aid Fund; and
- Provide input into law reform issues.

COMMUNITY LEGAL EDUCATION

OVERALL OBJECTIVES:

- Inform the community about the range of services offered by the Commission;
- Develop community legal education projects and publications to meet specific legal needs; and
- Respond to policy or law reform issues that are relevant to the Commission's client base.

STRATEGIC AND CORPORATE SERVICES

OVERALL OBJECTIVES:

- Provide the infrastructure within the Commission so that legal services are provided to the people of the Northern Territory in an efficient and effective manner; and
- Initiate policies, strategies, advising and reporting (in all matters other than those of a direct legal services nature) to external and internal stakeholders so that the Commission's charter may be achieved.

COMMISSION OFFICES AND PRINCIPLE FUNCTIONS

DARWIN

Located within the Darwin office are the following divisions:

- Chief Executive Officer's unit;
- Criminal Law Practice;
- Family Law Practice;
- Civil Law Practice;
- Assignments Practice;
- Community Legal Education unit; and
- Strategic and Corporate Services unit.

Legal services are provided to residents of Darwin, Palmerston and outlying rural areas as well as foreign nationals who have been charged with committing certain offences under Commonwealth legislation, such as illegal fishing and people smuggling.

Legal support and assistance is provided to the branches as and when required.

Assignments, Community Legal Education, financial management, financial and statistical reporting, accounting, information technology, personnel services and the Review and Contingency Fund Committees are centralised in Darwin.

ALICE SPRINGS OFFICE

The Alice Springs Office provides legal services in criminal, family and civil law in the southern region of the Northern Territory.

Lawyers attend the Alice Springs Courthouse each day and provide free advice and representation to persons requiring assistance. In addition, free legal advice sessions are conducted at the office three days per week and telephone advice is provided to callers from remote areas.

A lawyer also attends Tennant Creek and Yulara to provide legal advice and representation during Court sittings. Solicitors also attend at the Alice Springs gaol/hospital to provide advice and representation as required.

KATHERINE OFFICE

The Katherine Office provides legal services in criminal, family and civil law in the Katherine region of the Northern Territory.

Duty Lawyer services are provided at the Katherine Courthouse as required as well as legal representation. Free legal advice sessions are conducted at the Katherine Office. Where a solicitor is unavailable legal advice is provided to the client via a video conferencing link with the Darwin office.

From time to time the Katherine branch lawyer is required to provide services to the more remote areas of the Katherine region.

STAFFING OF THE COMMISSION

As at 30 June 2001, the following persons were employed:

DIRECTOR —————	● Richard Coates LLB
Para Legal Secretary (Part-time) —————	● Aggie Athanasiou
Executive Officer (National Legal Aid) —————	● Jenny Hardy BA; LLB

DARWIN

ASSIGNMENTS PRACTICE

Manager —————	● Haley Richardson
Para Legal Secretary —————	● Sue Reddy
Para Legal Support —————	● Amanda Bamford

CRIMINAL LAW PRACTICE

Senior Solicitor —————	● Suzan Cox BA; LLB
	● Ian Read LLB., BEc.
	● Louise Bennett LLB
	● Mark Johnson LLB
	● Helen Spowart BA, LLB; Grad Dip (Legal Practice)
Article Clerk —————	● Beth Wild BA LLB
Para Legal Secretary —————	● Gloria Rautamara
Para Legal Secretary —————	● Monica Settele

FAMILY AND CIVIL LAW PRACTICE

Senior Solicitor —————	● Stuart Barr LLB
	● Elizabeth Harbour BSc, LLB
	● Jennifer Devlin BA(Hons); LLB(Hons)
	● Isabelle Harrison LLB
Article Clerk —————	● Eddie Cubillo LLB
Para Legal Secretary /Child Support —————	● Melinda Naismith
Para Legal Secretary —————	● Sue Gowler

COMMUNITY LEGAL EDUCATION

- Sally Rush

STRATEGIC AND CORPORATE SERVICES

Legal Practice Manager —————	● Patrick Wright BA (Computing); Grad Dip Ed; CPA
Accounts Officer —————	● Barbara Lelli
Personnel/Accounts —————	● Leeanne Morris
Accounts Clerk —————	● Karen Markos
Administration Officer —————	● Carol Bloomfield
Administration Officer —————	● Mark Wright
Administration Officer —————	● Laura Sullivan
Administration Officer —————	● Jodie Siebert
Office Services —————	● Jeanon Cubillo
Librarian (Part-time) —————	● Jane Hill

ALICE SPRINGS

- Senior Solicitor — George Georgiou BEc; LLB
- Russell Goldflam BA; BLEGS (Hons); Grad Dip Ed
- Article Clerk — Anthony Hopkins LLB
- Para Legal Support — Cheryl Ross
- Para Legal Support — Wendy Vismans
- Librarian (Part-time) — Jodie Siebert

KATHERINE

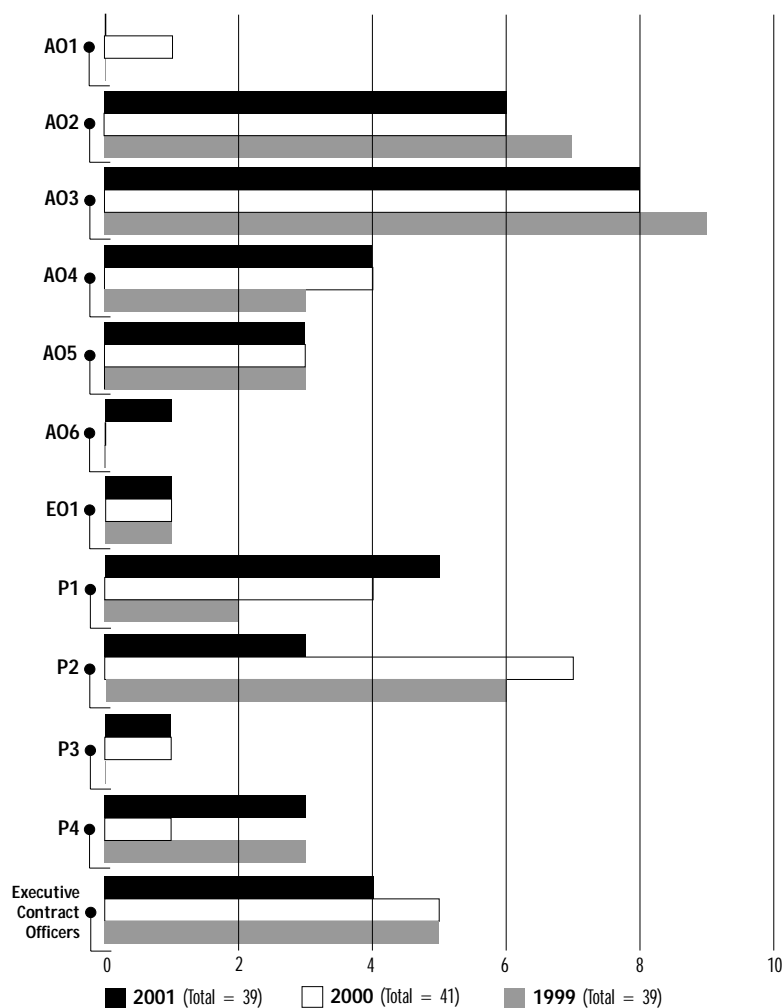
- Solicitor — Colin Baker Dip of Law
- Para Legal Secretary — Jodie Ah Chin
- Para Legal Secretary Support — Cassie Lamb

VOLUNTEERS

Under S.8 of the Act the Commission shall encourage persons who are not legal practitioners to participate, as far as is practicable, in a volunteer capacity whilst under professional supervision. During the year the Commission did not "recruit" any volunteers.

STAFFING LEVELS

Staffing levels as at 30th June were:



AO - Administrative Grades; P - Professional Grades (Legal Officers)
 All legal officers are on employment contracts.

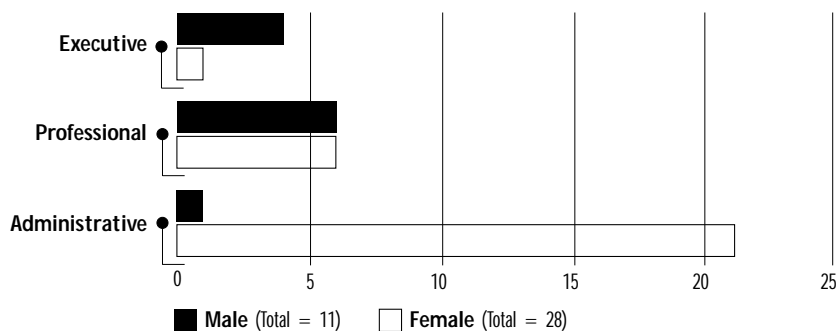
RESIGNATIONS/LEAVE WITHOUT PAY

During the year 6 employees resigned.

EQUAL EMPLOYMENT OPPORTUNITY

Management monitors the internal environment to ensure that equal employment opportunities are present. Because of the nature of the staff who are attracted to the Legal Aid Environment issues of discrimination seldom, if ever, arise.

Distribution of the sexes are as follows:



ABORIGINAL AND TORRES STRAIT ISLANDER CADETSHIP PROGRAM

During the year an indigenous person completed their cadetship in a Bachelor of Law degree at the Northern Territory University. The Department of Employment Education Training and Youth Affairs contributed financially to this program.

NORTHERN TERRITORY COMMUNITY INVOLVEMENT

During the year members of staff, in their own time, contributed to the development of their respective professional associations, as well as:

- Dawn House Management Committee, Vice President
- Alice Springs Youth Accommodation and Support Services, President
- Alternative Law Journal, NT Editorial Committee Member
- Defence for Children International, National Committee Member
- Central Australian Youth Justice, Member
- Alice Springs Family Contact Centre, Advisory Committee Member
- Darwin Community Legal Service, Management Committee Member
- Resolve, Sessional Mediator
- Top End Women's Legal Service, Volunteer Advisor
- Top End Women's Legal Service, Management Committee Member
- Darwin Community Legal Service, Volunteer Advisor
- NT Women Lawyers Association, Member
- Family Law Association of the NT, Member
- Darwin South Rotary

STAFF DEVELOPMENT

During the year various members of staff were involved in staff development programs. The nature of the programs included conferences, workshops, seminars and training courses. The programs included:

- Law Society seminar on Trust Accounting
- Resolving Conflict and Dealing with Difficult People
- Post-Separation Course (Centacare)
- Young People's Legal Rights (ASYASS)
- National Community Legal Centres Conference
- Immigration Rights Advice Centre, Migration Law
- Bond University Mediation Course

Staff attended meetings and seminars organised by their respective Northern Territory Professional Associations.

OCCUPATIONAL HEALTH AND SAFETY

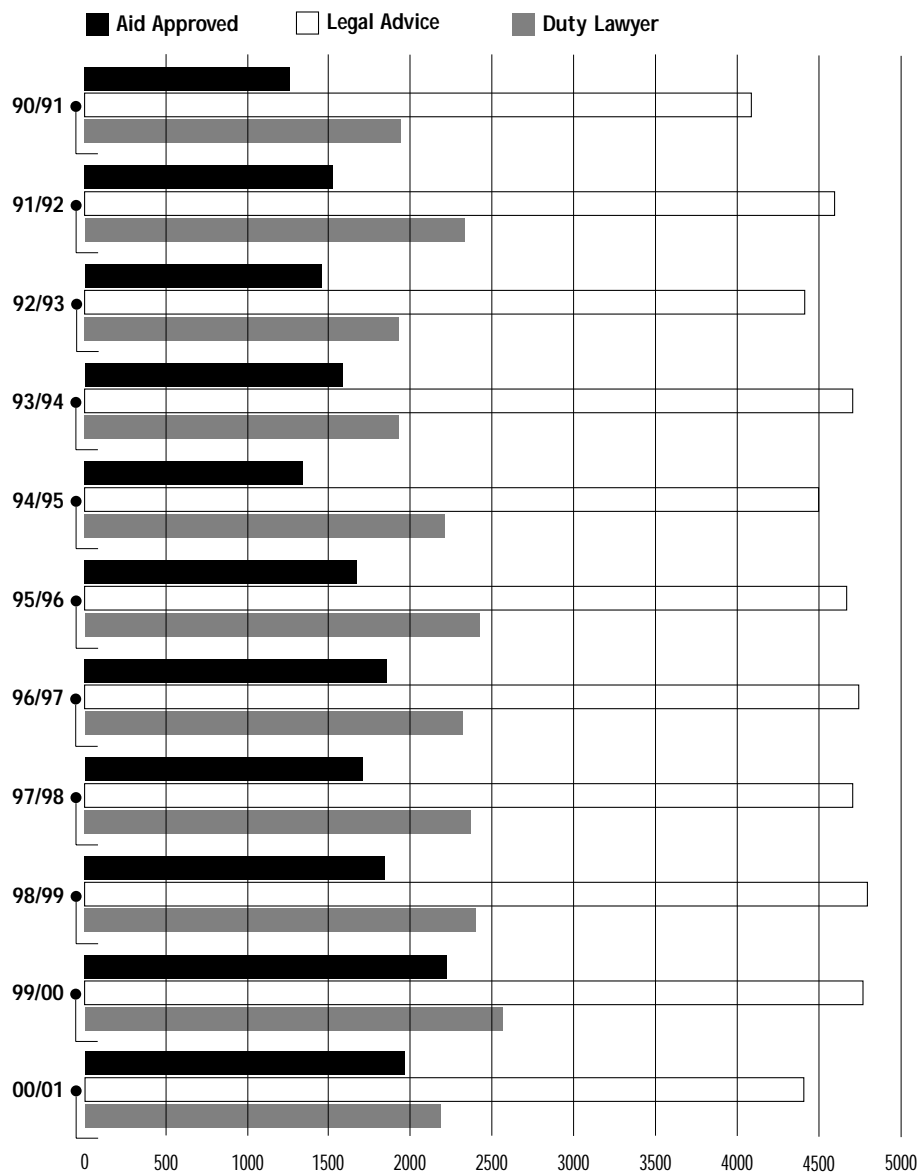
During the year there were no work-related accidents. A tobacco free environment exists. Employees are encouraged to adopt safe working practices.

ACHIEVEMENTS

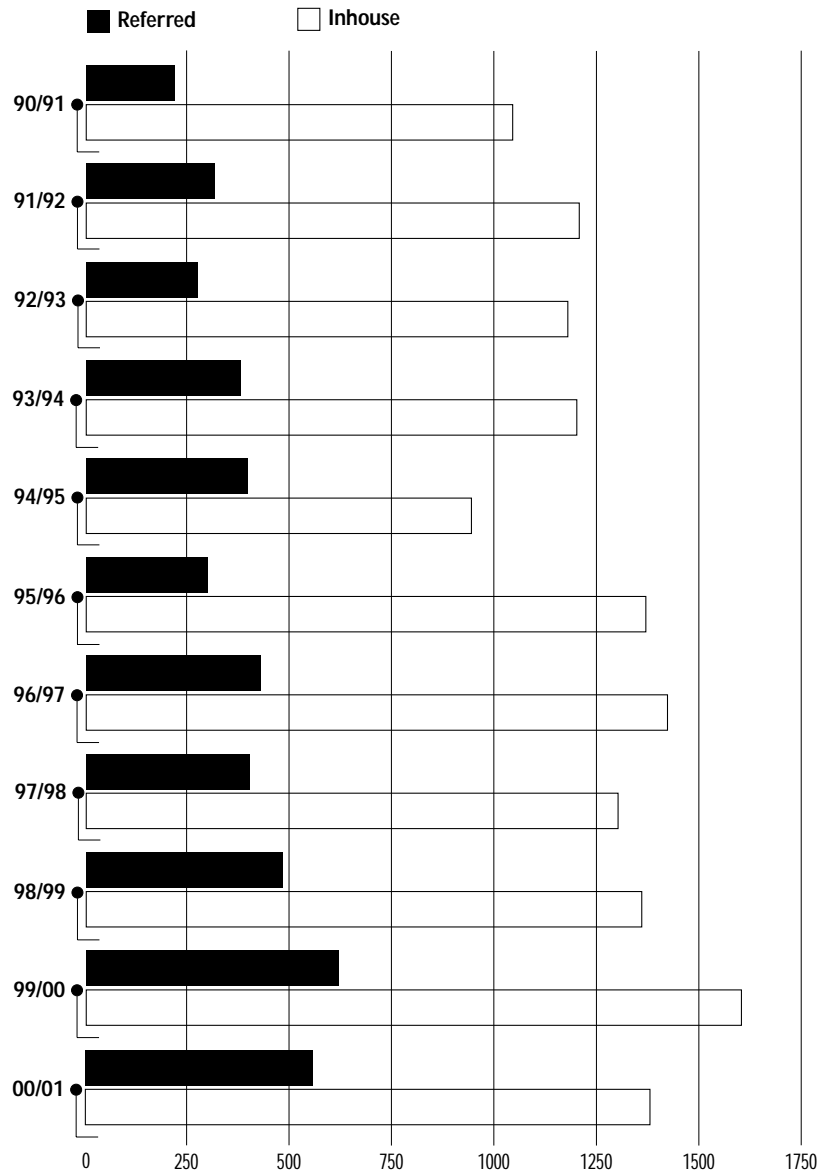
During the year:

- 2335 applications for aid were processed.
- 1986 applications for aid were approved.
- 570 approved applications for aid were referred to private practitioners.
- 1416 approved applications for aid was handled by Commission staff.
- 4474 persons received free legal advice.
- 2208 persons received advice and/or were represented by Duty Lawyers.
- 3257 persons accessed the free telephone legal information service.

PRIOR YEARS COMPARATIVE



REFERRED:INHOUSE MATTERS



PERFORMANCE

PERFORMANCE INDICATORS 1995/96 TO 2000/01

	96/97	97/98	98/99	99/00	00/01	TARGET
Population	181900	189200	191400	194500	196300	
Estimated No. of Clients	11633	12255	11955	11894	11928	

PER 1000 HEAD OF POPULATION						
Legal Advice Provided	26.07	24.87	25.06	24.51	22.79	26
Duty Lawyer Services	12.73	12.52	12.53	13.16	11.24	14
Applications for Legal Aid						
Received	12.42	11.01	11.34	13.17	11.89	
Approved	10.18	9.00	9.62	11.42	10.12	12
Refused	2.06	1.91	1.62	1.66	1.75	
Telephone Legal						
Information Clients	14.98	18.38	15.25	12.05	16.59	19
Estimated Clients	63.95	64.77	62.46	61.15	60.76	

CUMULATIVE % OF ACCOUNTS PAID						
Within 5 days	83.44	80.56	79.42	82.25	90.04	85
Within 10 days	93.72	93.27	95.13	96.26	97.76	99
Within 15 days	97.25	96.87	98.54	98.64	99.66	
Within 20 days	98.23	97.74	98.95	99.72	99.69	100
Within 30 days	99.92	99.35	98.78	99.85	99.97	

OUTPUT STATISTICS

MEASURING THE ATTAINMENT OF THE COMMISSION'S OBJECTIVES SUMMARY OF MAJOR ACTIVITIES

	96/97	97/98	98/99	99/00	00/01
Applications for Aid Processed	2259	2083	2170	2561	2335
Applications for Aid Approved	1851	1703	1841	2222	1986
Applications for Aid Refused	375	362	311	323	344
Free Advice Sessions	4743	4712	4796	4769	4474
Duty Lawyer Services	2315	2369	2399	2560	2208
Telephone Information Clients	2724	3477	2919	3245	3257
Payments to Private Practitioners (\$)	903182	900894	106033	1222564	1554939

NET PAYMENTS TO PRIVATE PRACTITIONERS

Referred Cases					
Family	226295	242787	337306	407270	577847
Criminal	98640	147677	138366	133300	116622
Civil	271345	188047	327007	315414	327317
Inhouse Cases (Counsel Fees)					
Family	22236	25662	14093	34034	91022
Criminal	233290	236367	191898	225239	314301
Civil	10083	3525	6457	76567	72473
Duty Solicitor	2200	10900	3013	12120	22102
Locums	39093	45929	42193	18620	33255
TOTAL	903182	900894	1060333	1222564	1554939

APPLICATIONS APPROVED AND REFERRED TO PRIVATE PRACTITIONERS

Family	185	179	205	288	225
Criminal	71	115	108	117	119
Civil	128	114	159	206	226
TOTAL	428	401	481	618	570

APPLICATIONS APPROVED AND HANDLED BY COMMISSION STAFF

Family	324	289	266	320	280
Criminal	884	929	963	1156	1065
Civil	215	84	131	128	71
TOTAL	1423	1302	1360	1604	1416

FREE ADVICE SESSIONS

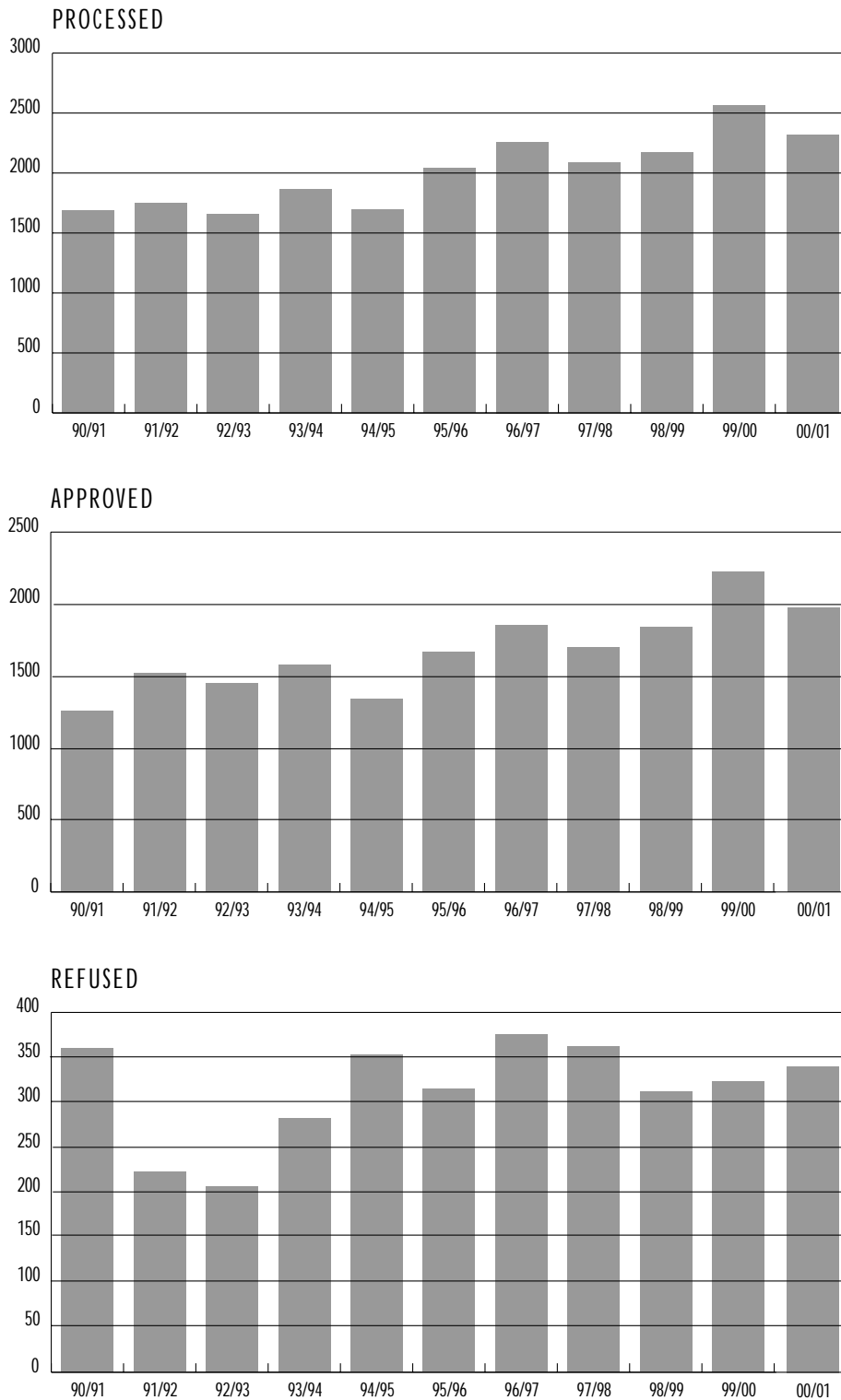
Family	1670	1620	1494	1635	1580
Criminal	1271	1293	1605	1360	1281
Civil	1802	1799	1697	1751	1613
TOTAL	4743	4712	4796	4746	4474

DUTY LAWYER SERVICES

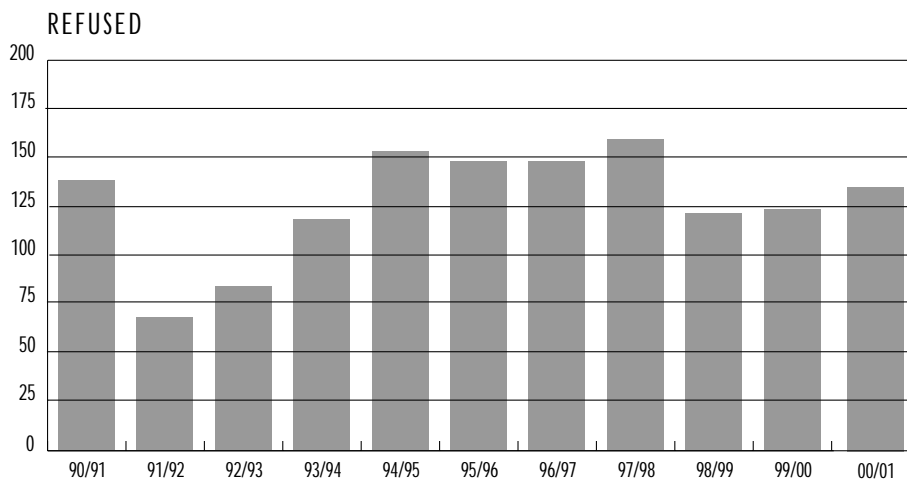
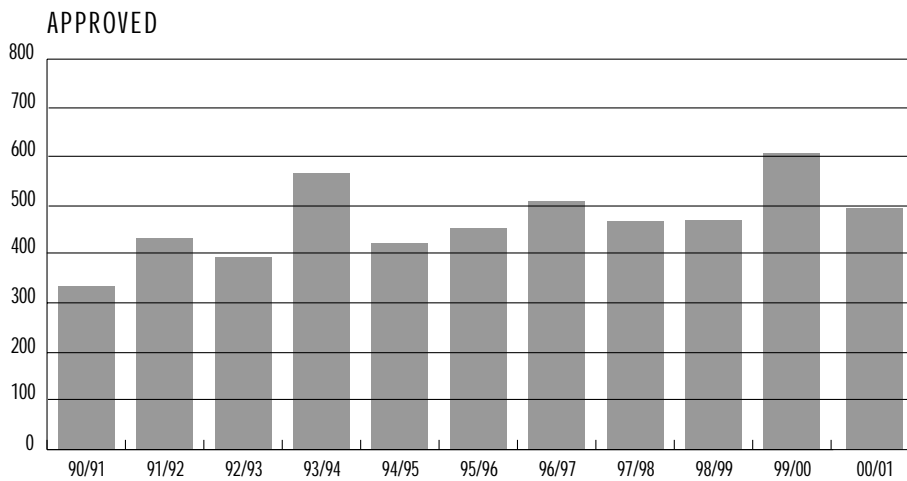
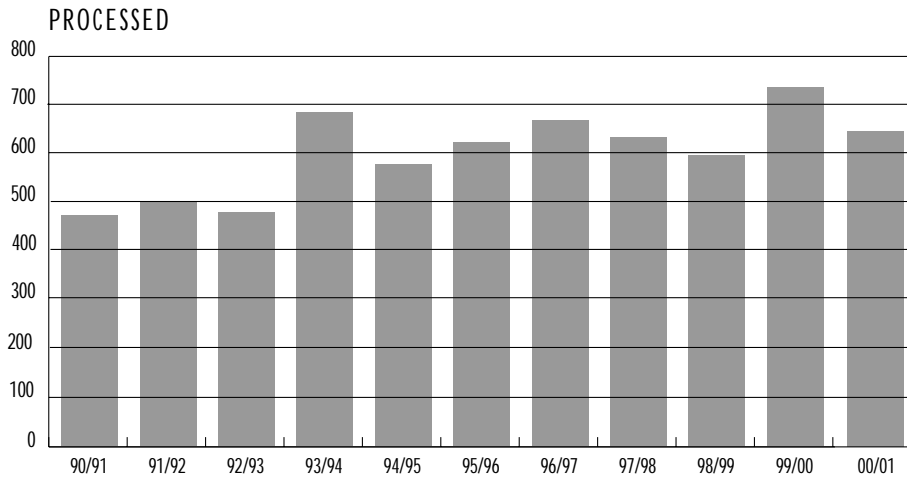
Advice Only	730	686	695	614	614
Representation	104	101	102	57	54
Plea	83	63	64	226	110
Advice & Representation	1338	1464	1482	1618	934
Negotiations	6	9	9	17	31
Other	54	46	47	28	465
TOTAL	2315	2369	2399	2560	2208

APPLICATIONS FOR AID

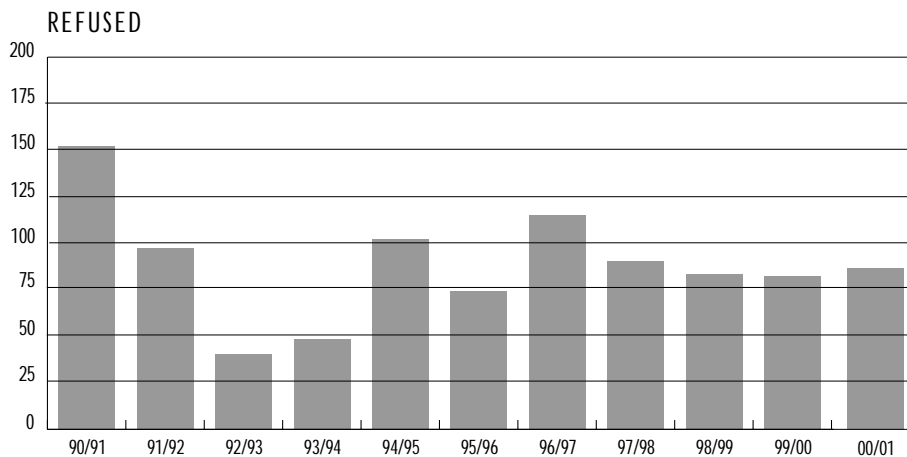
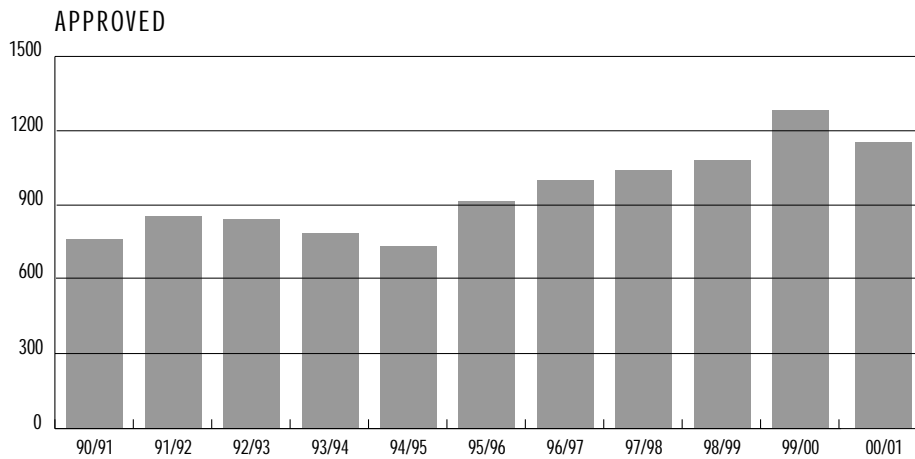
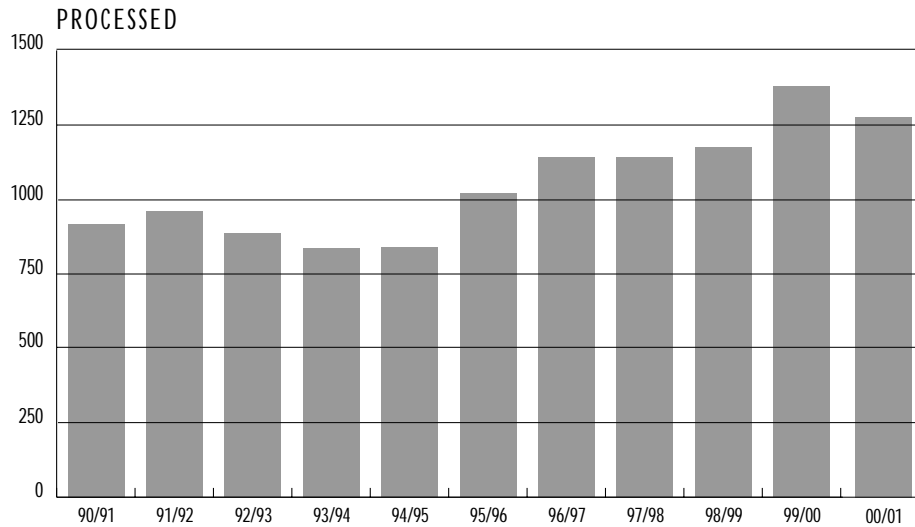
SUMMARY



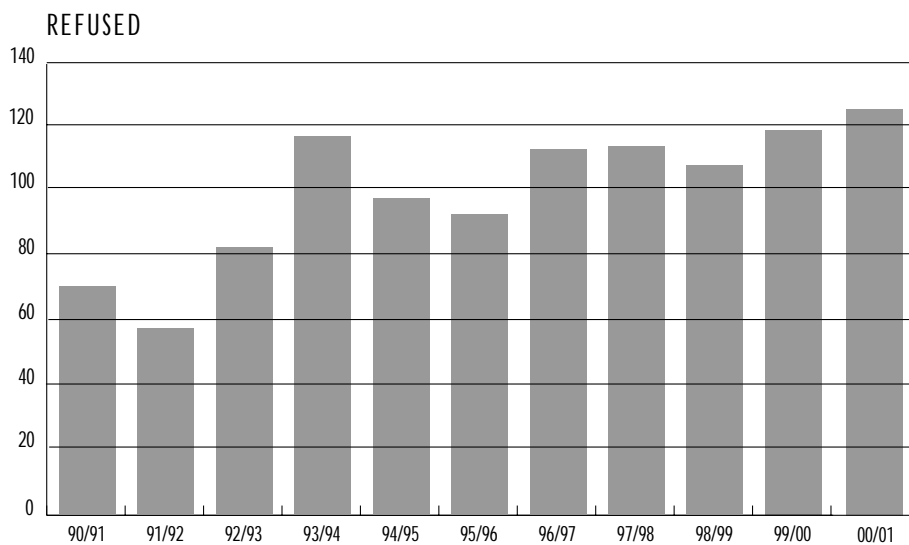
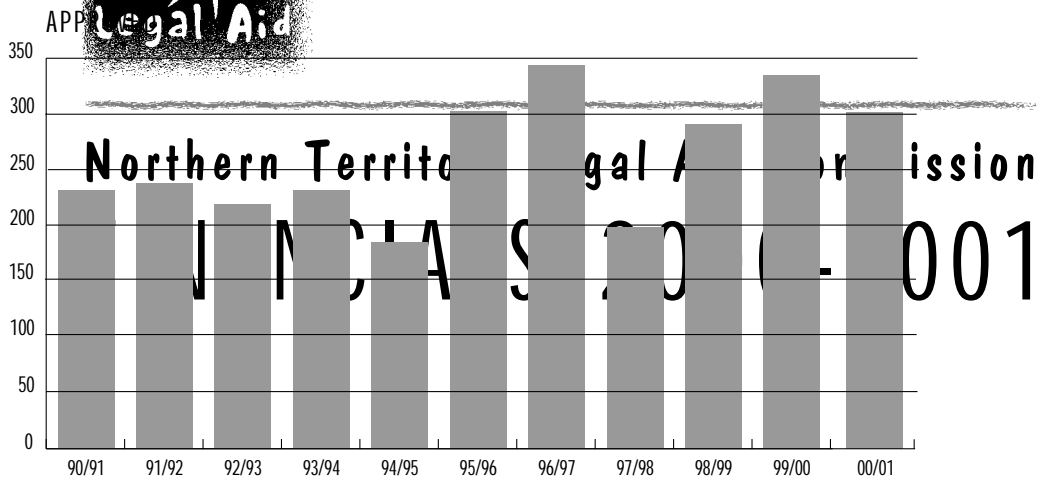
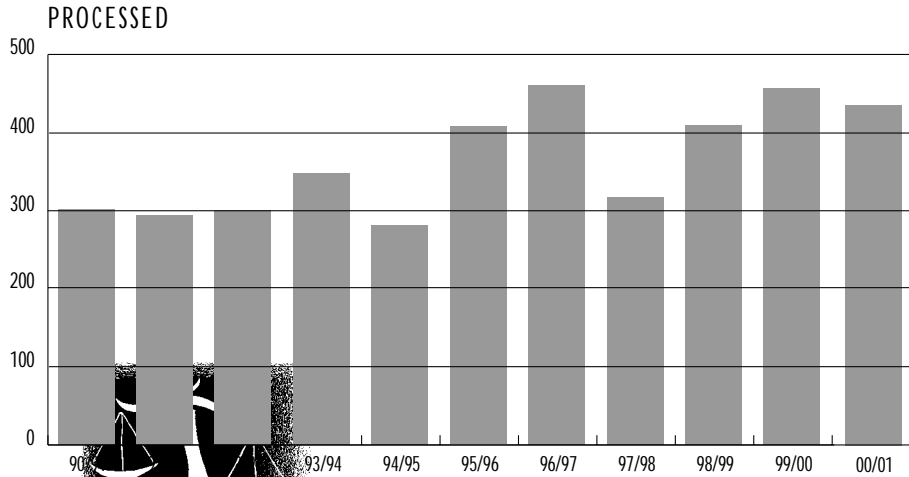
FAMILY LAW



CRIMINAL LAW



CIVIL LAW



COMMENTS

ON FUNDING ARRANGEMENTS, FINANCIAL STATEMENTS AND FINANCIAL PERFORMANCE

FUNDING OF THE COMMISSION

The Northern Territory Government and the Commonwealth entered into a new Agreement, in October 2000, for the funding of Commonwealth Legal Aid work undertaken by the Commission in the Northern Territory. The Agreement covers the period 1 July 2000 to 30 June 2004. This Agreement replaced the Agreement signed in June 1997.

The Northern Territory Treasurer, in August 2000, approved funding arrangements for Legal Aid work arising under Northern Territory Law. The funding covers the period 1 July 2000 to 30 June 2004.

FINANCIAL PERFORMANCE

At the commencement of the financial year Accumulated Funds and Reserves were \$2,939,246. During the year an operating surplus of \$107,675 was generated giving at the end of the financial year Accumulated Funds and Reserves of \$3,046,921.

The following table presents the percentage distribution of expenditure incurred and revenue earned since 1993/94

PERCENTAGE OF TOTAL EXPENDITURE

	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
PERCENTAGE OF TOTAL EXPENDITURE								
Personnel Costs	43.14	37.93	38.86	45.61	46.89	50.17	51.95	49.28
Administration Costs	20.81	16.91	19.19	20.54	21.60	19.71	22.81	16.87
Legal Costs	9.89	39.93	36.71	27.94	25.94	25.56	21.35	30.78
Minor Assets	2.27	1.93	2.30	2.66	2.05	2.17	1.92	1.77
Depreciation	3.89	3.30	2.94	3.25	3.52	2.39	1.97	1.30

PERCENTAGE OF TOTAL REVENUE

Commonwealth	66.23	61.31	53.31	61.04	49.36	44.91	43.28	42.94
NT Government	18.86	22.47	23.20	26.81	38.88	43.46	40.53	38.76
Commonwealth Other							3.23	7.97
Total Government Funding	85.09	83.78	76.51	87.85	88.24	88.37	87.04	89.67
Contributions and Recovered Costs	13.49	13.63	20.75	9.91	8.69	8.09	9.46	6.93
Interest on Investments	1.16	2.59	2.38	2.10	2.20	3.49	3.33	3.40
Other	0.26	0.00	0.36	0.14	0.87	0.05	0.16	0.00
TOTAL SELF-GENERATED	14.91	16.22	23.49	12.15	11.76	11.63	12.96	10.33

FINANCIAL ANALYSIS

EXPENDITURE

Personnel Costs include the salaries of in-house lawyers and administrative staff as well as associated expenditure e.g. employer superannuation contributions. Increase in personnel costs over the years is attributed to the increase in the number of employees to meet the growth in demand for services plus the impact of Enterprise Bargaining.

Administration Costs include costs such as rental of office accommodation, travel on official business, facility management of information technology systems, telecommunications, and consumables. Over the preceding years these costs have been reasonably stable. A net overall reduction occurred this year.

Legal Costs include payments for client services that have been referred out to private legal practitioners plus disbursements incurred by the in-house legal practice on cases managed internally. The relatively higher percentages in some years are a direct consequence of the Commission having to fund expensive cases. Such cases normally fall in the range of \$100,000 to \$500,000. The increase this financial year is attributed to family and criminal law cases that were approved in the previous financial year (a record year of approvals) but whose costs were incurred in this financial year.

Minor Assets include payments for furniture and fittings, other plant and equipment; and library resources. Expenditure pattern has been relatively stable over the years.

Depreciation is the writing off of the cost of fixed assets over the period of their useful life. Major Commission assets are information technology hardware and office premises in Alice Springs. The reduction this year reflects the small amount of expenditure incurred on capital items this financial year.

REVENUE

Over the years the percentage of Commonwealth funding to total funding has decreased whilst the percentage of Territory funding has generally increased.

Under the 1990/91 to 1996/97 Funding Agreement the Commonwealth contribution decreased by 5% per annum and the Territory contribution increased by a similar percentage. The variations in the above table, over this period, are a result of additional one off funding arrangements that occurred from time to time.

Under the 1997/98 to 1999/2000 Funding Agreement the Commonwealth's position changed in relation to the provision of funds. From 1997/98 onwards the Commonwealth decided that it would only fund matters arising under Commonwealth laws. Previously it contributed to matters arising under both Commonwealth and Northern Territory laws.

The 'Commonwealth Other' funding relates to additional grants received. In 1997/98 the Commonwealth reimbursed the Commission for an expensive criminal case. The costs for this case were incurred in the previous financial year. In 1999/2000 the Commonwealth provided additional funding to compensate the Commission for expenditure being incurred on 'people smuggling' cases. A similar situation arose this financial year as well as reimbursement of costs incurred on expensive cases.

Contributions and Recovered Costs refer to revenue received from clients, refunds by the Commonwealth on certain expensive cases and costs awarded by the Courts. The relatively larger percentages in some of the years reflects the recovery of costs on certain expensive cases.

Interest earned varies as a result of differing interest rates applying during the periods and differing cash flows.

Other Revenue encompasses the disposal of assets and miscellaneous income.

GENERAL PURPOSE FINANCIAL STATEMENTS

30 JUNE 2001

CONTENTS	PAGE
AUDITOR-GENERAL'S REPORT ON FINANCIAL STATEMENTS	31
STATEMENT BY COMMISSIONERS	32
STATEMENT OF FINANCIAL PERFORMANCE	32
STATEMENT OF FINANCIAL POSITION	34
STATEMENT OF CASH FLOWS	35
NOTES TO THE FINANCIAL STATEMENTS	36

AUDITOR-GENERAL'S REPORT TO THE ATTORNEY-GENERAL

NORTHERN TERRITORY LEGAL AID COMMISSION

YEAR ENDED 30 JUNE 2001

SCOPE

I have audited the accompanying financial report of the Northern Territory Legal Aid Commission for the year ended 30 June 2001, comprising Statement by Commissioners, Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows together with Notes to the Financial Statements. The Director is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion upon it to the Attorney-General.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatements. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and the requirements of the *Legal Aid Act* so as to present a view which is consistent with my understanding of the financial position of the Northern Territory Legal Aid Commission and result of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report presents fairly in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the *Legal Aid Act* the financial position of the Northern Territory Legal Aid Commission as at 30 June 2001 and the results of its operations and cash flows for the year ended on that date.



Iain Summers

AUDITOR-GENERAL FOR THE NORTHERN TERRITORY
DARWIN, NORTHERN TERRITORY

9 November 2001

STATEMENT BY COMMISSIONERS

In the opinion of the Commissioners of Northern Territory Legal Aid Commission:

- (a) the accompanying general purpose financial statements of the Commission present fairly the Commission's financial position as at 30 June 2001, and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements; and
- (b) at the date of this statement there are reasonable grounds to believe that the Commission will be able to pay its debts as and when they become due and payable.

Signed in Darwin this 1st day of November 2001 in accordance with a resolution of Commissioners.



Chairman



Commissioner

DARWIN

STATEMENT OF FINANCIAL PERFORMANCE

YEAR ENDED 30 JUNE 2001

	Notes	2001 \$	2000 \$
Revenue from ordinary activities	3	4,940,036	4,646,014
Depreciation expense	4	(62,632)	(82,865)
Salaries and employee benefits expense		(2,378,799)	(2,188,409)
Other expenses from ordinary activities		(2,390,930)	(1,941,222)
NET PROFIT AND TOTAL CHANGES IN EQUITY		107,675	433,518

The statement of financial performance is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2001

	Notes \$	2001	2000 \$
CURRENT ASSETS			
Cash	5	2,707,748	2,636,280
Receivables	6	218,919	181,145
Investments	7	444,740	445,438
Other	8	109,382	46,001
TOTAL CURRENT ASSETS		3,480,789	3,308,864
NON-CURRENT ASSETS			
Property, plant and equipment	9	309,489	362,461
Other	16	200,000	200,000
TOTAL NON-CURRENT ASSETS		509,489	562,461
TOTAL ASSETS		3,990,278	3,871,325
CURRENT LIABILITIES			
Payables	10	303,121	293,344
Provisions	11	570,672	552,456
TOTAL CURRENT LIABILITIES		873,793	845,800
NON-CURRENT LIABILITIES			
Provisions	11	69,564	86,279
TOTAL NON-CURRENT LIABILITIES		69,564	86,279
TOTAL LIABILITIES		943,357	932,079
NET ASSETS		3,046,921	2,939,246
ACCUMULATED FUNDS AND RESERVES			
Accumulated funds	18	0	0
Reserves	17	3,046,921	2,939,246
TOTAL ACCUMULATED FUNDS AND RESERVES		3,046,921	2,939,246

The statement of financial position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2001

	Notes	2001 \$	2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts in the course of operations		309,026	337,048
Cash Payments in the course of operations		(4,821,832)	(4,337,389)
Interest received in the course of operations		167,819	185,513
Grants received in the course of operations		4,425,417	4,044,000
Other income received in the course of operations		0	7,633
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	80,430	236,805
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(9,660)	(59,424)
Proceeds from investments		698	907
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(8,962)	(58,517)
Net increase in cash held		71,468	178,288
Add: Opening cash brought forward		2,636,280	2,457,992
CLOSING CASH CARRIED FORWARD	5	2,707,748	2,636,280

The statement of cash flows should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northern Territory Legal Aid Commission was established on 11 June 1990 by the Legal Aid Act 1990. The Commission is subject to the directions of the Minister for the appointment of a Chairman and a Commissioner. The function of the Commission is to provide legal assistance in accordance with this Act. The Commission commenced its activities on 1 July 1990.

PRINCIPAL PLACE OF BUSINESS

The Commission holds its principal place of business at Level 6, 9-11 Cavenagh Street, Darwin.

NO OF EMPLOYEES

The Commission had 39 employees during the year.

BASIS OF ACCOUNTING

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The accounting policies used in the preparation of this report are consistent with previous years and are described below:

- (a) The accounts have been prepared using the accrual basis of accounting including the historical cost convention and the going concern assumption.
- (b) Cost in relation to assets represents the cash amount paid or the fair value of the asset given in exchange. In determining recoverable amount the expected net cash flows have not been discounted to their present value.
- (c) Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

RECLASSIFICATION OF FINANCIAL INFORMATION

The Commission has adopted the presentation and disclosure requirements of Accounting Standards AAS 1 "Statement of Financial Performance", AAS 37 "Financial Report Presentation and Disclosure" and AAS 36 "Statement of Financial Position" for the first time in the preparation of this financial report. In accordance with the requirements of these new/revised Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, liabilities, non-current liabilities or equity, or the net profit/loss of the Commission as reported in the prior year financial report.

GOVERNMENT APPROPRIATION AND GRANTS

Government appropriation and grants are recognised in the revenue and expense statement at the time of their receipt.

All revenue is stated net of the amount of Goods and Services Tax (GST).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost.

Property, plant and equipment purchased for less than \$2,000 during the year have been written off to expense.

DEPRECIATION AND AMORTISATION OF FIXED ASSETS

Property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated/amortised over their expected useful economic lives using the diminishing value method.

Assets are first depreciated or amortised in the year of acquisition or, in respect of internally constructed assets, from the time an asset is held ready for use. Major depreciation rates are:

	2001	2000
Buildings	10%	10%
Leasehold Improvements	30%	30%
Plant & Equipment	20 – 40%	20 – 40%

EMPLOYEE ENTITLEMENTS

Provision is made for the Commission's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

SUPERANNUATION FUND

Contributions made by the Commission to employee superannuation funds are charged as expenses when incurred.

The Commission contributes 7% on behalf of the majority of employees. Employees that commenced on or after 10 August 1999 have their contributions paid directly to their nominated fund. Extra contributions are made by the Commission for those employees that are members of the NT Government Super Scheme.

INCOME TAX

The Northern Territory Legal Aid Commission is a public authority within the meaning of Section 50-25 of the Income Tax Assessment Act 1997 and its income is exempt under the provisions of that Act.

INVESTMENTS

Investments are shown at cost.

LIABILITY ON CURRENT GRANTS IN AID

The Commission changed its policy on 30 June 2000 in respect to the calculation of the amount of the liability brought to account for Grants in Aid for clients' cases that have been referred to private practitioners. In prior years the total value of the commitment outstanding was brought to account. The policy change reflects the requirement of SAC4 by bringing to account as a current liability an estimate of the value of the work completed by private practitioners but not invoiced to the Commission as at 30 June. The estimate has been determined from an analysis of the time taken to complete cases referred to private practitioners and the time periods billed by those practitioners. The difference between this estimate and the total value of the outstanding commitment is shown in note 15.

CONTINGENT ASSETS/LIABILITIES

There were no known contingent assets or contingent liabilities of a significant nature at 30 June 2001.

RESERVES

The Commission maintains reserves that are funded by cash and investments.

Arising from negotiations with the Commonwealth on funding arrangements for the period 2000/01 to 2003/04, it was agreed that the funds set aside under the Commonwealth Expensive Cases Reserve as at 30 June 2000 would be transferred to the Commission.

Following this transfer of funds, the Commission's reserves have been restructured.

The funded reserves are:

- Contingencies NT Expensive Civil Cases Reserve
- Information Technology Development and Replacement Reserve
- NT Expensive Criminal Cases Reserve
- Premises Replacement Reserve
- Employee Entitlements Reserve
- General Contingencies Reserve

CASH AND CASH EQUIVALENTS

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principle amount. Interest is charged as an expense as it accrues.

TRADE AND OTHER RECEIVABLES

Trade receivables are carried at 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-of as incurred.

Receivables from related parties are recognised and carried at the nominal amount due.

TRADE AND OTHER PAYABLES

Liabilities for trade creditors and other amounts carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principle amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

RENDERING OF SERVICES

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

INTEREST

Control of the right to receive the interest payment

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST is not recoverable from the Australian Tax

Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

2. ECONOMIC DEPENDENCE

The Commission is funded predominantly by annual appropriations by the Northern Territory Government and the Commonwealth Government to meet proposed cash expenditure on both operational and capital items in the current financial year. These financial statements have been prepared on a going concern basis in the expectation that such funding will continue.

3. REVENUE FROM ORDINARY ACTIVITIES

	2001 \$	2000 \$
Grant revenue from ordinary activities	4,425,417	4,044,000
Rendering of services revenue from ordinary activities		
- Client contributions	89,989	193,989
- Recovered costs	256,811	245,499
Other revenue from ordinary activities		
- Interest	167,819	154,893
- Others	0	7,633
	4,940,036	4,646,014

4. EXPENSES FROM ORDINARY ACTIVITIES

Depreciation expense	62,632	82,865
Salaries and employee benefits expense	2,378,799	2,188,409
Other expenses from ordinary activities		
- Administration costs	594,687	738,506
- Legal costs	1,486,046	899,438
- Minor assets	85,570	80,878
- Operating lease expenditure	221,364	222,400
Loss on write-off of assets	0	0
Other	3,263	0
	4,832,361	4,212,496

5. CASH

Cash on hand	750	750
Cash at bank	2,696,998	2,635,530
Advance account	10,000	0
	2,707,748	2,636,280

6. RECEIVABLES

	2001 \$	2000 \$
Current		
Trade debtors	52,994	37,045
Less Provision for Doubtful Debts	(8,480)	(7,875)
	44,514	29,170
Interest Receivable	9,411	0
Recoveries Receivable	156,678	163,925
Less Provision for Doubtful Debts	(30,659)	(15,092)
	135,430	148,833
GST Receivable	38,975	3,142
	218,919	181,145

7. INVESTMENTS

Current		
Westpac Banking Corporation Bills - at cost	444,740	445,438

8. OTHER

Current Prepayments		
- Insurances	88,121	26,439
- Rent	20,265	17,619
- Software Licence	996	1,943
	109,382	46,001

9. PROPERTY, PLANT AND EQUIPMENT

Freehold land at cost	140,000	140,000
Buildings – at cost	115,000	115,000
Less: Accumulated depreciation	(71,337)	(66,486)
	43,663	48,514
Leasehold improvements - at cost	168,249	168,249
Less: Accumulated depreciation	(153,878)	(147,719)
	14,371	20,530
Plant and equipment - at cost	429,286	419,626
Less: Accumulated depreciation	(317,831)	(266,209)
	111,455	153,417
TOTAL PROPERTY, PLANT AND EQUIPMENT - NET BOOK VALUE	309,489	362,461

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of property, plant and equipment are set out below:

	2001 \$	2000 \$
Freehold Land		
Carrying amount at beginning of year	140,000	140,000
Additions	0	0
Disposals	0	0
CARRYING AMOUNT AT END OF YEAR	140,000	140,000
Buildings		
Carrying amount at beginning of year	48,514	53,906
Additions	0	0
Disposals	0	0
Depreciation	(4,851)	(5,391)
CARRYING AMOUNT AT END OF YEAR	43,663	48,514
Leasehold Improvements		
Carrying amount at beginning of year	20,530	29,329
Additions	0	0
Disposals	0	0
Depreciation	(6,159)	(8,799)
CARRYING AMOUNT AT END OF YEAR	14,371	20,530
Plant and Equipment		
Carrying amount at beginning of year	153,417	162,668
Additions	9,660	59,424
Disposals	0	0
Depreciation	(51,622)	(68,675)
CARRYING AMOUNT AT END OF YEAR	111,455	153,417

10. PAYABLES

Current		
Accounts payable and accrued expenses	303,121	293,344

11. PROVISIONS

Current		
Employee entitlements - annual leave	214,648	192,701
- long service leave	147,965	89,805
- leave loading	32,894	25,546
	395,507	308,052
Grants in aid	175,165	244,404
	570,672	552,456
Non-Current		
Employee entitlements - long service leave	69,564	86,279

12. SUPERANNUATION COMMITMENTS

Employees' superannuation entitlements are principally provided through the Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS) and the Commonwealth Superannuation Scheme (CSS). Benefits from these schemes are supplemented by an additional '3% productivity' benefit from the Northern Territory Supplementary Superannuation Scheme (NTSSS).

Employee contributions for NTGPASS members are based on an elected rate of 2% to 6% salary. CSS members must contribute 5% of salary and may elect to contribute up to an additional 5% of salary as supplementary contributions. NTSSS benefits are entirely employer funded and do not require employee contributions. As at 30 June 2001 total superannuation commitments amounted to \$190,146 (2000 - \$172,579).

From 10 August 1999, new employees are no longer able to join the above funds and must nominate their own fund into which contributions will be paid.

13. TRUST ACCOUNTS

The Commission operates a solicitor's trust account and the funds are not used in the achievement of its objectives. Therefore, these monies are not brought to account in the financial reports but are disclosed by way of note. The trust account is maintained for verdict and settlement monies held on behalf of legally aided persons. The Commission may recover some costs upon finalisation of these matters. As at 30 June 2001 the trust account had a balance of \$27,634 (2000 - \$10,185).

To satisfy the requirements of the Legal Practitioners Act, the Commission was required to open another Trust Account for the Alice Springs Office. However, no transactions occur on this account and a nil balance is maintained at all times.

14. STATEMENT OF CASH FLOWS

	2001 \$	2000 \$
Reconciliation of net cash used in operating activities to operating surplus		
Operating surplus	107,675	433,518
Depreciation	62,632	82,865
Increase/(Decrease) in provisions	1,501	(413,035)
Increase/(Decrease) in creditors	9,777	206,331
Decrease/(Increase) in receivables	(37,774)	(74,962)
Decrease/(Increase) in prepayments (non-capital)	(63,381)	2,088
NET CASH FLOWS USED IN OPERATING ACTIVITIES	80,430	236,805

15. EXPENDITURE COMMITMENTS

Lease expenditure commitments		
Operating leases (non-cancellable)		
- not later than one year	218,766	202,798
- later than one year but not later than two years	206,790	202,798
- later than two years but not later than five years	0	202,798
Grants In Aid	583,821	602,757
AGGREGATE LEASE EXPENDITURE AND GRANTS IN AID CONTRACTED FOR AT BALANCE DATE BUT NOT PROVIDED FOR	1,009,377	1,211,151

16. OTHER NON-CURRENT ASSETS

CONTINGENCY LEGAL AID FUND

Under Section 44 of the Northern Territory of Australia Legal Aid Act 1990 the Contingency Legal Aid Fund was established towards the end of the 1992/93 financial year. The fund is available to provide financial assistance to eligible persons to enable them to bring or defend civil proceedings. It was set up with a seeding grant from the Law Society Public Purpose Trust. The value of the seeding grant was \$200,000. In 1997, the Commission contributed a further \$200,000 to the Contingency Legal Aid fund which is due and payable on demand by the Commission.

As at the 30 June 2001 the financial position of the fund was as follows:

	2001 \$	2000 \$
Opening balance	517,330	407,506
Income:		
Interest earned	26,673	39,038
Client contributions	200	400
Cost recovered	35,586	108,763
Contingency fees	1,612	9,703
	64,071	157,904
Expenditure:		
Disbursements	63,232	47,957
Bank charges	111	123
	63,343	48,080
Cash balance at year end	518,058	517,330
Less - Clients/grants approved but not paid at year end	125,765	135,411
NET FUNDS AVAILABLE	392,293	381,920

17. RESERVES

NT Expensive Civil Cases Reserve	700,000	700,000
Information Technology Development and Replacement Reserve	400,000	70,000
NT Expensive Criminal Cases Reserve	1,250,000	1,498,938
Commonwealth Expensive Cases Reserve	0	520,665
Premises Replacement Reserve	200,000	0
Employee Entitlements Reserve	465,000	149,643
General Contingencies Reserve	31,921	0
	3,046,921	2,939,246
Movements in reserves		
(a) NT Expensive Civil Cases Reserve (funded)		
Balance at beginning of year	700,000	646,404
Transfer from accumulated funds	0	53,596
BALANCE AT END OF YEAR	700,000	700,000
(b) Information Technology Development and Replacement Reserve (funded)		
Balance at beginning of year	70,000	0
Transfer from accumulated funds	330,000	70,000
BALANCE AT END OF YEAR	400,000	70,000

Continued on next page...

	2001 \$	2000 \$
(c) NT Expensive Criminal Cases Reserve (funded)		
Balance at beginning of year	1,498,938	1,273,947
Transfer to accumulated funds	(248,938)	224,991
BALANCE AT END OF YEAR	1,250,000	1,498,938
(d) Commonwealth Expensive Cases Reserve (funded)		
Balance at the beginning of the year	520,665	497,685
Transfer to Commission	(520,665)	22,980
BALANCE AT THE END OF THE YEAR	0	520,665
(e) Premises Replacement Reserve (funded)		
Balance at the beginning of the year	0	0
Transfer from accumulated funds	200,000	0
BALANCE AT THE END OF THE YEAR	200,000	0
(f) Employee Entitlements Reserve (funded)		
Balance at the beginning of the year	149,643	87,692
Transfer from accumulated funds	315,357	61,951
BALANCE AT THE END OF THE YEAR	465,000	149,643
(g) General Contingencies Reserve (funded)		
Balance at the beginning of the year	0	0
Transfer (to)/from accumulated funds	31,921	0
BALANCE AT THE END OF THE YEAR	31,921	0
18. ACCUMULATED FUNDS		
Accumulated Funds at beginning of year	0	0
Net Profit	107,675	433,518
Transfer to Reserves	(107,675)	(433,518)
ACCUMULATED FUNDS AT END OF YEAR	0	0

19. FINANCIAL INSTRUMENTS

NOTE 19(A). TERMS, CONDITIONS AND ACCOUNTING POLICIES

The commission's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
(I) FINANCIAL ASSETS			
Receivables -trade	6	Trade receivables are carried at nominal amounts less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Fees are on 30 day terms.
Westpac Banking Corporation - Commercial Bills	7	Commercial Bills are carried at nominal amounts.	This amount is invested with Westpac Banking Corporation at a rate between 4.85 – 6.25%pa.
Advances	5	An advance account is set up to cover urgent expenses that are unable to be paid from petty cash. The Advance Account is reimbursed monthly from the Commission's main Operating Account.	Interest earned on this account is deposited into the Operating Account. The interest rate was between 3.83 – 5.44%pa.
Advance to Contingency Legal Aid Fund	16	Long Term Loan.	Due and payable on demand by the Commission.
(II) FINANCIAL LIABILITIES			
Accounts Payable and accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the company.	Trade liabilities are normally settled on 30 day terms.

(B) INTEREST RATE RISK

The Northern Territory's Legal Aid Commission's exposure to interest rate risks and the effective interest rates of the financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating Interest		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 %	2000 %
FINANCIAL ASSETS								
Cash	2,708	2,636			2,708	2,636	4.81	4.58
Receivables - trade (net)			219	181	219	181		
Westpac Banking Corporation Bills	445	445			445	445	5.84	5.00
Prepayments			109	46	109	46		
Advance to Contingency Fund			200	200	200	200		
TOTAL FINANCIAL ASSETS	3,153	3,081	528	427	3,681	3,508		
FINANCIAL LIABILITIES								
Accounts payable and accruals			303	293	303	293		
TOTAL FINANCIAL LIABILITIES			303	293	303	293		

The Commission has no fixed interest financial instruments.

(C) NET FAIR VALUES

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

	Total carrying amount as per the balance sheet		Aggregate net fair value	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
FINANCIAL ASSETS				
Cash	2,708	2,636	2,708	2,636
Receivables - trade (net)	219	181	219	181
Westpac Banking Corporation Bills	445	445	445	445
Prepayments	109	46	109	46
Advance to Contingency Fund	200	200	200	200
TOTAL FINANCIAL ASSETS	3,681	3,508	3,681	3,508
FINANCIAL LIABILITIES				
Accounts payable and accruals	303	293	303	293
TOTAL FINANCIAL LIABILITIES	303	293	303	293

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

(D) RECOGNISED FINANCIAL INSTRUMENTS

Cash, cash equivalents and short-term investments: The carrying amount approximates fair value because of their short-term to maturity.

Trade receivables and payables: The carrying amount approximates fair value.

20. SEGMENT INFORMATION

The organisation operates in one industry segment and one geographic location, being the provision of legal services in the Northern Territory of Australia.

21. ADDITIONAL DISCLOSURES

(I) EXECUTIVE MEMBERS

The Executive members of the Northern Territory Legal Aid Commission during the financial year were:

- D Farquhar
- Dr V Asche
- S Barr
- J Large
- M Lyons
- E Terrill
- R Coates

(II) TRANSACTIONS WITH EXECUTIVE MEMBERS

During the year, surplus legal work has been allocated to legal firms, which some Executive members also hold Executive positions at these legal firms. These transactions are considered to be on an arm's length basis under normal terms and conditions.

22. REMUNERATION OF EXECUTIVE MEMBERS

The following sitting fees were paid to Commissioners during the year:

D Farquhar \$293;

Dr V Asche \$260; and

E Terrill \$333.

23. AUDITOR'S REMUNERATION

Audit services are provided without charge through the office of the Auditor-General.

NORTHERN TERRITORY LEGAL AID COMMISSION OFFICES

LOCATION	POSTAL ADDRESS	TELEPHONE/ FACSIMILE
----------	----------------	-------------------------

DARWIN

6th Floor
9-11 Cavenagh Street
DARWIN NT 0800

Locked Bag 11
DARWIN NT 0801

Ph (08) 8999 3000
Fax (08) 8999 3099

ALICE SPRINGS

77 Hartley Street
ALICE SPRINGS NT 0870

GPO Box 969
ALICE SPRINGS NT 0871

Ph (08) 8951 5377
Fax (08) 8951 5378

KATHERINE

Ground Floor
Government Centre
First Street
KATHERINE NT 0850

GPO Box 145
KATHERINE NT 0851

Ph (08) 8973 8704
Fax (08) 8973 8551

OFFICE HOURS

Monday - Friday
8.00 am - 5.00 pm

FREE CALL TELEPHONE LEGAL INFORMATION:

1800 019 343

WEBSITE ADDRESS:

www.nt.gov.au/ntlac