Northern Territory Legal Aid Commission

ANNUAL REPORT 2001 - 2002

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Northern Territory Legal Aid Commission

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

Dear Attorney-General

I present the Annual Report of the Northern Territory Legal Aid Commission for the year ending 30 June 2002 – a year of change and challenge to which the staff of the Commission have responded very well.

The Commissioners publicly thank Richard Coates, who was appointed the inaugural Director of the Commission on 1 July 1990. Richard remained as Director until November 2001 when he resigned to become the CEO of the Department of Justice.

Richard came to the Commission with a formidable reputation as an advocate, as a magistrate and as a highly talented lawyer with a strong commitment to social justice. He was an inspired choice to lead the planning and establishment of the Commission.

The following 11 years reinforced how very fortunate the Commission and the Northern Territory have been to have had Richard's skills, expertise and experience. He and his tightly knit team set the standards, the direction and hence established and maintained the current reputation and credibility of the Commission, both locally and nationally.

The Commissioners are delighted with the confirmation of Suzan Cox as Director. Suzan is highly respected in the NT legal community and beyond and was the perfect candidate to continue the work of the Commission at the Chief Executive level.

Suzan has had extensive experience as a legal aid advocate and manager. Initially based at Alice Springs with the Central Australian Aboriginal Legal Aid Service in 1985-1987; then at Darwin with the North Australian Aboriginal Legal Aid Service 1990-1991; before joining the NTLAC as Senior Family Lawyer in 1991.

The wisdom of Suzan's appointment as Senior Criminal Counsel of the Commission in 1992 has been reflected in the skill, courage and tenacity of her trial and appellate work, and her continuing commitment to social issues.

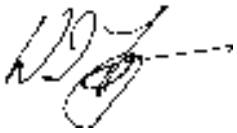
With the changing of the guard, and the consequent restructuring it is likely that Suzan will continue to be heavily involved in serious criminal cases, and thus her considerable advocacy skills will not be lost to NTLAC's clients or the courts.

I also thank the NTLAC staff in Alice Springs, Katherine and Darwin for their prodigious efforts and dedication in the last 12 months, and their positive enhancement of the justice system in the Northern Territory.

I was also pleased to welcome Jenny Blokland as a Commissioner in December 2001 and to congratulate her on her appointment in 2002 as a Darwin Magistrate.

I am very grateful to the continuing Commissioners who have contributed so much of their time, and their diverse skills to the smooth functioning and the governance of the Commission.

Yours sincerely



DAVID FARQUHAR

CHAIRMAN
Northern Territory Legal Aid Commission

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DIRECTOR'S REPORT

It is a pleasure, albeit unexpected at the start of last year, to be writing my first Director's Report following the departure of my friend and colleague Richard Coates who held the position of Director for the past 11 years. Richard left the Commission in November last year to take up the position of Chief Executive Officer of the Department of Justice. Richard did a magnificent job of building the Commission into the efficient and effective provider of legal services to our community that it is today. It is not easy to follow in Richard's footsteps, however, having worked closely with him at the Commission for the past 10 years, I hope to be able to continue to build on Richard's work to ensure the Commission continues to deliver quality legal services to the Northern Territory community.

The past year has also seen the "departure" of the mandatory sentencing legislation for property offences. This has been a welcome relief for those of us in the Northern Territory committed to social justice and particularly for the lawyers working in the Criminal Law Section who have experienced a reduction in workload as a result. There has also been a reduction in the number of people charged with people smuggling offences which has led to a decrease in both duty solicitor appearances and the number of criminal law grants over the past 12 months.

Instead, the Commission has experienced an increased workload in the immigration area. Sadly, inadequate Commonwealth funding provided to deal with immigration cases and the restrictive guidelines imposed by the Commonwealth in this area have hampered the ability of the Commission to meet the ever increasing needs in this area.

The Commission continues to be one of the few remaining Legal Aid Commissions in Australia to provide substantial assistance for civil matters through the Contingency Legal Aid Fund. The Fund provides funding for disbursements to commence or defend civil proceedings where a person would otherwise be unable to afford to do so. However, the Fund requires the goodwill of the legal profession and their ability to be able to undertake cases on a speculative basis and recoup their fees at the end of a matter. It is to be hoped that the current insurance crisis being experienced in Australia does not lead to law reform that will prevent the ability of private lawyers to undertake work on this basis. If this occurs, it will be the financially disadvantaged members of the community who will suffer.

The talented staff of the Commission continue to be its greatest asset and I thank them for their efforts. One employee deserves particular recognition. Gloria Rautamara celebrated 20 years employment with the Commission during the year, having commenced with the office when it was the Australian Legal Aid Office and continued on after the establishment of the NT Legal Aid Commission in 1990.

The Commission has continued to be committed to educating the Northern Territory community about their legal rights, producing high quality publications and delivering legal education to the community. I would like to thank Sally Rush for her valued contribution in this area and wish her well on her departure from the Commission for a well-earned break.

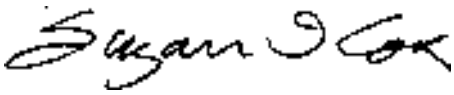
George Georgiou also left the Commission after many years as Solicitor in Charge of our Alice Springs office. George will be sorely missed but we are grateful for all his years of excellent work in Central Australia. George has not been lost to the legal aid world having taken up a position with Victoria Legal Aid in its head office in Melbourne.

Colin Baker as sole solicitor in our Katherine office deserves special recognition for having substantially increased the delivery of legal services in the Katherine region over the last 12 months.

The Commission has continued to be well supported by the Northern Territory private legal profession who provide legal services to Commission clients at a reduced rate. The Commission is grateful for their support at a time when other Legal Aid Commissions in Australia are struggling to find legal practitioners prepared to undertake legal aid work.

During the transition between Richard Coates leaving and the confirmation of my appointment as Director, Patrick Wright's support to me personally and professionally has been invaluable and I take this opportunity to express my appreciation.

Last but not least, the Board of the Commission has continued to provide positive leadership to the Director and the staff throughout the year. I thank them for their support.



SUZAN COX
DIRECTOR
NORTHERN TERRITORY LEGAL AID COMMISSION

2 December 2002

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 of 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., CI Biol.

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 6 community organisations; a member of 8 Boards and editor of *Recent Advances in Microbiology*. President of CWA NT Inc. 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 in 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. From 1996 occupied a Senior Director position in the Northern Territory Treasury and retired from the public service in November 2001. 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.

JENNY BLOKLAND

Jenny graduated from Adelaide University with a Bachelor of Laws in 1980 and completed a Master of Laws in 1990. She was admitted to practice in the Northern Territory in 1981 and worked for Crown Law, NAALAS and the Australian Legal Aid Office. Throughout the 1990s she was a legal academic at NTU and then became General Counsel to the DPP. She practised as a barrister throughout her academic career and went full time to the bar at James Muirhead Chambers in 1990. At the time of her appointment as a Commissioner she was the Director of Policy, Department of Justice. Jenny's appointment to the Commission expired on her appointment as a Magistrate in September 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, 1997-2002. Appointed by the Northern Territory Attorney-General, on the nomination of the Law Society. Originally appointed 29 October 1997. Appointment expires 31 July 2002.

SUZAN COX

Graduated from UNSW with BA., LLB, 1978; LLM (Criminal Law) NYU 1985. 1980-90 Solicitor, Office of the Public Solicitor, Port Moresby, Senior Criminal Solicitor, CAALAS, Senior Criminal Solicitor, NAALAS and practised at the Melbourne Bar. From 1990 until 2002 at NTLAC as Senior Solicitor, Family Law Practice, Senior Counsel, Criminal Law Practice, Deputy Director, Acting Director and appointed Director July 2002.

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 financial position of the Fund appears in Note 16 of the Financial Statements.

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

Suzan Cox — Director

Stuart Barr — Deputy

LAW SOCIETY NOMINEES:

P. Barr	**M. Carter**	**S. Gearin**
I. Morris	**J. Neill**	**R. Pearce**
S. Southwood	**M. Spazzapan**	**E. Terrill**
A. Young	**M. Short**	**S. Pfitzner**
D. McConnell	**C. Spurr**	**P. Lazarus**
B. Priestley	**S. Cleveland**	

COMMISSION APPOINTEES:

S. Reddy **P. Wright**

STATISTICAL INFORMATION

The demands on the fund have been:

	2001/02	2000/01	1999/00	1998/99
Applications Received	**31**	17	24	19
Applications Approved	**20**	13	13	11
Applications Withdrawn	**3**	1	5	2
Applications Refused	**2**	1	5	4
Applications to be Decided	**6**	2	1	2

Since the fund commenced in March 1993 there has been a total of 209 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 2001/02 the Review Committee met on 19 separate occasions to review 22 client requests. The outcome of their deliberations was that 10 decisions were varied in favour of the applicants.

MEMBERSHIP OF THE COMMITTEE

On the 15 March 2002 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
	M. Orwin	S. Sievers	D. Story
	J. Tippett	J. Terry	D. Elliott
Independent person with relevant experience	A. Beven	A. O'Brien	J. Duguid
	K. Halliday	N. Hunter	F. Hussin
	W. Morton	E. Morris	B. Piper
	M. Story	T. Prichard	G. Schneider
Officer of the Commission	S. Barr	L. Bennett	S. Cox
	J. Devlin	E. Harbour	I. Harrison
	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 OFFICER'S 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 PRINCIPAL 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 2002, the following persons were employed:

DIRECTOR

- Suzan Cox BA LLB, LLM

Para Legal Secretary (Part-time)
- Aggie Athanasiou

Executive Officer (National Legal Aid)
- Jenny Hardy BA LLB

DARWIN

ASSIGNMENTS PRACTICE

Manager
- Haley Richardson

Para Legal Support
- Amanda Bamford

CRIMINAL LAW PRACTICE

Senior Solicitor
- Ian Read LLB BEc
- Louise Bennett LLB
- Mark Johnson LLB
- Helen Spowart BA LLB, Grad Dip (Legal Practice)
- Julie Condon BA LLB (Hons), LLM
- Isabelle Harrison LLB

Articled Clerk
- Helena Blundell 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)

Articled Clerk
- Jonathon Kneebone BA LLB(Hons)

Para Legal Secretary /Child Support
- Melinda Naismith

Para Legal Secretary
- Sue Gowler

COMMUNITY LEGAL EDUCATION

- Samantha Willcox BA (Organisational Communications), Grad Dip Ed

STRATEGIC AND CORPORATE SERVICES

Legal Practice Manager
- Patrick Wright BA (Computing), Grad Dip Ed, CPA

Accounts Officer
- Barbara Lelli BBus (Accounting) ASA

Personnel/Accounts
- Leeanne Morris

Accounts Clerk
- Karen Markos

Projects Officer
- Sue Reddy

Administration Officer
- Lucia Vorrasi

Administration Officer
- Mark Wright

Administration Officer
- Vanessa Bamford

Administration Officer
- Laura Sullivan (maternity leave)

Office Services
- Jeanon Cubillo

Librarian (Part-time)
- Jane Hill

ALICE SPRINGS

Senior Solicitor — Russell Goldflam BA BLEGS (Hons), Grad Dip Ed
- John Kelly LLB
- Anthony Hopkins LLB

Para Legal Support — WendyVismans
Para Legal Support — Ruth McRae
Librarian (Part-time) — Jodie Siebert

KATHERINE

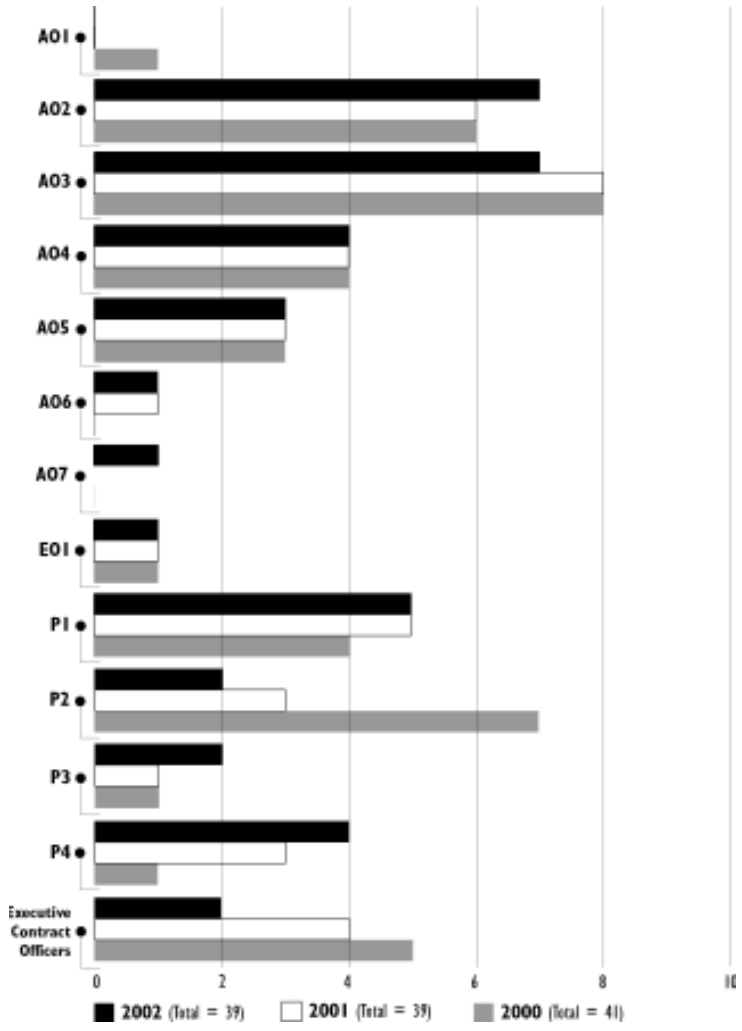
Solicitor — Colin Baker Dip of Law
Para Legal Secretary — Jodie Ah Chin
Para Legal Secretary Support — Cassie Lamb

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 2002 were:



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

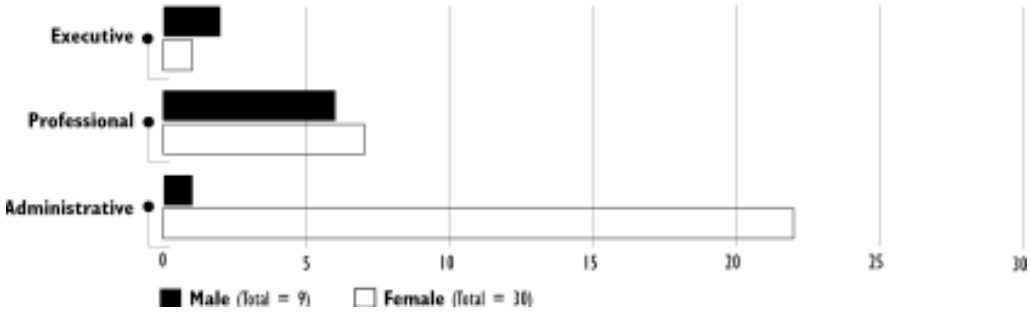
RESIGNATIONS/LEAVE WITHOUT PAY

During the year 3 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:



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:

- Assisted the Law Society Trial of the Century in Alice Springs
- NT Law Handbook (3rd Edition), Contributor
- NT Magistrates Cross-Cultural Awareness Training Program, presented a paper
- Alice Springs Youth Accommodation and Supper Services Management Committee, Chairman
- Central Australian Aboriginal Legal Aid Service, staff performance appraisal program
- Central Australian Youth Justice, member
- Alice Springs Correctional Centre Education Program, guest lecturer
- Drug and Alcohol Services Association, Alice Springs, member
- Darwin Community Legal Service Management Committee, committee member
- Multicultural Council NT, secretary
- NAATI Regional Advisory Committee, member
- Multicultural Council's Family Law Workshop, prepared a talk
- Child Support Agency Public Forum, prepared a talk
- Alternative Law Journal, NT Editorial Committee
- Top End Women's Legal Service, volunteer, management committee member & human resource sub committee member
- NT Women Lawyers Association, member
- Portuguese/Timorese Association, information session
- Australia/Burma Friendship Association, member
- Northern Territory Dispute Resolution Association, member
- Planet Organic Darwin, member

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:

- Federation of Ethnic Communities Council National Conference
- National Editorial Meeting
- Migration Agent, course
- Relationships Australia Family Mediation Service, mediation training
- Child focussed Family Law Practice Training

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

OCCUPATIONAL HEALTH AND SAFETY

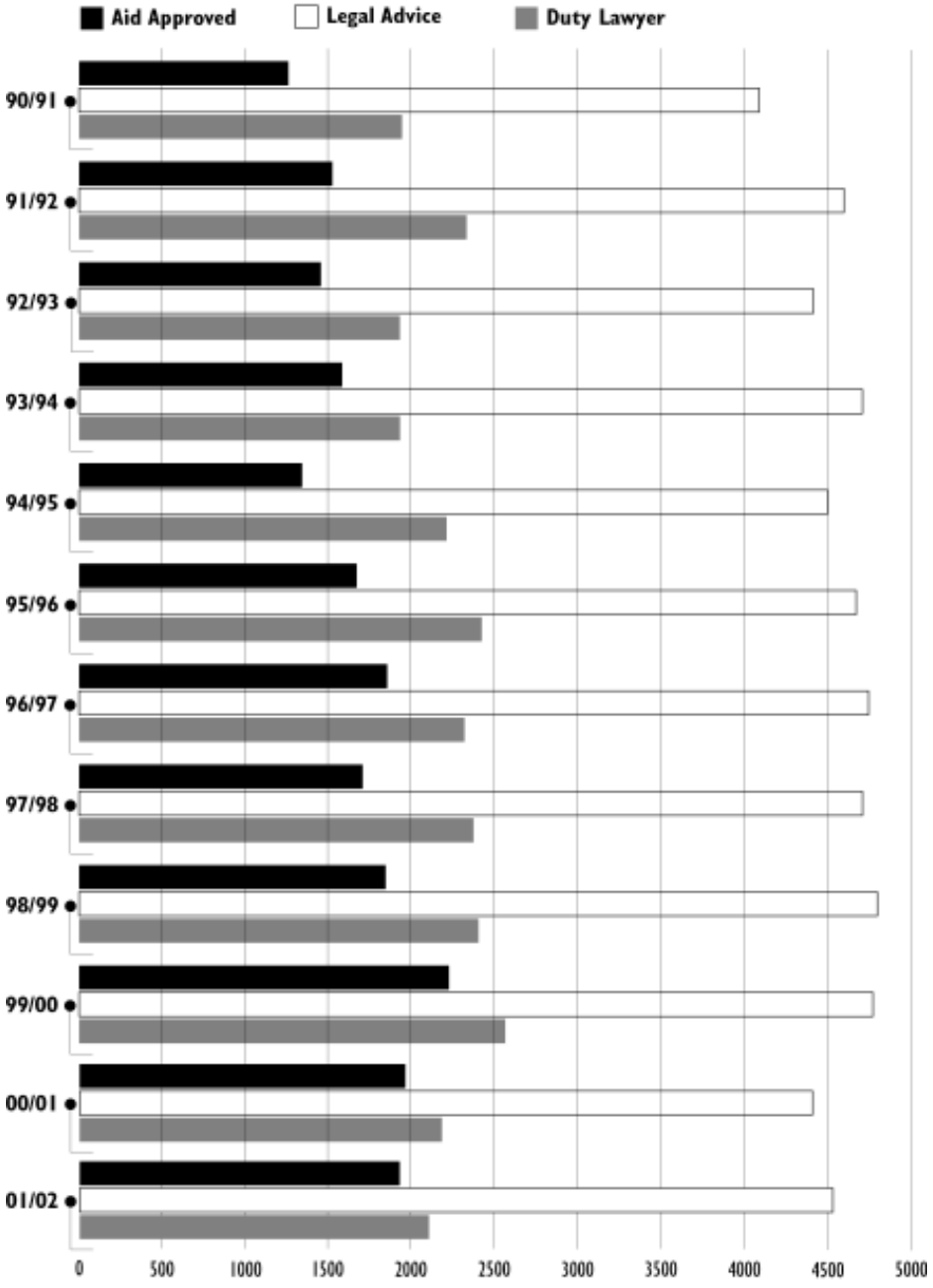
During the year there were no work-related accidents. A tobacco free environment exists. Employees are encouraged to adopt safe working practices.

ACHIEVEMENTS

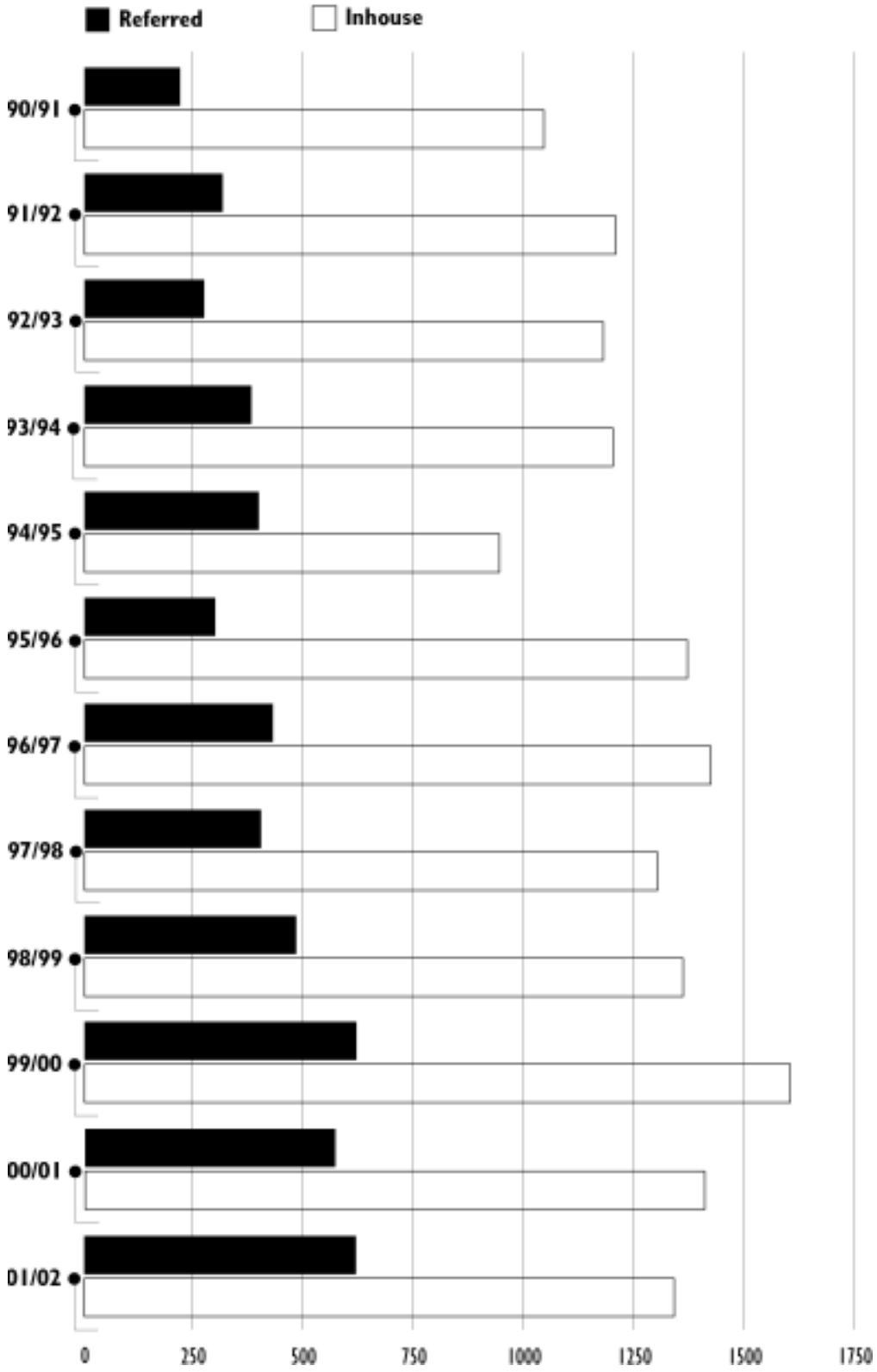
During the year:

- 2323 applications for aid were processed.
- 1959 applications for aid were approved.
- 617 approved applications for aid were referred to private practitioners.
- 1342 approved applications for aid was handled by Commission staff.
- 4603 persons received free legal advice.
- 2149 persons received advice and/or were represented by Duty Lawyers.
- 3896 persons accessed the free telephone legal information service.

PRIOR YEARS COMPARATIVE



REFERRED:INHOUSE MATTERS



PERFORMANCE

PERFORMANCE INDICATORS 1997/98 TO 2001/02

	97/98	98/99	99/00	00/01	01/02	TARGET
Population	89200	191400	194500	196300	199600	
Estimated No. of Clients	12255	11955	11894	11928	12607	
PER 1000 HEAD OF POPULATION						
Legal Advice Provided	24.87	25.06	24.51	22.79	23.06	**26**
Duty Lawyer Services	12.52	12.53	13.16	11.24	10.77	**14**
Applications for Legal Aid						
Received	11.01	11.34	13.17	11.89	11.64	
Approved	9.00	9.62	11.42	10.12	9.81	**12**
Refused	1.91	1.62	1.66	1.75	1.75	
Telephone Legal Information Clients	18.38	15.25	12.05	16.59		**19**
Estimated Clients	64.77	62.46	61.15	60.76	63.16	
CUMULATIVE % OF ACCOUNTS PAID						
Within 5 days	80.56	79.42	82.25	90.04	98.98	**85**
Within 10 days	93.27	95.13	96.26	97.76	99.65	**99**
Within 15 days	96.87	98.54	98.64	99.66	99.93	
Within 20 days	97.74	98.95	99.72	99.69	99.97	**100**
Within 30 days	99.35	98.78	99.85	99.97	100.00	

OUTPUT STATISTICS

MEASURING THE ATTAINMENT OF THE COMMISSION'S OBJECTIVES

SUMMARY OF MAJOR ACTIVITIES

	97/98	98/99	99/00	00/01	01/02
Applications for Aid Processed	2083	2170	2561	2391	**2323**
Applications for Aid Approved	1703	1841	2222	1974	**1959**
Applications for Aid Refused	362	311	323	394	**349**
Free Advice Sessions	4712	4796	4769	4465	**4603**
Duty Lawyer Services	2369	2399	2560	2232	**2149**
Telephone Information Clients	33477	2919	3245	3257	**3896**
Payments to Private Practitioners ($)	900894	106033	1222564	1554939	**1614182**

NET PAYMENTS TO PRIVATE PRACTITIONERS

Referred Cases					
Family	242787	337306	407270	577847	**600412**
Criminal	147677	138366	133300	116622	**233348**
Civil	188047	327007	315414	327317	**416203**
Inhouse Cases (Counsel Fees)					
Family	25662	14093	34034	91022	**66962**
Criminal	236367	191898	225239	314301	**231552**
Civil	33525	6457	76567	72473	**20757**
Duty Solicitor	10900	3013	12120	22102	**15716**
Locums	45929	42193	18620	33255	**29232**
TOTAL	**900894**	**1060333**	**1222564**	**1554939**	**1614182**

APPLICATIONS APPROVED AND REFERRED TO PRIVATE PRACTITIONERS

Family	179	205	288	217	**266**
Criminal	115	108	117	114	**46**
Civil	114	159	206	218	**305**
TOTAL	**401**	**481**	**618**	**549**	**617**

APPLICATIONS APPROVED AND HANDLED BY COMMISSION STAFF

Family	289	266	320	282	**273**
Criminal	929	963	1156	1072	**1029**
Civil	84	131	128	71	**40**
TOTAL	**1302**	**1360**	**1604**	**1425**	**1342**

FREE ADVICE SESSIONS

Family	1620	1494	1635	1714	1719
Criminal	1293	1605	1360	1239	1242
Civil	1799	1697	1751	1650	1642
TOTAL	**4712**	**4796**	**4746**	**4603**	**4603**

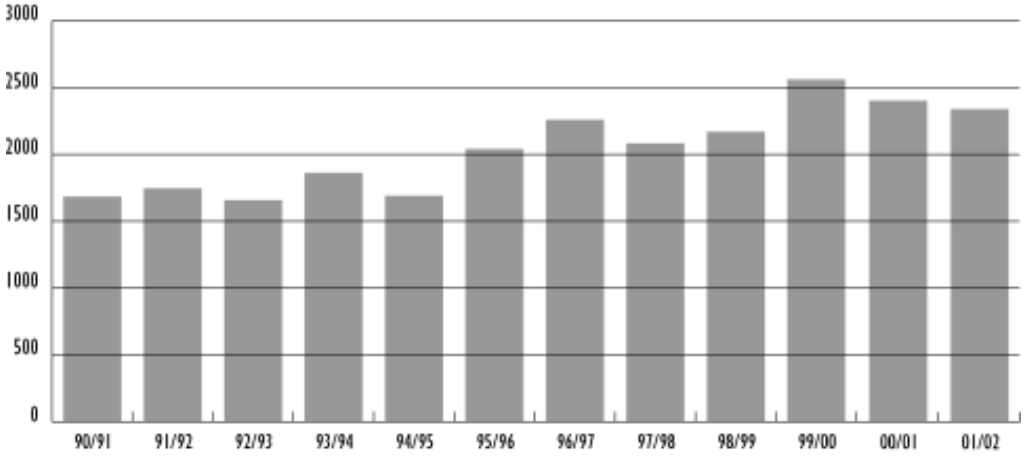
DUTY LAWYER SERVICES

Advice Only	686	695	614	622	389
Representation	101	102	57	55	12
Plea	63	64	226	111	277
Advice & Representation	1464	1482	1618	1410	1444
Negotiations	9	9	17	32	13
Other	46	47	28	2	14
TOTAL	**2369**	**2399**	**2560**	**2232**	**2149**

APPLICATIONS FOR AID

SUMMARY

PROCESSED



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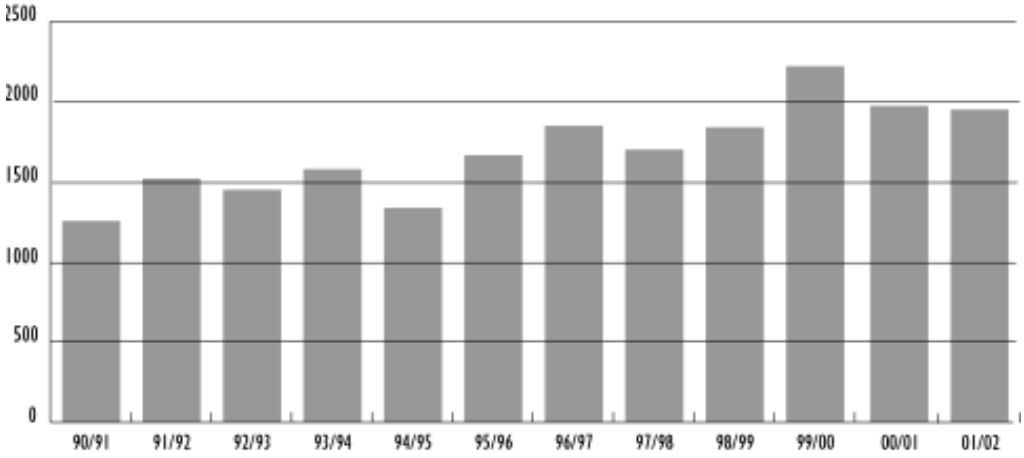

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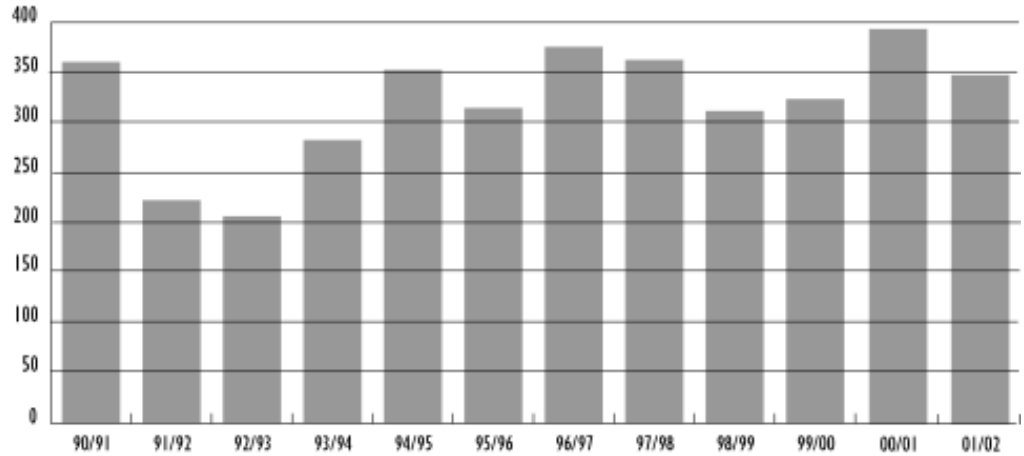

FAMILY LAW

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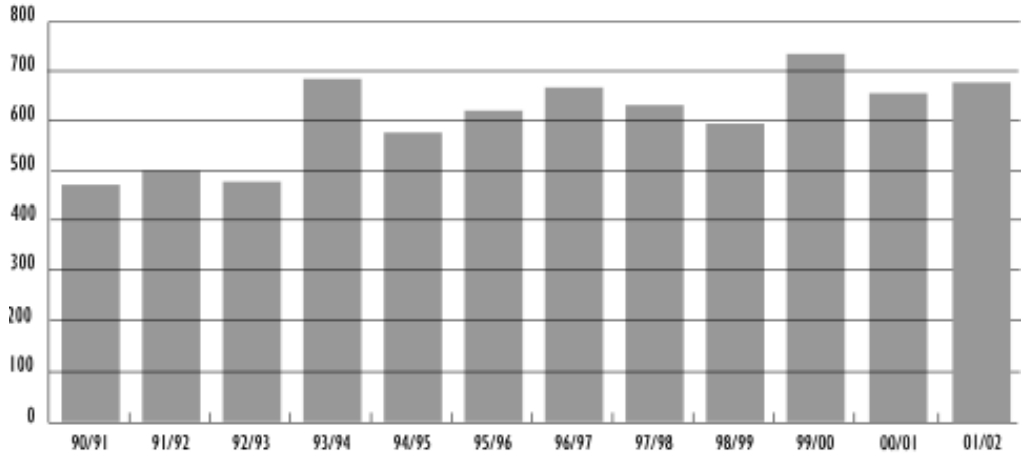

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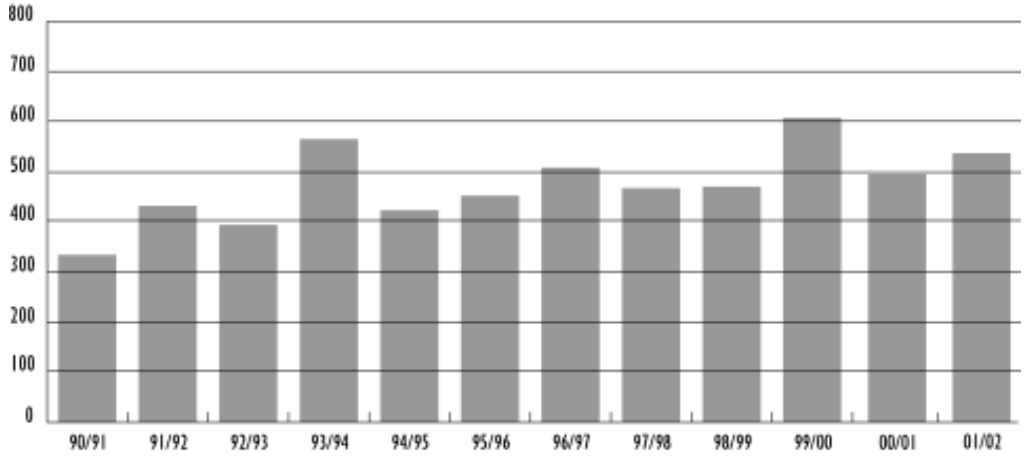

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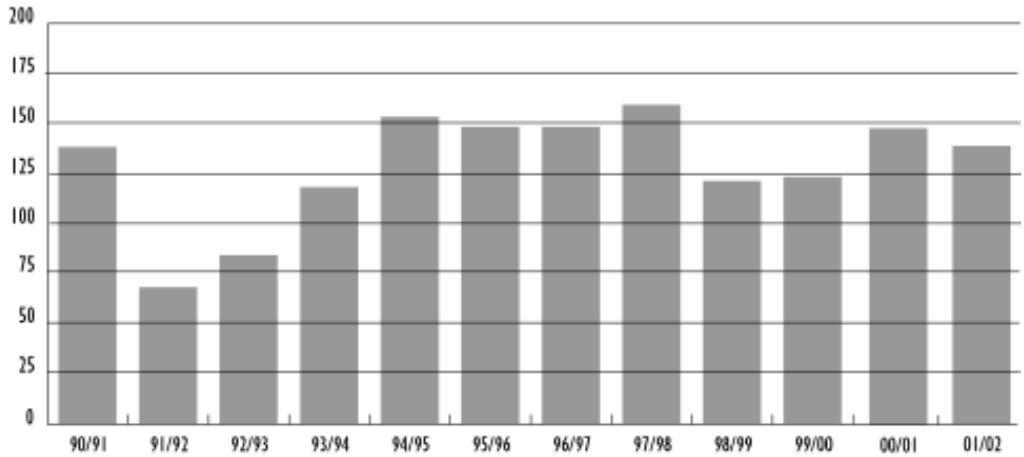
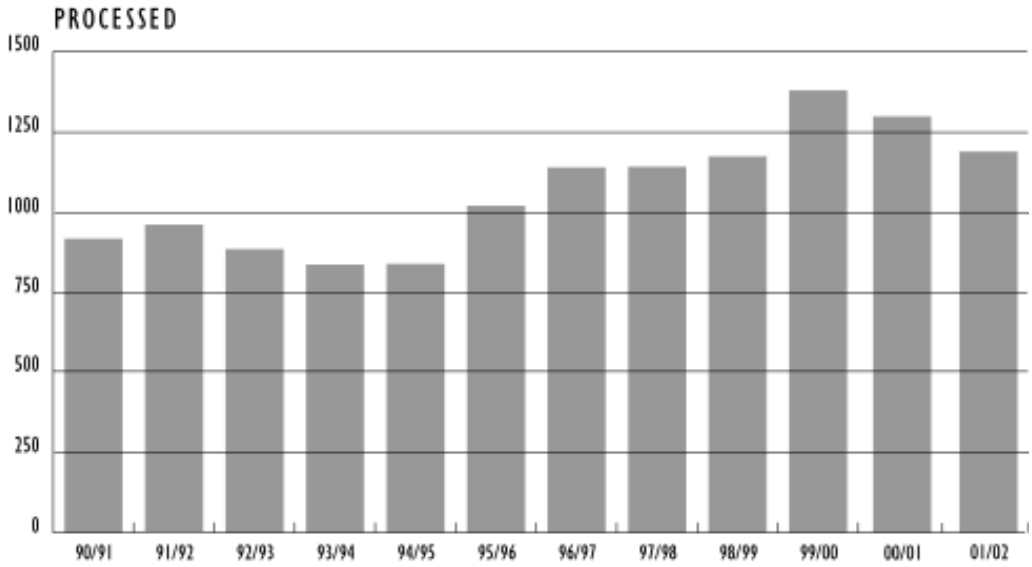
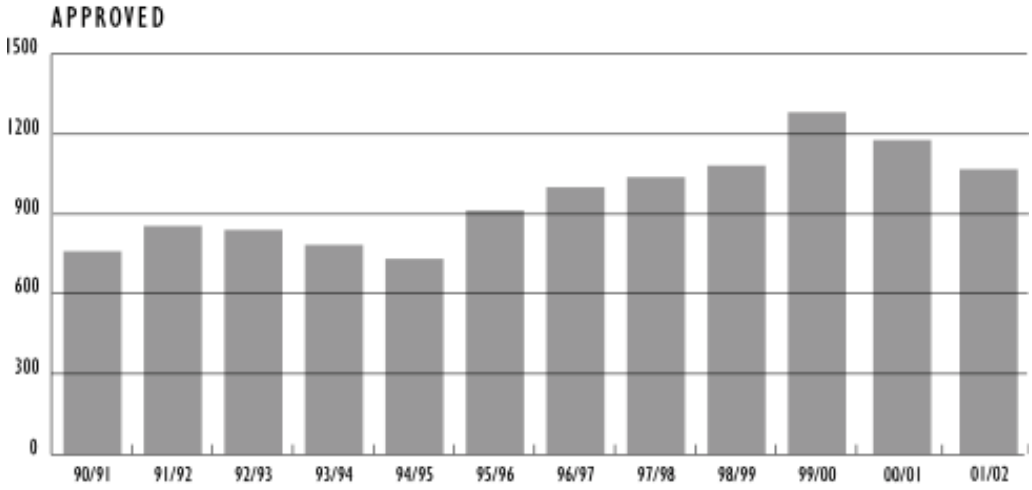
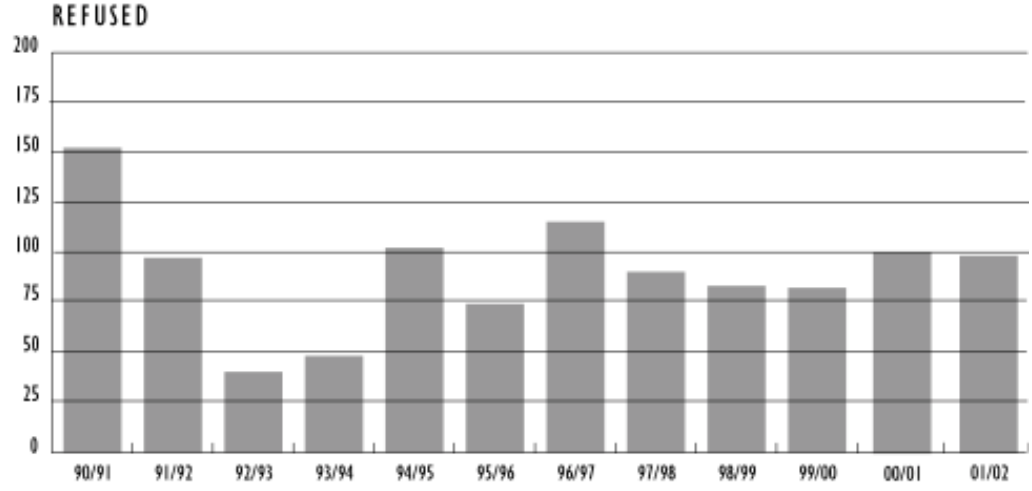


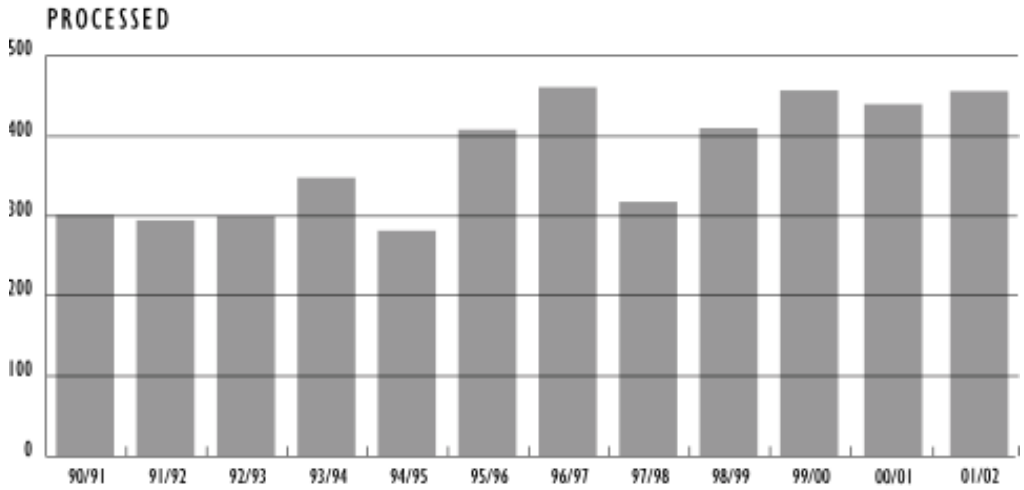
CRIMINAL LAW







CIVIL LAW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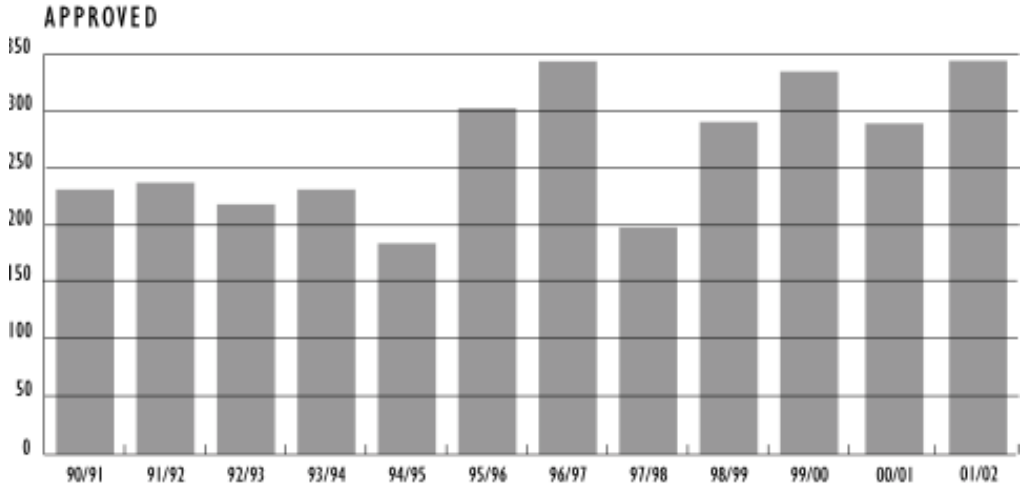
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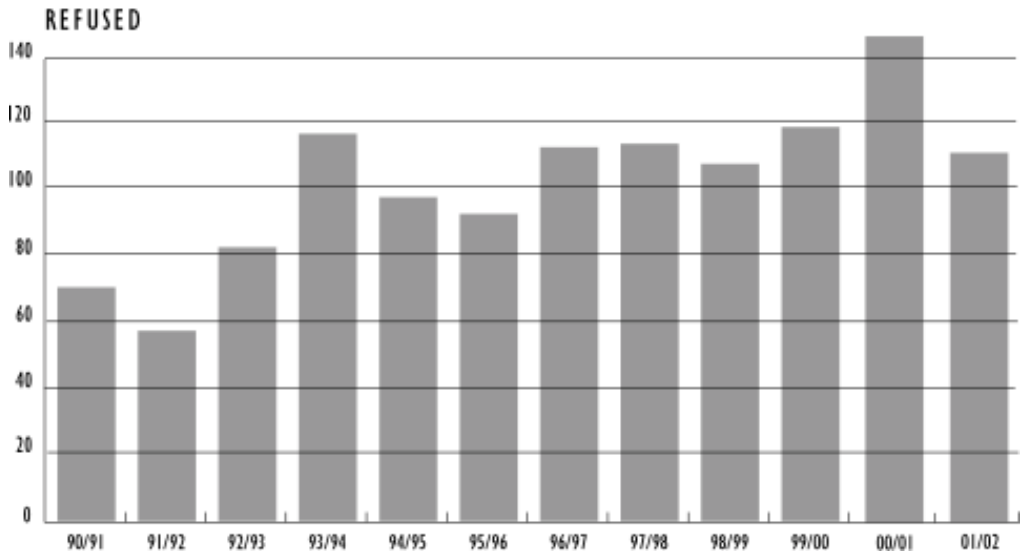
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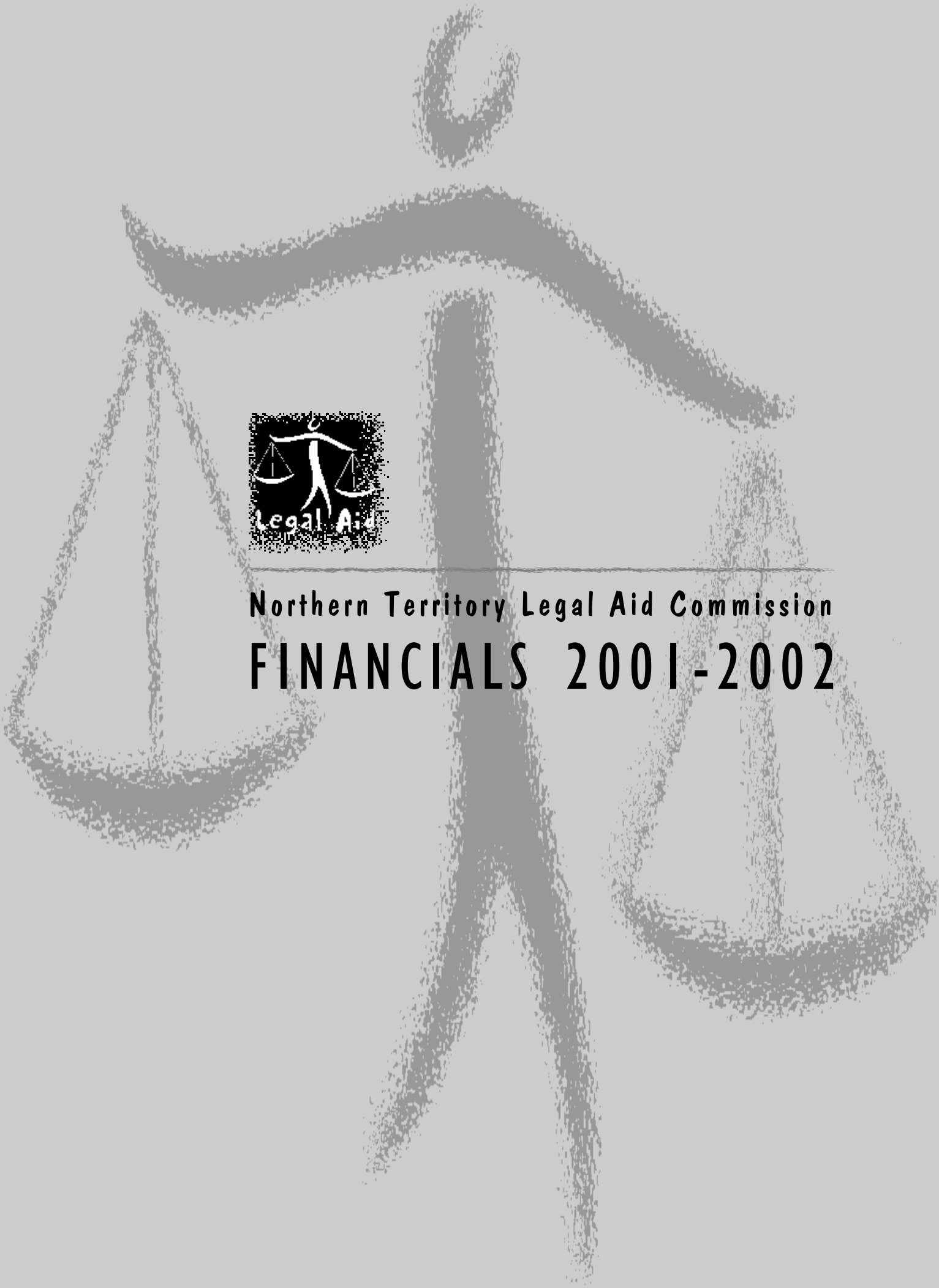

Northern Territory Legal Aid Commission

FINANCIALS 2001-2002

COMMENTS

ON FUNDING ARRANGEMENTS, FINANCIAL STATEMENTS AND FINANCIAL PERFORMANCE

FUNDING OF THE COMMISSION

During 2001/02 the Commonwealth and the Northern Territory Governments continued to fund the Commission under the Funding Agreements that were signed in October 2000. The Commonwealth funds the Commission for only those matters that arise under Commonwealth legislation and the Northern Territory's funding is allocated to matters arising under Northern Territory legislation.

As the Commission is on a fixed funding arrangement, any surpluses generated are retained. This allows the Commission to ensure that its objectives are achievable without the need for further funding assistance from either arm of Government.

FINANCIAL PERFORMANCE

This financial year the Commission was able to generate a surplus of $660,499. Part of the surplus is attributed to the Commonwealth Government prepaying a portion of its grant funding ($201,800) for 2002/03 financial year.

The table below presents the percentage distribution of expenses incurred and revenue earned from 1994/95.

PERCENTAGE OF TOTAL EXPENDITURE

	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02
PERCENTAGE OF TOTAL EXPENDITURE								
Personnel Costs	37.93	38.86	45.61	46.89	50.17	51.95	49.28	**44.72**
Administration Costs	16.91	19.19	20.54	21.60	19.71	22.81	16.87	**21.39**
Legal Costs	39.93	36.71	27.94	25.94	25.56	21.35	30.78	**31.19**
Minor Assets	1.93	2.30	2.66	2.05	2.17	1.92	1.77	**1.81**
Depreciation	3.30	2.94	3.25	3.52	2.39	1.97	1.30	**0.89**
PERCENTAGE OF TOTAL REVENUE								
Commonwealth	61.31	53.31	61.04	49.36	44.91	43.28	42.94	**41.60**
NT Government	22.47	23.20	26.81	38.88	43.46	40.53	38.76	**34.42**
Commonwealth Other						3.23	7.97	**9.84**
Total Government Funding	83.78	76.51	87.85	88.24	88.37	87.04	89.67	**85.86**
Contributions and Recovered Costs	13.63	20.75	9.91	8.69	8.09	9.46	6.93	**9.52**
Interest Earned	2.59	2.38	2.10	2.20	3.49	3.33	3.40	**2.56**
Other	0.00	0.36	0.14	0.87	0.05	0.16	0.00	**2.06**
TOTAL SELF-GENERATED	**16.22**	**23.49**	**12.15**	**11.76**	**11.63**	**12.96**	**10.33**	**14.14**

FINANCIAL ANALYSIS

EXPENDITURE

Personnel costs include salaries and associated costs for administration and professional staff. The amount expended has decreased slightly this financial year. During the year several employees who had been employed for 10 years or more left. This lead to a 22.24% decrease in total long service leave provision.

Administration costs include such payments as information technology charges, telecommunications, official travel and insurance premiums. Overall there has been an increase this year in comparison to last financial year but, when compared with previous financial years, has remained stable.

Though the Commission has a number of inhouse solicitors certain cases are referred out to private practitioners due to conflicts or staffing limitations. Legal costs include the payments to private practitioners as well as disbursements incurred on inhouse matters. The increase is a result of more cases being referred out to private practitioners than last financial year.

Minor assets include purchases that do not satisfy the definition of a major asset, i.e. under $2,000, and are therefore not depreciated over their useful life. The increase this financial year is attributed to an increase in library purchases.

Depreciation is calculated using the diminishing value method. This allocates a greater portion of depreciation early in the assets life. The further decrease in depreciation is a result of the Commission not incurring any substantial capital expenditure until the latter end of the financial year.

REVENUE

The percentage of total government funding to total funding has decreased this financial year with Contributions and Recovered Costs and Other taking a greater portion.

Total Commonwealth grants increased as a result of additional one-off funding arrangements received for people smugglers and expensive cases that were incurred during the year. Recovered Costs saw a significant increase by 79% this financial year. Though a small portion can be attributable to funds received in relation to expensive cases the majority was a direct result of the Commission being able to recover its costs from clients.

Interest revenue will fluctuate depending upon the interest rates applicable during the period.

Other revenue includes monies received from other Australian Legal Aid Commissions, as recovery of costs incurred by NT Legal Aid Commission on behalf of National Legal Aid.

ASSETS

The amount of cash held has increased this financial year as a result of tighter controls over expenditure and prudent financial management.

The Commission's receivables have decreased due to improved internal controls and monitoring of accounts outstanding.

The increase in assets is due to several large purchases that occurred in June 2002 to update our information technology environment plus an increase in cash holdings.

LIABILITIES

Total liabilities have increased by $124,000 this financial year, with the most significant change occurring in the provision for grants in aid.

EQUITY

As has been the practice in prior years, a portion of the surplus has been transferred to Reserves. This year the Commission has retained a portion of the surplus in accumulated funds. This brings the Commission's total accumulated funds and reserves to $3,707,420.

GENERAL PURPOSE FINANCIAL STATEMENTS

30 JUNE 2002

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STATEMENT OF FINANCIAL POSITION 34

STATEMENT OF CASH FLOWS 35

NOTES TO THE FINANCIAL STATEMENTS 36

AUDITOR-GENERAL

AUDITOR-GENERAL'S REPORT TO THE ATTORNEY-GENERAL

NORTHERN TERRITORY LEGAL AID COMMISSION
YEAR ENDED 30 JUNE 2002

Scope

I have audited the accompanying financial report of the Northern Territory Legal Aid Commission for the year ended 30 June 2002, comprising Statement by Director, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and associated 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 misstatement. 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 Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the Legal Aid Act so as to present a view which is consistent with my understanding of the Northern Territory Legal Aid Commission's financial position, its financial performance and its cash flows.

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

Qualification

NT Legal Aid Commission has reported in Note 11 to the financial statements, details of a provision for Grants in aid of $360,945. I was unable to obtain sufficient appropriate audit evidence to support this provision or the associated expense. Accordingly, I am unable to form an opinion on the validity of the provision for Grants in aid reported within the financial statements.

Qualified Audit Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been determined had the limitation discussed in the qualification paragraph not existed, the financial report presents fairly the financial position of the Northern Territory Legal Aid Commission as at 30 June 2002, its financial performance and its cash flows for the year ended on that date in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the Legal Aid Act.

H M Blake
Auditor-General for the Northern Territory
Darwin, Northern Territory

26 November 2002

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7145

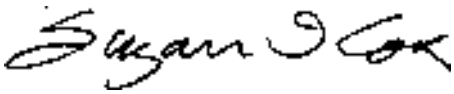
STATEMENT BY DIRECTOR

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 2002, 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 22nd day of November 2002.



Suzan Cox
DIRECTOR

STATEMENT OF FINANCIAL PERFORMANCE

YEAR ENDED 30 JUNE 2002

	Notes	2002 $	2001 $
Revenue from ordinary activities	3	5,836,456	4,940,036
Depreciation expense	4	(46,016)	(62,632)
Salaries and employee benefits expense		(2,314,681)	(2,378,799)
Legal Expense		(1,614,181)	(1,486,046)
Administration Expense		(827,019)	(594,687)
Other expenses from ordinary activities		(374,060)	(310,197)
NET PROFIT AND TOTAL CHANGES IN EQUITY		**660,499**	**107,675**

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 2002

	Notes	2002 $	2001 $
CURRENT ASSETS			
Cash	5	3,410,673	2,707,748
Receivables	6	184,491	218,919
Investments	7	448,390	444,740
Other	8	57,725	109,382
TOTAL CURRENT ASSETS		**4,101,279**	**3,480,789**
NON-CURRENT ASSETS			
Property, plant and equipment	9	472,904	309,489
Other	16	200,000	200,000
TOTAL NON-CURRENT ASSETS		**672,904**	**509,489**
TOTAL ASSETS		**4,774,183**	**3,990,27**
CURRENT LIABILITIES			
Payables	10	262,749	303,121
Provisions	11	731,988	570,672
TOTAL CURRENT LIABILITIES		**994,737**	**873,793**
NON-CURRENT LIABILITIES			
Provisions	11	72,026	69,564
TOTAL NON-CURRENT LIABILITIES		**72,026**	**69,564**
TOTAL LIABILITIES		**1,066,763**	**943,357**
NET ASSETS		**3,707,420**	**3,046,921**
ACCUMULATED FUNDS AND RESERVES			
Accumulated funds	18	407,420	0
Reserves	17	3,300,000	3,046,921
TOTAL ACCUMULATED FUNDS AND RESERVES		**3,707,420**	**3,046,921**

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 2002

	Notes	2002 $	2001 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts in the course of operations		710,535	309,026
Interest received in the course of operations		149,363	167,819
Grants received in the course of operations	3	5,010,986	4,425,417
Total Cash Inflows		5,870,884	4,902,262
Cash Payments in the course of operations		(4,954,878)	(4,821,832)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**14**	**916,006**	**80,430**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(209,431)	(9,660)
Proceeds from investments		(3,650)	698
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(213,081)**	**(8,962)**
Net increase in cash held		702,925	71,468
Add: Opening cash brought forward		2,707,748	2,636,280
CLOSING CASH CARRIED FORWARD	**5**	**3,410,673**	**2,707,748**

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

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2002

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 (2001 – 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.

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:

	2002	2001
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 and annual leave have been measured at their nominal value. Both current and non-current leave are measured at their net present value.

SUPERANNUATION ARRANGEMENTS

Contributions made by the Commission to employee superannuation funds are expensed.

The Commission contributes 8% 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 Superannuation 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 valued at cost.

LIABILITY ON CURRENT GRANTS IN AID

The Commission brings 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.

RESERVES

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

The Commission's reserves have been restructured to remove employee entitlements and general contingencies reserves. The balances were redistributed among the remaining reserves.

The funded reserves are:

- NT Expensive Criminal Cases Reserve
- NT Expensive Civil Cases Reserve
- Information Technology Development and Replacement Reserve
- Premises Replacement & Maintenance 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.

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-off 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 are 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 Commission.

Payables to related parties are carried at the principal 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 from 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

	2002 $	2001 $
Grant revenue from ordinary activities		
- NT	2,009,000	1,913,000
- Commonwealth	3,001,986	2,512,417
Rendering of services revenue from ordinary activities		
- Client contributions	95,478	89,989
- Recovered costs	460,431	256,811
Other revenue from ordinary activities		
- Interest	149,363	167,819
- Others	120,198	0
	5,836,456	**4,940,036**

4. EXPENSES FROM ORDINARY ACTIVITIES

Depreciation expense	46,016	62,632
Salaries and employee benefits expense	2,314,681	2,378,799
Other expenses from ordinary activities		
- Administration costs	827,019	594,687
- Legal costs	1,614,181	1,486,046
- Minor assets	93,824	85,570
- Operating lease expenditure	278,418	221,364
Other	1,818	3,263
	5,175,957	**4,832,361**

5. CASH

Cash on hand	850	750
Cash at bank	3,399,823	2,696,998
Advance account	10,000	10,000
	3,410,673	**2,707,748**

6. RECEIVABLES

	2002 $	2001 $
Current		
Trade debtors	53,733	52,994
Less Provision for Doubtful Debts	(6,319)	(8,480)
	47,414	**44,514**
Recoveries Receivable	112,592	156,678
Less Provision for Doubtful Debts	(30,659)	(30,659)
	81,933	**126,019**
Interest Receivable	11,309	9,411
GST Receivable	43,835	38,975
	184,491	**218,919**

7. INVESTMENTS

Current		
Westpac Banking Corporation Bills - at cost	**448,390**	**444,740**

8. OTHER

Current Prepayments		
- Insurances	30,277	88,121
- Rent	18,867	20,265
- Software Licence	7,917	996
- Other	664	0
	57,725	**109,382**

9. PROPERTY, PLANT AND EQUIPMENT

Freehold land at cost	**140,000**	**140,000**
Buildings – at cost	120,982	115,000
Less: Accumulated depreciation	(158,174)	(153,878)
	44,927	**43,663**
Leasehold improvements - at cost	168,249	168,249
Less: Accumulated depreciation	(158,174)	(153,878)
	10,075	**14,371**
Plant and equipment - at cost	632,735	429,286
Less: Accumulated depreciation	(354,833)	(317,831)
	277,902	**111,455**
TOTAL PROPERTY, PLANT AND EQUIPMENT - NET BOOK VALUE	**472,904**	**309,489**

RECONCILIATIONS

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

	2002 $	2001 $
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	43,663	48,514
Additions	5,982	0
Disposals	0	0
Depreciation	(4,718)	(4,851)
CARRYING AMOUNT AT END OF YEAR	**44,927**	**43,663**
Leasehold Improvements		
Carrying amount at beginning of year	14,371	20,530
Additions	0	0
Disposals	0	0
Depreciation	(4,296)	(6,159)
CARRYING AMOUNT AT END OF YEAR	**10,075**	**14,371**
Plant and Equipment		
Carrying amount at beginning of year	111,455	153,417
Additions	203,449	9,660
Disposals	0	0
Depreciation	(37,002)	(51,622)
CARRYING AMOUNT AT END OF YEAR	**277,902**	**111,455**

10. PAYABLES

Current		
Accounts payable and accrued expenses	**262,749**	**303,121**

11. PROVISIONS

Current		
Employee entitlements		
- annual leave	229,026	214,648
- long service leave	97,121	147,965
- leave loading	39,096	32,894
	365,243	**395,507**
Fringe Benefits Tax	5,800	0
Grants in aid	360,945	175,165
	731,988	**570,672**
Non-Current		
Employee entitlements - long service leave	72,026	69,564

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 2002 total superannuation commitments amounted to $223,617 (2001 - $190,146).

From 10 August 1999, new employees will be unable 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 2002 the trust account had a balance of $ 5,043 (2001 - $27,634).

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

	2002 $	2001 $
Reconciliation of net cash used in operating activities to operating surplus		
Operating surplus	660,499	107,675
Depreciation	46,016	62,632
Increase/(Decrease) in provisions	163,778	1,501
Increase/(Decrease) in creditors	(40,372)	9,777
Decrease/(Increase) in receivables	34,428	(37,774)
Decrease/(Increase) in prepayments (non-capital)	51,657	(63,381)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**916,006**	**80,430**

15. EXPENDITURE COMMITMENTS

Lease expenditure commitments		
Operating leases (non-cancellable)		
- not later than one year	207,452	218,766
- later than one year but not later than two years	0	206,790
- later than two years but not later than five years	0	0
Grants In Aid	688,045	583,821
AGGREGATE LEASE EXPENDITURE AND GRANTS IN AID CONTRACTED FOR AT BALANCE DATE BUT NOT PROVIDED FOR	**895,497**	**1,009,377**

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 2002 the financial position of the Fund, which is managed by the Commission, was as follows:

	2002 $	2001 $
Opening balance	518,058	517,330
Income:		
Interest earned	17,725	26,673
Client contributions	2,390	200
Cost recovered	45,727	35,586
Contingency fees	9,973	1,612
	75,815	**64,071**
Expenditure:		
Disbursements	137,296	63,232
Bank charges	147	111
	137,443	**63,343**
Cash balance at year end	456,429	518,058
Less - Clients/grants approved but not paid at year end	125,765	135,411
NET FUNDS AVAILABLE	**336,036**	**392,293**

17. RESERVES

NT Expensive Civil Cases Reserve	850,000	700,000
Information Technology Development and Replacement Reserve	400,000	400,000
NT Expensive Criminal Cases Reserve	1,500,000	1,250,000
Premises Replacement and Maintenance Reserve	550,000	200,000
Employee Entitlements Reserve	0	465,000
General Contingencies Reserve	0	31,921
	3,300,000	**3,046,921**
Movements in reserves		
(a) NT Expensive Civil Cases Reserve (funded)		
Balance at beginning of year	700,000	700,000
Redistribution from General Contingencies reserve	31,921	0
Redistribution from Employee Entitlements reserve	118,079	0
BALANCE AT END OF YEAR	**850,000**	**700,000**

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	2002 $	2001 $
(b) Information Technology Development and Replacement Reserve (funded)		
Balance at beginning of year	400,000	70,000
Transfer from accumulated funds	0	330,000
BALANCE AT END OF YEAR	**400,000**	**400,000**
(c) NT Expensive Criminal Cases Reserve (funded)		
Balance at beginning of year	1,250,000	1,498,938
Redistribution from Employee Entitlements reserve	250,000	(248,938)
BALANCE AT END OF YEAR	**1,500,000**	**1,250,000**
d) Premises Replacement & Maintenance Reserve (funded)		
Balance at the beginning of the year	200,000	0
Redistribution from Employee Entitlements reserve	96,921	0
Transfer from accumulated funds	253,079	200,000
BALANCE AT THE END OF THE YEAR	**550,000**	**200,000**
(e) Employee Entitlements Reserve (funded)		
Balance at the beginning of the year	465,000	149,643
Redistribution to other reserves	(465,000)	315,357
BALANCE AT THE END OF THE YEAR	**0**	**465,000**
(f) General Contingencies Reserve (funded)		
Balance at the beginning of the year	31,921	0
Redistribution to other reserves	(31,921)	31,921
BALANCE AT THE END OF THE YEAR	**0**	**31,921**

18. ACCUMULATED FUNDS

Accumulated Funds at beginning of year	0	0
Net Profit	660,499	107,675
Transfer to Reserves	(253,079)	(107,675)
ACCUMULATED FUNDS AT END OF YEAR	**407,420**	**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 4.35% – 4.85%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 3.24% – 4.02%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	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000	2002 $'000	2001 $'000	2002 %	2001 %
FINANCIAL ASSETS								
Cash	3,411	2,708			3,411	2,708	3.53	4.81
Receivables - trade (net)			184	219	184	219		
Westpac Banking Corporation Bills	448	445			448	445	4.38	5.84
Prepayments			58	109	58	109		
Advance to Contingency Fund			200	200	200	200		
TOTAL FINANCIAL ASSETS	**3,859**	**3,153**	**442**	**528**	**4,301**	**3,681**		
FINANCIAL LIABILITIES								
Accounts payable and accruals		0	465	303	465	303		-
TOTAL FINANCIAL LIABILITIES		0	465	303	465	303		-

The Commission has no fixed interest financial instruments.

(C) CREDIT RISK

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets of NTLAC that have been recognised on the statement of financial position is the carrying amount net of any provision for doubtful debts. The NTLAC has a minimal concentration of credit risk as it undertakes transactions with a large number of customers and counterparties. There are no major concentrations of credit risk on trade debtors due from customers within particular industries.

(D) 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	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
FINANCIAL ASSETS				
Cash	3,411	2,708	3,411	2,708
Receivables - trade (net)	184	219	184	219
Westpac Banking Corporation Bills	448	445	448	445
Prepayments	58	109	58	109
Advance to Contingency Fund	200	200	200	200
TOTAL FINANCIAL ASSETS	**4,301**	**3,681**	**4,301**	**3,681**
FINANCIAL LIABILITIES				
Accounts payable and accruals	465	303	465	303
TOTAL FINANCIAL LIABILITIES	**465**	**303**	**465**	**303**

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

(E) 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. CONTINGENT ASSETS/LIABILITIES

There were no known contingent assets or contingent liabilities of a significant nature at 30 June 2002 (2001 – NIL).

22. ADDITIONAL DISCLOSURES

(I) EXECUTIVE MEMBERS

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

- R Coates (resigned 29/11/01)
- D Farquhar
- Dr V Asche
- S Barr
- J Large
- E Terrill
- J Blokland
- S Cox (appointed 14/11/01)

(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.

23. REMUNERATION OF EXECUTIVE MEMBERS

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

D Farquhar	$233.32;
Dr V Asche	$83.32;
E Terrill	$193.32;
J Large	$93.32.

24. AUDITOR'S REMUNERATION

Audit services are provided without charge through the Office of the Auditor-General (2001 – NIL).

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

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