Northern Territory Legal Aid Commission

ANNUAL REPORT 2005-2006

Northern Territory Legal Aid Commission

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

7 December 2006

The Hon. Syd Stirling MLA
Minister for Justice and
Attorney General
Parliament House
State Square
DARWIN NT 0800

Dear Attorney General

On behalf of my fellow Commissioners I am pleased to present the Northern Territory Legal Aid Commission's Annual Report for the year ended 30 June 2006.

Firstly, Attorney, welcome to the Justice and Attorney-General's portfolios and thank you for your support from the outset, of the Commission and its aims and basic principles.

Secondly, I wish to express my gratitude to your predecessor, the Hon. Peter Toyne MLA, for his active support of the Commission during his term as Attorney.

This year in particular has been one in which the Commission has paid a good deal of attention to the regional areas of the Territory.

Together with the Director and Deputy Director, I was very pleased to attend the opening of the new Legal Aid Commission office in Tennant Creek. Since its opening in May 2006, the office has proved a resounding success in meeting the needs of the people of Tennant Creek and the Barkly Region. I am pleased to acknowledge the good working relationship that the Commission established with the Central Australian Aboriginal Legal Service, (CAALAS), in the course of the Commission's establishing this regional office.

Following the opening of the Tennant Creek office, the Commissioners met in our historic Alice Springs regional office. The opportunity to meet with Central Australians to discuss and address regional issues proved to be invaluable to our understanding of their needs. One topic that was repeatedly raised was the high level of violence in both Alice Springs and the surrounding communities, an issue which currently impacts significantly on both members of the community and the Commission's Alice Springs office.

Prior to the Federal Government's letting of the tender for the provision of legal services to aboriginal people in the Territory, the Commission entered into Memoranda of Understanding at their request with both the Northern Australian Aboriginal Justice Agency (NAAJA) and the Central Australian Aboriginal Legal Aid Service (CAALAS) in respect of our respective agencies providing mutual assistance particularly in relation to court representation and serious indictable crime.

With the increasingly high level of violent crime in Central Australia, and the limited capacity of CAALAS to effectively undertake trials in serious criminal matters, the Commission's resources have been greatly impacted.

In relation to the Commission's office in Katherine, I am pleased to note the collegiate and collaborative atmosphere of co-operation between the various legal services operating in the region and to report that it is planned that further effort will be put into outreach programs to ensure that the needs of the region are addressed.

I am proud of the Commission's increasing focus on indigenous outreach and community legal education programs. The Commission will conduct a pilot project regarding family law and family violence problems by providing ongoing remote and regional mediation programs and community education.

On a less proud note, I draw your attention to a matter of importance for the Commission and the broader Territory community in the upcoming year. Since September 2006, illegal foreign fishermen captured off the Top End and northern coast are now being held pending trial or deportation at the detention centre in Coonawarra.

I anticipate that the large numbers of detainees, the language difficulties, and the rules and culture relating to illegal entry into Australia, will have a significant impact on the Commission's staff and resources.

Finally, I commend the Director, Suzan Cox QC, and all Commission staff throughout the Territory on their professionalism and commitment in representing their clients and in providing services in terms of outreach and education throughout the Territory.

I look forward, Attorney, to your continued support for the Northern Territory Legal Aid Commission in the coming year.

Yours sincerely,

DAVID FARQUHAR
CHAIRMAN
Northern Territory Legal Aid Commission

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DIRECTOR'S REPORT

Our core business has continued to be the provision of legal services to socially and financially disadvantaged Territorians, in the areas of Criminal, Family and Civil law. We continue to fight fiercely for the rights of those who are disadvantaged in our community, so they are able to access legal services. Our lawyers strive to achieve the best possible outcomes for our clients. The work is often demanding, as our clients can be challenging and their legal problems are usually linked with other social, health and poverty issues. I thank all the lawyers and each of the staff in our Darwin, Katherine, Alice Springs and Tennant Creek Offices for their dedication to hard work and for continuing to ensure that our clients are treated with dignity and respect.

The Legal Aid Guidelines provide information to the Commission, the community and the legal profession in relation to our activities and grants of Aid. The Guidelines set out the principles for granting Legal Aid, the priorities for the provision of legal assistance and how to apply for legal assistance. The new Legal Aid Guidelines for the provision of legal aid came into effect on 1 July 2005. The new Guidelines describe the means test requirements, the system of contributions, costs and conditions of referral to private legal practitioners. The Guidelines will shortly be available on our website (www.ntlac.nt.gov.au).

We are privileged to have very experienced practitioners work for the Northern Territory Legal Aid Commission. This year the head of our Family Law Section, Kate Hughes was appointed a Federal Court Magistrate and is now practising in that judicial position from Melbourne. We were very sorry to let Kate go, but are none the less proud of her appointment.

We also said farewell to our Deputy Director, Jenny Hardy, who contributed her energy and innovation which enhanced the capacity of the Northern Territory Legal Aid Commission to continue to respond to the needs of our changing demographic. Jenny has taken up her new position as the CEO of Queensland Legal Aid. While we were sad to see Jenny go we are also proud of her appointment and appreciative for her work and service to the Northern Territory Legal Aid Commission over the last 4 years.

The work of the Commission generally in relation to law reform, legislative proposals and policy issues has increased substantially in recent times. These areas impact on our clients and the delivery of legal services across the Territory. The importance of contributing in these areas has led to the employment of a Policy Lawyer. The position oversees the Commission's work in Community Legal Education and outreach projects, increasingly and important components of our business, as well as providing input into law reform and legislative change at both Territory and National levels.

Finally, I would like to thank David Farquhar, NTLAC Chairman for his wise counsel and continuing support to the Commission, its clients, projects and the legal aid cause. I also thank each of the Commissioners for their participation and contributions to the Commission.

The provision of legal aid relies on a good working relationship with the private profession. I thank the private profession, both solicitors and barristers, who undertake legal aid work and ensure that disadvantaged people are properly and fairly represented.

SUZAN COX QC
DIRECTOR
Northern Territory Legal Aid Commission

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 is established under the *Legal Aid Act (NT) 1990* as amended.

LEGAL AID AGREEMENTS

The most recent agreement between the Commonwealth of Australia and the Northern Territory, for the provision of funding for Commonwealth matters, was signed in March 2005. The term of the agreement is 1 July 2004 through 31 December 2008.

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. Originally appointed Chairman by the Northern Territory Attorney-General on 1 August 1996. Appointment expires 31 July 2008.

JANE LARGE

Forty-two years of public service include 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 2008.

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 1986 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 from 1993 to 2003. On Executive Committee of the Northern Territory Law Society, 1997 to 2003. Appointed by the Northern Territory Attorney-General, on the nomination of the Law Society. Originally appointed 29 October 1997. Appointment expires 31 July 2008.

HALEY RICHARDSON

Haley has worked in various positions in the public sector since 1990 in Queensland and in the Northern Territory. Haley commenced employment with the Commission in May 1992. She started as a paralegal in the Criminal Section of the Commission and in June 2001 was appointed Assignments Practice Manager. Appointed as the staff representative Commissioner in September 2005. Appointment expires 31 July 2008.

PETER VAUGHAN
Graduated from Sydney Teachers College in 1973 and commenced work as a school teacher in an all boys school in the Western Suburbs of Sydney. Moved to Darwin in 1977 working at St Johns College and later at Taminmin High School as a senior teacher. Completed a further Degree in Educational Administration in 1986 through SA College of Advanced Education which later became the University of South Australia. Moved to Alice Springs in 1989 to take up the position of Assistant Principal at Alice Springs High School and is now the current Principal of this school. Completed post graduate studies in Public Sector Management at Charles Darwin University. Was the chair of the Crime Prevention Committee in Alice Springs from 2000 to 2003. Continues to be a voice for disenfranchised youth in the Central Australian region. Appointment expires 31 July 2008.

KATE HALLIDAY
Kate currently works as a policy solicitor in the Policy Division of the Department of Justice. Graduated with an LLB from the University of Sydney in 1989. She commenced work as a legal practitioner in the Northern Territory in 1990, and has worked for NAALAS, Darwin Community Legal Service and the Top End Women's Legal Service. Appointment expires 31 July 2008.

SUZAN COX QC
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, Director from July 2002 and appointed Queens Counsel in August 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 15 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 QC — Director

Jenny Hardy — Deputy Director

LAW SOCIETY NOMINEES:

P. Barr QC	C. Spurr	S. Gearin	A. Young
J. Neill	S. Cleveland	D. McConnell	M. Spazzapan
E. Terrill	P. Lazarus	B. Priestley	

COMMISSION APPOINTEES:

S. Reddy

STATISTICAL INFORMATION

The demands on the fund have been:

	2005/06	2004/05	2003/04	2002/03
Applications Received	**15**	17	28	28
Applications Approved	**15**	8	16	16
Applications Withdrawn	**0**	4	3	3
Applications Refused	**0**	4	4	2
Applications to be Decided	**0**	1	5	7

Since the fund commenced in March 1993 there have been a total of 294 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 of the Act, 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 2005/06 the Review Committee met on 13 separate occasions to review 11 client requests. The outcome of their deliberations was that 1 decision was varied in favour of the applicants.

MEMBERSHIP OF THE COMMITTEE

On the 26 March 2006 the following persons were appointed to the Committee for a period of twelve months.

Private Legal Practitioner	T. Prichard	M. Johnson	B. Piper
	E. Hutton	R. Lawford	D. Elliott
	T. Marris	B. O'Loughlin	B. Priestley
	J. Terry	S. Sievers	D. Story
	J. Tippett QC	P. Elliot	
Independent person with relevant experience	A. Beven	B. Cassells	P. Timney
	G. McDonald	N. Hunter	M. Story
	W. Morton	E. Morris	
Officer of the Commission	J. Hardy	M. Harrison	S. Cox
	J. Devlin	B. Lohmeyer	J. Franz
	G. Smith	I. Read	H. Blundell
	K. Norrington	G. Francis	K. Rutkowska
	N. Scattini	T. Opie	L. Morgan
	L. Bennett		
Secretary to Committee	Sue Reddy		

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 at other places, for example, certain Court Houses, prison, 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 Northern 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.

The Commission now also provides a family duty lawyer service to sittings of the Federal Magistrates Court. The service provides advice, minor assistance and negotiation assistance to unrepresented parties. This service was tendered and is provided by a private practitioner.

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 of the *Legal Aid Act 1990* 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 2005, 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 three legal practices, namely:

- Family Law Practice (incorporating Domestic Violence Unit) and Civil Law Practice;
- Criminal Law Practice; and
- Assignments Practice.

LOCATIONS

The Commission maintains offices in Darwin, Katherine, Tennant Creek and Alice Springs, 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.

COMMISSION OFFICES AND PRINCIPAL FUNCTIONS

DARWIN OFFICE

Located within the Darwin office are the following divisions:

- Executive;
- Criminal Law;
- Family Law;
- Domestic Violence;
- Civil Law;
- Assignments;
- Policy and Community Legal Education; and
- Business and Finance.

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. A solicitor visits the Darwin Prison each week.

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.

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.

TENNANT CREEK LEGAL RESOURCE CENTRE

The newly opened Tennant Creek Legal Resource Centre provides a coordination point for people to obtain legal advice and assistance.

The Office will conduct community legal education programs on issues that are relevant to the residents of Tennant Creek and the Barkly Region.

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.

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, CIVIL AND DOMESTIC VIOLENCE 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;
- Provide input into law reform issues; and
- Coordinate family law conferences.

POLICY AND 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;
- Respond to policy or law reform issues that are relevant to the Commission's client base; and
- Coordinate the Commission's community legal education and outreach programs.

BUSINESS AND FINANCE

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.

STAFFING OF THE COMMISSION

As at 30 June 2006, the following persons were employed:

DIRECTOR

- Suzan Cox BA LLB, LLM

Legal Secretary

- Susan Gowler

DARWIN

CRIMINAL LAW PRACTICE

Senior Solicitor

- Ian Read LLB BEc
- Greg Smith BA LLB
- Julie Franz LLB
- Louise Bennett LLB
- Helena Blundell BA LLB
- Natalie Scattini LLB

Para Legal Secretary

- Gloria Rautamara

Legal Secretary

- Monica Settele
- Lucia Vorrasi

FAMILY (INCORPORATING DOMESTIC VIOLENCE UNIT) AND CIVIL LAW PRACTICE

Senior Solicitor

- Katarzyna Rutkowska LLB

Supervising Solicitor

- Lindy Morgan LLB
- Gordon Francis LLB
- Bethany Lohmeyer BA LLB
- Kris Norrington LLB
- Jenny Devlin BA (Hons) LLB (Hons)

Para Legal Secretary /Child Support

- Laura Sullivan

Legal Secretary

- Annette Ross
- Carolyn Davis

POLICY AND COMMUNITY LEGAL EDUCATION

Community Legal Education Officer

- Melinda Schroeder

Policy Officer

- Fiona Hussin LLB

BUSINESS AND FINANCE

Deputy Director

- Jenny Hardy BA LLB

Executive Officer

- Meredith Harrison LLB

ASSIGNMENTS PRACTICE

Manager

- Haley Richardson

Legal Secretary

- Amanda Bamford

Administrative Assistant

- Tina Baylis

BUSINESS SERVICES

- **Finance Officer** — Barbara Lelli BA (Business) ASA
- **Human Resource Manager** — Leeanne Morris
- **Finance Officer/Office Services** — Karen Markos
- Jeanon Cubillo
- **Projects Officer** — Sue Reddy
- **Administration Officer** — Denise Oliver
- Kirstie McKellar
- Mark Wright
- Sophie Coates

KATHERINE

- **Solicitor** — Thomasin Opie BA LLB
- **Legal Secretary** — Jodie Ah Chin
- **Legal Secretary Support** — Cassie Lamb

TENNANT CREEK

- **Administrative Officer** — Mathew Wickham

ALICE SPRINGS

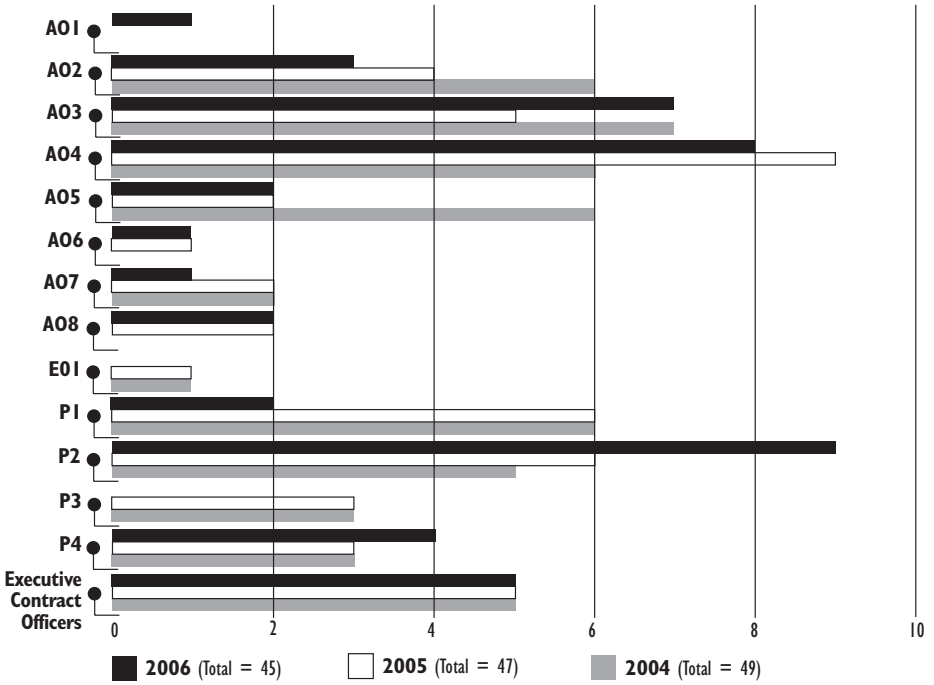
- **Senior Solicitor** — Russell Goldflam BA BLEGS (Hons), Grad Dip Ed
- Julia Munster BA (Hons) LLB
- Tracey Stevens BA / LLB (Hons)
- **Legal Secretary** — Wendy Vismans
- Elayne Greaves

VOLUNTEERS

Under S.8 of the *Legal Aid Act 1990* 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 2006 were:



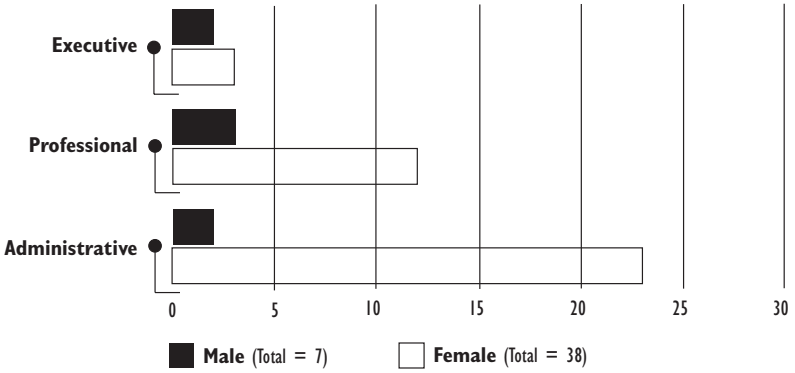
AO - Administrative Grades; P - Professional Grades (Legal Officers)
All legal officers are on employment contracts.

RESIGNATIONS/LEAVE WITHOUT PAY

During the year 15 employees resigned and 1 contract was terminated.

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.



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:

- Darwin Symphony Orchestra
- Central Australian Women's Legal Service, Treasurer
- Pathways Group Alice Springs, member
- Childbirth Education Association, Coordinator
- Central Australian Art Society, member
- NT Law Society Public Purposes Trust, member
- YWCA of Darwin NT, Board Member
- Darwin Community Legal Service, volunteer
- National Association for the Prevention of Child Abuse and Neglect, committee member
- NT Young Lawyers Committee, Vice President
- Alternative Law Journal, committee member
- Top End Women's Legal Service, member and volunteer
- NT Women Lawyer's Association, member
- Central Australian Human Research Ethics Committee, legal 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:

- Migration Law Conference
- Advocacy Skills Workshop
- Time & Stress Management
- Dealing with Difficult People
- Media Training
- AIJA Family Violence Conference
- Fire Warden Training
- Australian Immigration Law & Practice
- Capacity Building in Indigenous Communities
- Welfare Reform
- Advocacy Skills Workshop
- Pathways Forum
- Family Law Masterclass
- Supervisory skills

OCCUPATIONAL HEALTH AND SAFETY

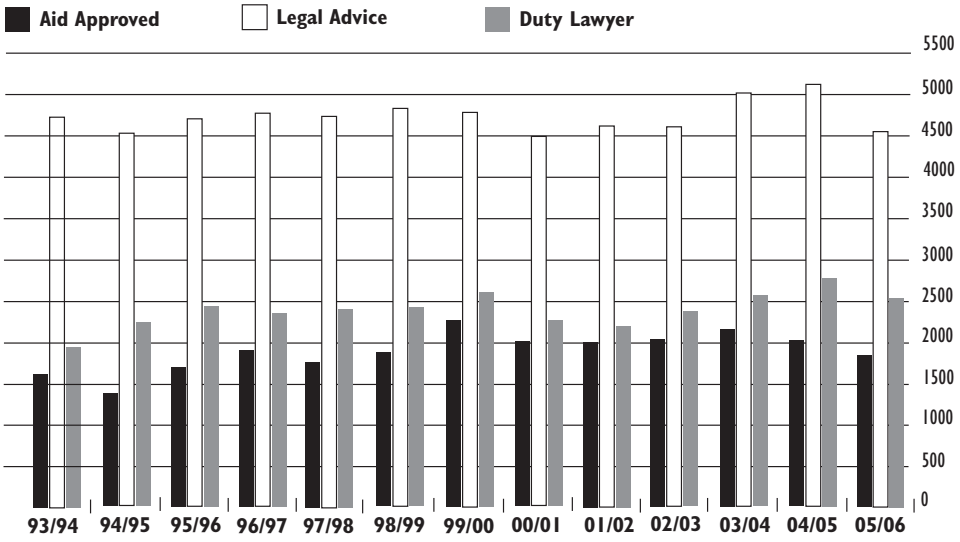
A tobacco free environment exists. Employees are encouraged to adopt safe working practices.

ACHIEVEMENTS

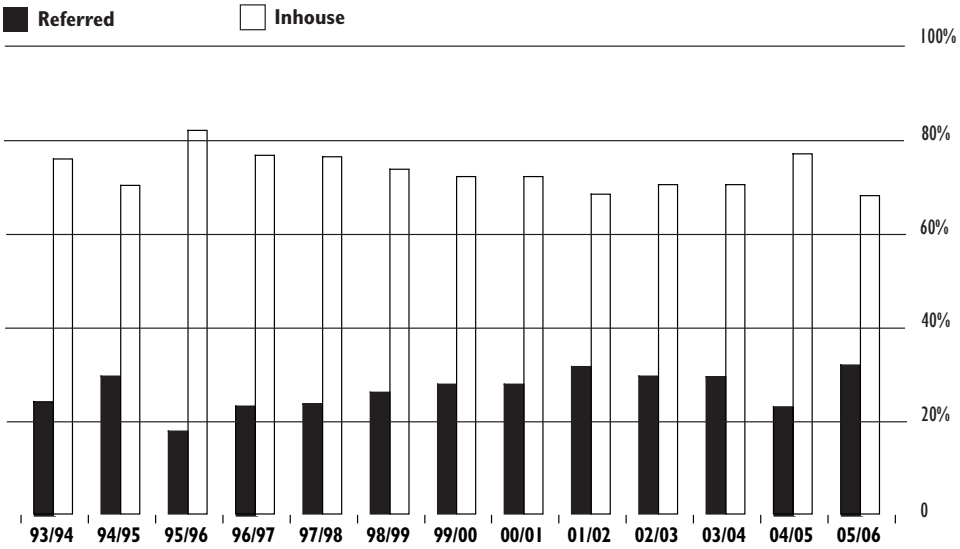
During the year:

- 2152 applications for aid were received.
- 1793 applications for aid were approved.
- 485 approved applications for aid were referred to private practitioners.
- 1308 approved applications for aid were handled by Commission staff.
- 4528 persons received free legal advice.
- 2482 persons received advice and/or were represented by Duty Lawyers.
- 2625 persons accessed the free telephone legal information service.

PRIOR YEARS COMPARATIVE



REFERRED:INHOUSE MATTERS



PERFORMANCE

PERFORMANCE INDICATORS 2001/02 TO 2005/06

	01/02	02/03	03/04	04/05	05/06	TARGET
Population	199,600	197,100	199,200	201,800	204,500	
Estimated No. of Clients	12,607	13,037	12,018	12,549	11,482	
PER 1000 HEAD OF POPULATION						
Legal Advice Provided	23.06	23.24	24.92	25.20	22.41	**26**
Duty Lawyer Services	10.77	11.86	12.73	13.59	12.14	**14**
Applications for Legal Aid						
Received	11.64	12.24	12.67	12.22	10.52	
Approved	9.81	10.18	10.61	9.68	8.77	**12**
Refused	1.75	1.94	1.85	2.39	1.76	
Telephone Legal Information Clients	19.52	20.87	12.07	13.72	12.84	**19**
Estimated Clients	63.16	66.14	60.33	62.19	56.15	

OUTPUT STATISTICS

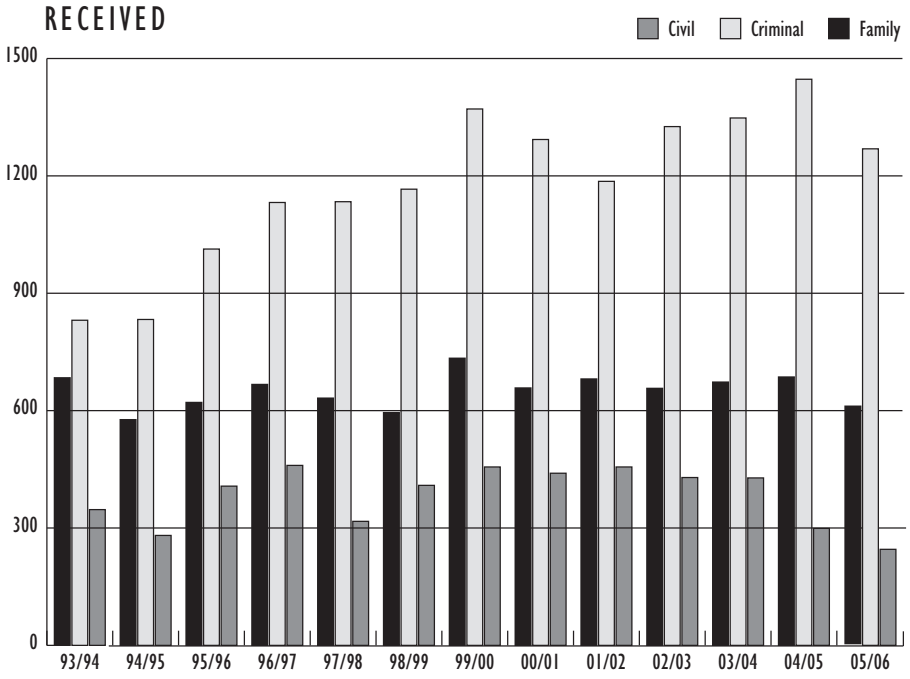
MEASURING THE ATTAINMENT OF THE COMMISSION'S OBJECTIVES

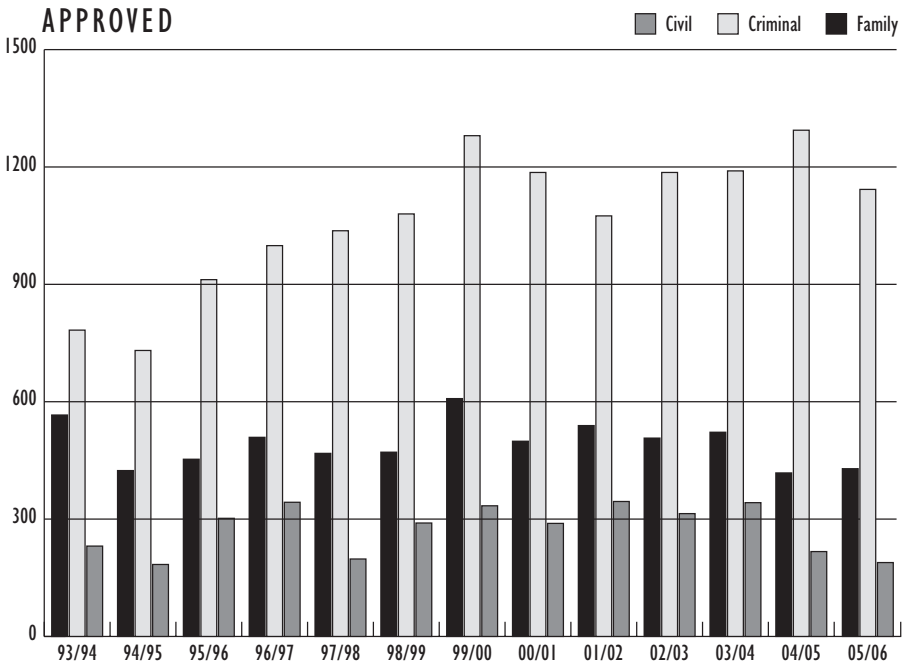
SUMMARY OF MAJOR ACTIVITIES

	01/02	02/03	03/04	04/05	05/06
Legal Aid Service					
Applications for Aid:					
Received	2,323	2,412	2,524	2,466	**2,152**
Approved	1,959	2,007	2,114	1,954	**1,793**
Refused	349	382	369	448	**359**
Free Legal Advice Sessions	4,603	4,580	4,964	5,085	**4,528**
Duty Lawyer Services	2,149	2,337	2,536	2,742	**2,482**
Telephone Legal Information Clients	3,896	4,113	2,404	2,768	**2,625**
PAYMENTS TO PRIVATE PRACTITIONERS (includes disbursements)					
Referred Cases					
Family	600,412	868,070	542,245	528,869	**575,185**
Criminal	233,348	232,601	292,848	483,684	**434,883**
Civil	416,203	387,368	359,639	295,215	**334,889**
Domestic Violence	0	0	25,441	30,657	**39,545**
Duty Solicitor	15,716	14,780	27,417	41,120	**99,800**
Locums	29,232	38,853	36,499	40,980	**50,585**
DISBURSEMENTS ON INHOUSE CASES					
Family	66,962	34,306	50,560	29,942	**28,972**
Criminal	231,552	399,492	559,509	968,754	**871,357**
Civil	20,757	28,538	6,442	3,825	**9,311**
Domestic Violence	0	0	516	607	**814**
TOTAL	**1,614,182**	**2,004,008**	**2,147,816**	**2,423,653**	**2,445,341**
APPLICATIONS APPROVED AND REFERRED TO PRIVATE PRACTITIONERS					
Family	266	280	233	185	**173**
Criminal	46	61	61	67	**69**
Civil	305	252	299	186	**232**
Domestic Violence	-	-	29	10	**11**
TOTAL	**617**	**593**	**622**	**448**	**485**
APPLICATIONS APPROVED AND HANDLED BY COMMISSION STAFF					
Family	273	227	289	233	**22**
Criminal	1,029	1,125	1,129	1,227	**1,075**
Civil	40	62	43	31	**200**
Domestic Violence	-	-	31	15	**11**
TOTAL	**1,352**	**1,414**	**1,492**	**1,506**	**1,308**

	01/02	02/03	03/04	04/05	05/06
FREE ADVICE SESSIONS					
Family	1,719	1,688	1,697	1,808	**1,554**
Criminal	1,242	1,247	1,338	1,319	**1,165**
Civil	1,642	1,645	1,466	1,482	**1,333**
Domestic Violence	-	-	463	476	**476**
TOTAL	**4,603**	**4,580**	**4,964**	**5,085**	**4,528**
DUTY LAWYER SERVICES					
Crime					
Advice Only	389	380	495	228	**256**
Representation	12	39	26	34	**38**
Plea	277	294	385	358	**240**
Advice and Representation	1,444	1,589	1,509	1,560	**1,832**
Negotiations	13	14	17	14	**15**
Other	14	21	37	391	**16**
Domestic Violence	0	0	67	57	**85**
TOTAL	**2,149**	**2,337**	**2,536**	**2,742**	**2,482**
Family Law Duty Lawyer Service (external provider)				**5**	**81**

APPLICATIONS FOR AID




APPROVED
Civil
Criminal
Family
1500
1200
900
600
300
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94/95
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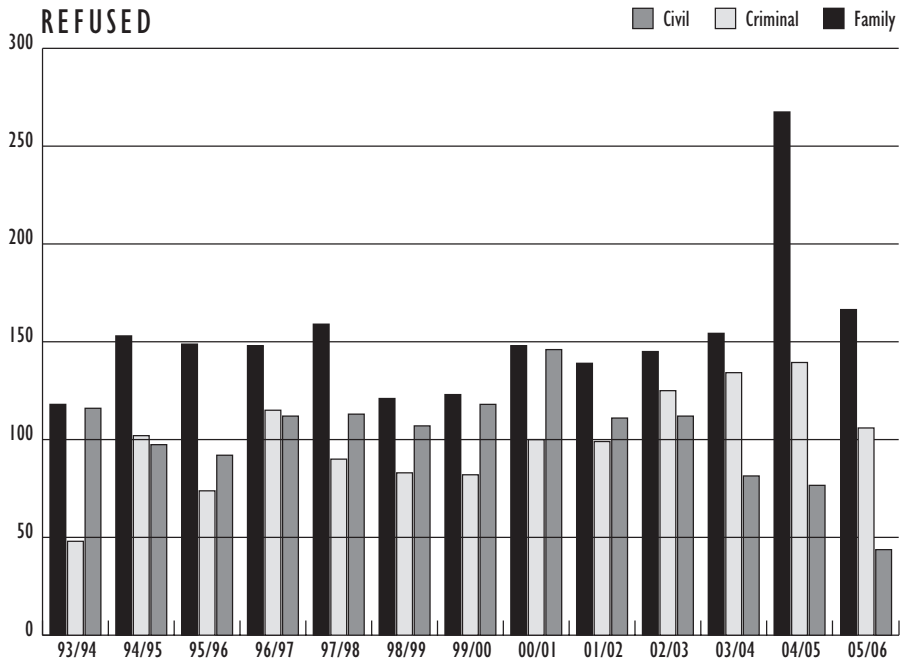
03/04
04/05
05/06


REFUSED
Civil
Criminal
Family
300
250
200
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100
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93/94
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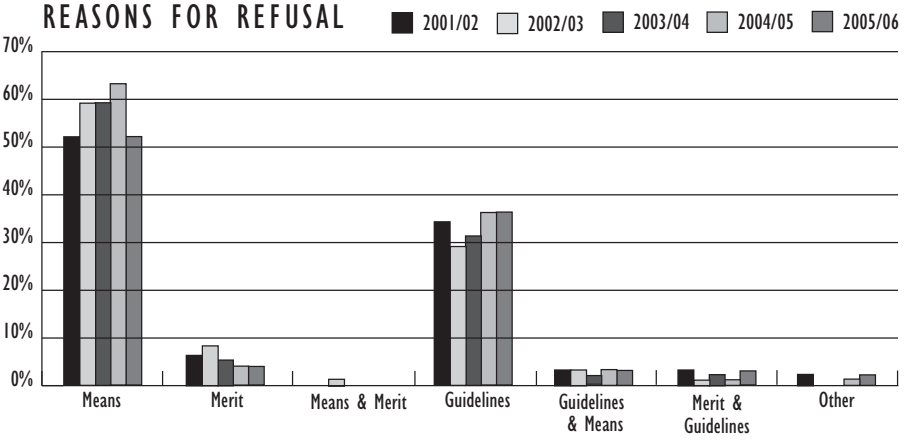
03/04
04/05
05/06


REASONS FOR REFUSAL
2001/02
2002/03
2003/04
2004/05
2005/06
70%
60%
50%
40%
30%
20%
10%
0%
Means
Merit
Means & Merit
Guidelines
Guidelines & Means
Merit & Guidelines
Other

COMMUNITY LEGAL EDUCATION – 2005/2006

The Commission has been involved in a number of key CLE activities in the year. The primary themes in all activities have been increasing community access and interagency collaboration. This report lists some of the key CLE activities, however there have also been extensive activities undertaken on a regular basis, such as updating information materials and presentations to schools and community groups.

DARWIN FAMILY PATHWAYS NETWORK — MEGA TRAINING DAY

The NT Legal Aid Commission is a participant in the Darwin Family Pathways Network, which is an initiative of the Australian Government.

On 11 May 2006 the Darwin Family Pathways Network hosted "Mega Training Day", an expo-style learning event for people who have contact with separating families as a part of their daily work. Feedback from the day was overwhelmingly positive with many people asking when the next event would be held.

The Darwin Family Pathways Network is funded by the Australian Government Attorney General's Department. The Network is made up of both government and non-government agencies who provide services to separating families. The aim of the Network is to develop a greater integration of family law services for separating families.

Information booths were set up by the various service providers including legal agencies, court services, welfare agencies, mediation & counselling services, domestic violence services, FACS, the Child Support Agency and Centrelink.

Trainees were divided into groups of 8 – 10. Each group was given a case scenario of a separating family. Their brief was to attend at each information stall and find out how that service provider could assist various members of the family in the case scenario. Trainees gathered information brochures and booklets from each agency to take back to their workplace. At the end of the training session, trainees were debriefed by their Learning Group Facilitator and overlaps or gaps in services available were identified.

60 people registered for training. Trainees were from a range of services, including legal, court, welfare agencies, mediation/counselling, the Defence Force, Law Society, NT Police, FACS as well as several University students. Comments from trainees included "found session to be well presented and a useful tool", "excellent and informative" and "I now understand the frustration faced by some clients".

Among the attendees were Jim Morrissey from the Law Council of Australia, the Assistant Commissioner of Police, Mark Payne, James Burke, Member for Brennan, Sharon Payne, Director of NAAJA, Jenny Hardy, Deputy Director NTLAC and Kate Halliday of the NT Department of Justice. They enjoyed a morning tea and then took the opportunity to visit the information stalls and observe the trainees in action.

Information stall holders, trainees and Learning Group Facilitators all appreciated the opportunity to network with agencies and learn more about services available in the community.

BARKLY REGION WELCOMES LEGAL RESOURCE CENTRE

Tennant Creek
Legal Resource Centre

The Tennant Creek community welcomed the opening of the Tennant Creek Legal Resource Centre as part of Law Week in May.

The need for improved access to legal information and resources in Tennant Creek long been identified in the Barkly Region.

The NT Legal Aid Commission undertook extensive consultation on the issue of how to address legal needs in the Region in the last few years. A report titled Justice Too Far Away was prepared for the Commission by Gordon Renouf in 2003. The report considered different models available to service the region. Renouf concluded that, for various reasons, the model most likely to be successful was the placement of a paralegal which would provide a range of support to the existing legal services and agencies servicing the area.

The Centre will provide a coordination point for people to obtain legal advice and assistance. The Centre will also conduct community legal education programs to raise awareness of legal rights and issues in Tennant Creek.

The Centre will initially operate on a pilot basis for two years and will then be evaluated to assess how best to meet community need. Funding for the pilot has been approved from the Australian Government funds presently available to the NTLAC.

The Centre is centrally located at 61 Paterson St, Tennant Creek, adjoining the Central Australian Aboriginal Legal Aid Service. Matthew Wickham, has been employed to staff the Centre and provide an outreach service. Matthew has lived in Tennant Creek for over 10 years and knows the community and the region well.

The outreach service will initially be provided to Elliott every second and fourth Monday of each month and at the Ali Curung Community every first and third Monday of each month.

COMMISSION EXPANDS CLE TO OUTREACH PROJECTS

In recognition of the access issues which remote Indigenous communities face in obtaining legal information and assistance, the Commission's CLE project expanded to a number of outreach communities in 2005/06.

OCTOBER 2005

NT Legal Aid Commission was involved in a CLE workshop which was presented to Belyuen community members in relation to domestic violence issues. The day was coordinated by the Top End Women's Legal Service and attended by representatives from NAALAS (now NAAJA), NT Police and Family and Children's Services along with staff of the NTLAC.

JANUARY 2006

Miwatj Aboriginal Legal Service invited a number of legal agencies and services in the Top End of the NT to join them in delivering a series of Community Legal Education ('CLE') workshops in North East Arnhem Land.

Agencies involved included representatives from the Family Court, NT Legal Aid Commission and North Australian Aboriginal Justice Agency to Nhulunbuy to commence the workshops.

Communities visited were Umbakumba, Angurugu, Numbulwar, Bickerton Island, Ramingining, Milingimbi, Galiwin'ku and Ski Beach

There were two key aims of the trip:

1. To ascertain the CLE needs of some key communities in North East Arnhem Land; and
2. To provide information in relation to key legal areas, including: rights when dealing with police; domestic violence and the law; family law; and changes to Indigenous legal services.

Representatives of the Family court, NTLAC, North Australian Aboriginal Justice Agency and Miwatj Aboriginal Legal Service in Raminging in January.

APRIL 2006

In April workshops were held in and around Nhulunbuy in relation to family law and domestic violence. A workshop in Yirrkala was well attended by both men and women from the community, NAAJA, TEWLS and local representatives of NT Police and Miwatj Health Service.

Following the workshop a domestic violence mock court was held in Nhulunbuy and members of the Yirrkala Community Travelled to Nhulunbuy to participate in the mock court. This interactive session enabled community members to participate in court in an informal learning environment.

MAY 2006

In May as part of Law Week NTLAC visited Nguiu on the Tiwi Islands. Cop This! was shown to students at a local school and copies of the booklet were also handed out to students. A mock domestic violence court was run during the court's lunch break, with Chief Magistrate Hugh Bradley presiding over the court. Local community members participated in the role plays also. At a gathering at the women's centre later in the afternoon a lot of discussion took place about the difficulties the women in the community were facing, which included issues with housing, the price of groceries at the store and leadership for their young men.

CONCLUSIONS AND RECOMMENDATIONS

The outreach workshops provided a rare opportunity for legal services and agencies to work together in a remote setting to provide community legal education.

The language and literacy issues in the community highlighted the need for legal education materials to be developed in a medium which is appropriate to the audience.

All services involved resolved to continue to explore how these identified needs can be addressed in a collaborative way.

DV MOCK COURTS

In October 2005 with funding from the Public Purposes Trust, the Law Society and NTLAC combined to run two mock domestic violence courts, in Darwin and Katherine. The mock courts were a fantastic opportunity for service providers who deal with families experiencing domestic violence, to sit down and watch various court scenarios acted out by Magistrates, lawyers and police. An open forum at the conclusion with questions from the audience helped everyone to gain a better understanding of how the court process works. There was a great turnout in Darwin with 30 attendees, and 15 attendees in Katherine. The mock court package has since been used in Nhulunbuy and Nguiu and will continue to be used in different venues.

INFORMATION ACT 2003 (NT)

The following information is held by the Commission:

Publications	Personal Information	Other Information
NTLAC Guidelines and Scale of Costs	Client	Financial
NTCLAF Guidelines	Personnel	Statistical
Community Legal Education Booklets		Policies
(various topics)		Manuals
Pamphlets (various topics)		Administration
Annual Reports		Law Reform

Publications are available upon request free of charge.

Access to other information, including personal information must be made on the appropriate application form obtainable from and returnable to:

The Information Officer
NT Legal Aid Commission
6th Floor, 9-11 Cavenagh Street, Darwin

Postal: Locked Bag 11, Darwin NT 0801

Telephone: (08) 89993000

Fax: (08) 89993099

NB: Applications must be accompanied by proof of identity (eg. Passport, Drivers' Licence etc). To facilitate the identity check, applications may be lodged in person at any of the Commission's offices listed below. The Application form will be forwarded to the Information Officer in Darwin, if the local office is unable to assist.

DARWIN
6th Floor, 9-11 Cavenagh Street

KATHERINE
20 Second Street

ALICE SPRINGS
77 Hartley Street

FEES:

Access to or correction of personal information	No Fee
Access to published information	No fee
Access to information other than personal information or published information	A $30.00 fee and a 60¢ per page charge for photocopying of documents of more than 20 pages may apply

APPLICATIONS:

	2003/04	2004/05	2005/06
Applications Received	6	1	**10**
Applications Approved	5	1	**8**
Applications Pending	1	0	**0**
Referred to another agency	0	0	**2**
Fees Waived	5	1	**8**

Northern Territory Legal Aid Commission

FINANCIALS 2005-2006

Northern Territory Legal Aid Commission

COMMENTS
ON FUNDING ARRANGEMENTS, FINANCIAL STATEMENTS AND FINANCIAL PERFORMANCE

FUNDING OF THE COMMISSION

The Commission's main revenue continues to be funding from both the Commonwealth and Northern Territory Governments. This represents over 90% of the Commission's total revenue earned during the financial year. The Commission also generates a small percentage of revenue that it receives from clients and interest earned from bank deposits and investments.

Commonwealth funding can only be attributed to costs that arise under Commonwealth legislation. The agreement relating to Commonwealth funding expires on 31 December 2008. The same principle applies for Northern Territory funding. This funding arrangement with the Northern Territory Government expires on 30 June 2009.

The Commission was success in its tender to continue the Domestic Violence Legal Service and receives separate funding for the provision of this service. This contract ends on 30 June 2008.

FINANCIAL PERFORMANCE

The Commission generated a surplus of $396,468 this financial year. The surplus can be largely attributed to the increase in grant funding from the Northern Territory Government.

The table below presents the percentage distribution of expenses incurred and revenue earned from 1998/99.

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
PERCENTAGE OF TOTAL EXPENDITURE								
Personnel Costs	50.17	51.95	49.28	44.72	46.88	47.46	45.14	44.33
Administration Costs	19.71	22.81	16.87	21.39	12.65	17.83	19.44	18.90
Legal Costs	25.56	21.35	30.78	31.19	36.60	31.71	34.42	33.64
Minor Assets	2.17	1.92	1.77	1.81	1.97	1.78	0.11	1.81
Depreciation	2.39	1.97	1.30	0.89	1.90	1.22	0.89	1.32
PERCENTAGE OF REVENUE								
Commonwealth	44.91	43.28	42.94	41.60	39.65	40.29	43.05	43.99
NT Government	43.46	40.53	38.76	34.42	39.85	38.54	33.12	39.85
Commonwealth Other		3.23	7.97	9.84	5.65	8.25	13.00	4.97
NT Government Other						2.72	3.40	3.13
TOTAL GOVERNMENT FUNDING	**88.37**	**87.04**	**89.67**	**85.86**	**85.15**	**89.8**	**92.57**	**91.94**
Contributions and Recovered Costs	8.09	9.46	6.93	9.52	8.99	6.52	4.82	5.24
Interest Earned	3.49	3.33	3.40	2.56	3.05	2.7	2.36	2.56
Other	0.05	0.16	0.00	2.06	2.81	0.98	0.25	0.26
TOTAL SELF-GENERATED	**11.63**	**12.96**	**10.33**	**14.14**	**14.85**	**10.2**	**7.43**	**8.06**

FINANCIAL ANALYSIS

EXPENDITURE

Personnel expenditure increased slightly as a result of enterprise bargaining and employees progressing to the next increment in their salary bracket.

Revaluation of the premises in Alice Springs in the latter part of 2004/05 contributed substantially to the depreciation increase in 2005/06.

The Commission negotiated a tenancy to occupy the remainder of the 5th floor. It now occupies two floors. As a result operating lease expenditure increased by 16%.

Legal costs represents expenditure incurred on matters conducted inhouse and those that are referred to private practitioners. Legal costs will also include work that was approved in previous financial years. A third of the expenditure can be attributed to four matters.

Minor assets relates to expenditure incurred on fixtures, plant & equipment and furniture. These items did not satisfy the asset criteria as they were under $2,000 and therefore were not capitalised.

REVENUE

Renegotiated funding arrangement with the Northern Territory Government resulted in the Commission's grant funding increasing by 28%.

Increasing interest rates has enabled the Commission to earn a higher rate of return on its bank bills and ordinary deposits.

Recovered costs increased by 25% while client contributions decreased by 8%. These figures will fluctuate from year to year.

ASSETS

Though total assets increased by 9% the greatest variance was in property, plant and equipment. This increased by 82%. Refurbishment of the Alice Springs property was undertaken during the year as no improvements had been made since the property was purchased in 1995. The Commission also spent considerable funds upgrading the client database as this too had been long overdue.

LIABILITIES

Total liabilities increased by 3%. A 100% increase in trade and other payables was offset by a decrease of 60% of provision for grants in aid.

Accumulated Funds and Reserves

There were no movements to or from Reserves this year, despite the Commission having a handful of expensive cases.

GENERAL PURPOSE FINANCIAL STATEMENTS
AS AT 30 JUNE 2006

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CASH FLOW STATEMENT 36
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NOTES TO THE FINANCIAL STATEMENTS 38

AUDITOR-GENERAL

AUDITOR-GENERAL'S REPORT TO THE ATTORNEY-GENERAL NORTHERN TERRITORY LEGAL AID COMMISSION YEAR ENDED 30 JUNE 2006

Scope

The financial report and the Accountable officer's responsibility

The financial report of Northern Territory Legal Aid Commission comprises the Statement by Directors, income statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes to the financial statements for the year ended 30 June 2006.

The Director of Northern Territory Legal Aid Commission is responsible for the preparation and presentation of the financial report in accordance with the requirements of the Accounting Standards and other mandatory professional reporting requirements in Australia and the *Legal Aid Act*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

I conducted an independent audit in order to express an opinion to the Attorney-General. My audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing. the inherent limitations of internal control systems and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements or control deficiencies have been detected. I performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and with the requirements of the *Legal Aid Act*, a view which is consistent with my understanding of Northern Territory Legal Aid Commission's financial position and its financial performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining. on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of accounting estimates made by the Director.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

My audit did not involve an analysis of the prudence of business decisions made by the Director or management.

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

AUDITOR-GENERAL

Independence

I am independent of Northern Territory Legal Aid Commission and, in conducting my audit, I followed applicable independence requirements of the *Audit Act* and of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial report of Northern Territory Legal Aid Commission:

- presents fairly the financial position of Northern Territory Legal Aid Commission at 30 June 2006, and its financial performance and cash flows for the year ended on that date: and
- is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and the requirements of the *Legal Aid Act*.

Frank McGuiness
Auditor-General for the Northern Territory
Darwin, Northern Territory
1 December 2006

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

STATEMENT BY DIRECTORS

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

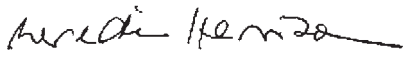
(a) the accompanying general purpose financial statements of the Commission present fairly the Commission's financial position as at 30 June 2006, and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements;

(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; and

(c) at the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

Signed in Darwin this 23 day of November 2006.

Suzan Cox
DIRECTOR



Merredith Harrison
DEPUTY DIRECTOR

INCOME STATEMENT
YEAR ENDED 30 JUNE 2006

	NOTES	2006 $	2005 $
Revenue	2	**7,665,489**	7,049,920
Depreciation expense	3	**(95,700)**	(62,967)
Salaries and employee benefits expense		**(3,222,581)**	(3,178,423)
Legal expense		**(2,445,341)**	(2,423,655)
Administration expense		**(940,372)**	(993,849)
Other expenses		**(565,027)**	(382,817)
NET PROFIT FOR THE PERIOD		**396,468**	**8,209**

The Income Statement is to be read in conjunction with the notes to the financial statements.

BALANCE SHEET
AT 30 JUNE 2006

	NOTES	2006 $	2005 $
CURRENT ASSETS			
Cash and cash equivalents	4	**2,033,434**	2,067,185
Trade receivables	5	**127,335**	142,209
Investments	6	**1,434,862**	1,430,313
Other receivables	7	**162,978**	189,913
TOTAL CURRENT ASSETS		**3,758,609**	**3,829,620**
NON-CURRENT ASSETS			
Property, plant and equipment	8	**1,097,671**	604,411
Other	15	**200,000**	200,000
TOTAL NON-CURRENT ASSETS		**1,297,671**	**804,411**
TOTAL ASSETS		**5,056,280**	**4,634,031**
CURRENT LIABILITIES			
Trade and other payables	9	**318,691**	155,845
Provisions	10	**562,258**	690,036
TOTAL CURRENT LIABILITIES		**880,949**	**845,881**
NON-CURRENT LIABILITIES			
Provisions	10	**100,886**	110,173
TOTAL NON-CURRENT LIABILITIES		**100,886**	**110,173**
TOTAL LIABILITIES		**981,835**	**956,054**
NET ASSETS		**4,074,445**	**3,677,977**
EQUITY			
Retained Earnings	17	**1,190,639**	794,171
Reserves	16	**2,883,806**	2,883,806
TOTAL EQUITY		**4,074,445**	**3,677,977**

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2006

	NOTES	2006 $	2005 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		**447,910**	358,778
Interest received in the course of operations		**185,366**	159,888
Grants received in the course of operations	2	**7,047,087**	6,526,436
Cash payments in the course of operations		**(7,110,755)**	(7,033,398)
NET CASH FLOWS FROM OPERATING ACTIVITIES	13	**569,608**	11,704
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(598,810)**	(40,820)
Proceeds from property, plant & equipment		**0**	0
Net payments/receipts for investments		**(4,549)**	4,029
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(603,359)**	(36,791)
Net (decrease) in cash and cash equivalents		**(33,751)**	(25,087)
Cash and cash equivalents at the beginning of the period		**2,067,185**	2,092,272
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**2,033,434**	**2,067,185**

The Cash Flow Statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2006

	NOTES	RESERVES $	RETAINED EARNINGS $	TOTAL $
STATEMENT OF CHANGES IN EQUITY				
BALANCE AT 1 JULY 2004		**3,300,000**	**88,682**	**3,388,682**
Profit for the year		0	8,209	8,209
Transfer from Reserves	16	(697,280)	697,280	0
Revaluation Increments	16	281,086	0	281,086
BALANCE AT 30 JUNE 2005		**2,883,806**	**794,171**	**3,677,977**
Profit for the year		0	396,468	396,468
BALANCE AT 30 JUNE 2006		**2,883,806**	**1,190,639**	**4,074,445**

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2006

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 function of the Commission is to provide legal assistance in accordance with this Act. The Commission commenced its activities on 1 July 1990.

A) PRINCIPAL PLACE OF BUSINESS

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

B) NUMBER OF EMPLOYEES

The Commission had 45 employees as at 30 June 2006 (2005 – 47 employees).

C) 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:

(i) The accounts have been prepared using the accrual basis of accounting applying the historical cost convention and the going concern assumption.

(ii) Cost in relation to assets represents the amount incurred or the fair value of the asset given in exchange adjusted to recoverable amount where necessary. In determining recoverable amount the expected net cash flows have been discounted to their present value.

(iii) Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(iv) The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

D) STATEMENT OF COMPLIANCE

(i) The financial report complies with Australian Accounting Standards, which includes Australian equivalents to International Financial Reporting Standards (AIFRS).

This is the first financial report prepared in accordance with AIFRS, and AASB 1 First Time Adoption of AIFRS has been applied. In accordance with the requirements of AASB 1, an assessment of the impact of AIFRS was made and concluded that no adjustments are necessary and therefore the comparatives for the year ended 30 June 2005 have not been restated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(ii) The following Australian Accounting Standards issued or amended and are applicable to the Commission but not yet effective and have not been adopted in preparation of the financial statements at reporting date;

Accounting Policy Amendment	AASB Standard Affected	Nature of change in Accounting Policy and Impact	Application Date of the Standard
2005-10	AASB 139:Financial Instruments: Recognition and Measurement	No change, no impact	1 January 2007
2005-10	AASB101: Presentation of Financial Statements	No change, no impact	1 January 2007
2005-10	AASB114: Segment Reporting	No change, no impact	1 January 2007
2005-10	AASB117: Leases	No change, no impact	1 January 2007
2005-10	AASB133: Earnings per Share	No change, no impact	1 January 2007
2005-10	AASB132: Financial Instruments: Disclosure and Presentation	No change, no impact	1 January 2007
2005-10	AASB1:First Time Adoption of AIFRS	No change, no impact	1 January 2007
2006-1	AASB7: Financial Instruments: Disclosure	No change, no impact	1 January 2007

E) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the current period are consistent with those of the previous year.

F) GOVERNMENT APPROPRIATION AND GRANTS

Government appropriation and grants are recognised in the Income Statement at the time of their receipt.

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

G) PROPERTY, PLANT AND EQUIPMENT

Freehold land and buildings on freehold land are measured on a fair value basis.

All other classes of property, plant and equipment are measured at cost. Cost is determined as the fair value of the asset given as consideration plus incidental costs in getting the asset ready for use.

The carrying amount of property, plant & equipment is reviewed annually to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Property, plant and equipment purchased for less than $2,000 during the year have been expensed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

H) 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 and are measured at cost.

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 useful lives are:

	2006	2005
Buildings	10 years	10 years
Leasehold Improvements	3 years	3 years
Plant & Equipment	2.5-5 years	2.5-5 years

I) EMPLOYEE BENEFITS

Provision is made for the Commission's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, related on costs, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

J) SUPERANNUATION ARRANGEMENTS

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

Employee's Superannuation entitlements are provided through the NT Government and Public Authorities Superannuation Scheme (NTGPASS), Commonwealth Superannuation Scheme (CSS) and non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The Commission contributes 9% on behalf of the majority of employees. Any liability for superannuation is met directly by the NT Government and the entity has and will continue to have no other direct superannuation liability.

K) 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.

L) INVESTMENTS

Investments relate to bank bills and are valued at cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

M) 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 amount of this liability is shown in Note 10. During the 2005/06 financial year, the Commission analysed the invoices received during that year and calculated the percentage that related to the prior years. This percentage has then been used to calculate the liability for the current year as the Commission expects a similar percentage in the current year.

N) RESERVES

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

- The funded reserves are:
- NT Expensive Civil Cases Reserve
- Information Technology Development and Replacement Reserve
- NT Expensive Criminal Cases Reserve
- Premises Replacement & Maintenance Reserve

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets.

O) CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days.

P) TRADE AND OTHER RECEIVABLES

Trade receivables are carried at original invoice amount less a provision for any uncollectible 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.

Q) 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.

R) 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

INTEREST

Interest revenue is recognised when control of the right to receive the interest payment passes.

S) GOODS AND SERVICES TAX

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

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables and payables in the Balance Sheet.

Cash flows are included on the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

T) IMPAIRMENT OF ASSETS

At each reporting date the entity reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair values less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

U) FINANCIAL INSTRUMENTS

RECOGNITION

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

HELD-TO-MATURITY FINANCIAL ASSETS

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Commission has the positive intention and ability to hold to maturity.

FINANCIAL LIABILITIES

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

IMPAIRMENT

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

V) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements incorporated into the financial report are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Commission.

W) 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.

2. REVENUE

		2006 $	2005 $
Grant revenue from	- NT	3,295,000	2,575,000
	- Commonwealth	3,752,087	3,951,436
Rendering of services revenue			
	- Client contributions	66,540	72,226
	- Recovered costs	335,273	267,342
Other revenue	- Interest	196,432	166,641
	- Others	20,157	17,275
		7,665,489	7,049,920

	2006 $	2005 $
3. EXPENSES		
Depreciation expense	**95,700**	62,967
Salaries and employee benefits expense	**3,222,582**	3,178,423
Administration costs	**940,372**	993,849
Legal costs	**2,445,341**	2,423,655
Other expenses		
- Minor assets	**131,803**	8,070
- Operating lease expenditure	**433,223**	374,747
	7,269,021	7,041,711
4. CASH AND CASH EQUIVALENTS		
Cash on hand	**850**	850
Cash at bank	**2,022,584**	2,056,335
Advance account	**10,000**	10,000
	2,033,434	2,067,185
5. TRADE RECEIVABLES		
Current		
Trade debtors	**5,226**	10,285
Less Provision for Doubtful Debts	**-**	-
	5,226	10,285
Recoveries Receivable	**57,227**	42,555
Less Provision for Doubtful Debts	**(55)**	(2,335)
	57,172	40,220
Interest Receivable	**11,066**	8,523
GST Receivable	**53,871**	83,181
	127,335	142,209
6. INVESTMENTS		
Current		
Westpac Banking Corporation Bills – at cost	**1,434,862**	1,430,313

	2006 $	2005 $
7. OTHER RECEIVABLES		
Prepayments		
- Insurances	**138,736**	139,832
- Rent	**-**	25,011
- Software Licence	**848**	4,371
- Salaries	**-**	4,558
- Other	**15,348**	9,388
Accrued revenue	**8,046**	6,753
	162,978	189,913
8. PROPERTY, PLANT AND EQUIPMENT		
Freehold land at fair value	**280,000**	280,000
	280,000	280,000
Buildings – at fair value	**254,171**	175,982
Less: Accumulated depreciation	**(21,696)**	(3,293)
	232,475	172,689
Leasehold improvements – at cost	**136,393**	198,675
Less: Accumulated depreciation	**(34,147)**	(179,594)
	102,246	19,081
Plant and equipment – at cost	**965,079**	598,743
Less: Accumulated depreciation	**(482,129)**	(466,102)
	482,950	132,641
Total property, plant and equipment – net book value		
Cost	**1,101,472**	797,418
Fair value	**534,171**	455,982
	1,635,643	1,253,400
Less: Accumulated depreciation	**(537,972)**	(648,989)
	1,097,671	**604,411**

8. PROPERTY, PLANT AND EQUIPMENT

	2006 $	2005 $
(a) Reconciliations		
Reconciliations of the carrying amounts of each class of property, plant and equipment are set out below:		
Freehold Land		
Carrying amount at beginning of year	**280,000**	140,000
Net amount of revaluation increments	**0**	140,000
Additions	**0**	0
Disposals	**0**	0
Carrying amount at end of year	**280,000**	280,000
Buildings		
Carrying amount at beginning of year	**172,689**	36,391
Net amount of revaluation increments	**0**	139,591
Additions	**84,171**	0
Disposals	**(3,970)**	0
Depreciation	**(20,415)**	(3,293)
Carrying amount at end of year	**232,475**	172,689
Leasehold Improvements		
Carrying amount at beginning of year	**19,081**	27,263
Additions	**105,968**	0
Disposals	**(3,115)**	0
Depreciation	**(19,688)**	(8,182)
Carrying amount at end of year	**102,246**	19,081
Plant and Equipment		
Carrying amount at beginning of year	**132,638**	141,815
Additions	**408,672**	40,820
Disposals	**(2,764)**	0
Depreciation	**(55,596)**	(49,997)
Carrying amount at end of year	**482,950**	132,638

(b) Valuations

The fair values of freehold land and buildings have been determined by reference to direct valuations, based upon independent valuations previously obtained from the Australian Valuation Office dated 23 May 2005. Such valuations are performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

9. TRADE AND OTHER PAYABLES

	2006 $	2005 $
Current		
Accounts payable and accrued expenses	**318,691**	155,845
Total Payables	**318,691**	155,845

10. PROVISIONS

Current		
Employee benefits		
- annual leave	**249,892**	276,568
- long service leave	**190,962**	188,988
- leave loading	**33,840**	31,388
	474,694	496,944
Fringe Benefits Tax	**16,914**	18,189
Grants in aid	**70,650**	174,903
	562,258	690,036
Non-Current		
Employee benefits - long service leave	**100,886**	110,173

11. 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 2006 total superannuation expended amounted to $268,196 (2005 - $270,830).

From 10 August 1999, new employees are unable to join the above funds and must nominate their own fund into which contributions will be paid.

12. 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 2006 the trust account had a balance of Nil. (2005 - $17,000).

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.

	2006 $	2005 $
13. CASH FLOW STATEMENT		
Reconciliation of net cash used in operating activities to operating profit		
Operating profit	**396,468**	8,209
Depreciation	**95,700**	62,967
Loss on disposal of fixed assets	**9,850**	0
Increase/(Decrease) in provisions	**(137,065)**	166,971
Increase/(Decrease) in creditors	**162,846**	(148,580)
Decrease/(Increase) in receivables	**14,874**	21,929
Decrease/(Increase) in prepayments (non-capital)	**26,935**	(99,792)
Net cash flows from operating activities	**569,608**	11,704

14. EXPENDITURE COMMITMENTS		
Building lease expenditure commitments		
Operating leases (non-cancellable)		
- not later than one year	**407,452**	407,452
- later than one year but not later than five years	**1,178,356**	1,585,808
Grants In Aid	**646,448**	729,603
Aggregate lease expenditure and Grants in Aid contracted for at balance date but not provided for	**2,232,256**	2,722,863

15. OTHER NON-CURRENT ASSETS

Contingency Legal Aid Fund

Under Section 44 of the *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 to the Commission.

As at the 30 June 2006 the financial position of the fund which is managed by the Commission was as follows:

	2006 **$**	**2005** **$**
Opening balance	**635,640**	632,084
Add: Adjustment for cancelled cheque issued in previous financial year	**-**	3,233
Income:		
Interest earned	**28,847**	29,284
Client contributions	**1,320**	1,320
Cost recovered	**193,963**	27,494
Contingency fees	**70,394**	2,695
	294,524	60,793
Expenditure:		
Disbursements	**116,908**	60,386
Bank charges	**56**	84
Return of Application Fee	**0**	0
	116,964	60,470
Cash balance at year end	**813,200**	635,640
Less - Clients/grants approved but not paid at year end	**(147,513)**	(195,664)
Net funds available	**665,687**	439,976

16. RESERVES

	2006 $	2005 $
NT Expensive Civil Cases Reserve	**350,000**	350,000
Information Technology Development and Replacement Reserve	**400,000**	400,000
NT Expensive Criminal Cases Reserve	**1,652,720**	1,652,720
Premises Replacement & Maintenance Reserve	**200,000**	200,000
Asset Revaluation	**281,086**	281,086
	2,883,806	2,883,806
Movements in reserves:		
(a) NT Expensive Civil Cases Reserve (funded)		
Balance at beginning of year	**350,000**	850,000
Redistribution to NT Expensive Criminal Cases Reserve	**0**	(500,000)
Redistribution from Employee Entitlements reserve	**0**	0
Balance at end of year	**350,000**	350,000
(b) Information Technology Development and Replacement Reserve (funded)		
Balance at beginning of year	**400,000**	400,000
Transfer from accumulated funds	**0**	0
Balance at end of year	**400,000**	400,000
(c) NT Expensive Criminal Cases Reserve (funded)		
Balance at beginning of year	**1,652,720**	1,500,000
Redistribution from NT Expensive Civil Cases Reserve	**0**	500,000
Redistribution from Premises Replacement and Maintenance Reserve	**0**	350,000
Transfer to accumulated funds	**0**	(697,280)
Balance at end of year	**1,652,720**	1,652,720
(d) Premises Replacement & Maintenance Reserve (funded)		
Balance at the beginning of the year	**200,000**	550,000
Redistribution to NT Expensive Criminal Cases Reserve	**0**	(350,000)
Transfer from accumulated funds	**0**	0
Balance at the end of the year	**200,000**	200,000
(e) Asset Revaluation		
Balance at the beginning of the year	**281,086**	0
Revaluation increments on revaluation of:		
- land	**0**	140,000
- buildings	**0**	141,086
Balance at the end of the year	**281,086**	281,086

17. RETAINED EARNINGS

	2006 $	2005 $
Balance at beginning of year	**794,171**	88,682
Net Profit	**396,468**	8,209
Transfer from Reserves	**0**	697,280
Balance at end of year	**1,190,639**	794,171

18. FINANCIAL INSTRUMENTS

a) Terms, conditions and accounting policies

The commission's accounting policies, including the terms and conditions of each class of financial asset and financial liability, 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	5	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	6	Commercial Bills are carried at nominal amounts.	This amount is invested with Westpac Banking Corporation at a rate between 5.51% - 5.56%pa.
Advances	4	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 4.52% - 5.51%pa.
Advance to Contingency legal aid fund		Long Term Loan.	Due and payable on demand to the Commission.
(ii) Financial liabilities			
Accounts Payable and accruals	9	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Commission.	Trade liabilities are normally settled on 30 day terms.

18. FINANCIAL INSTRUMENTS (CONT)

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 Instrument	Floating Interest		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005
	$,000	$,000	**$,000**	$,000	**$,000**	$,000	**%**	%
Financial assets								
Cash	**2,033**	2,067	**-**	-	**2,033**	2,067	**4.91**	4.43
Receivables - trade (net)	**-**	-	**127**	142	**127**	142	**-**	-
Westpac Banking Corporation Bills	**1,435**	1,430	**-**	-	**1,435**	1,430	**5.54**	5.33
Prepayments	**-**	-	**163**	190	**163**	190	**-**	-
Advance to Contingency Fund	**-**	-	**200**	200	**200**	200	-	-
Total financial assets	**3,468**	3,497	**490**	532	**3,958**	4,029	-	-
Financial liabilities								
Accounts payable and accruals	**-**	-	**319**	156	319	156	-	-
Total financial liabilities	**-**	-	**319**	156	**319**	156	-	-

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 the Commission that have been recognised on the balance sheet is the carrying amount net of any provision for doubtful debts. The Commission 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.

18. FINANCIAL INSTRUMENTS (CONT)

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	
	2006	2005	**2006**	2005
	$,000	$,000	**$,000**	$,000
Financial assets				
Cash	**2,033**	2,067	**2,033**	2,067
Receivables - trade (net)	**127**	142	**127**	142
Westpac Banking Corporation Bills	**1,435**	1,430	**1,435**	1,430
Prepayments	**163**	190	**163**	190
Advance to Contingency Fund	**200**	200	**200**	200
Total financial assets	**3,958**	4,029	**3,958**	4,029
Financial liabilities				
Accounts payable and accruals	319	156	319	156
Total financial liabilities	**319**	156	**319**	156

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

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.

19. 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.

20. CONTINGENT ASSETS/LIABILITIES

There were no known contingent assets or contingent liabilities of a significant nature at 30 June 2006 (2005 – NIL).

21. ADDITIONAL DISCLOSURES

(I) COMMISSIONERS

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

- S Cox QC
- D Farquhar
- Dr V Asche (Completed appointment 31/7/05)
- J Large
- E Terrill
- S Oliver (Completed appointment 31/7/05)
- K Halliday
- P Vaughan
- H Richardson

(II) TRANSACTIONS WITH COMMISSIONERS

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

22. REMUNERATION OF COMMISSIONERS

The following sitting fees were paid in August 2006 in respect of the year ended 30 June 2006;

- D Farquhar $312
- Dr. V Asche $72
- J Large $312
- E Terrill $272

23. AUDITOR'S REMUNERATION

Financial Statement audit services are provided without charge through the Office of the Auditor-General. However, there is a charge to the Commission in relation to the audit of the acquittal required as part of the new Commonwealth funding agreement. The 2005/06 charge is estimated at $4,500 with the 2004/05 actual cost being $8,312 (GST inclusive).

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
KATHERINE		
20 Second Street KATHERINE NT 0850	PO Box 145 KATHERINE NT 0851	**Ph (08) 8973 8704** Fax (08) 8973 8551
TENNANT CREEK		
61 Patterson Street TENNANT CREEK NT 0860	PO Box 794 TENNANT CREEK NT 0861	**Ph (08) 8962 1985** Fax (08) 8962 1945
ALICE SPRINGS		
77 Hartley Street ALICE SPRINGS NT 0870	PO Box 969 ALICE SPRINGS NT 0871	**Ph (08) 8951 5377** Fax (08) 8951 5378

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

EMAIL ADDRESS:
info@ntlac.nt.gov.au

Northern Territory Legal Aid Commission